



United Nations
Economic Commission for Africa

Prepared by the
Sub-Regional Office for Eastern Africa

Economic Effects of the COVID-19 on Intergovernmental Authority on Development (IGAD)

April 2020



OUTLINE

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04 **REGIONAL INTEGRATION** IGAD IN THE AFRICA REGIONAL INTEGRATION INDEX

05 **CONCLUSIONS AND POLICY SUGGESTIONS**

Evolving Growth Forecasts

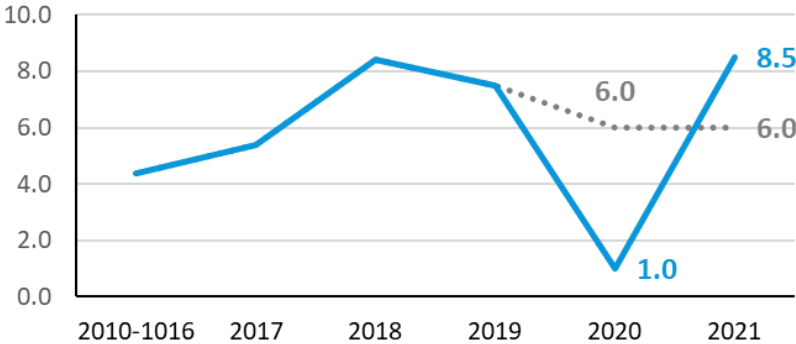
- COVID-19 crisis is expected to cause a significant **slowdown in overall economic growth**
- However, a **possible recovery** is expected as early as 2021

Drastic slowdowns in GDP growth rates are now anticipated in all IGAD countries

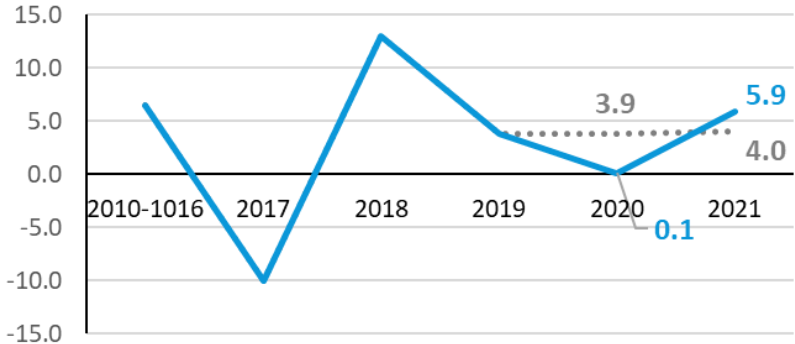
Real GDP Growth 2010 – 2021^f

In percentage: Pre-COVID Forecast (dotted line) New Forecast (solid blue line)

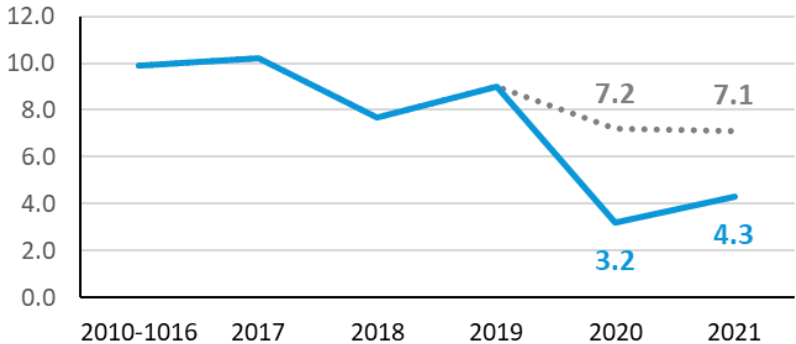
Djibouti



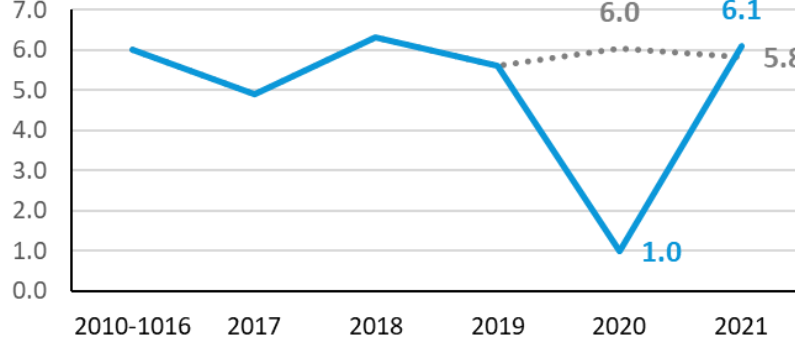
Eritrea



Ethiopia



Kenya



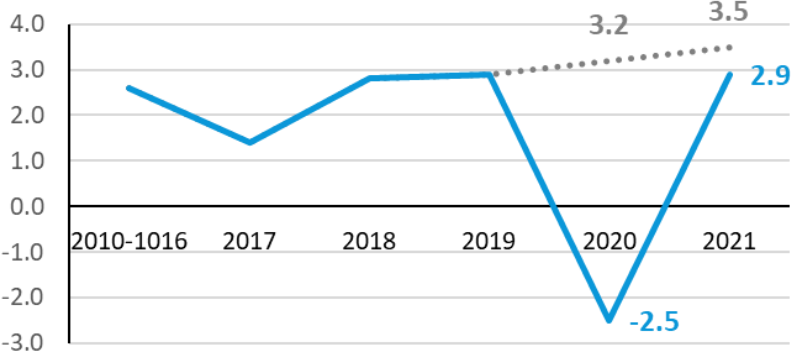
Source: IMF

However most economies are expected to return to a positive trajectory from 2021

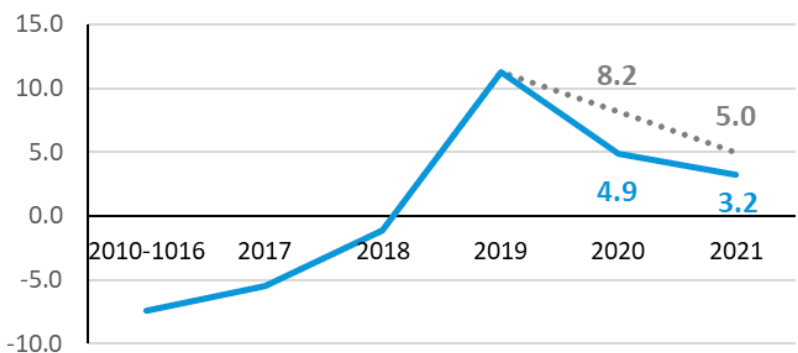
Real GDP Growth 2010 – 2021^f

In percentage: Pre-COVID Forecast New Forecast

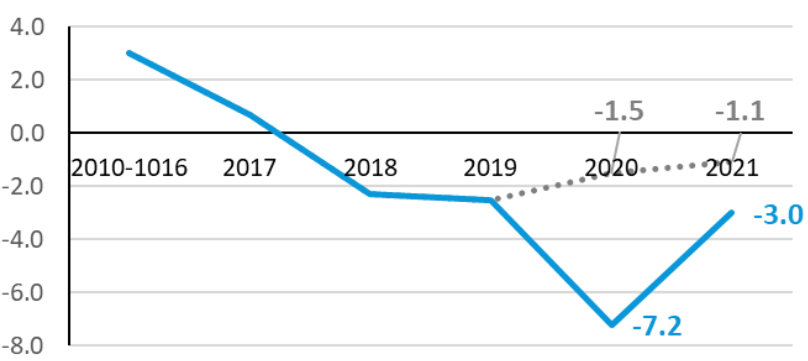
Somalia



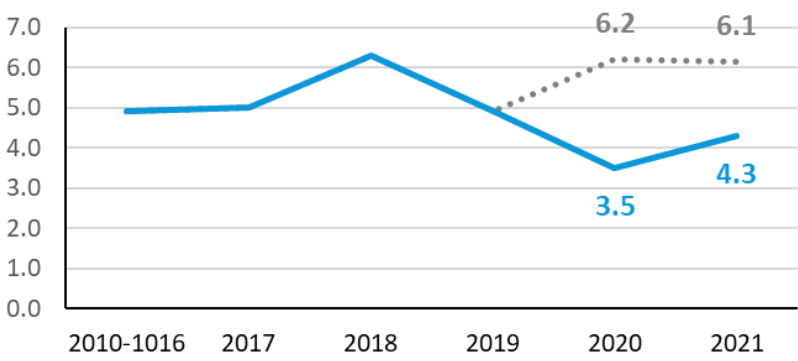
South Sudan



Sudan



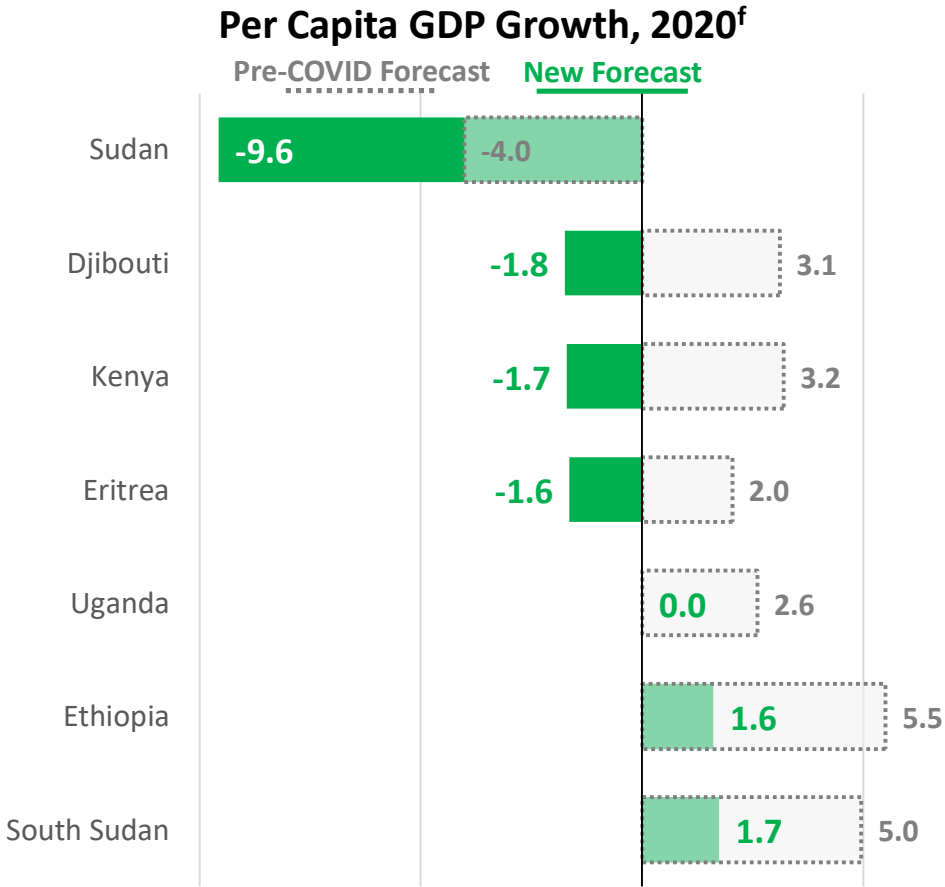
Uganda



Source: IMF

A similar pattern is expected at the per capita level, where GDP growth is expected to contract for half of IGAD this year

Real Per Capita GDP Growth *In percentage*



	Pre-COVID Forecasts		New Forecasts	
	2020	2021	2020	2021
South Sudan	5.0	1.9	1.7	0.1
Ethiopia	5.5	5.4	1.6	2.7
Uganda	2.6	3.0	0.0	1.2
Eritrea	2.0	2.3	-1.6	4.1
Kenya	3.2	3.0	-1.7	3.3
Djibouti	3.1	3.1	-1.8	5.5
Sudan	-4.0	-3.6	-9.6	-5.5

Source: IMF

Debt and Fiscal Sustainability Trends

- Fiscal and debt pressures are expected to heighten this year
- The COVID-19 crisis will impact both government revenues through tax/fees on **diminished economic activity** and expenditure through **increased health, economic and social** responses
- UNECA has contributed to the calls for **debt relief** to free up scarce resources for the fight against COVID-19 and its impacts

UNECA and others have called for some form of debt relief for African countries, where debt burdens hamper the fight against COVID-19

Government Debt to GDP

In percentage

	2017	2018	2019	2020 ^P	2021 ^P
Djibouti*	70.5	71.4	70.5	68.4	66.9
Eritrea	202.5	185.6	189.2	184.8	174.7
Ethiopia	57.7	61.1	57.6	56.9	57.6
Kenya	55.2	60.1	60.8	64.5	66.8
South Sudan	82.8	57.7	41.8	35.3	30.5
Sudan*	154.5	180.8	198.2	204.3	n/a
Uganda	33.7	35.6	40.0	46.3	50.7
<i>SSA Average</i>	<i>45.6</i>	<i>48.4</i>	<i>50.1</i>	<i>55.9</i>	<i>57.4</i>

*Note: Djibouti estimates from Article IV in October 2019 and Sudan estimates from Article IV Mission in December 2019

Source: IMF

Fiscal deficits are expected to widen for most governments

General Government Overall Fiscal Balance to GDP

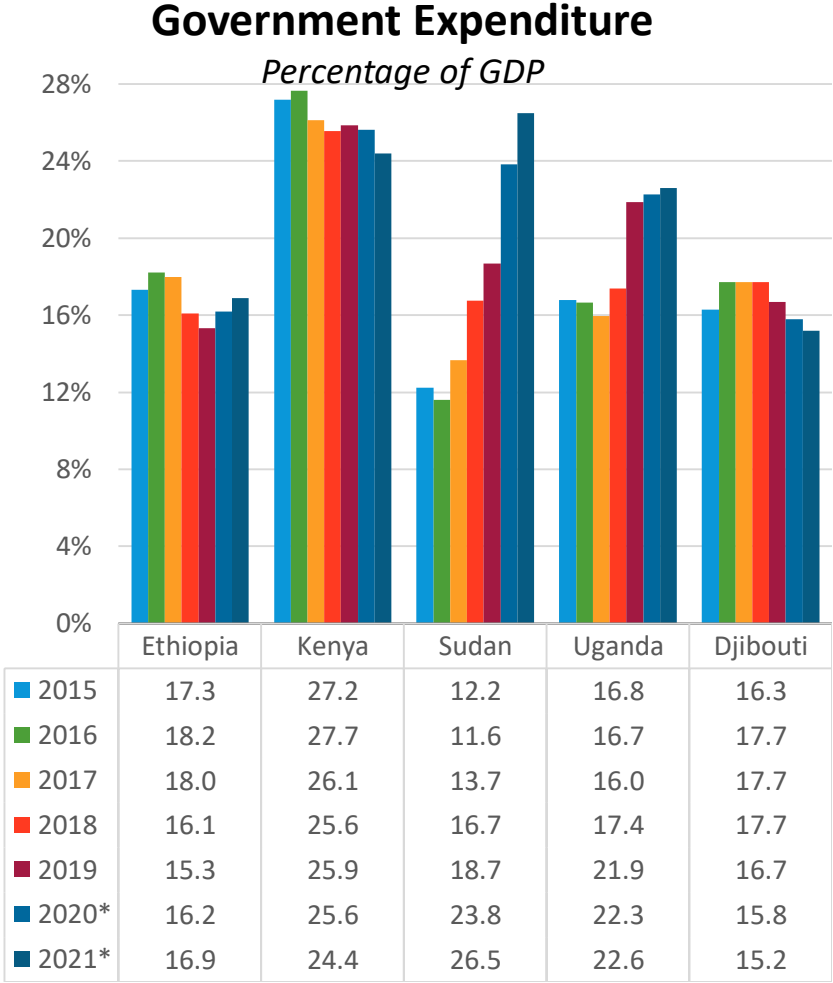
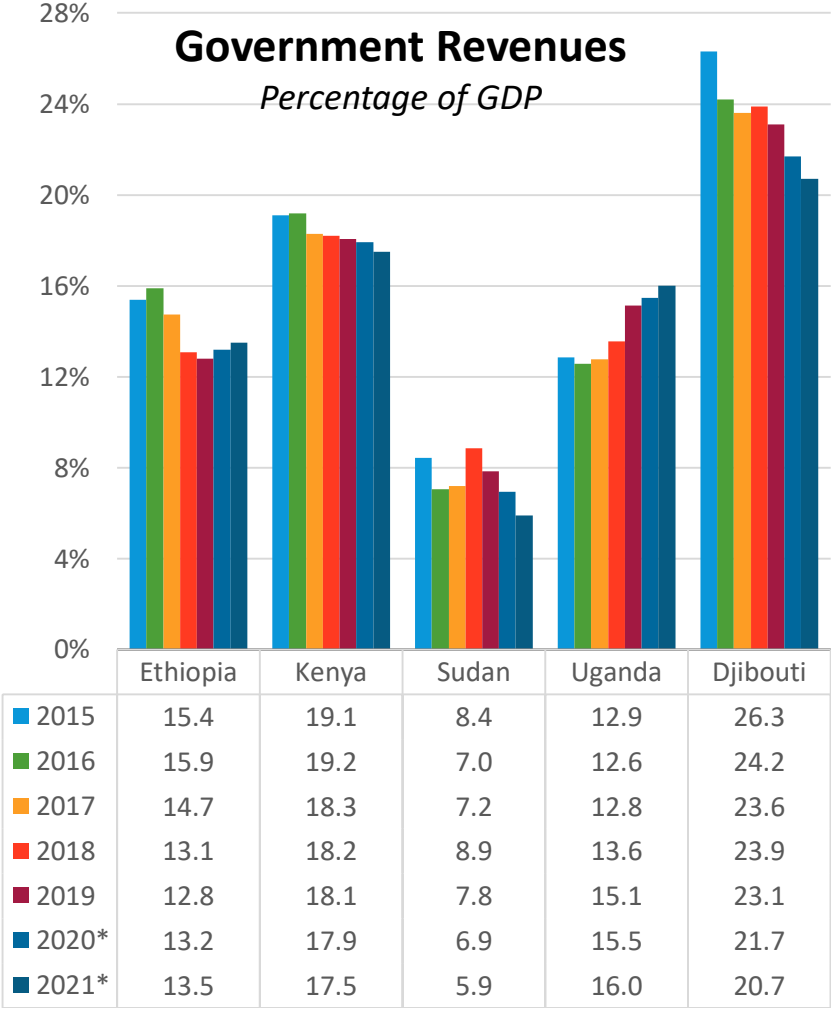
In percentage

	2017	2018	2019	2020 ^P	2021 ^P
Djibouti	-4.5	-2.8	-0.8	-2.7	-1.7
Eritrea	-6.0	4.2	-1.5	-5.0	-4.5
Ethiopia	-3.2	-3.0	-2.5	-3.0	-3.4
Kenya	-7.9	-7.4	-7.8	-7.7	-6.9
South Sudan	3.3	-0.6	-0.3	-2.7	-1.2
Sudan	-6.5	-7.9	-10.8	-16.9	-20.6
Uganda	-3.2	-3.8	-6.7	-6.8	-6.6
<i>SSA Average</i>	-4.5	-3.6	-4.3	-7.0	-6.0
<i>MENA Average</i>	-6.7	-6.9	-7.3	-8.5	-7.0

Note: Data not available for Somalia; MENA Average is for oil importers

Source: IMF WEO, REOs April 2020

While the revenue expectations are mixed, most governments will see increased expenditure-to-GDP this year – especially Sudan



*Note: 2020 and 2021 are projections

Source: IMF WEO, REOs April 2020; Djibouti estimates from most recent Article IV report

Price Trends

- Some basic foods are experiencing **higher prices ; their** prices have risen since mid-February across IGAD
- However it is **too early** to see full impact of changes in demand and trade on the overall price level

There have not been significant changes recorded in overall price levels since the beginning of the crisis...

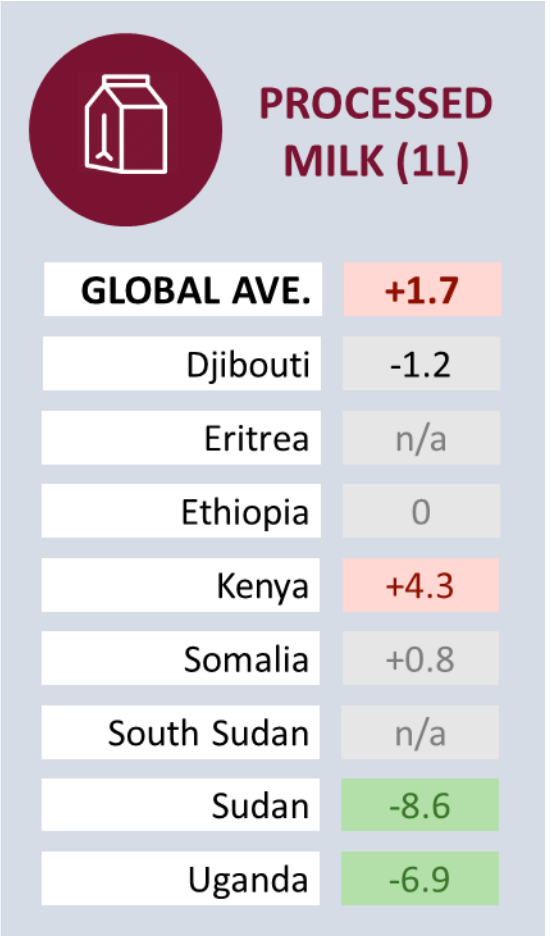
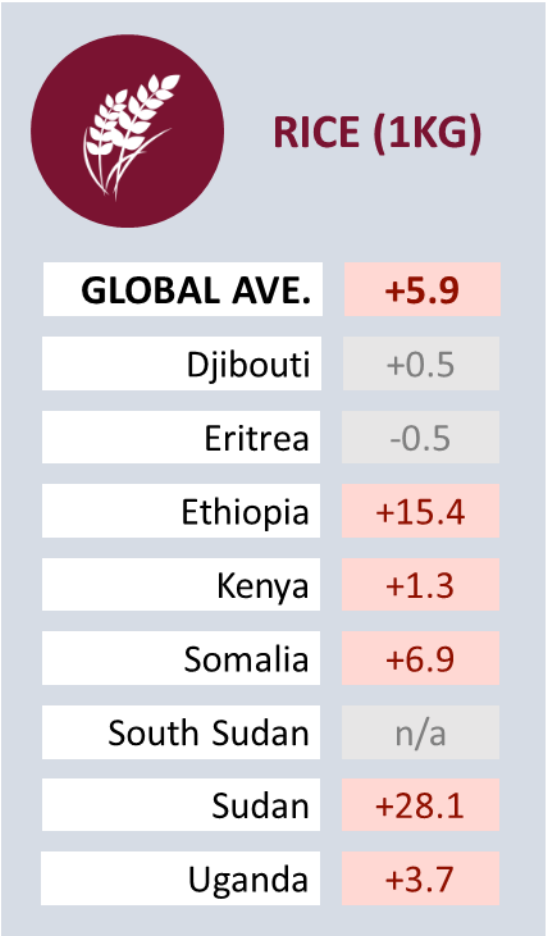
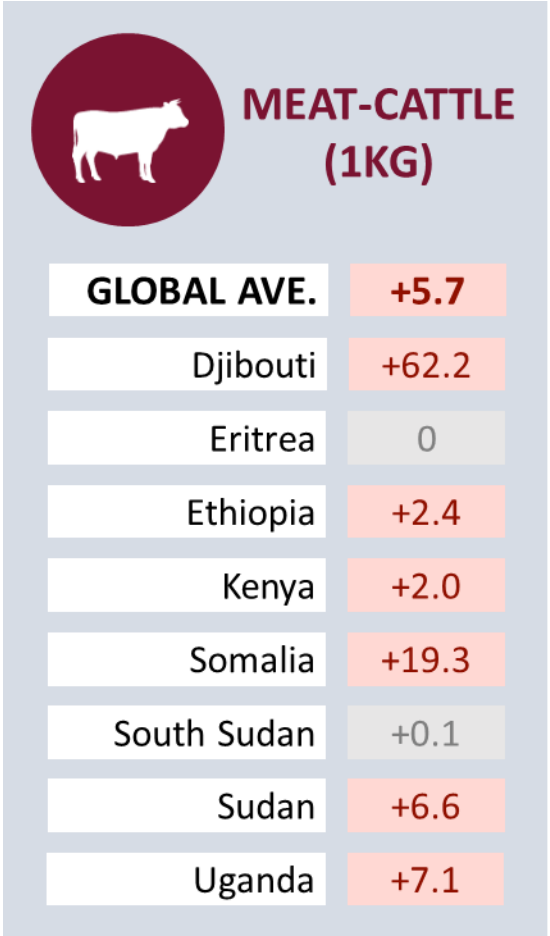
Month-on-Month Change in Prices (%)

	19-Sep	19-Oct	19-Nov	19-Dec	20-Jan	20-Feb	20-Mar
Kenya	0.2	0.3	0.5	0.6	0.5	0.7	0.2
Somalia	0.6	0.2	-0.1	-1.3	-1.3	0.9	..
South Sudan	14.2	3.5	0
Uganda	0.7	0.2	0.3	0.4	0.1	0.2	0.1

Source: Official national sources

...However, within the last two months, the local prices of some basic goods have increased in most IGAD countries

Change in Local Prices (%) from Feb 14 to April 22, 2020



Source: Numbeo via FAO

Tourism and Transport Trends

- COVID-19 crisis is expected to cause sharp declines (or full disruptions) in **trade** and **tourism**
- Promoting regional **trade** and **tourism** (in line with the IGAD Tourism Masterplan 2013-2023) could help to catalyze recovery of these industries

Travel and tourism contribute GDP (5%) and job creation efforts (5%) in several IGAD countries.

Recent Industry Trends

	Travel and Tourism Contribution to 2019 GDP <i>(Direct and Indirect)</i>	Travel and Tourism Contribution to 2019 Employment <i>(Direct and Indirect)</i>	Top 3 Regional Source Markets in 2017
Ethiopia	6.7%	7.0%	Africa (30%); Europe (30%) North America (19%)
Kenya	8.2%	8.5%	Europe (52%); Africa (20%); Americas (12%)
Sudan	6.1%	6.2%	Middle East (51%); Africa (16%); Europe (10%)
Uganda	5.6%	5.8%	Africa (80%); Europe (8%); North America (5%)

Some of the main tourist destinations rely heavily on **non-regional source markets**

COVID-19 crisis likely to have a **longer term impact on extra-regional travel** than on travel within the region

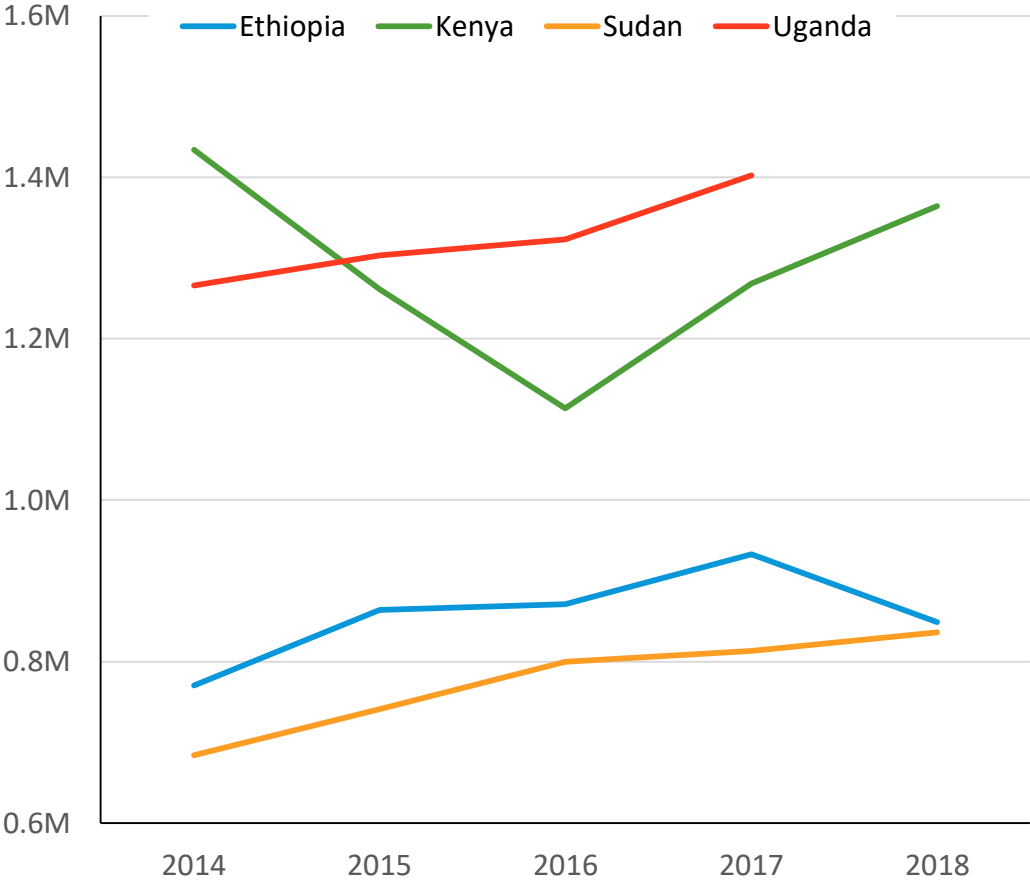
Intra-regional tourism will account for a greater share of activity in the industry, and governments should increase efforts on promotion

*Note: Tourist Expenditure comprises Travel and Transport

Source: WTTC, UNWTO

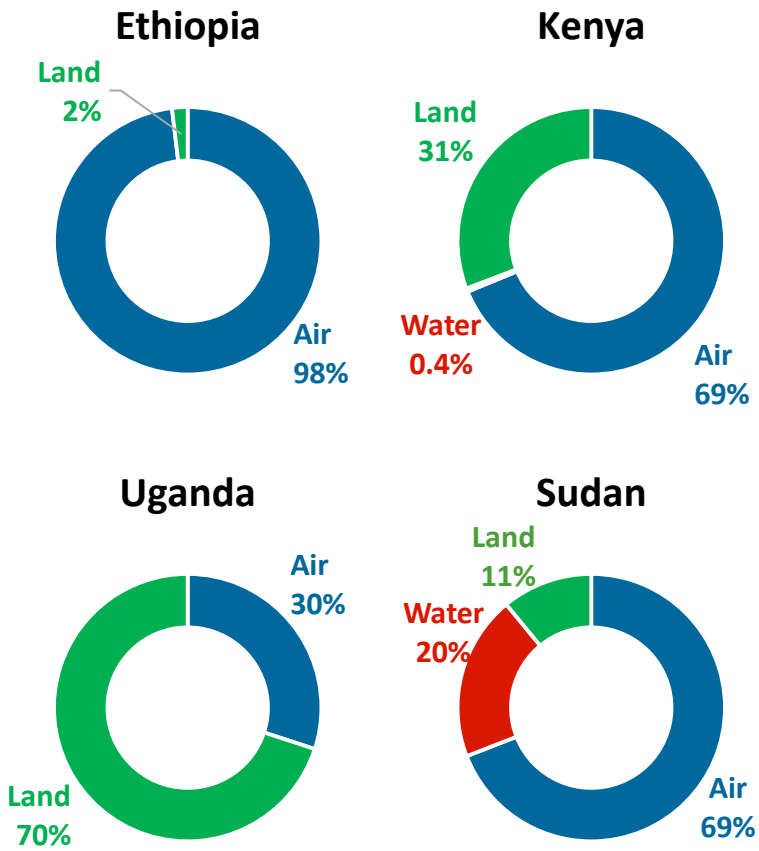
In 2018, overnight tourist arrivals rose in most of the main destination countries in IGAD

Tourist (Overnight) Arrivals



Mode of Arrival

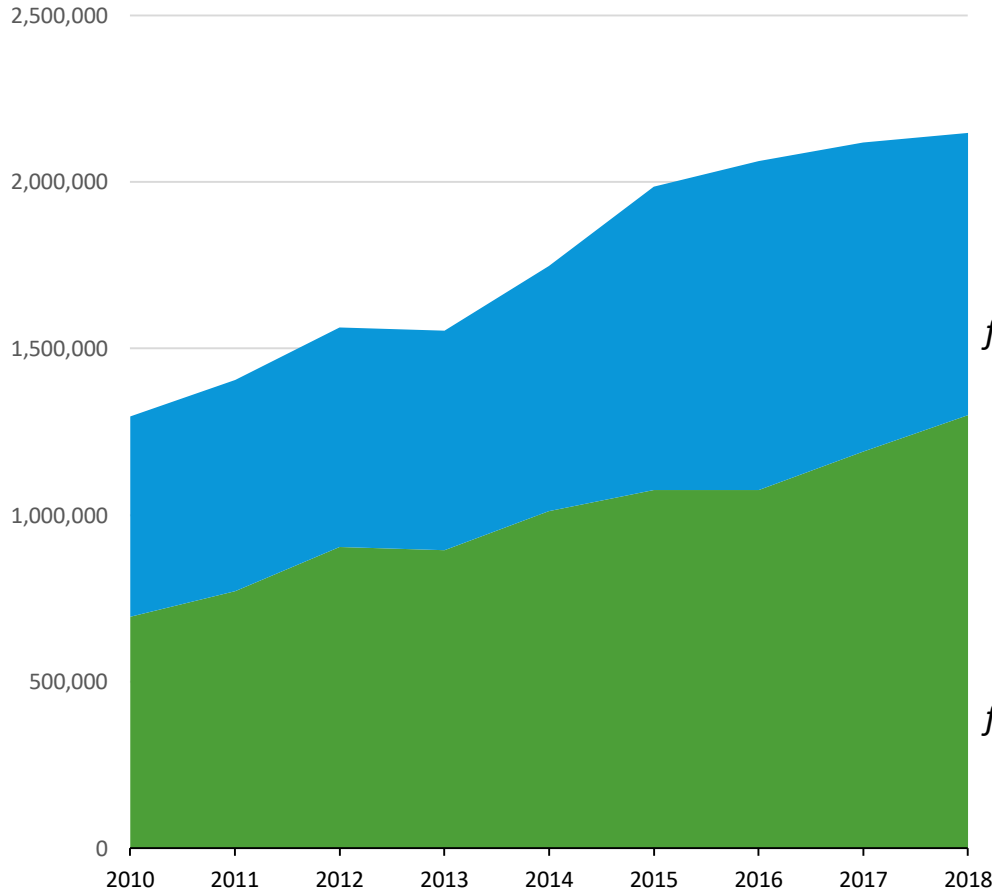
Most recent year available



Source: UNWTO

traffic through Djibouti and Mombasa ports have been in the rise however COVID could reverse the trend

Annual Container Throughput, TEUs



Djibouti

+41%

from 2010 to 2018

Kenya

+87%

from 2010 to 2018

Early COVID-19 Impact

- Port currently operational
- Accounts for over 90% of Ethiopia's imports. Traffic will depend on Ethiopian trade

- Port currently operational
- Several ship cancellations reported, particularly from East Asia and Europe
- Revenue shortfalls may impact loan servicing

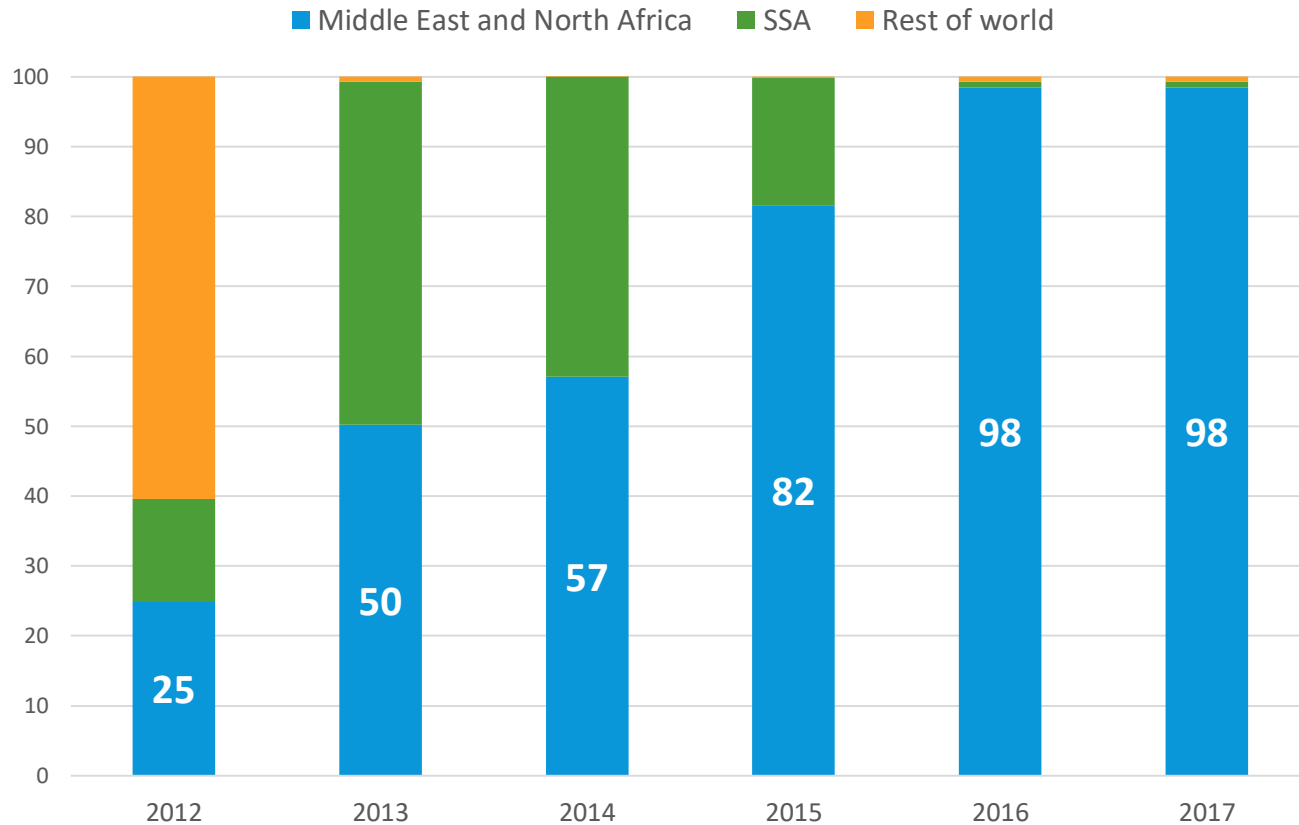
Source: UNCTAD, local/regional news sources

Trends In the livestock sector

- The **Middle East** has become the main market for the **livestock** sector of IGAD
- COVID-19 crisis will affect exports revenues of the sector if **trade routes** between IGAD and Middle East region get affected
- Missing Periods of **High demand** in livestock such as **Ramadan** and **EID-El-Adha** would affect the revenues the sector

Livestock is mainly exported to the Middle East region

IGAD Live Animal Exports by Destination, 2012 – 2017



Source: UNComtrade

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05

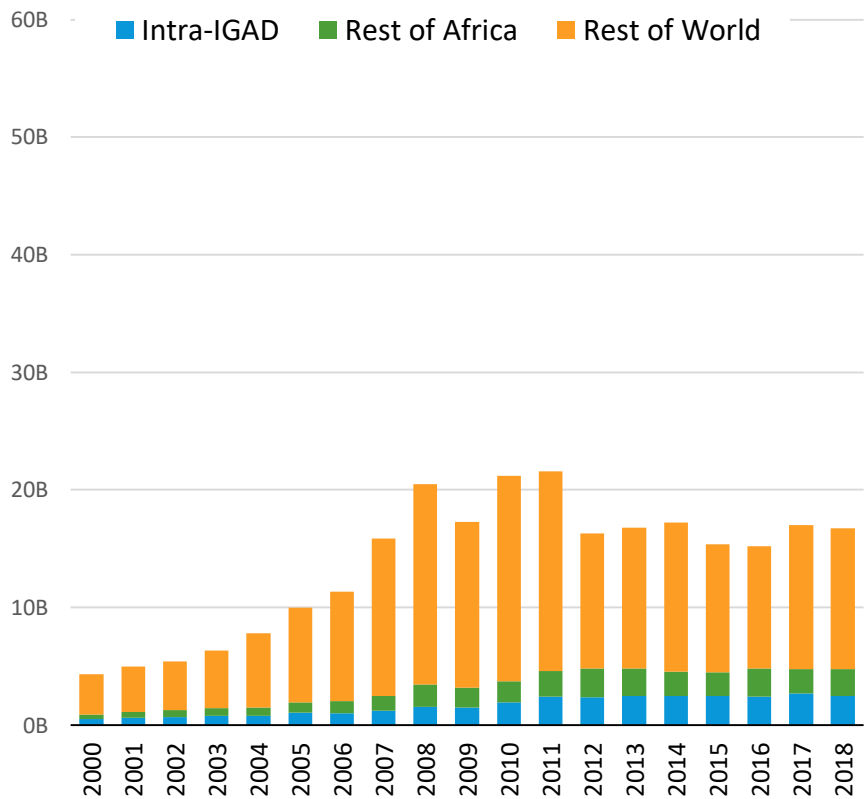
CONCLUSIONS AND POLICY SUGGESTIONS

Trade Trends

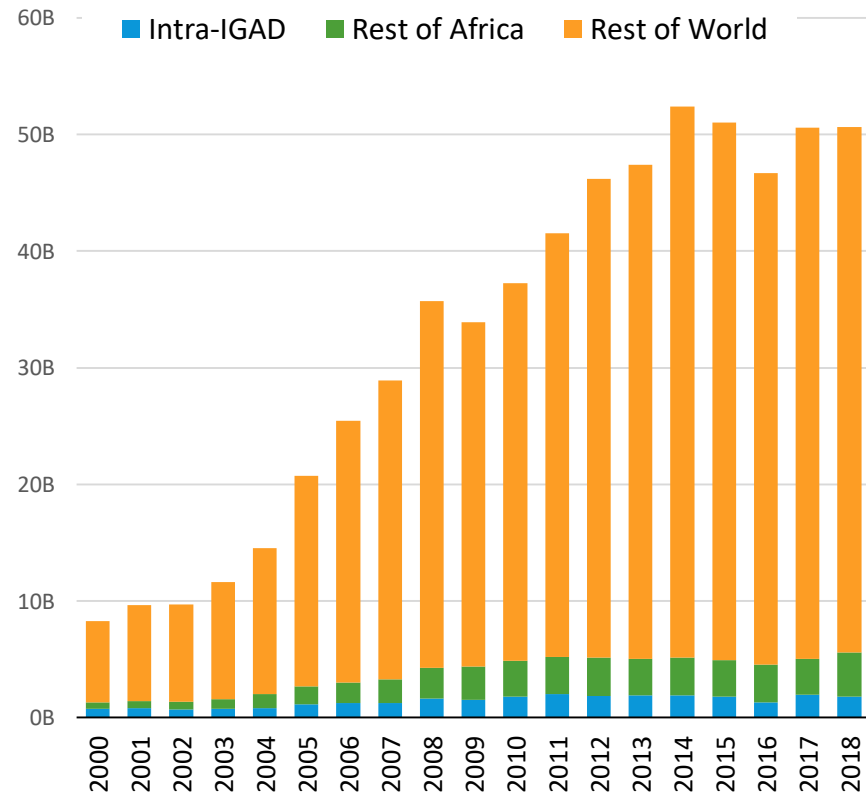
- Most countries operate under **trade deficits**
- Overall, the region is heavily involved in **food exports** (which may be impacted by depressed global demand) and dependent on **merchandise imports** (which may be impacted by supply chain disruptions)
- COVID-19 triggered global trade challenges may negatively impact IGAD **exchange rates** and domestic **inflation rates**

Intra-IGAD trade accounts for 15% of merchandise exports and 4% of merchandise imports in the bloc

IGAD Exports, by Destination (USD billions)



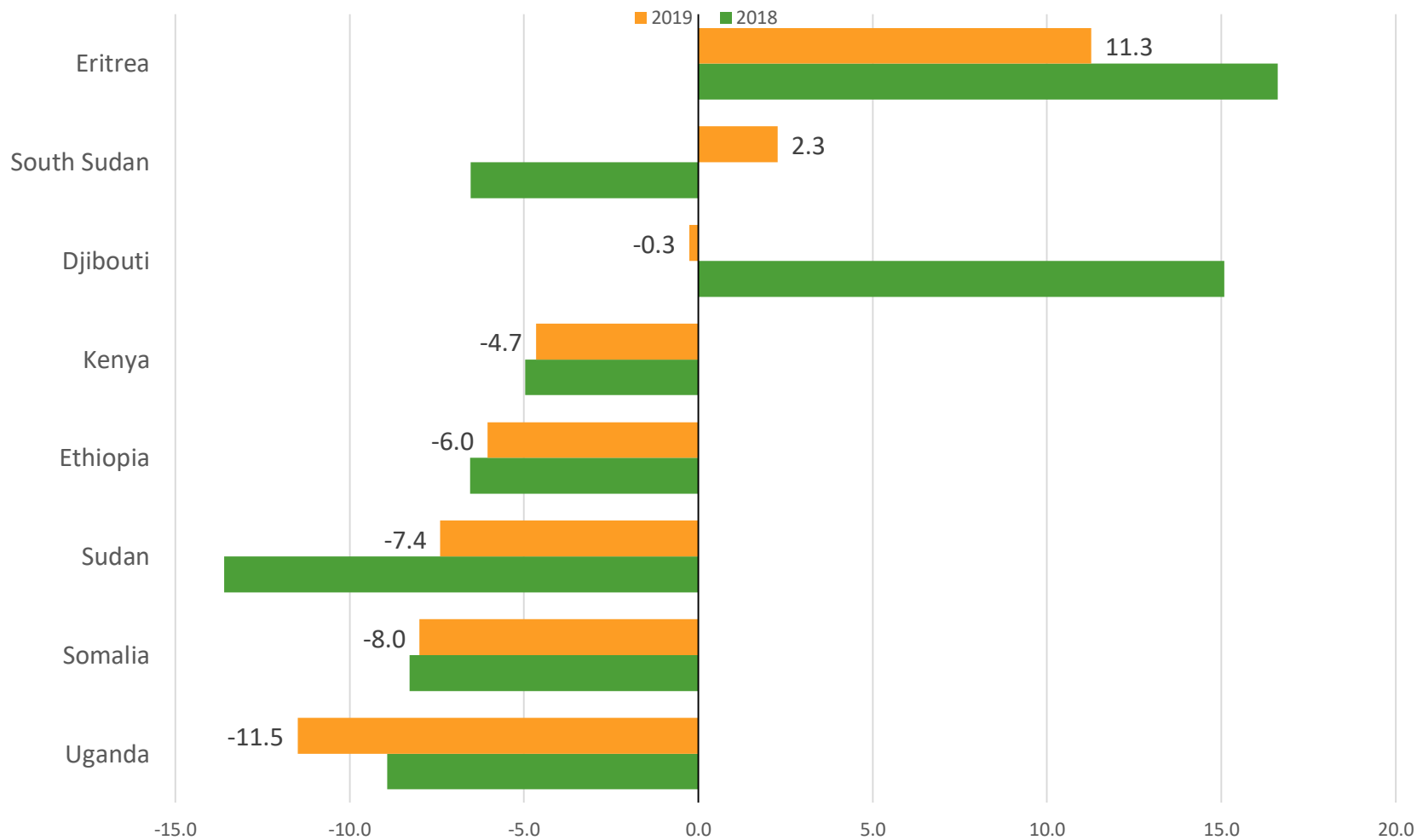
IGAD Imports, by Source (USD billions)



Source: UNCTAD

Most IGAD countries have recurring current account deficits

Current Account Balances (% of GDP), 2018-2019

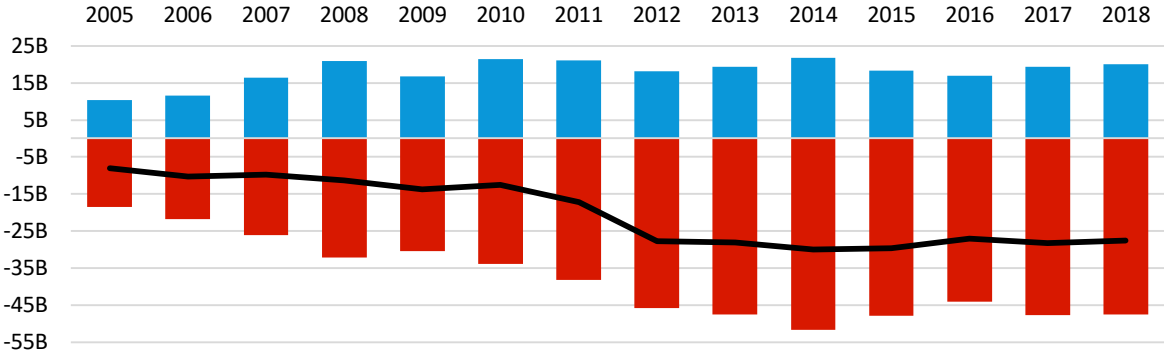


Source: IMF REOs

IGAD has a significantly wider trade deficit in Goods than in Services

IGAD Trade in Goods

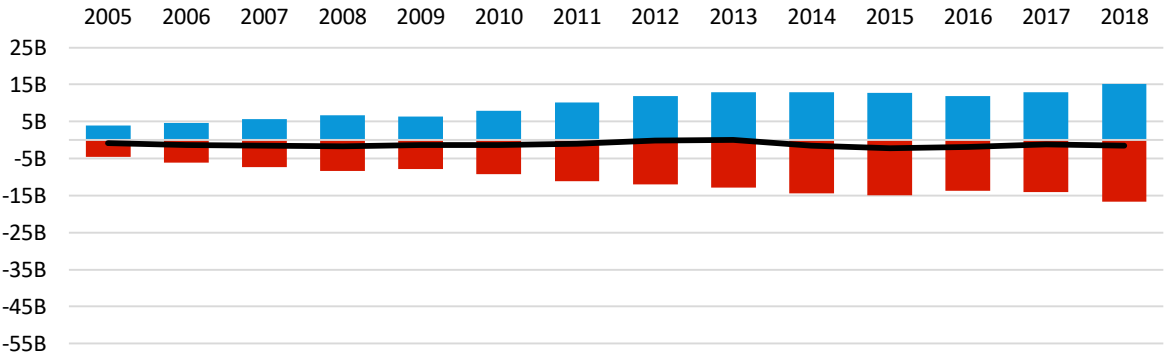
Exports Imports Balance



Oil exports have enabled **South Sudan's** positive merchandise trade balance – the only IGAD country to achieve this

IGAD Trade in Services

Exports Imports Balance



Djibouti, Kenya, and Sudan have sustained service trade surpluses in recent years

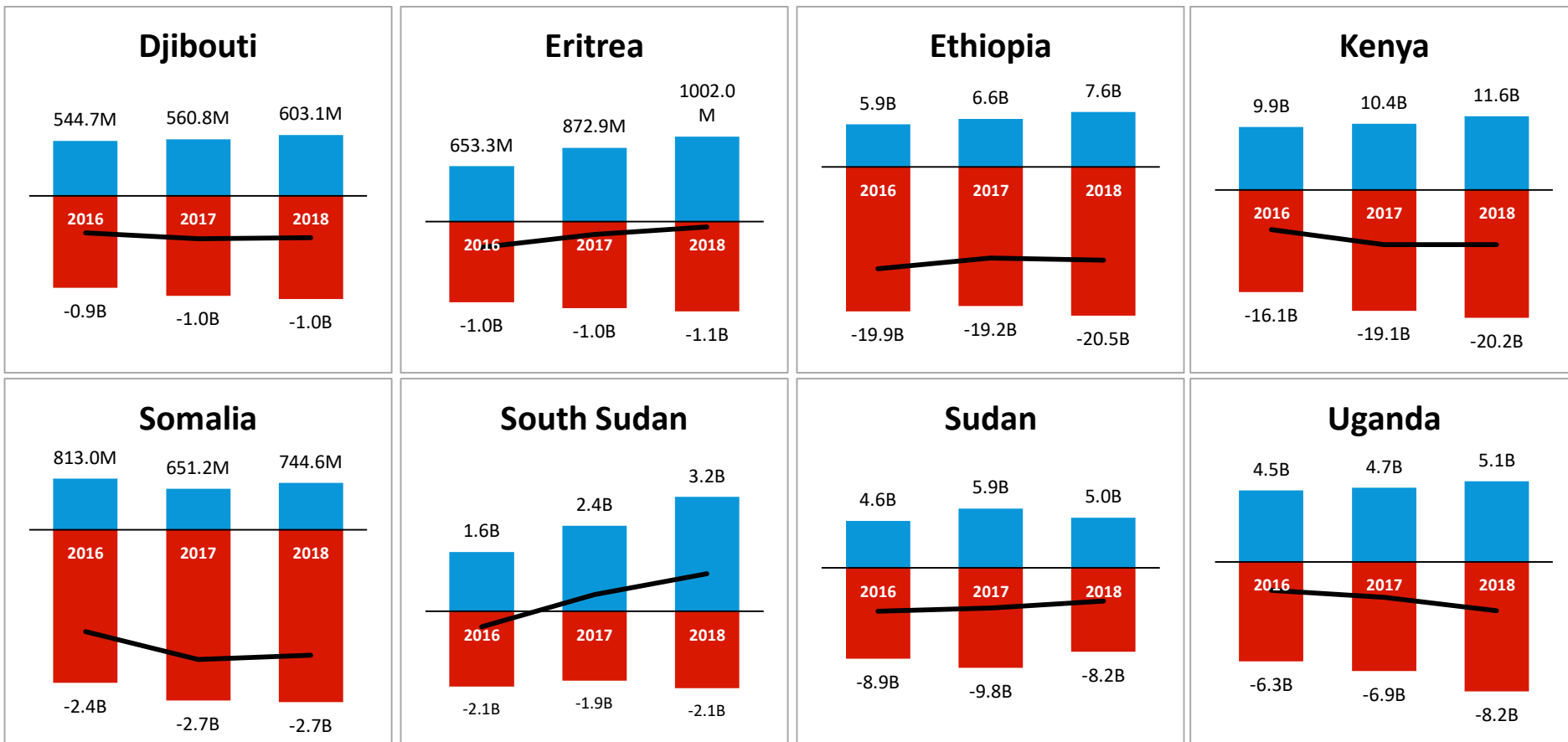
Note: Services data unavailable for Eritrea

Source: UNCTAD

Overall trade performance has been mixed across IGAD states

Goods and Services Trade, 2016 – 2018

Exports Imports Balance

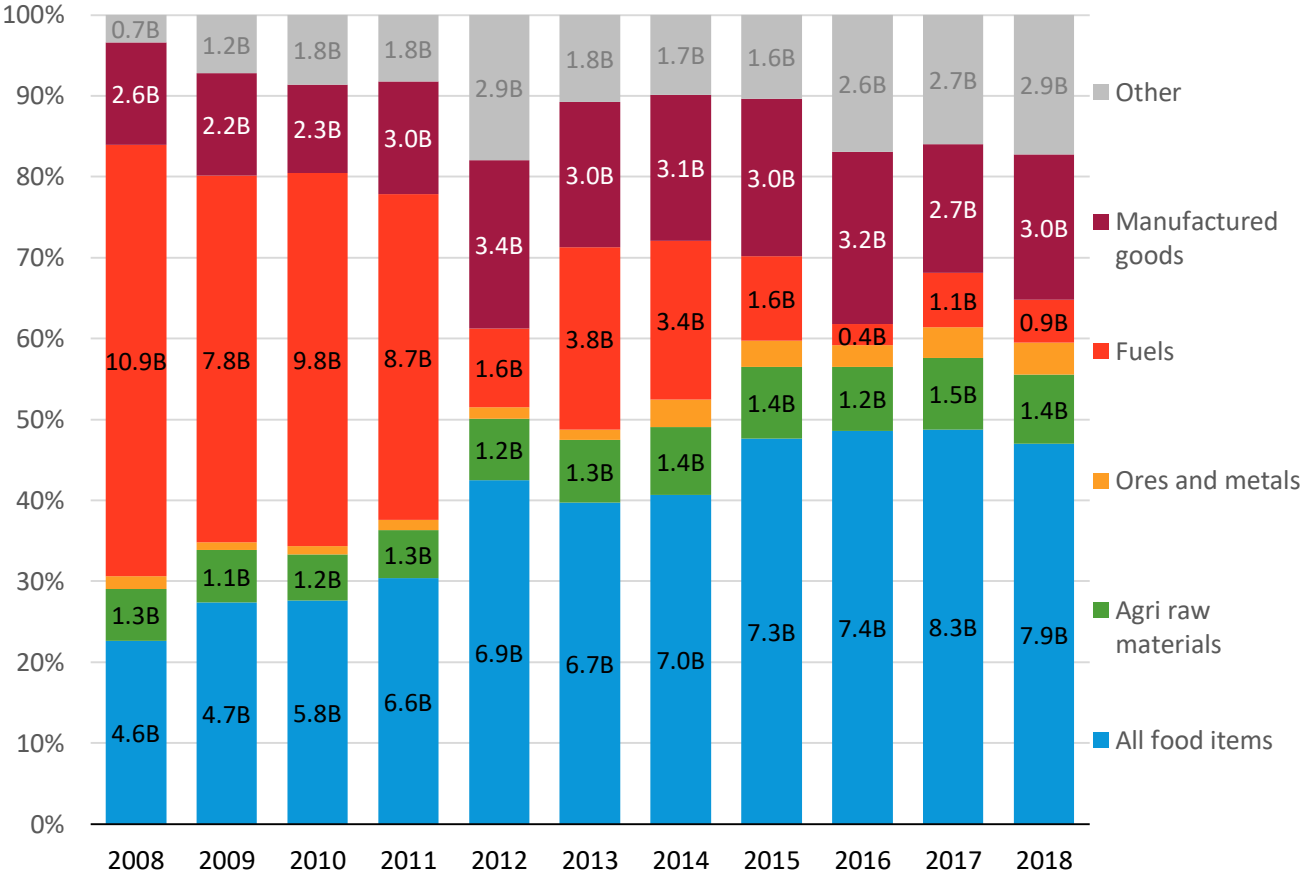


Note: Services data unavailable for Eritrea

Source: UNCTAD

Many IGAD countries primarily export food products, and are susceptible to global demand

Composition of Merch. Exports, 2008 - 2018



Lower oil production in South Sudan explains the declining share of **fuel** in IGAD exports

Food items and agricultural raw materials accounted for **56%** of IGAD exports in 2018

Source: UNCTAD

Despite some diversification in destination, exports may fall as national lockdowns continue in major trading partners

Destination Markets for Exports from main IGAD Economies, 2019

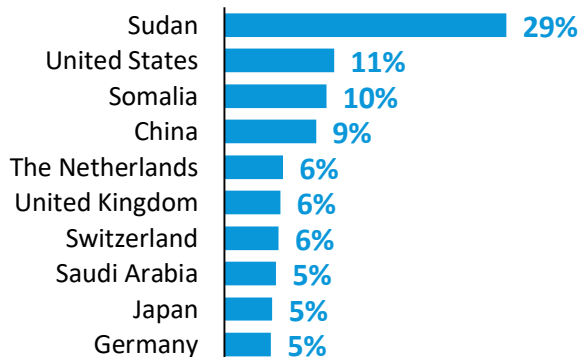
Export partners are relatively diverse in the main IGAD economies

However, national lockdowns may reduce demand in most countries

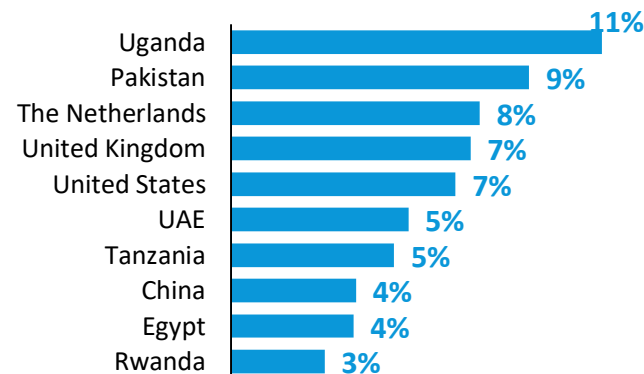


IGAD exports to these countries may slow down leading to increased currency pressures

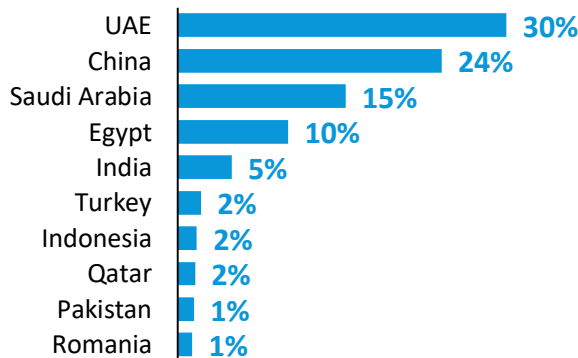
Ethiopia Share of Exports to:



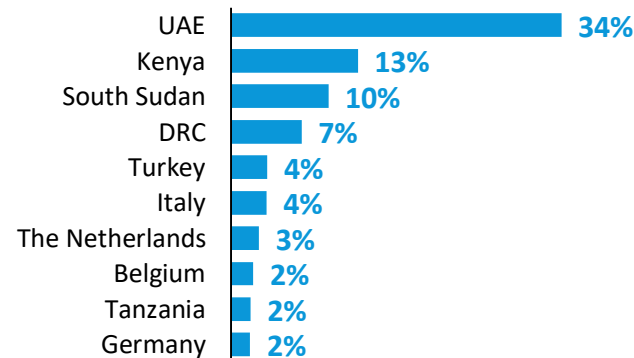
Kenya Share of Exports to:



Sudan Share of Exports to:



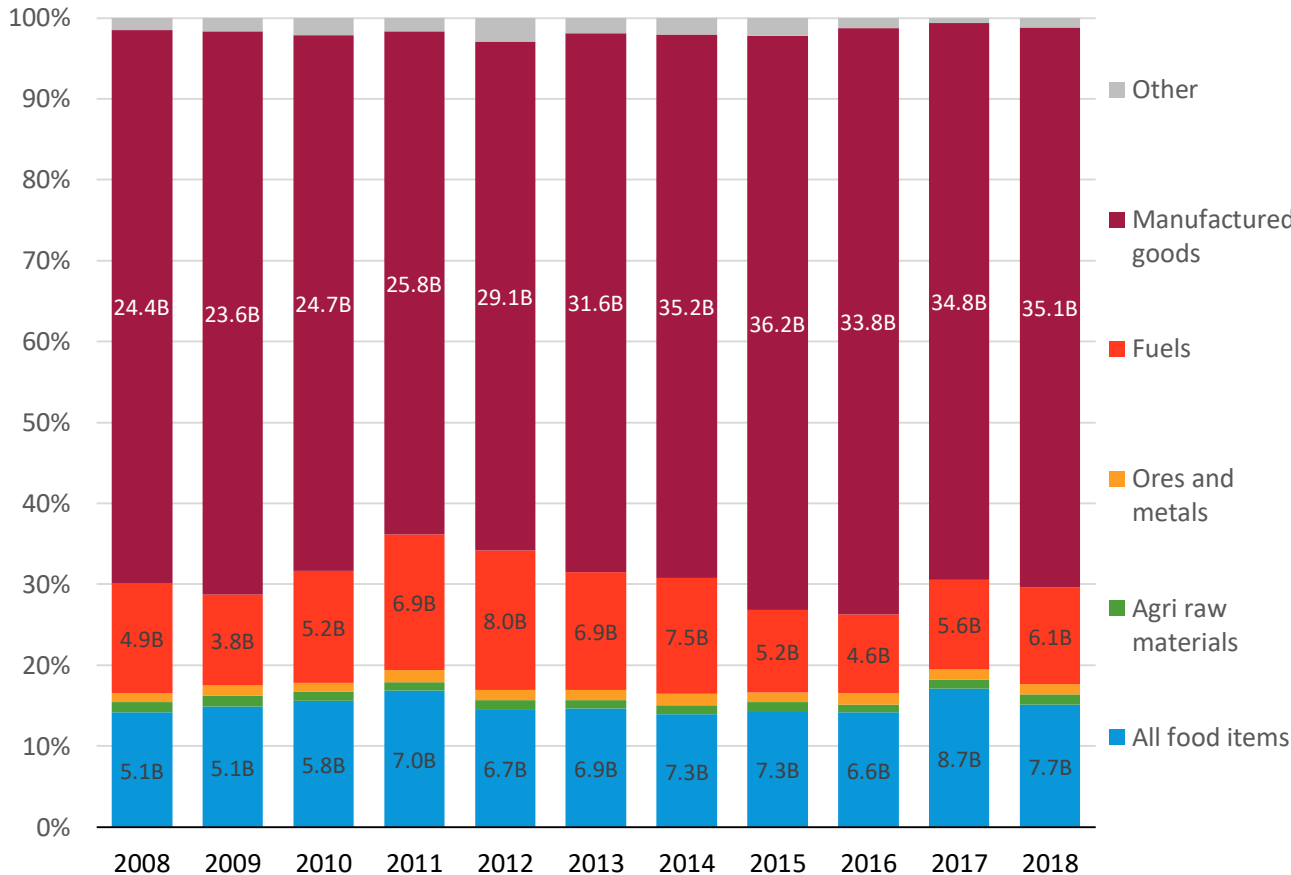
Uganda Share of Exports to:



Source: IMF DOTS

IGAD imports mainly manufactured goods, which will get more expensive as COVID-19 disrupts global supply chains

Composition of Merch. Imports, 2008 - 2018



Manufactured goods accounted for **almost 70% of IGAD imports** in 2018

Global supply chain pressures could cause the price of manufactured goods to rise – leading to **imported inflation**

Source: UNCTAD

IGAD heavily relies on imports from countries that are currently on national lockdowns due to COVID-19

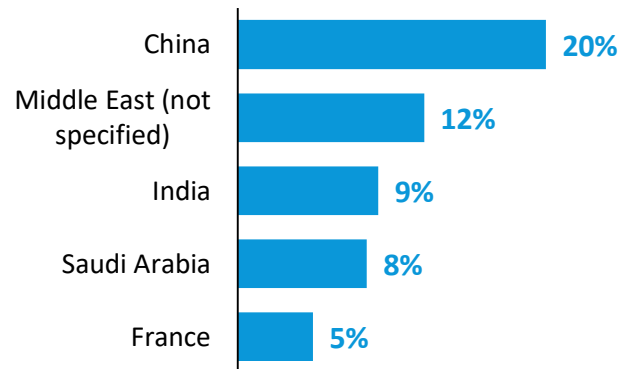
China and the Middle East are the main source markets for IGAD imports
National lockdowns may **disrupt supply** from these countries



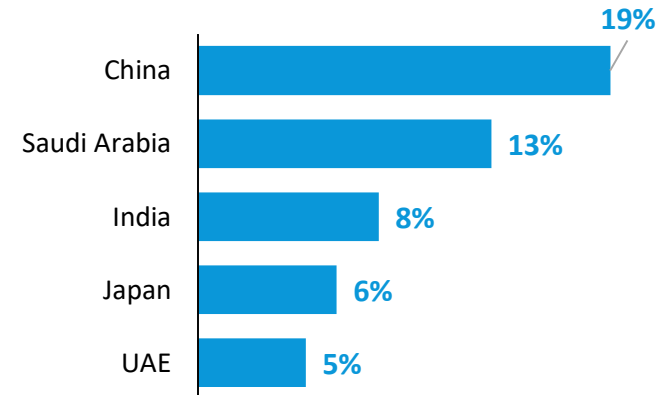
IGAD imports from these countries may see increased prices, leading to **increased inflation**

Source Markets for Imports into main IGAD Economies, 2019

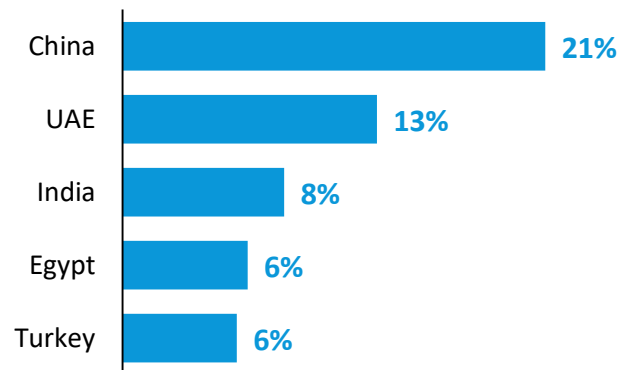
Ethiopia Share of Imports from:



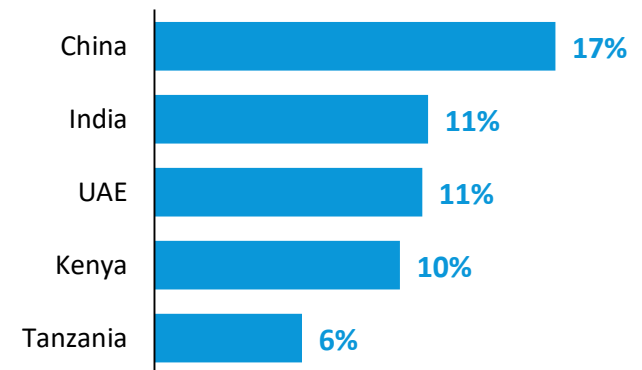
Kenya Share of Imports from:



Sudan Share of Imports from:



Uganda Share of Imports from:

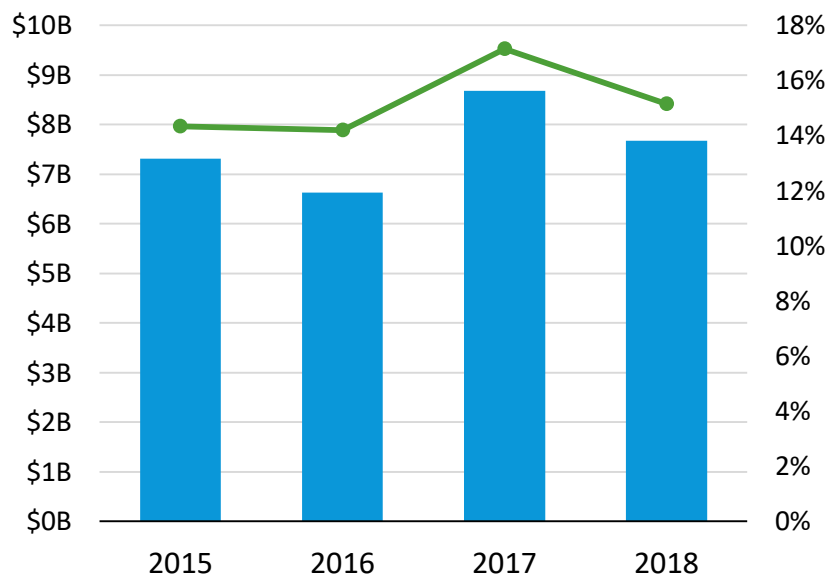


Source: IMF DOTS

On average in 2018, Food and pharmaceuticals accounted for 15% and 4% of total merchandise imports in IGAD, with huge country disparities

IGAD Food Imports

US\$ Billions (left); Share of Product Imports (right)

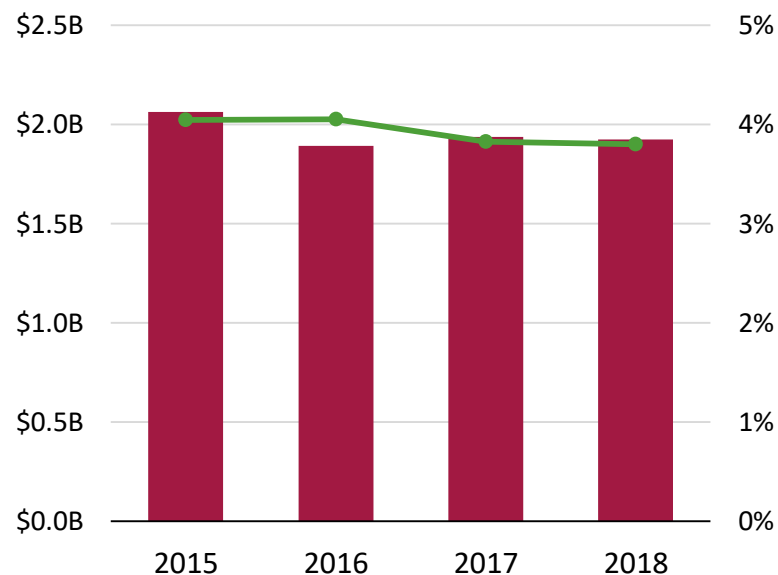


At the country level, the highest food bill share of imports in 2018 was in **Somalia (48%)** and **Eritrea (35%)**

It was lowest in Ethiopia (9%) and Uganda (11%)

IGAD Pharmaceuticals Imports

US\$ Billions (left); Share of Product Imports (right)



At the country level, the highest pharmaceuticals share of imports in 2018 was in **Uganda (6%)** and **Sudan (5%)**

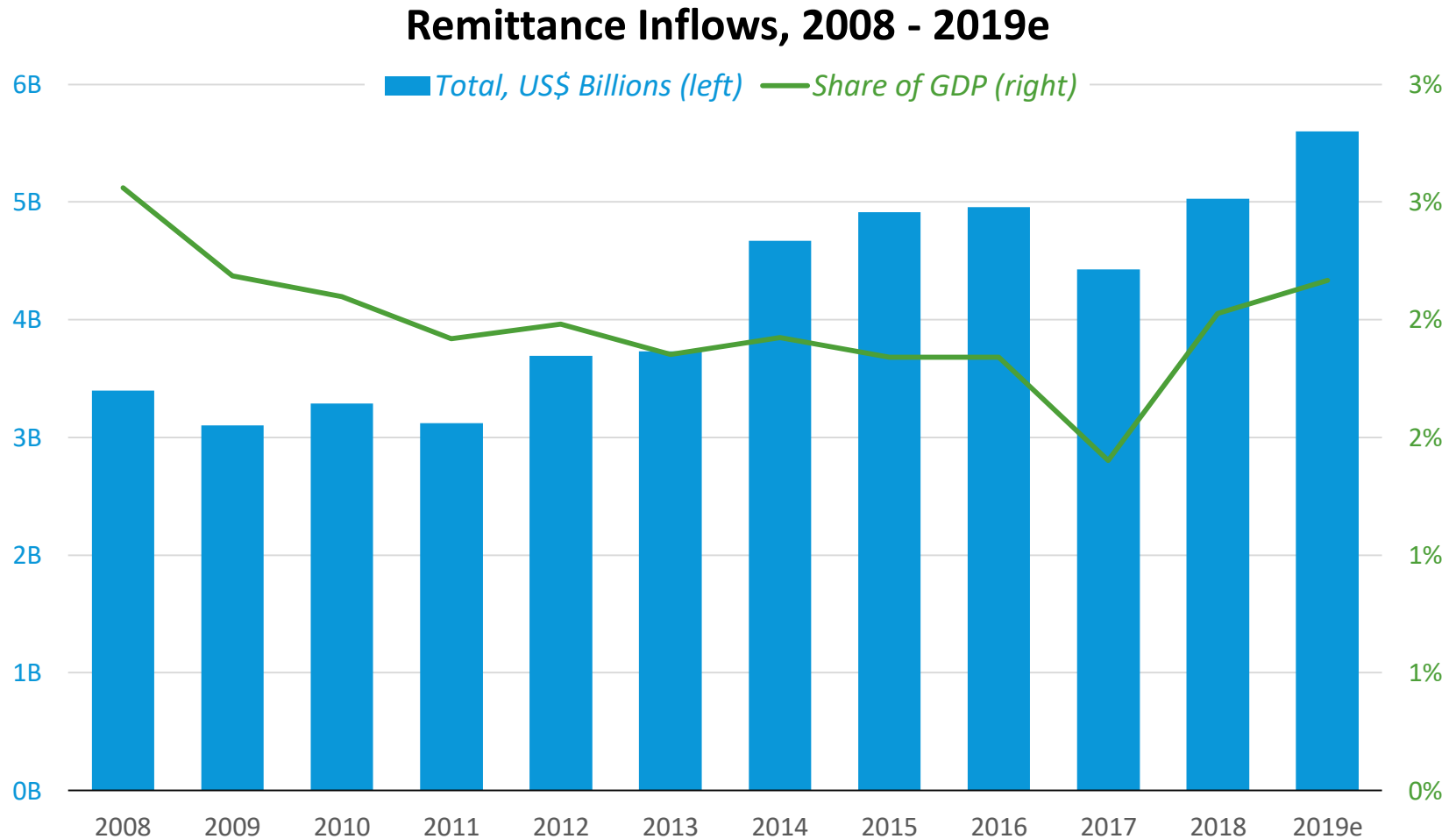
It was lowest in Djibouti and Eritrea (1%)

Source: UNCTAD

Remittance Trends

- Aggregate remittances into IGAD has increased in recent years
- However, COVID-19 could, in the short term, **reduce the flow of remittances** in the region and affect both living standards and available foreign currencies

In recent years, aggregate personal remittances repatriated to IGAD has risen in absolute and as a share of total GDP

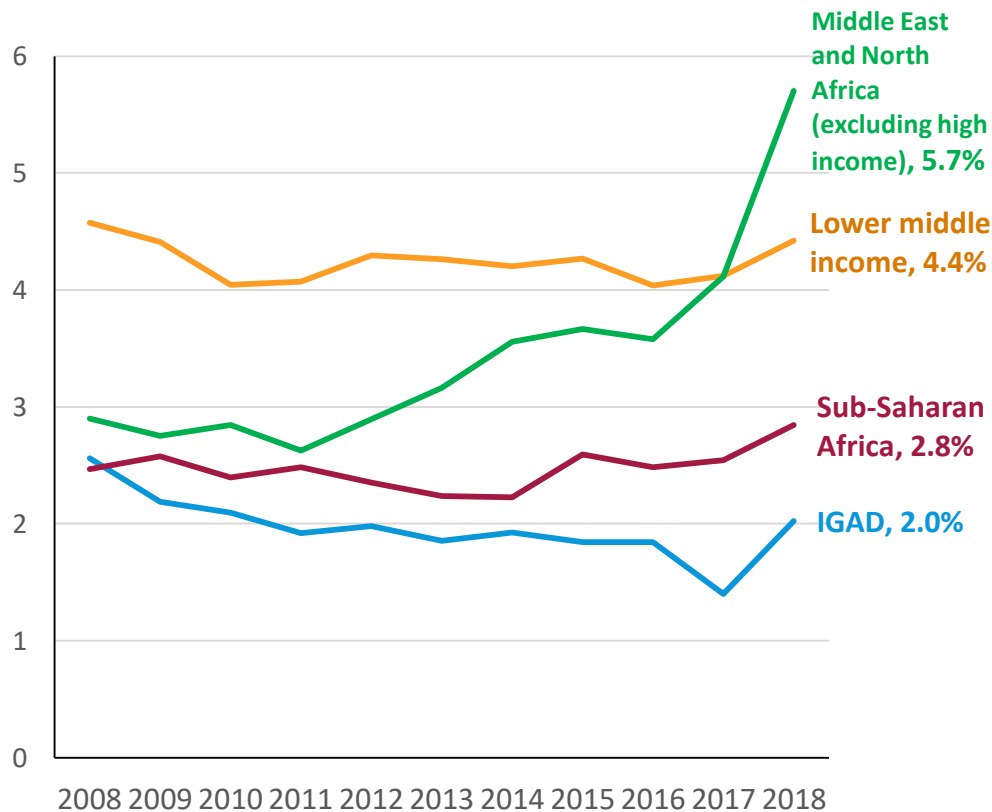


Notes: (1) Data unavailable for Eritrea and Somalia; (2) Share of GDP is across all IGAD, except for 2019e which is a weighted average

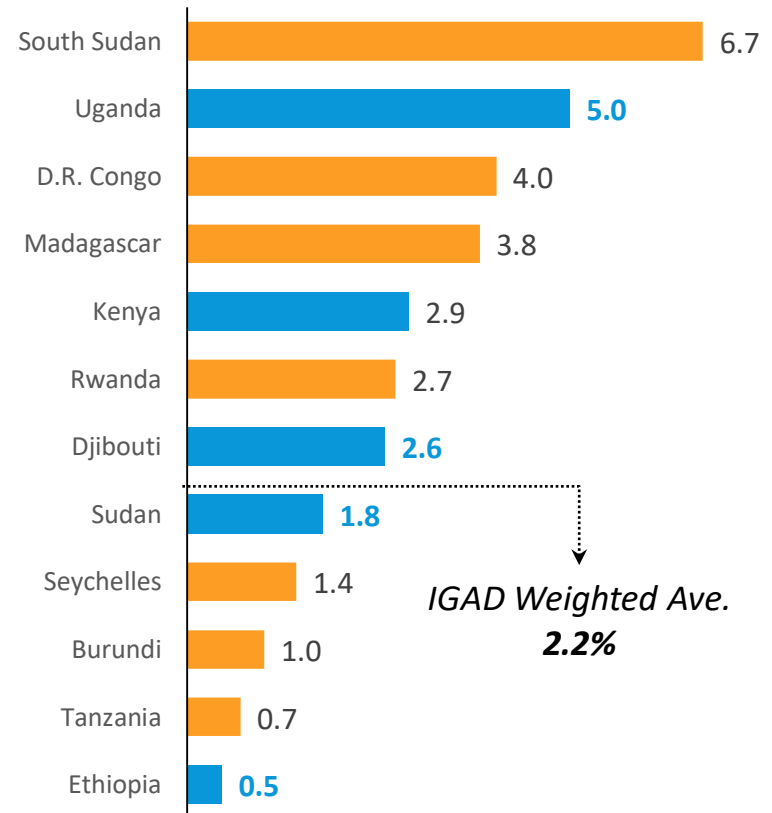
Source: World Bank Migration and Remittances Data

On Average, remittances account for 2.2% of GDP in IGAD , however important disparities exist across countries

Personal Remittances Received, 2000-2018
Share of GDP (%)



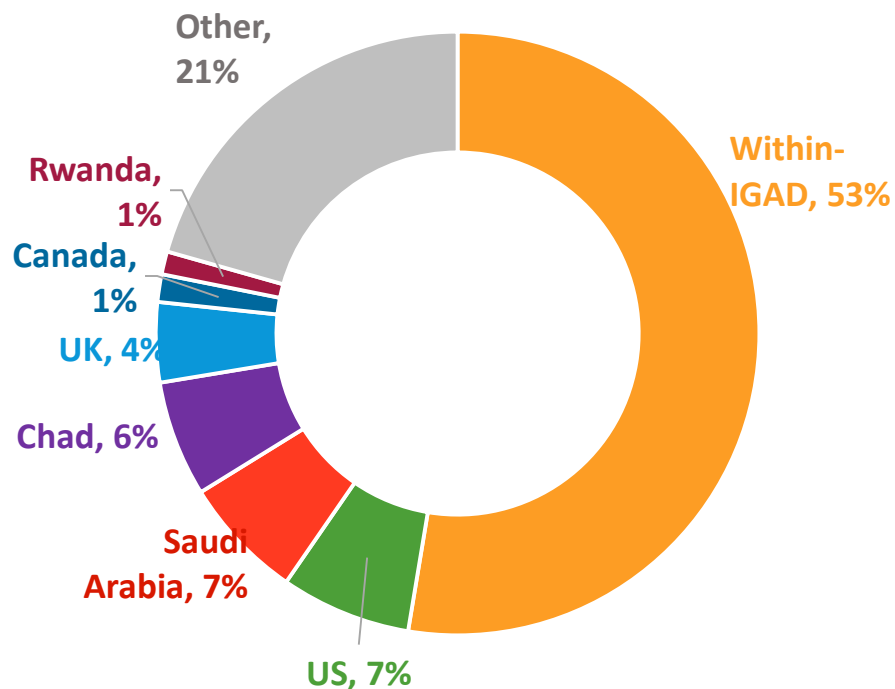
Personal Remittances Received in 2019
Share of GDP (%)



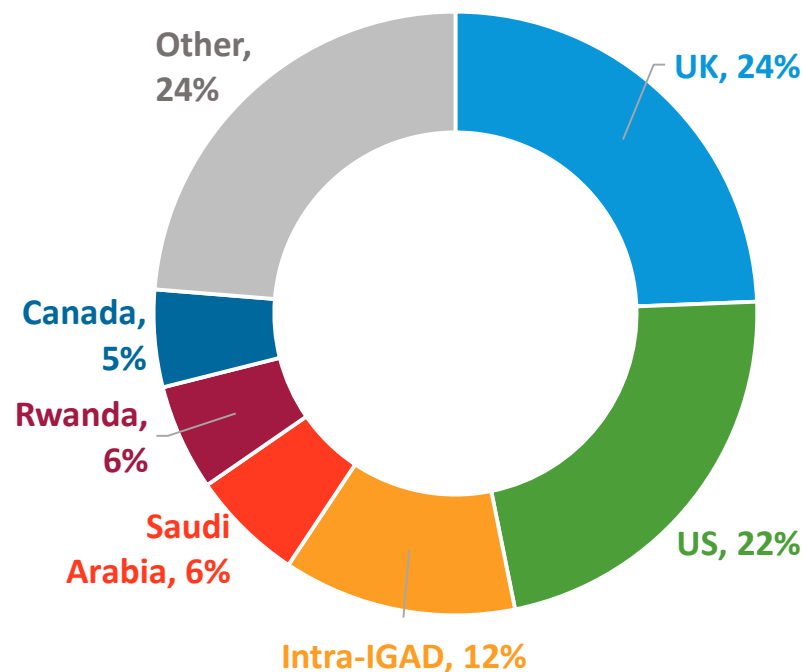
Source: World Bank Migration and Remittances Data

Migrants to the UK and US accounted for almost half of remittance inflows in 2017, despite being 11% of all migrants

Outward Migrant Stock from IGAD countries 2017, by Destination Country



Remittance Inflows into IGAD countries 2017, by Source Country



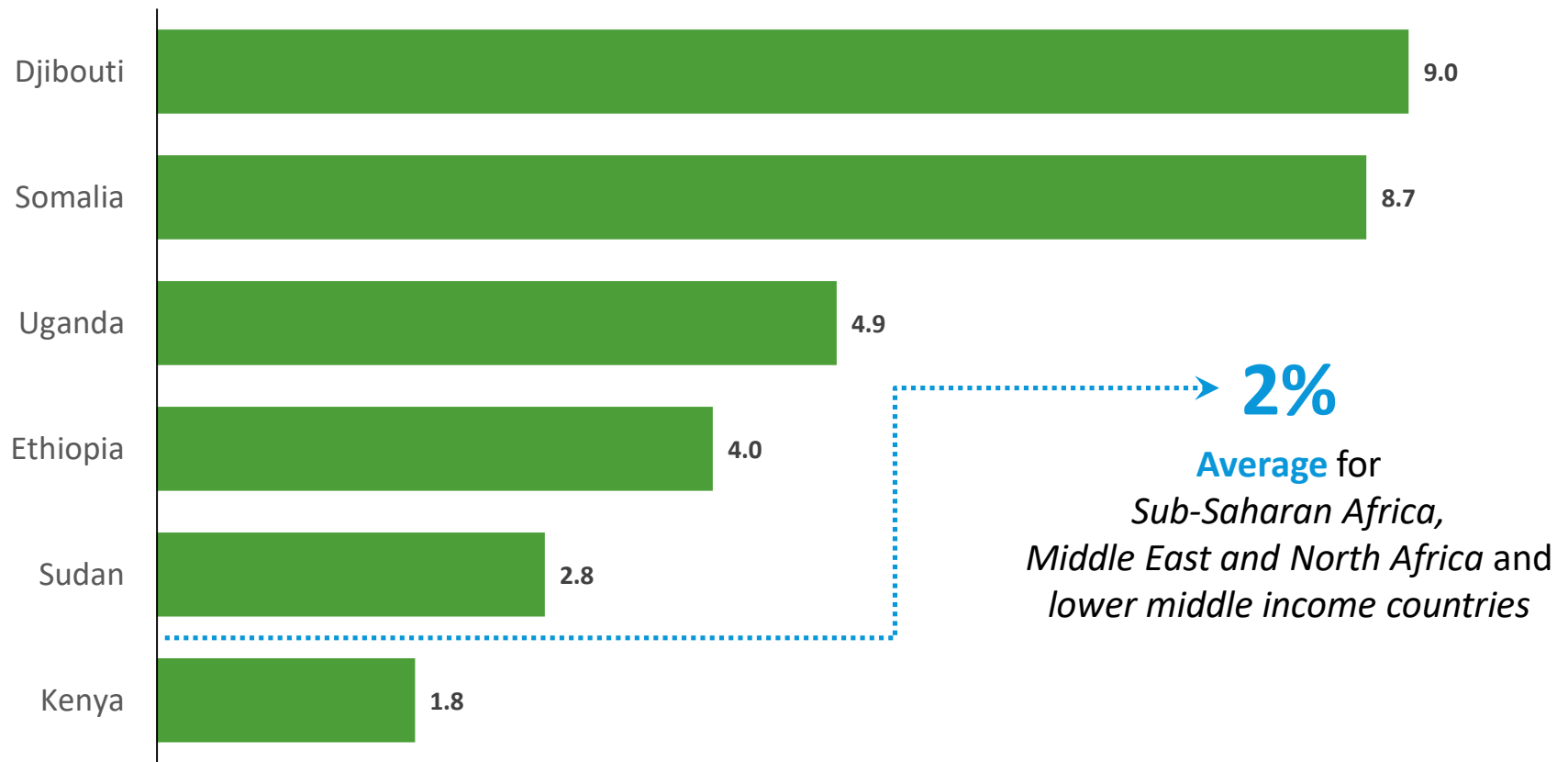
Source: World Bank Migration and Remittances Data; Pew Research Center

Investment Trends

- Overall FDI inflows to IGAD were **on the rise since 2013**
- The COVID-19 crisis may disrupt this trend

Efforts to improve the business climate has enabled relatively high FDI share of GDP for most IGAD countries

FDI Net Inflows in 2018
Share of GDP (%)



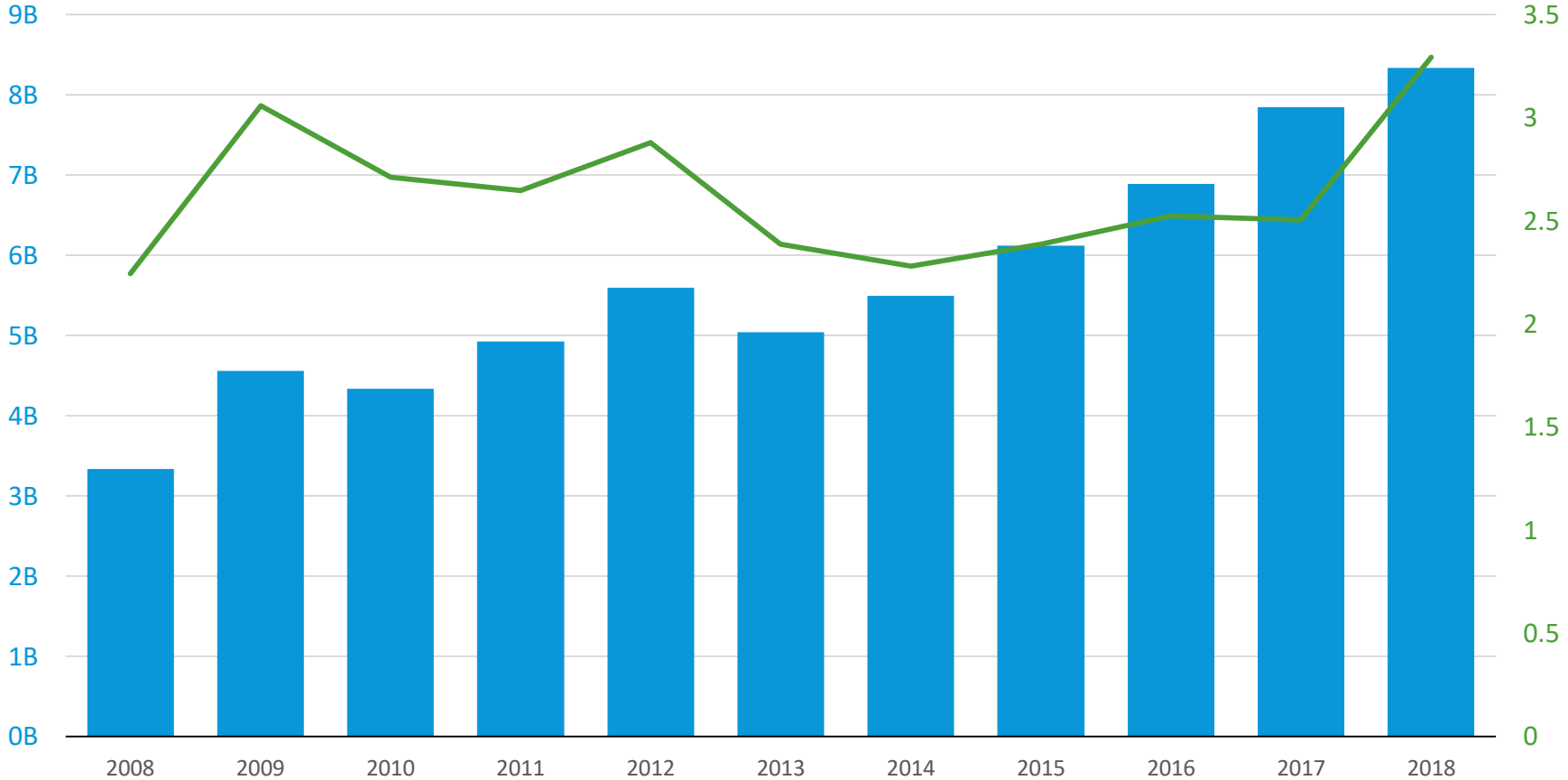
Notes: Data unavailable for Eritrea and South Sudan

Source: World Bank

The trend of FDI flows into IGAD has been positive in recent years, but the COVID-19 crisis may change this

FDI Net Inflows, 2008 - 2018

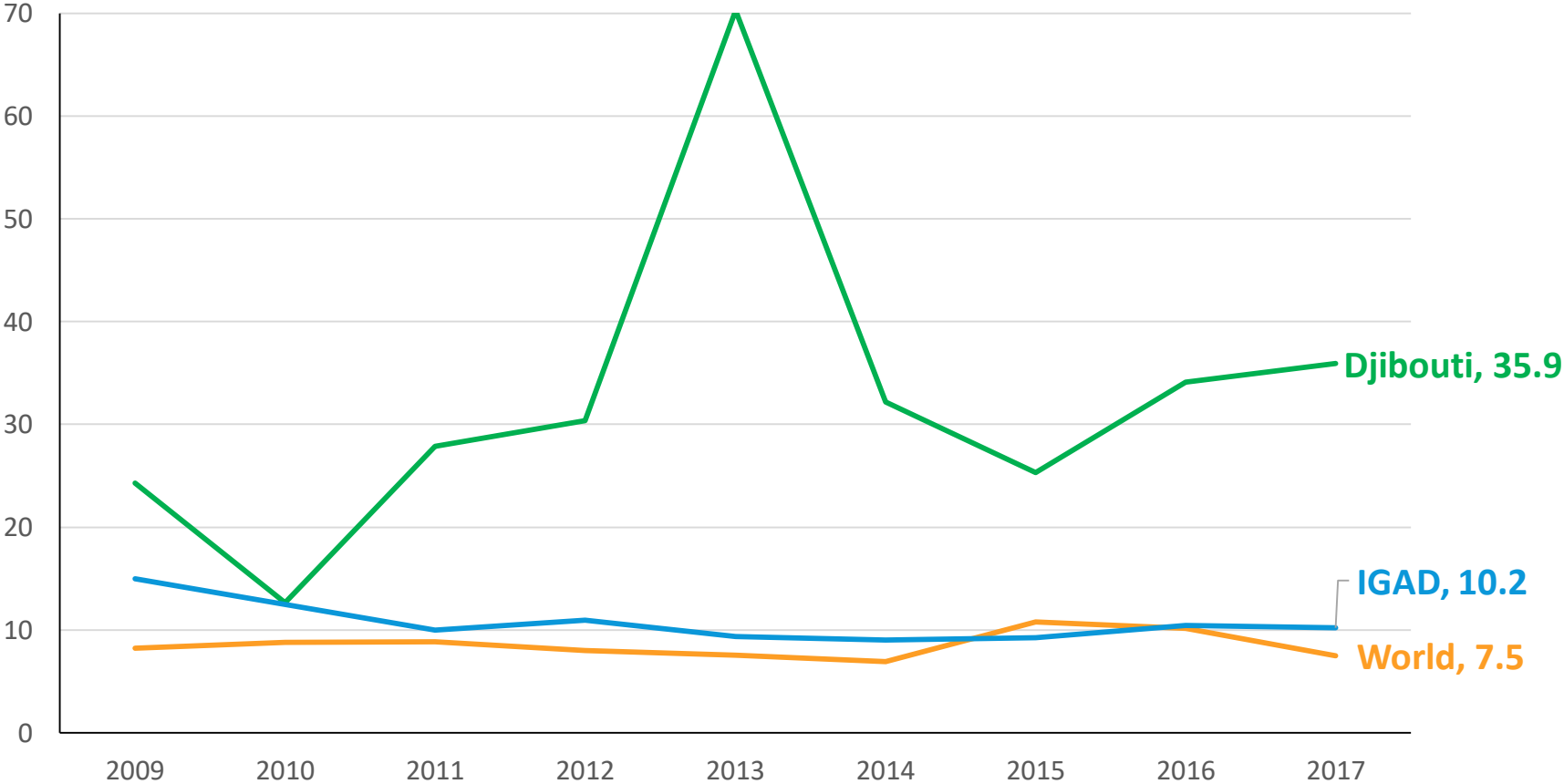
Current US\$ (left) and Share of GDP % (right)



Source: UNCTAD

The ratio of FDI to Gross Fixed Capital Formation is also relatively high in IGAD, particularly in Djibouti

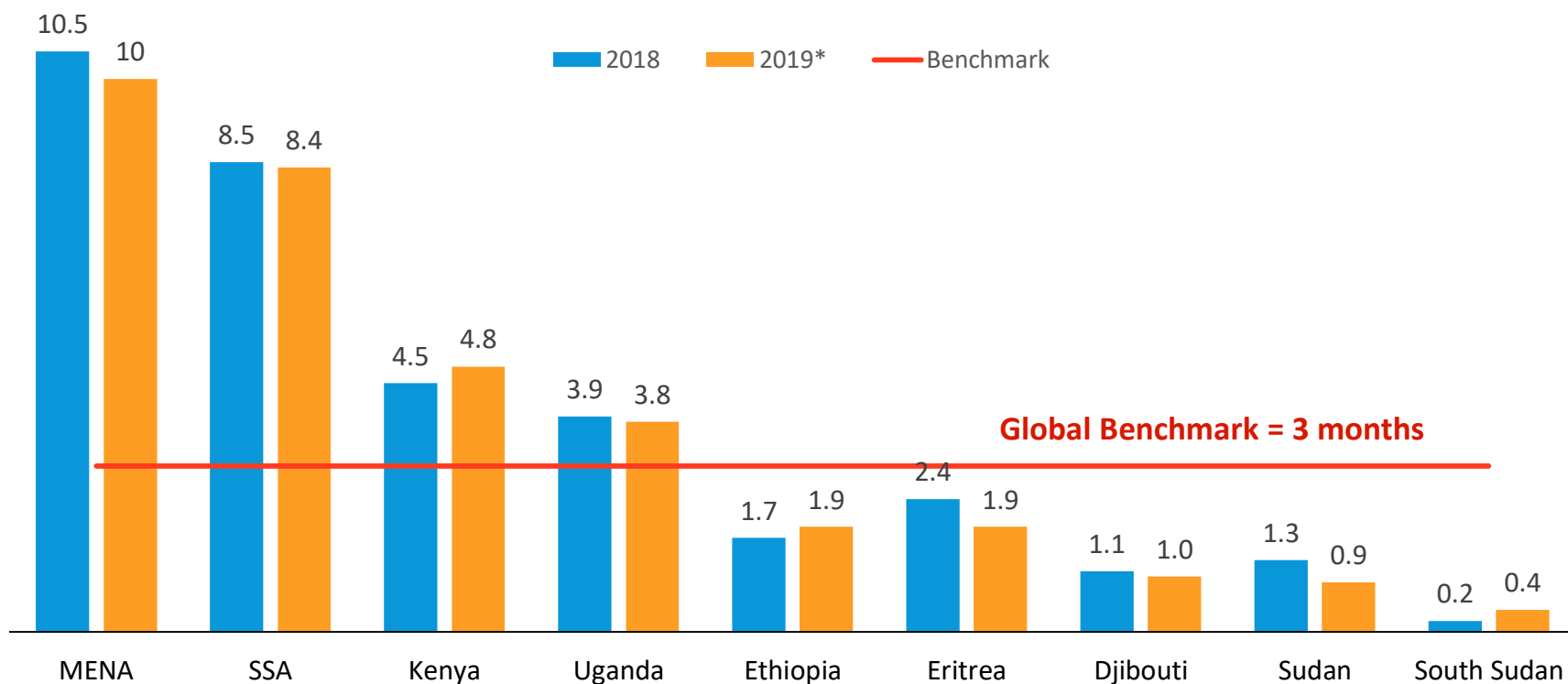
FDI Net Inflows, 2009 - 2017
Percent of Gross Fixed Capital Formation



Source: UNCTAD

Foreign reserves to cover imports in IGAD countries fall below regional averages and the global benchmark

Official FX Reserves, 2018 and 2019e
In Months of Imports



Note: Somalia data unavailable

Source: IMF REOs

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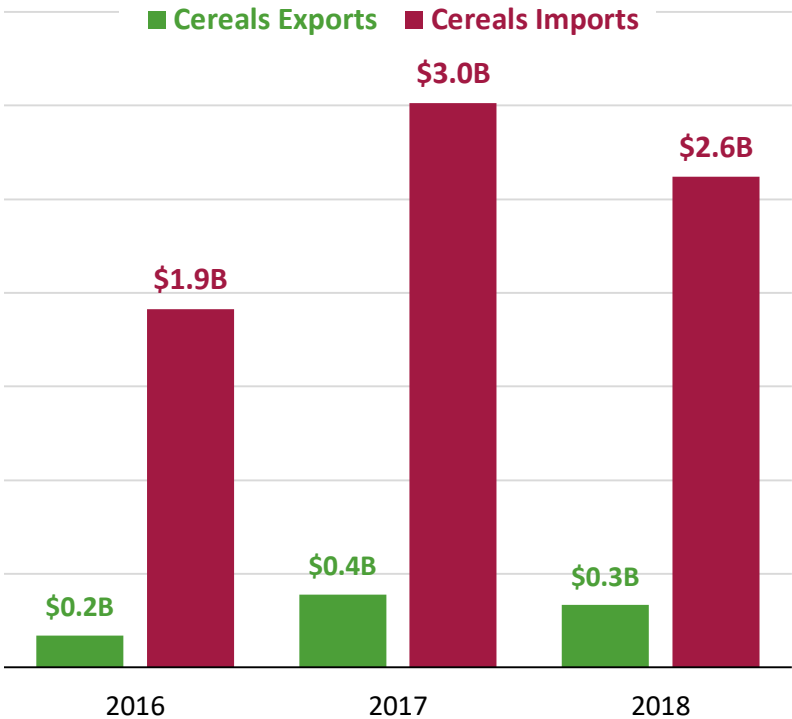
Food Security Trends

- Despite the high (and largely stagnant) levels of production, IGAD **imports nearly 8x the value of cereals that it exports**

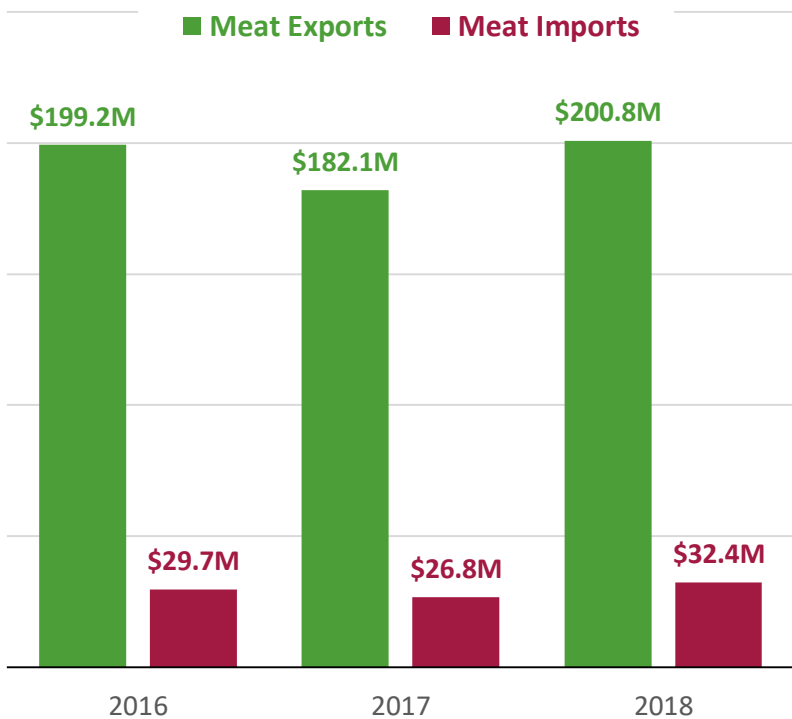
In aggregate, IGAD imports far more cereals than it exports. The converse is true in the meat trade

IGAD Trade in Key Food Groups, 2016 – 2018

Cereals Trade



Meat Trade

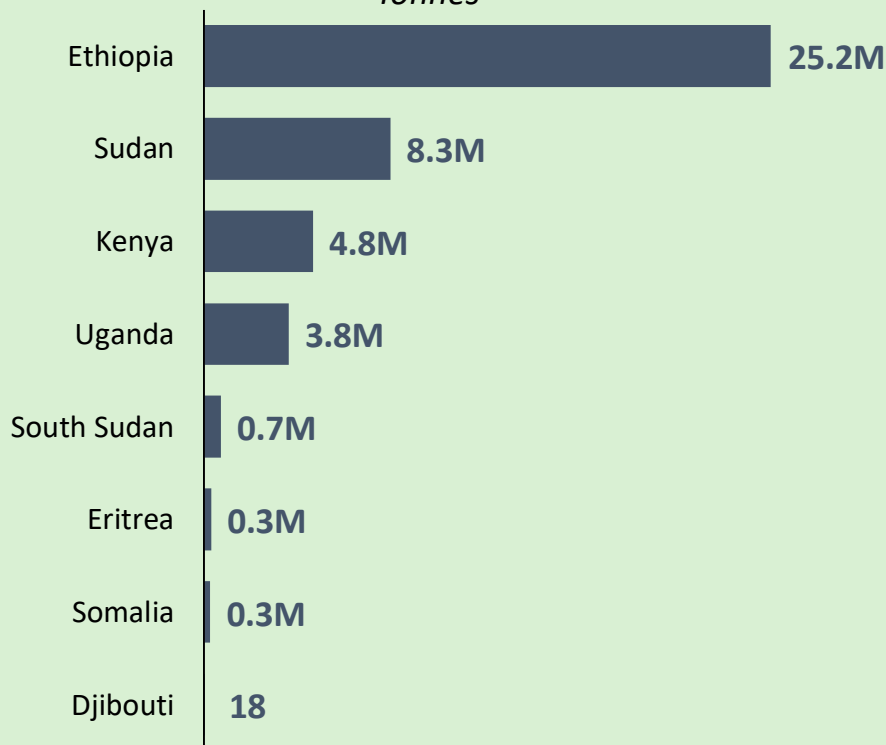


Source: UNCTAD

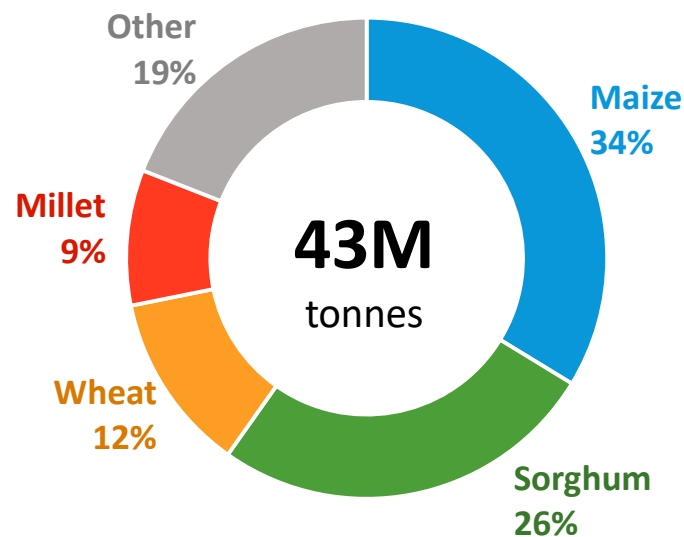
In 2018, Ethiopia accounted for more than half of IGAD cereals production – which was primarily maize, sorghum or wheat

Total Cereals Production in 2018

Tonnes



IGAD Cereals Production in 2018

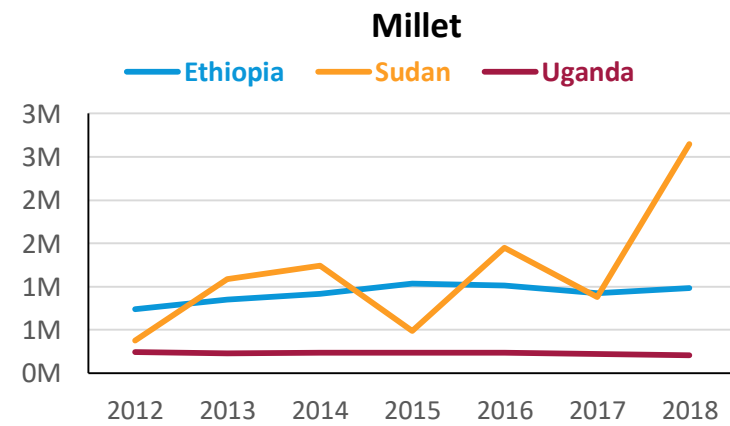
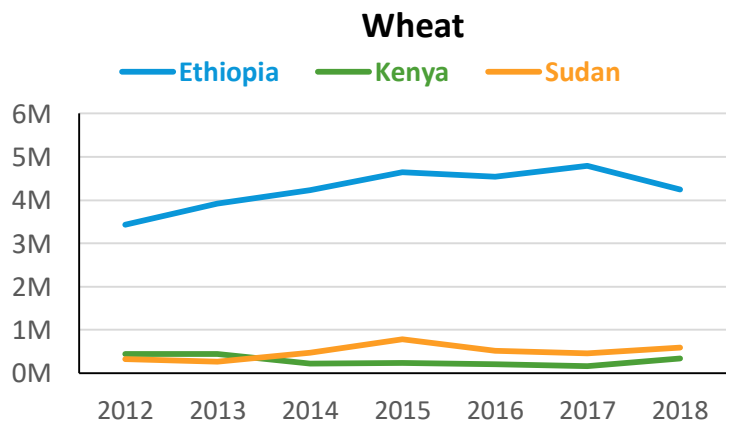
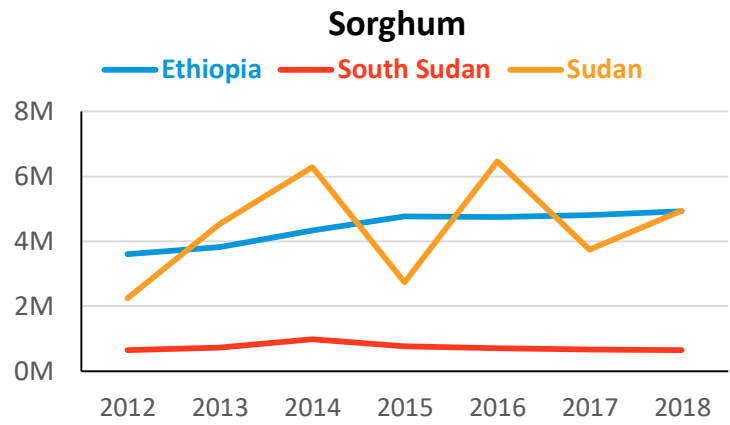
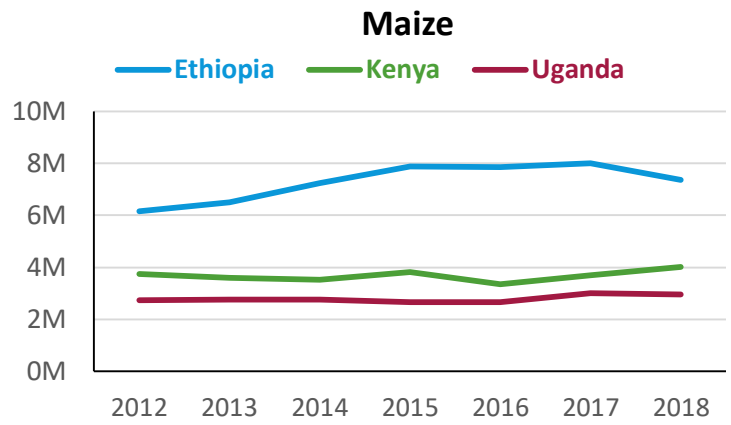


Source: FAO

Production levels for the main grains have either remained generally flat or trended slightly upwards in the main IGAD-producing states

Trends in Top 3 Producing Countries, 2012 – 2018

Tonnes



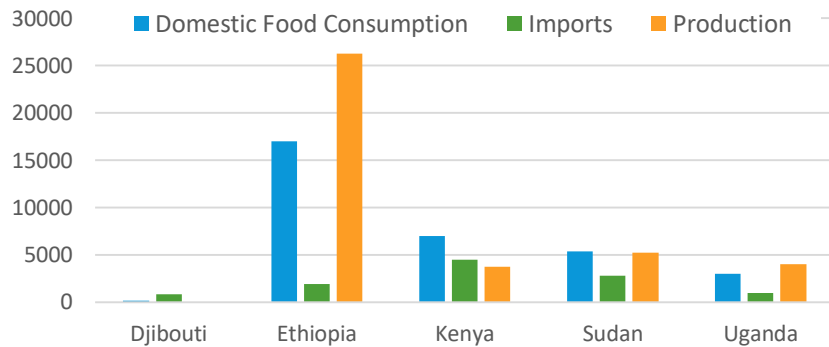
Source: FAO

Data from FAO suggests that domestic production may be able to meet a large share of domestic demand for many basic food groups

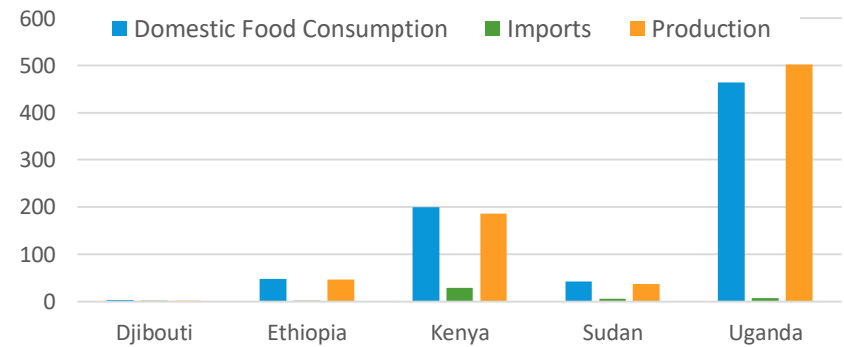
Food Production vs. Consumption, 2017

Thousand tonnes

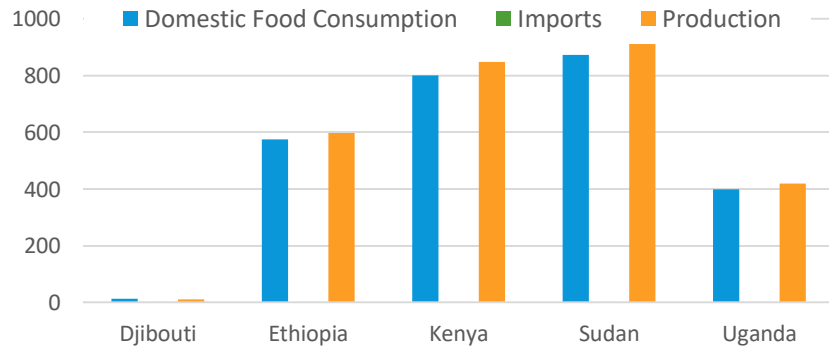
Food Security: Cereals



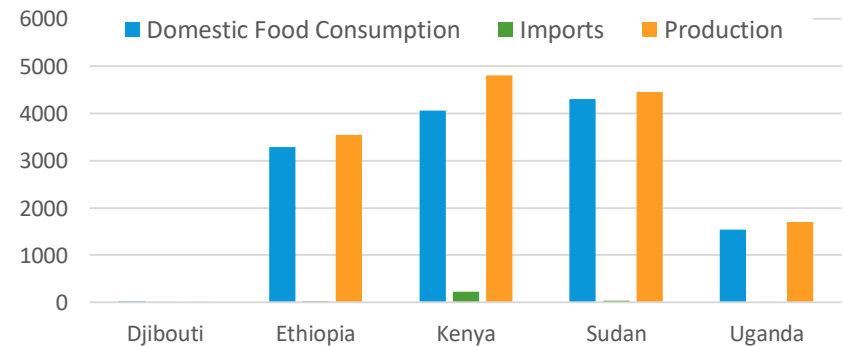
Food Security: Fish



Food Security: Meat



Food Security: Milk



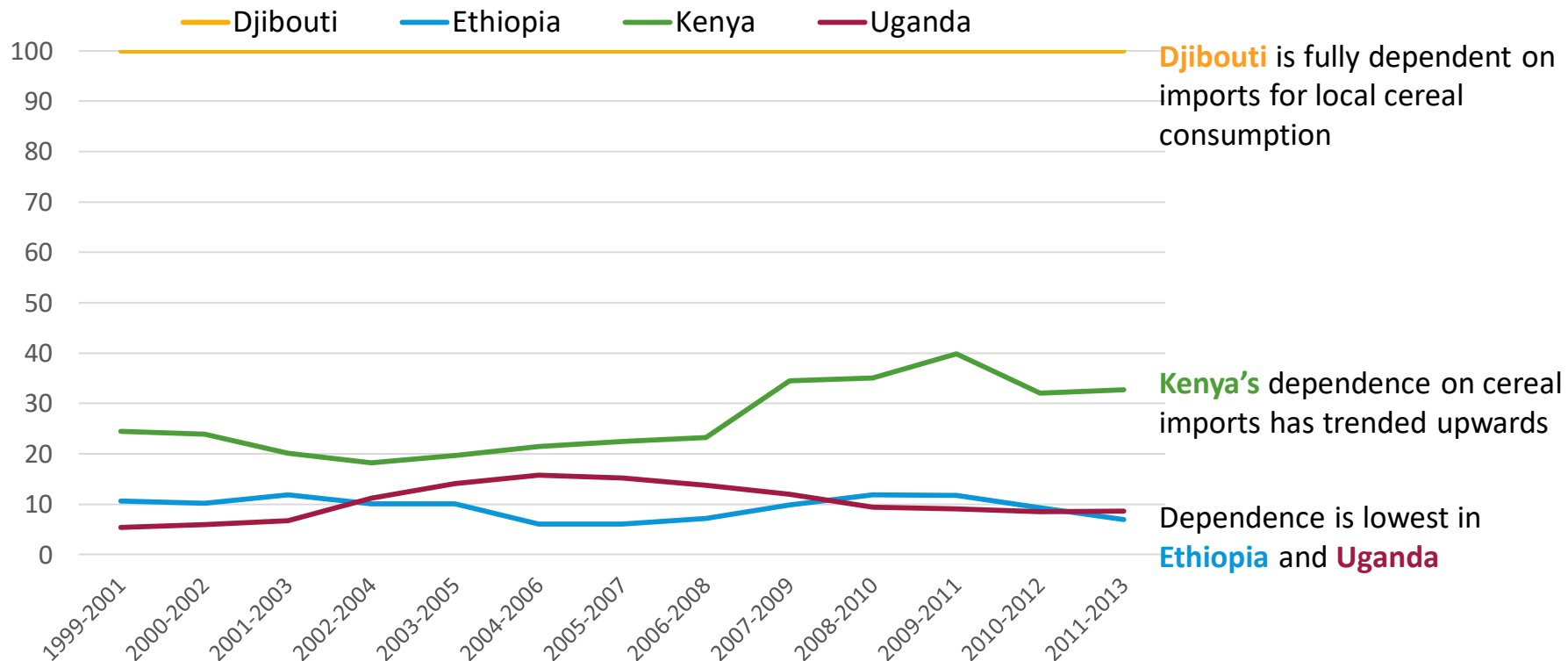
Source: FAO

Note: Consumption includes imports that are consumed directly for food; Production includes exports, and food produces for animal feed, etc.

Historically, imported cereal dependency has been highest in Djibouti, in contrast to the major producers in the region

Cereal Import Dependency Ratio

Percent; 3-year average



While long-term trends are not available, Sudan's cereal import dependency ratio was also quite low – 18.3% on average in 2011 to 2013

Source: FAO

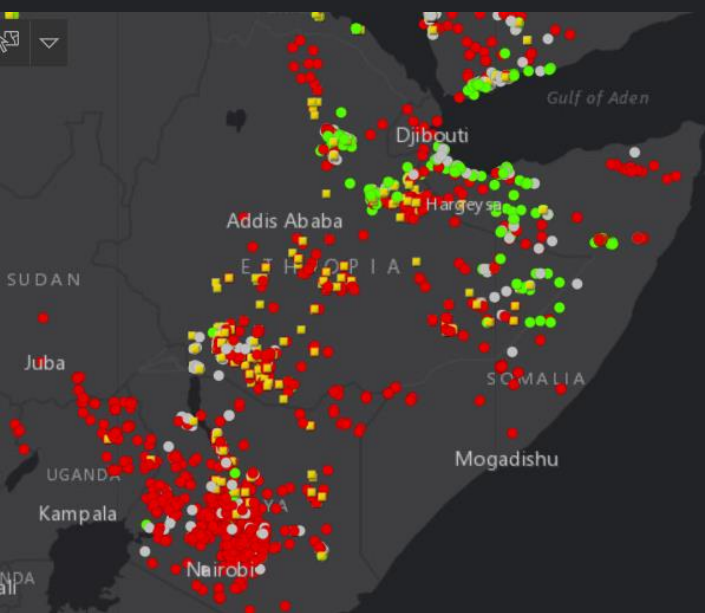
Food Security Trends – Desert Locusts

- The Desert Locust infestation poses an **additional threat** to food security and livelihoods

In addition to climate and COVID-19, the locust infestation poses an unprecedented threat to food security and livelihoods

Desert Locust Observations

● Adults ■ Control ● Hopper ● Swarm ● Band



Locust numbers can increase exponentially – **400x** after six months

A 1km² swarm can have **80 million adults** and can eat same **food as 35,000 people in one day**

IGAD has a total population size over 230 M people;
5 of 6 of its Countries Most at Risk with locust



Ethiopia



Kenya



Somalia



South Sudan



Tanzania



Uganda



20.3 million

people facing severe acute food insecurity



1 million ha

land targeted for rapid locust surveillance and control



110,000

households targeted for rapid livelihoods protection



US\$153 million

required by FAO for response and protection in 2020

Source: FAO Locust Hub

Desert Locusts Timeline in the East and Horn of Africa region



1958



1986



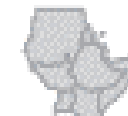
1992



1995



2007



2019-2020

Between 1958 and 1959, heavy swarms of desert locusts infested parts of northern Ethiopia prompting national and international action

In 1986, numerous swarms invaded the Sahel from Mauritania to Sudan, northern Ethiopia and Eritrea where summer breeding caused more swarms to form and damage crops

A pronounced desert locust outbreak began in late 1992 along the Red Sea coastal plains of Sudan and Eritrea following several years of drought

In 1995, swarms of desert locusts were reported along the Red Sea coastal plain and infested parts of Sudan and Somalia

In 2007, spring-based swarms from Yemen invaded Kenya's arid northeastern region

The worst desert locust outbreak in 25 years has caused significant pasture losses across East Africa, mainly in agro-pastoral areas of eastern Ethiopia, central Eritrea, Djibouti, Somalia and northern Kenya

IGAD Desert Locust Crisis

- Desert locusts have been breeding and spreading through farmland and rangeland in Somalia, Ethiopia, Kenya, Uganda, South Sudan, Djibouti, Eritrea and Tanzania.
- Desert locust poses an unprecedented risk to agriculture-based livelihoods and food security in an already fragile region
- Affected areas can experience up to a 100% loss in crops and fodder
- An estimated 20.2 million people are now facing severe acute food insecurity in Ethiopia, Kenya, Somalia, South Sudan, Uganda and the United Republic of Tanzania

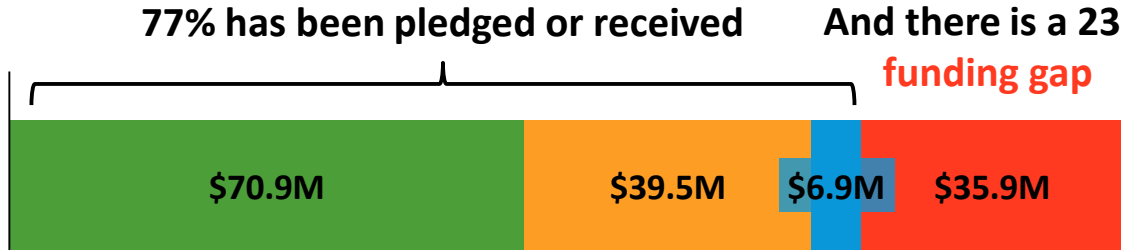
IGAD Food Security Implications

- In desert locust-affected countries of the Greater Horn of Africa, the vast majority of the population depend on agriculture for their livelihoods (for example, up to 80% of the population in Ethiopia and 75% in Kenya)
- Desert locust impacts could lead to a deterioration in food security towards the end of 2020 with a peak during the first half of 2021 (during the height of the lean season).

Two strategies are being implemented in response to the locust invasion: curbing the spread and safeguarding livelihoods.



Of the **US\$153.2 million** funding required for the Desert Locust Response



Curbing the Spread through surveillance, ground and air control operations, and impact assessments



Safeguarding Livelihoods and Promoting Early Recovery with farming re-engagement and livestock-based livelihood packages



Regional Coordination, including strengthening regional and national capacity and preparedness

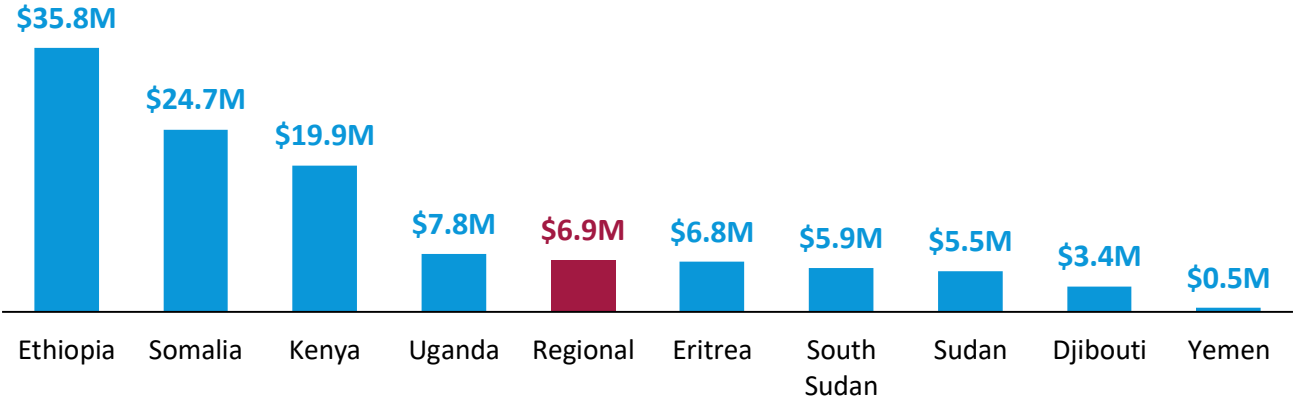
Note: 10 countries are supported – the IGAD-8, plus Tanzania and Yemen

Source: FAO Locust Hub

A mixture of bilateral, multilateral, and philanthropic aid has been pledged to overall response efforts

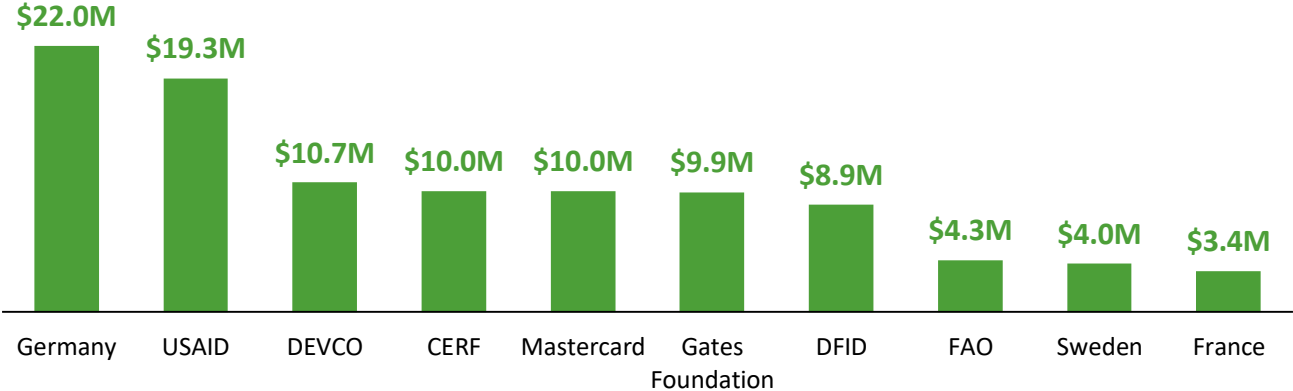
Locust Response Funding, by Recipient

Ethiopia and Somalia have received 52% of funding



Locust Response Funding, Top 10 Donor

Over a third of the funding came from Germany and the U.S.

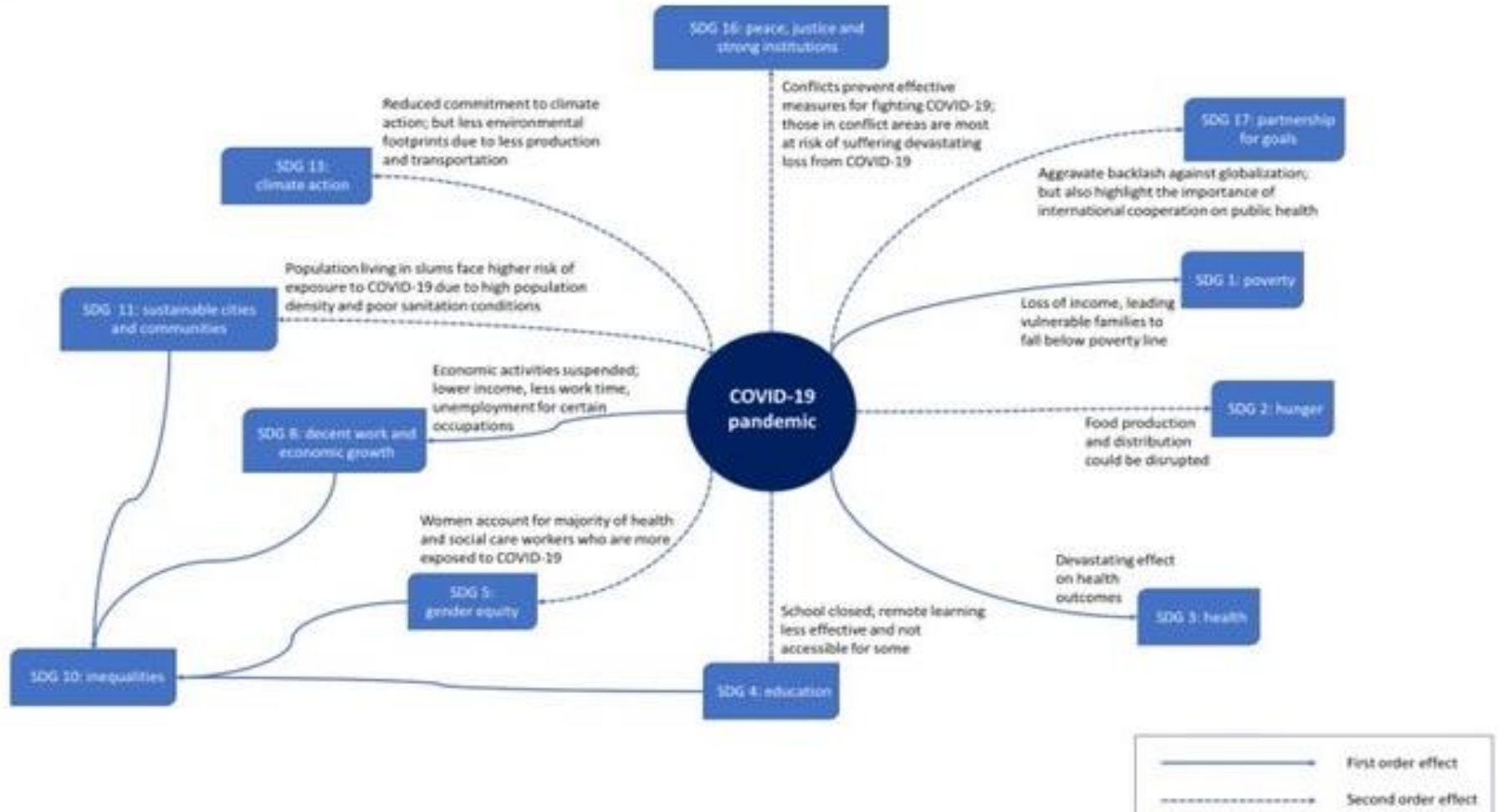


Note: Tanzania has not received any of the pledged support so far
 Source: FAO Locust Hub

Other Social Indicators

- COVID-19 has triggered an **economic and social crisis**, particularly in countries with high poverty, poor infrastructure, and insufficient safety nets
- COVID-19 crisis will also negatively impact progress towards the SDGs

COVID-19 is impacting all SDGs



Source: UNDESA

Example SDG4: All IGAD countries have closed schools nationwide, impacting over 51 million learners

COUNTRY	TOTAL AFFECTED LEARNERS			BREAKDOWN BY LEVEL			
	Total	Females	Males	Pre-School	Primary	Secondary	Tertiary
Djibouti	142,564	65,483	77,081	3%	48%	46%	3%
Eritrea	667,452	306,529	360,923	7%	52%	39%	2%
Ethiopia	24,686,497	11,518,107	13,168,390	10%	66%	21%	3%
Kenya	15,257,191	7,436,884	7,820,307	21%	54%	21%	4%
Somalia	544,061	189,454	354,607	0%	84%	16%	0%
South Sudan	1,548,811	630,498	918,313	7%	82%	11%	0%
Sudan	8,824,167	4,294,534	4,529,633	12%	56%	25%	7%
IGAD Aggregate	51,670,743	24,441,489	27,229,254	13%	61%	22%	4%

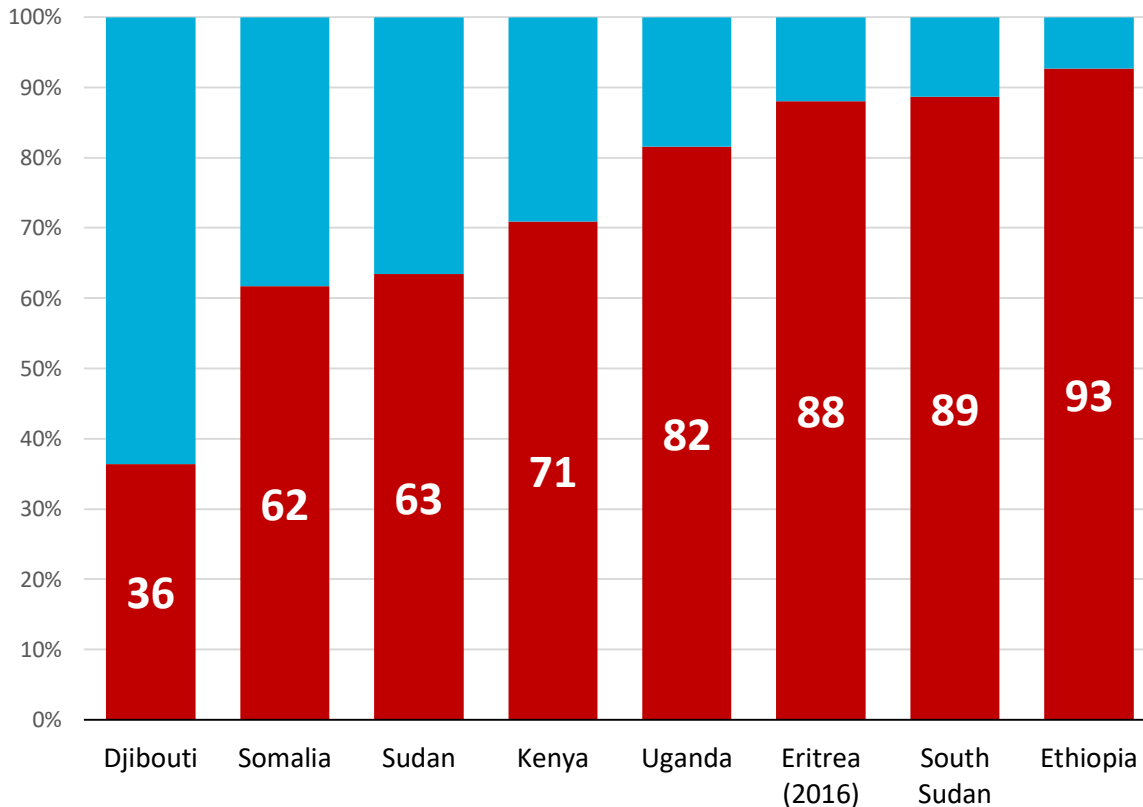


74% of affected learners are primary school-aged or younger, which may slow progress to **SDG 4** if alternative channels are not explored.

Note: Uganda excluded due to data issue
Source: UNESCO

Example SDG6: In most IGAD countries, more than half of the population do not have access to basic sanitation services

Share of the Population Not Using Basic Sanitation Services (%) in 2017



Hand hygiene is essential to containing the spread of **COVID-19**. Slow progress on **SDG 6** counteracts this.

This is particularly challenging in IGAD where the vast majority of the population has limited access to **basic sanitation services**.

Source: World Bank

However, many governments have initiated or planned social protection measures in response to COVID-19

Example Government Interventions

ETHIOPIA	<ul style="list-style-type: none">• <i>Public Work:</i> Beneficiaries of the Urban Productive Safety Net Project will receive advance 3 months payment while on leave from their public works obligations, and other benefits.• <i>Utilities:</i> National Expansion of free public transport; moratorium on evictions, and reduction of rents by half.• <i>In-kind Support:</i> Amhara Regional State started providing basic food items to the most vulnerable in Adama. The Addis Ababa City Administration allocated 600 million ETB for purchasing stockpile of food/other essential good.
KENYA	<ul style="list-style-type: none">• <i>Cash Transfer:</i> The National Treasury appropriated an additional Ksh10B for supporting the elderly, orphans and other vulnerable members.• <i>Financial waivers:</i> Fee waivers on person-person mobile money transactions on M-PESA were approved. A 100% tax relief for persons earning less than Ksh.24,000 is planned.
UGANDA	<ul style="list-style-type: none">• <i>Financial waivers:</i> The National Social Security Fund is allowing employers facing economic distress due to COVID-19 to reschedule NSSF contributions for the next 3 months without accumulating a penalty.

Source: Local sources

OUTLINE

01

MACROECONOMIC & SOME SECTORAL IMPACTS

GROWTH · FISCAL & DEBT · PRICES · TOURISM & TRANSPORT

02

EXTERNAL SECTOR IMPACT

TRADE · REMITTANCES · INVESTMENT · RESERVES

03

SOCIAL IMPACT

FOOD SECURITY · PROGRESS TO THE SDGs

04

REGIONAL INTEGRATION

IGAD IN THE AFRICA REGIONAL INTEGRATION INDEX

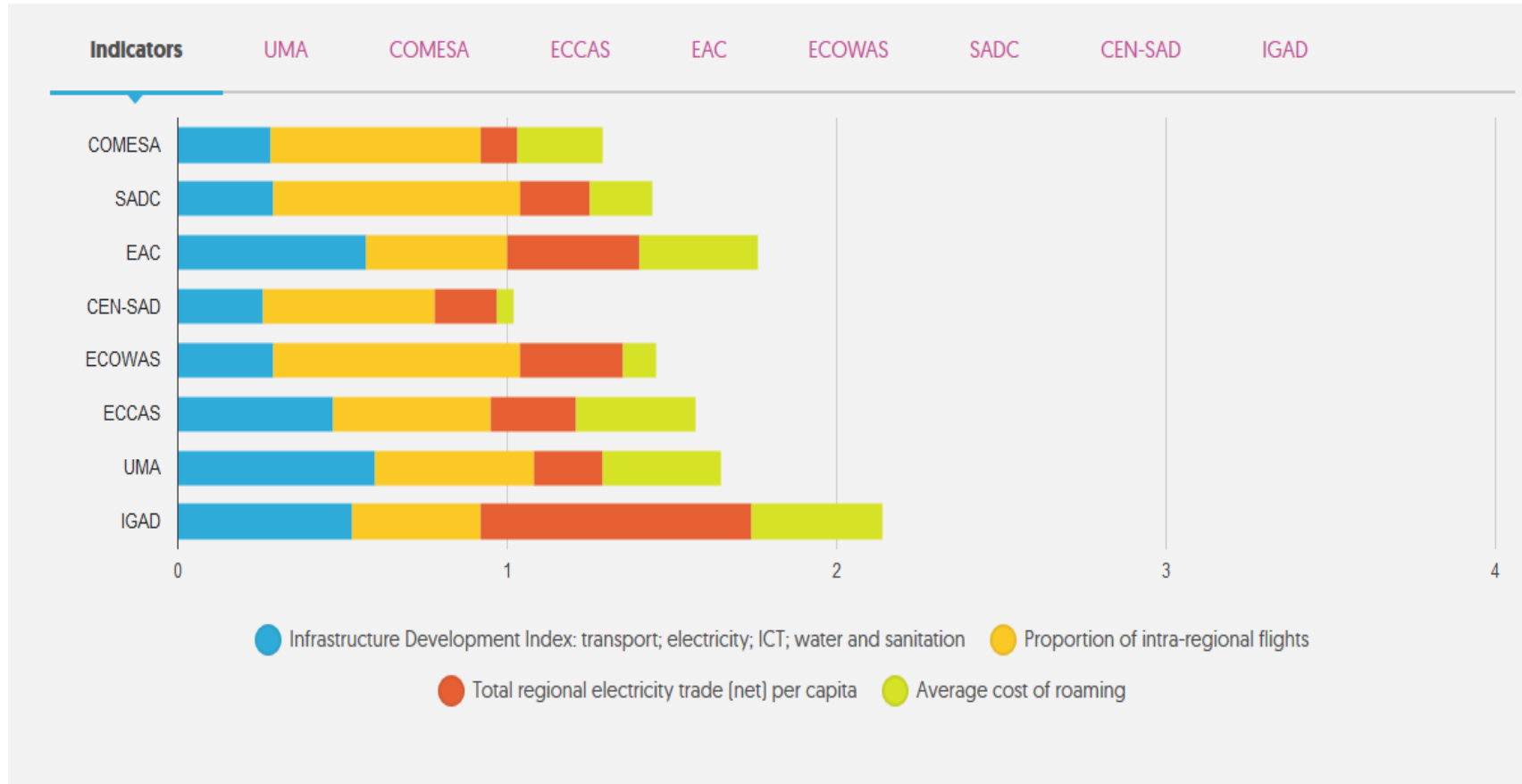
05

CONCLUSIONS AND POLICY SUGGESTIONS

Regional Integration performance in IGAD

Some existing efforts of Regional Integration exist. They will be useful to attenuate COVID effects and **will have to be enhanced** in order to limit dependency in Rest of the world and strengthen economic resilience

IGAD is Top among RECs on certain aspects of Regional Integration (Regional electricity trade)

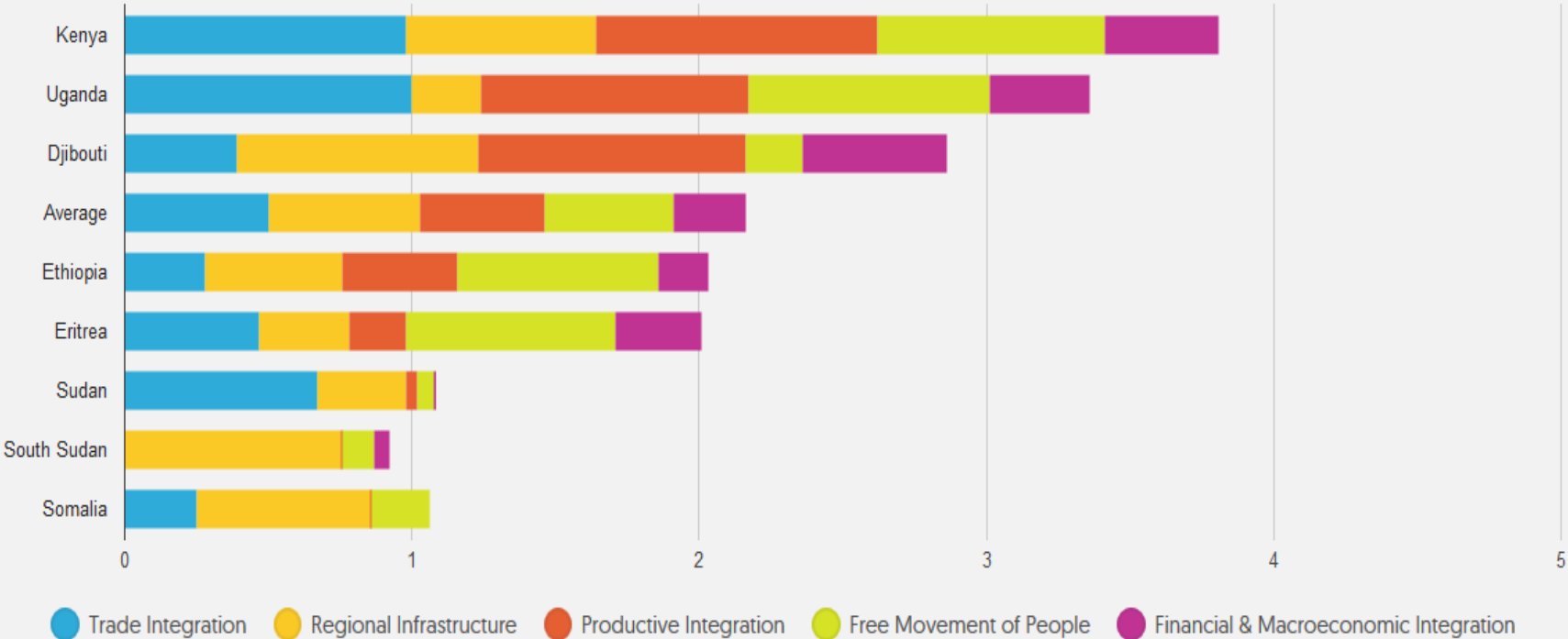


Source: Africa Regional Integration Index

Kenya, Uganda and Djibouti are above IGAD average in several aspects of Regional Integration

Dimensions Breakdown for IGAD

This chart shows how each country is performing for overall integration. The inner segments show the scores for each dimension.



Source: Africa Regional Integration Index

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CONCLUSIONS AND POLICY SUGGESTIONS

Conclusions

- **Having strongly hit major trading partner including China, Europe, the US, COVID-19 will inevitably impact IGAD trade;**
- **Under the worst case scenario, IGAD could witness significant drop in GDP growth due to the COVID-19 pandemic (initial estimates indicate drops of over 5 Points in some countries)**
- **Fiscal and debt pressures are expected to heighten this year.**
- **Tourism related sectors and Transport sector revenues will shrink due to COVID-19; Livestock also likely to be affected**
- **In short run, IGAD may experience reduction in FDI and remittances, with adverse effects on living standards;**
- **Food security already weakened by locust invasion is at risk with COVID impacts on access to food and on purchasing powers**

Recommendations

- *Short term response measure could include:*
- **Review and revise national budgets to reprioritize spending towards mitigating expected negative impacts from COVID-19 on the economy;**
- **Prepare fiscal stimulus packages with support to businesses to maintain jobs; and support to vulnerable households to support consumption;**
- **Central banks to support government efforts in easing access to credit for both public and private sectors**

Recommendations

- **Explore debt payment rescheduling or Debt relief possibilities for both public and private actors**
- **As a safety net, providing incentives for importers to forward purchase to ensure sufficient food and medicines reserves in key basic items;**
- **Main port countries (Djibouti and Ethiopia, Kenya) should coordinate with other IGAD members on COVID responses, in order to limit impact of COVID via utilization of the Ports;**
- **Endeavor to preserve trade routes with Middle East to preserve revenues from the livestock sector and livelihood of many households**

Recommendations

- *Medium term measures:*
- **COVID crisis re-emphasizes the need for urgently implementing the AfCFTA.**
 - **In the medium term the intra-African market should be promoted for limiting dependence on Rest of World; for diversifying economies and building resilience;**
 - **Looking at local content, local transformation and production, especially agricultural production and supply of food and pharmaceutical stuff should become a top priority;**
 - **Revisit trade and industrial strategies of countries; reinforce regional integration and trade facilitation**
- **IGAD should oversee Design, Implementation and M&E of COVID response frameworks of countries and ensure coordination**



THANK YOU!