

The Impact of COVID-19 Restrictions in West Africa: Key Findings



1. Context

The outbreak of COVID-19 pandemic and the containment measures that followed are expected to be devastating for global economic growth, with possibly lasting effects for months and possibly years to come. The recovery is likely to be much slower than during the 2008-2009 global financial crisis, with some of the most advanced economies being highly affected by both the health and economic repercussions of the pandemic.

Although the number of COVID-19 cases and fatalities have been comparatively low in Africa than in other regions of the world, the looming effects of the pandemic could have disastrous impacts on the continent's already strained health systems and the situation could quickly turn into an unprecedented health and food security emergency. The economic implications of COVID-19 are already having a severe impact on the continent, mainly through lower trade and foreign direct investments, reduced global demand on primary commodities, reduced inflows of remittances, and reduced incomes in the tourism sector, which is predominantly urban.

Despite promising prospects for economic growth at the beginning of the year, the United Nations Economic Commission for Africa (ECA) estimates that economic activity in Africa will contract by -1.4 percentage point, from 3.2 percent to 1.8 percent in 2020. In the worst case, the Gross Domestic Product (GDP) could contract by -2.6 percent. Moreover, partial or total containment measures could cost the continent 2.5 percent per month in its annual GDP.

The 15 member states of the Economic Community of West African States (ECOWAS) have not been spared by the pandemic, which have had immediate notable implications on health and sustainable development across the region. Even prior to COVID-19, the region was already vulnerable to economic shocks due to (i) undiversified economies oriented towards exports of primary products; (ii) limited fiscal space; and (iii) a large dependence on the informal sector. Since COVID-19, the economic

growth rate in the region has been revised to an average of -2.1 percent against an initial forecast of 3.4 percent.

The fall of economic activity results in lower household income, exacerbating the incidence of poverty, which affects more than 50 percent of the households in the region. Nigeria - with an estimated population of 200 million, or half of the population of the ECOWAS region - could experience a decrease in income of 0.8 percent per capita in 2020.

In light of this concerning trends, which risk undermining progress towards sustainable development and regional integration, the ECOWAS Commission and its Member States have taken measures to mitigate the impact of COVID-19 and anticipate the need for economic recovery.

2. Study Objectives and Methodology

Against this background, the ECOWAS Commission conducted a regional study in close collaboration with the Center of Excellence against Hunger and Malnutrition (CERFAM), the United Nations World Food Programme (WFP) and the United Nations Economic Commission for Africa (ECA) to better understand the socio-economic impact of COVID-19 in ECOWAS' 15 member states. The study aimed to better inform strategic planning and provide policy recommendations for Governments and other economic actors as countries continue to control the pandemic, while reopening economies.

The research focused on the impact of the pandemic at both macroeconomic and microeconomic level. Secondary data was used to analyze the repercussions of the pandemic on macroeconomic aggregates and indicators of social development. This was further complemented with a regional household survey conducted between May and July 2020. Results provide a good understanding of the immediate impact of COVID-19 on food security and other livelihood outcomes on families across the region.

Primary data was collected using an anonymized web-survey disseminated across all 15 countries.¹ A total of 4,675 households participated in the survey. The low participation of respondents in areas with low internet coverage was the main limitation encountered. To mitigate against the technology bias, a weighting system was introduced. Weights were based on the number of households per country, disaggregated by the sex of the head of household as well as the internet coverage rate.

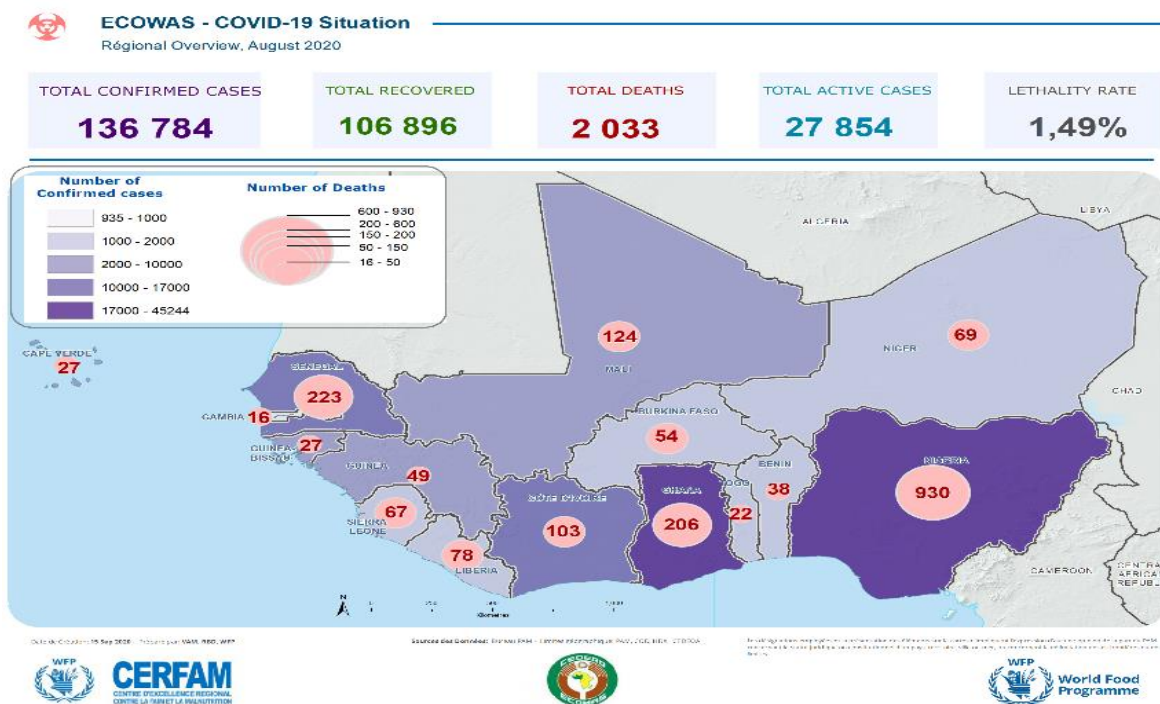
The assessment provided a unique urban perspective due to better internet coverage. Around 95 percent of the households who participated in the survey were found to be living in capital cities or other urban environments. Moreover, this tool allowed to capture often invisible groups, including women heads of households, who represented 19 percent of the total sample.

3. COVID-19 Overview

As of August 6th, 2020, there were an estimated 136,800 confirmed cases of COVID-19 across the ECOWAS region (see Figure 1). This level represents 14 percent of the total cases on the continent, which is a low level of incidence for an area home to 30 percent of Africa's population. The fatality rates have also been low across the ECOWAS region compared to the rest of Africa and the world, at 1.5 percent against 2.1 percent and 3.8 percent respectively.

¹ Survey123 is a free solution for creating online surveys, which are then disseminated through various channels to access respondents.

Figure 1. Covid-19 Outlook, West Africa



At the onset of the pandemic, ECOWAS countries implemented a series of containment measures to curb the spread of the virus. These include a wide-spread health response, total or partial restrictions on movement, livelihood and resilience support, as well as strengthening of regional and international cooperation.

4. Key Findings

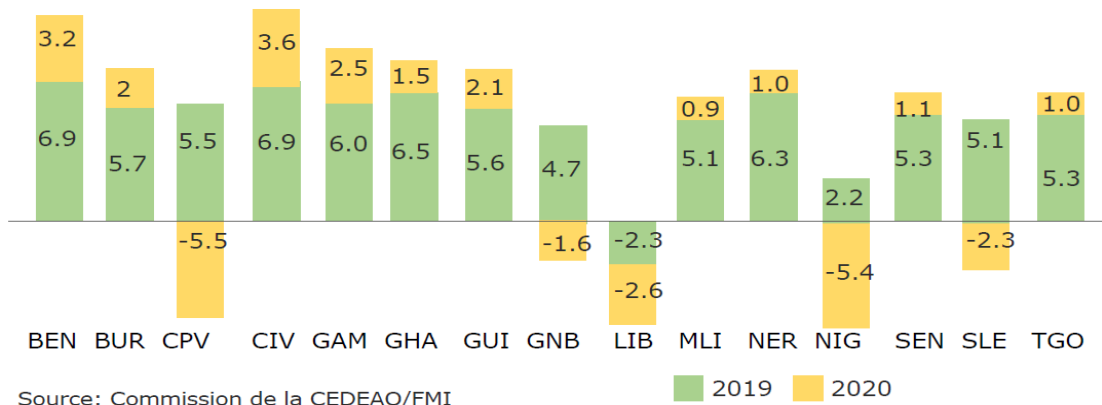
Restriction measures implemented both at national and international level have had inevitable consequences on the economies of Member States as well as their populations. The following section summarizes the key findings of the study based on the analysis of primary and secondary data.

4.1 Socio-economic impacts of the pandemic

4.1.1 Economic impact

The **region's growth prospects** are much less favourable in the second and third quarters of 2020, which may lead to negative annual growth. According to forecasts, ECOWAS is expected to enter recession in 2020, with an estimated contraction of 2.1 percent of the regional economy. This overall result is consistent with negative growth anticipated in Nigeria (5.4 percent), Cabo Verde (5.5 percent), Guinea-Bissau (1.6 percent) and Sierra Leone (2.3 percent). In Liberia, the economic recession that began in 2019 is anticipated to worsen in 2020 from 2.3 to 2.6 percent. While the other countries in the region are expected to avoid a recession this year, an economic slowdown of at least 3.5 percentage points is forecasted in the region.

Figure 2. Gross Domestic Product (GDP) of ECOWAS Member States (West Africa), 2019-2020 (%)



The slowdown of economic activity within Member States, will further be aggravated by the expected **loss in remittances from migrant workers abroad**. Based on an estimated 23 percent decline in Sub-Saharan Africa, the shipment ECOWAS funds could fall to \$ 25.9 billion in 2020, its lowest level in ten years.

The region has also been strongly affected by the **contraction of global trade**, leading to a sharp drop in the prices of several export products such as oil, minerals and some agricultural products. In 2020, although still subject to great uncertainties, forecasts estimate that the account deficit for the ECOWAS region could stand at 4.3 percent compared to 2 percent in 2019.

A significant drop in the prices of exported raw materials by ECOWAS is also noted due to the contraction in global demand. The price index for exported commodities fell -11.4 percent in March 2020. The price reductions concern both energy products (-36.1 percent) including a -39.8 percent collapse in the price of oil as well as non-energy products (-7.2 percent). These trends could induce greater **consumer price instability** due to supply chain disruptions linked to restriction measures. It is anticipated that the combination of decreased demand and sudden drop in oil prices could offset the rise in prices.

Overall, COVID-19 could lead to a significant **widening of public deficit** of the ECOWAS region. The budget deficit of the whole of ECOWAS is expected to increase to 6.4 percent in 2020, up from 4.7 percent in 2019 and 2.9 percent in 2018. The economic recession and the rapid responses of governments to COVID-19 will have consequences on the evolution of public debt relative to GDP. The forecasts suggest on average an increase in public debt of ECOWAS as a proportion of GDP which would stand at 41 percent in 2020 and 42 percent in 2021, compared to 35 percent in 2019.

4.1.2 Social impact

COVID-19 has had an important social impact across countries. **School closures**, for example, have affected students across of the region as of May 2020. Education alternatives, such as distance and online learning, have been difficult to implement in most Member States due limited internet connectivity. Although some countries did resume in-person lessons towards the end of May, this was not done everywhere. School programs and curricula were for the most part incomplete by the end of the school year, which will require intensive investments to make up for lost time.

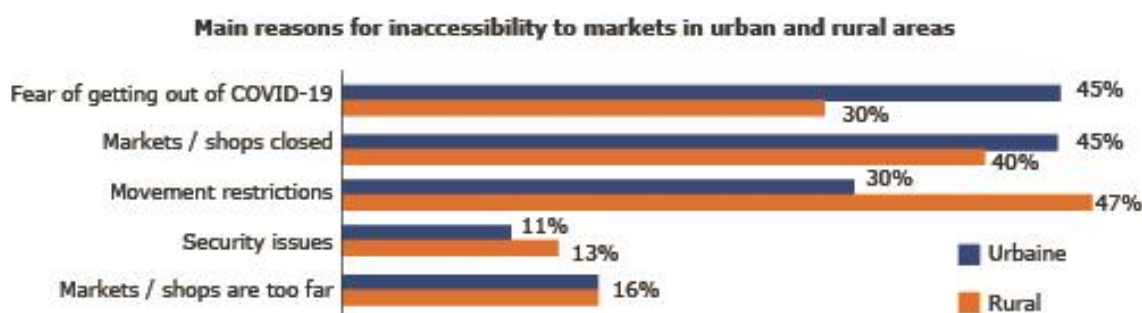
COVID-19 has also severely strained the **health systems** across the ECOWAS region, characterized by a low level of investment and a weak health worker to population ratio.

4.2 Impact on households across the ECOWAS region

4.2.1 Availability of food and non-food items and access to markets

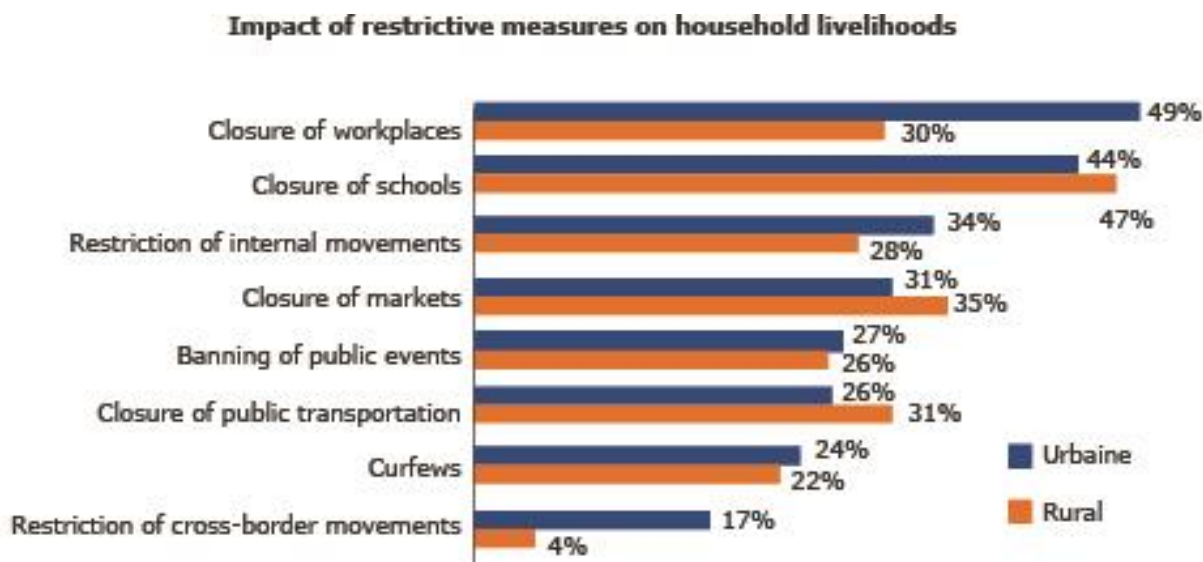
The most noticeable impact of the COVID-19 crisis was noted on the rise of food prices. Price increases in food commodities was reported by more than 90 percent of households in rural and urban areas, who participated in the regional online between May and July 2020. Although food remained available in most urban areas, transport disruptions affected the availability of basic foods, hygiene and pharmaceutical products in rural areas. In these areas, the supply chain is longer for imported food products (e.g. rice) and storage capacities low; for both households and traders.

Households have also reported that the restriction measures caused difficulties in accessing markets in both urban (46 percent) and rural (62 percent) areas. Figure 3 illustrates the main reasons households were not able to access markets.



4.2.2 Household income

The household survey found that measures such as closure of workplaces, schools and markets as well as restrictions on internal movements had the most significant impact on livelihoods.



Daily income-generating activities, particularly in the informal sector were severely disrupted in most ECOWAS countries. In over 90 percent of the cases, households reported that restrictive measures had a negative impact on their household income. Of these, 44 percent reported a significant or severe impact.

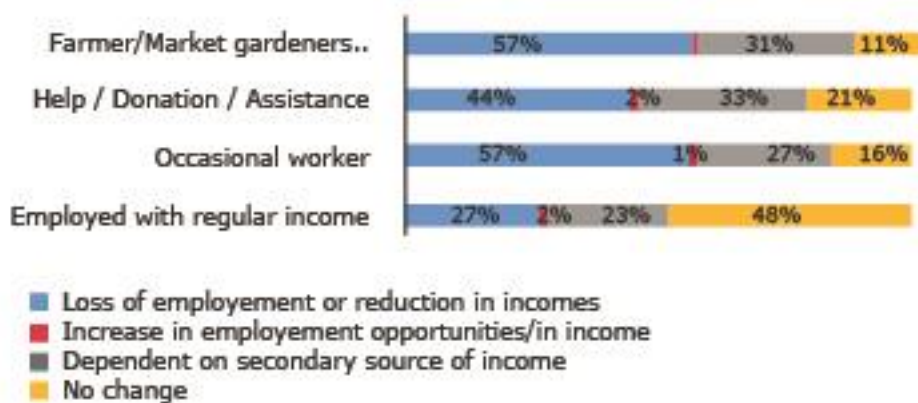
All types of activities were negatively impacted whether they were casual work, trade, farming or support/assistance. Employees with a regular income were the least impacted. For most of the responding households, the restrictions had led to a loss of employment or a reduction in wages. Around 42 percent of the households led by women declared having lost their livelihood following the introduction of restrictive measures against 37 percent of the households led by men

Informal work (casual workers, day laborers, commerce, businesses) and producers of fresh agricultural products (market gardening) were the most affected by loss of employment and reduced wages following the restrictive measures. In addition, around a quarter of the households reported to be adoption a number of coping strategies to deal with this situation, including the use of a secondary source of income.

My activities have been reduced from 40 to 50 percent. As adaptation strategies, we stored a lot of food, necessities, bought masks and some medicines very early"

- Working man, Bénin.

Changes in income, by source of income type



4.2.3 Food security and coping

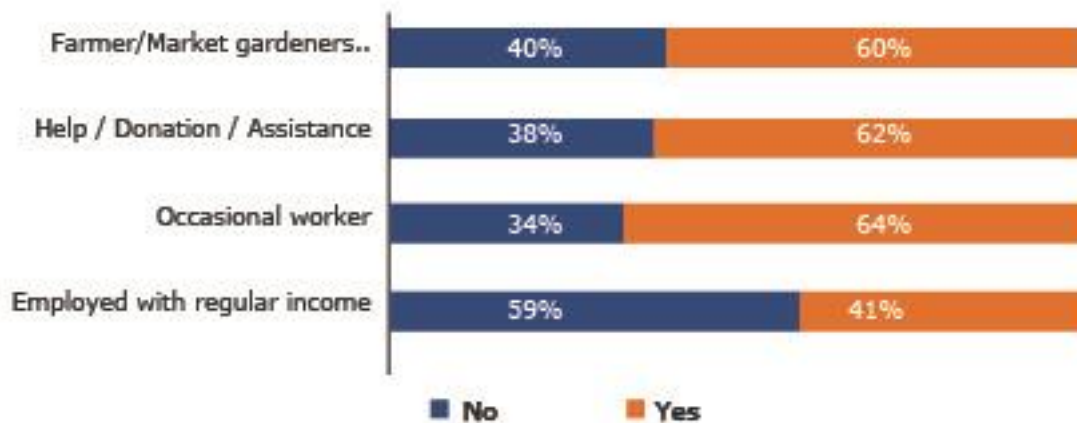
Food was noted as a major concern for more than half of households across the region (52 percent). This also explains the "panic purchases" observed when the restriction measures were announced.

The negative impact of job losses and/or drops in income that followed the restriction measures in urban areas, was also noted to have impacted rural areas due to the inter-dependencies between the urban and rural landscapes. Movement restrictions also prevented rural households to sell their products in urban centres, which has also contributed to a decline in rural incomes.

Concerns over household access to food were more felt by female-headed households, with households headed by non-working women (74 percent) being more significantly affected than those who were working (47 percent).

In addition, households dependent on unstable sources of income, such as daily laborers, small traders and those who dependent on remittances or family support as well as those active in the agricultural sector, reported to be worried about food to a greater extent than in other categories.

Concerns over having enough food to eat, by income source



To bridge food-gaps, 60 percent of the households were found to be applying food-based coping strategies. Nearly one third of households reported using more severe coping strategies, including going a whole day without eating and skipping meals or eating less than needed.

An extension of restrictive measures or a second wave of COVID-19 contamination leading to a new closure borders of some African states could have a significant impact on household food security. About 45 percent of households reported not having enough resources to face an extension of restrictive measures.

Due to the COVID19, prices of food commodities have continued to increase on a daily basis and with the fact that we have no job, it's quite hard to get money from friends and family. We've resulted to rely on less preferred food to cope.

Non-working woman, Nigeria.

4.2.4 Impact on movements

Travel is an important part of people's life, in both urban and rural areas. Before COVID-19, around 56 percent of households reported having to travel regularly beyond their city limits to work. Casual workers are the most mobile, with 63 percent of whom reported to regularly travel for work. Due to the pandemic, 86 percent of the households reported having members who had to modify their movements, either canceling them or reducing them in both urban and rural areas.

4.2.5 Risks of social tensions

The survey results show that there has been an increase in the risk of violence in both rural and urban areas, with incidences of domestic violence increasing slightly. Loss of income, social difficulties and uncertainties about the future generated by the pandemic could continue to worsen social tensions and fuel conflict and violence especially in countries that were already battling conflict such as Nigeria, Mali and Burkina Faso.

4.2.6 Assistance needs

The governments' COVID-19 assistance reached some of the households surveyed. However, this response had limited scope both due to the limited number of people targeted as well as transfer modalities used. In many countries, government assistance is provided under the form of food donations, while the majority of households have expressed the need for financial allowances and health kits.

5. Conclusions and recommendations

Based on the key findings of the study, the ECOWAS Commission and its partners have formulated the following policy recommendations for Governments and other relevant actors:

1. It is crucial to systematically strengthen coordination and consultation between the different governments to ensure harmonization and coherence of policies and response measures.
2. Governments are called upon to reduce restrictive measures, which hamper the movement of goods, people, capital and services, while strengthening and adhering to the necessary health and safety measures to limit the spread of the virus.
3. Governments are encouraged to support policies and enhance investments in key sectors, while taking advantage of innovative technologies to modernize the agricultural sector and supply chains, and promoting online commerce to diversify national economies.
4. Governments and economic actors are encouraged to invest in innovations and new information technologies to improve distance education.
5. It is important to work with governments and all technical and financial partners in order to prioritize and ensure access to food and agricultural inputs for agricultural producers' in time for the next agricultural season.
6. It is important for governments and the private sector to invest, through research and development for local production and processing of certain food and pharmaceutical products, which should reduce the supply chain length and the risk of disruptions in the event of an extension of restriction measures or a second wave.
7. There is a need to strengthen advocacy and political dialogue as well as mobilize adequate resources to enhance food security and nutrition in the medium and long-term, particularly through national social safety nets, strategic reserves, food banks, etc.
8. It is imperative to continue to work closely with governments and partners to put in place humanitarian corridors and promote optimal and inclusive supply chains to facilitate access of agricultural producers to markets, while ensuring the free movement of goods, people and staff humanitarian.
9. There is an urgent need to forge/strengthen multi-stakeholder partnerships to guide and support decision-makers in the implementation of evidence-based interventions.