

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

November 2020



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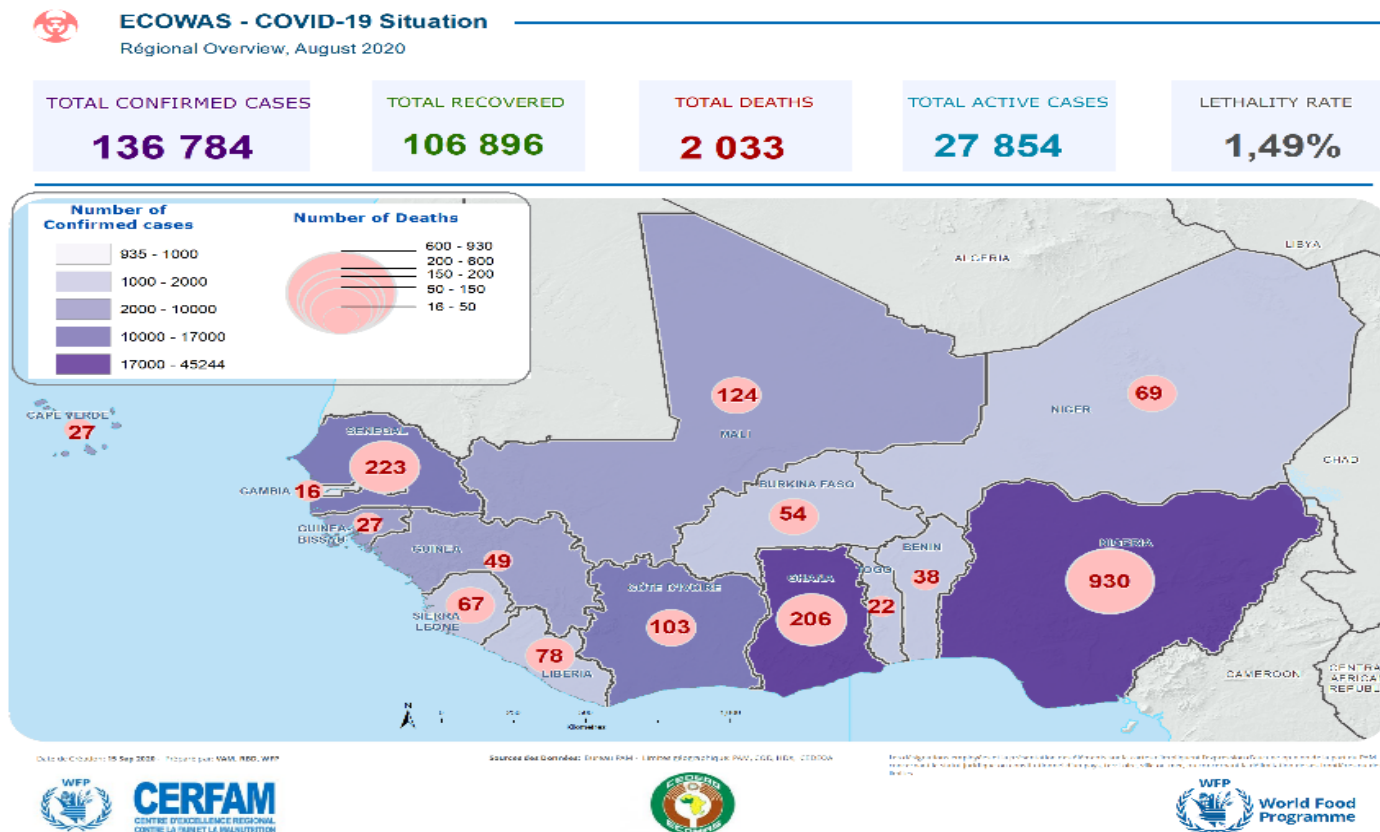
CONTEXT

- COVID-19 cases and fatalities remained low comparatively in Africa, but the impact of the pandemic was felt due to the movement and market restrictions that were imposed.
- Economic implications of COVID-19 restrictions is having severe impact, through lower trade and foreign direct investments, reduced global demand on primary commodities, reduced inflows of remittances, and reduced incomes.
- 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.
- Further partial or total containment measures could cost the continent 2.5 percent per month in its annual GDP.
- The fall of economic activity results in lower household income, affecting 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.



- 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.

Figure 1. Covid-19 Outlook, West Africa



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STUDY AIM

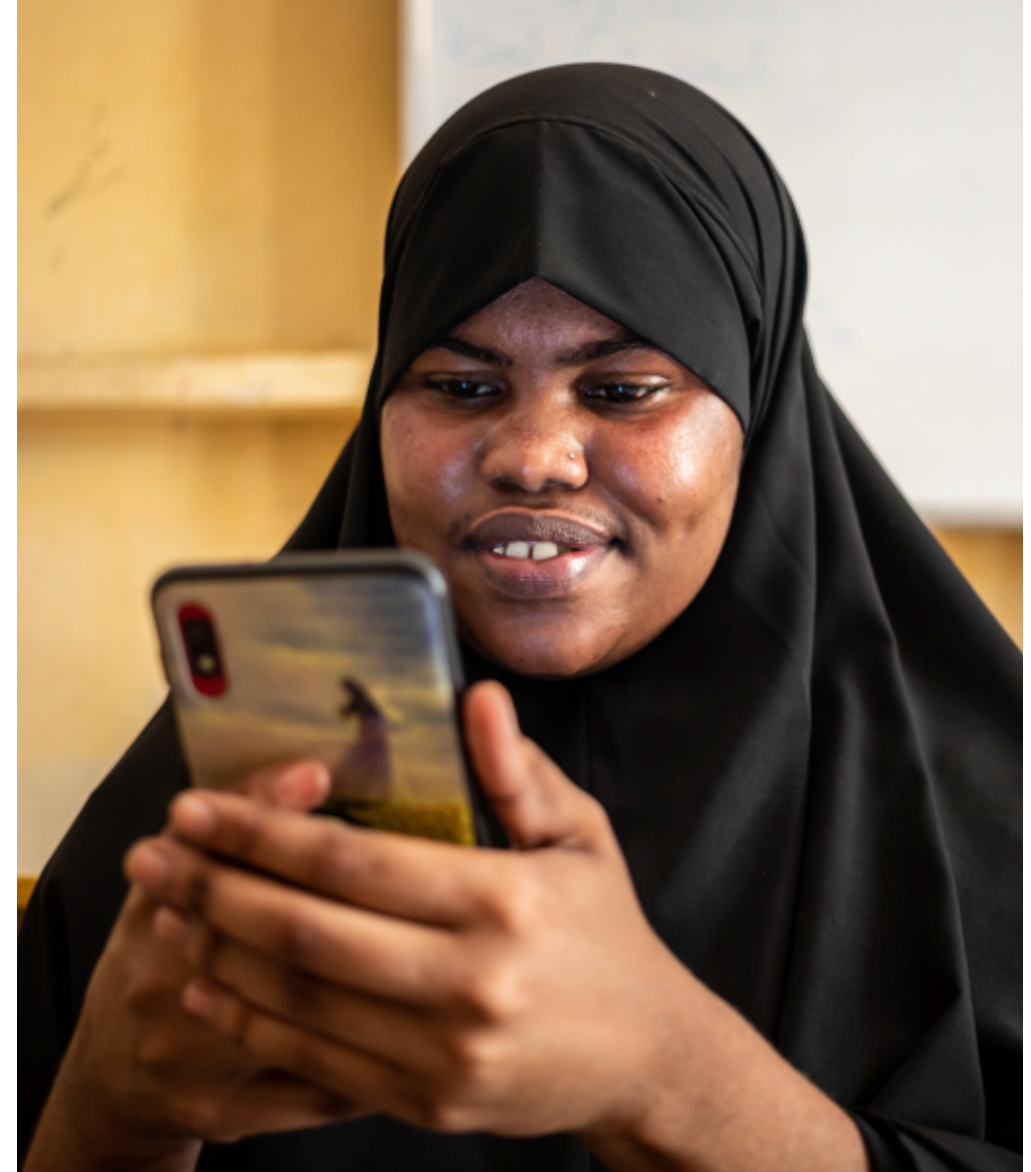
- ECOWAS Commission conducted a regional study in close collaboration with the Center of Excellence against Hunger and Malnutrition (CERFAM), the United Nations World Food Programme (WFP) and the United Nations Economic Commission for Africa (ECA) to better understand the socio-economic impact of COVID-19 in ECOWAS' 15 member states.
- The research focused on the impact of the pandemic at both macroeconomic and microeconomic level.
- 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.



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STUDY DATA COLLECTON

- Secondary data was used to analyze the repercussions of the pandemic on macroeconomic aggregates and indicators of social development.
- Primary data was collected using an anonymized web-survey disseminated across all 15 countries. A total of 4,675 households participated in the survey.
- The assessment provided a unique urban perspective due to better internet coverage (95 percent urban respondents).
- Moreover, this tool allowed to capture invisible groups, including women heads of households, who represented 19 percent of the total sample.



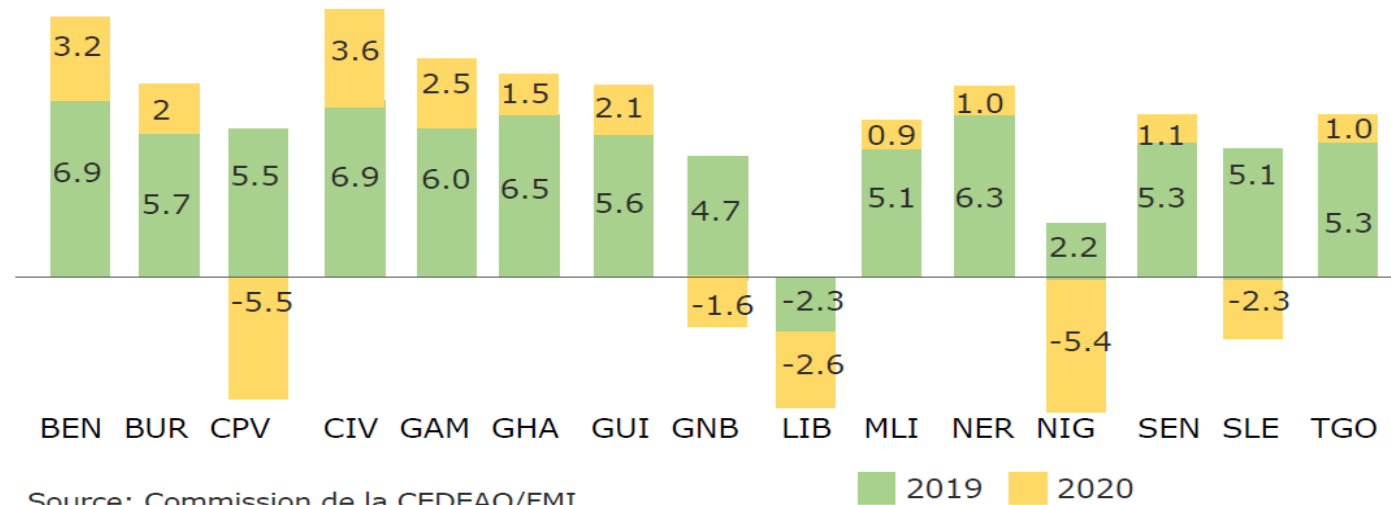
KEY FINDINGS



ECONOMIC IMPACT

- 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.

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



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ECONOMIC IMPACT

- The slowdown of economic activity will be aggravated by the expected **loss in remittances from migrant workers abroad**. An estimated 23 percent decline is expected in Sub-Saharan Africa, falling to \$ 25.9 billion in 2020, its lowest level in ten years.
- A significant drop in the prices of exported raw materials by ECOWAS is noted due to the contraction in global demand. Which could induce greater **consumer price instability** due to supply chain disruptions linked to restriction measures. 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.



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SOCIAL IMPACT

- **School closures** have affected students across of the region as of May 2020. Distance and online learning were limited due to lack of widespread internet connectivity.
- 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.



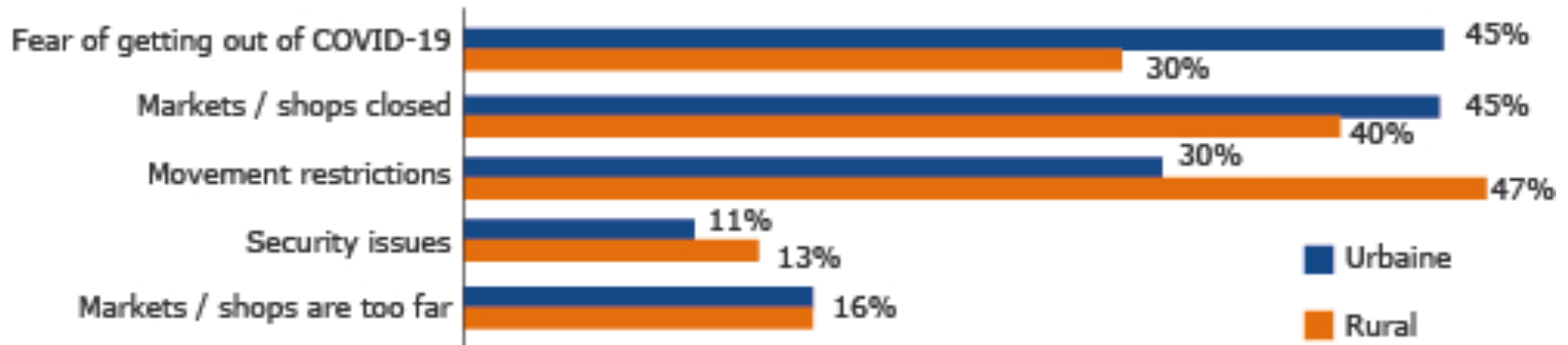
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PRICES & MARKET ACCESS

Price increases in food commodities was reported by more than 90 percent of households in rural and urban areas.

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.

Main reasons for inaccessibility to markets in urban and rural areas

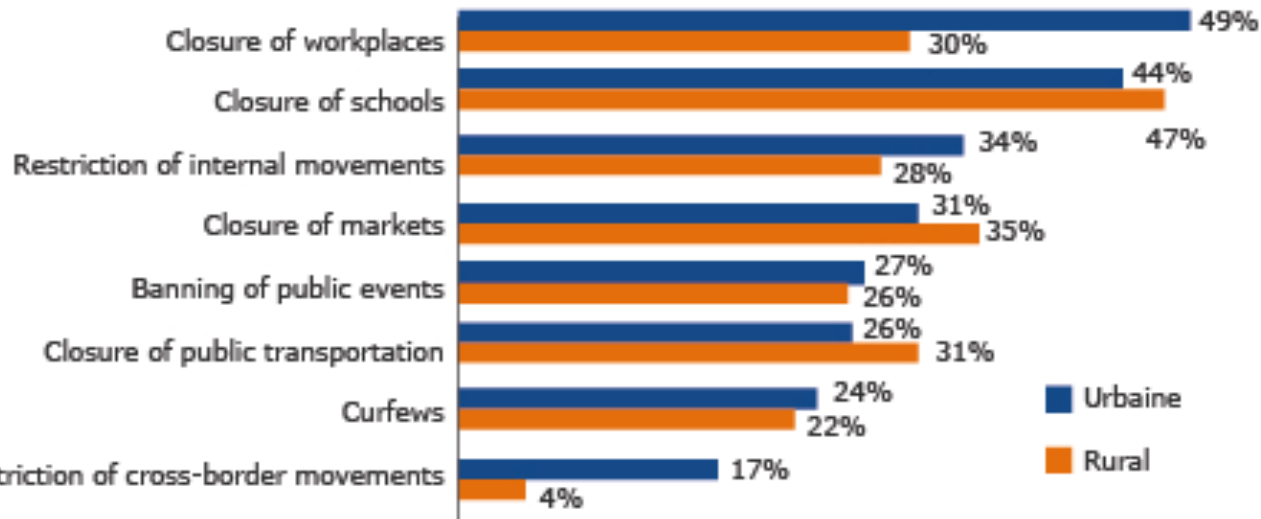


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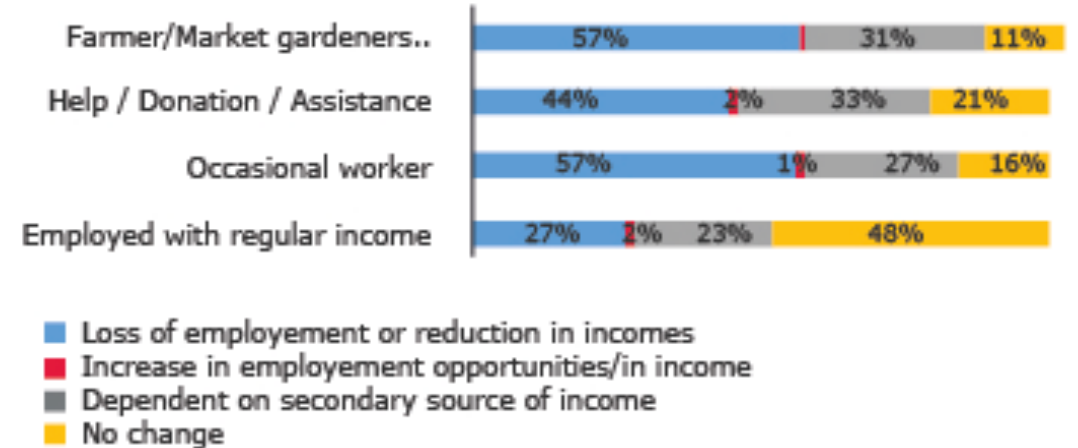
IMPACT ON HOUSEHOLD INCOME

- 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.
- 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

Impact of restrictive measures on household livelihoods



Changes in income, by source of income type

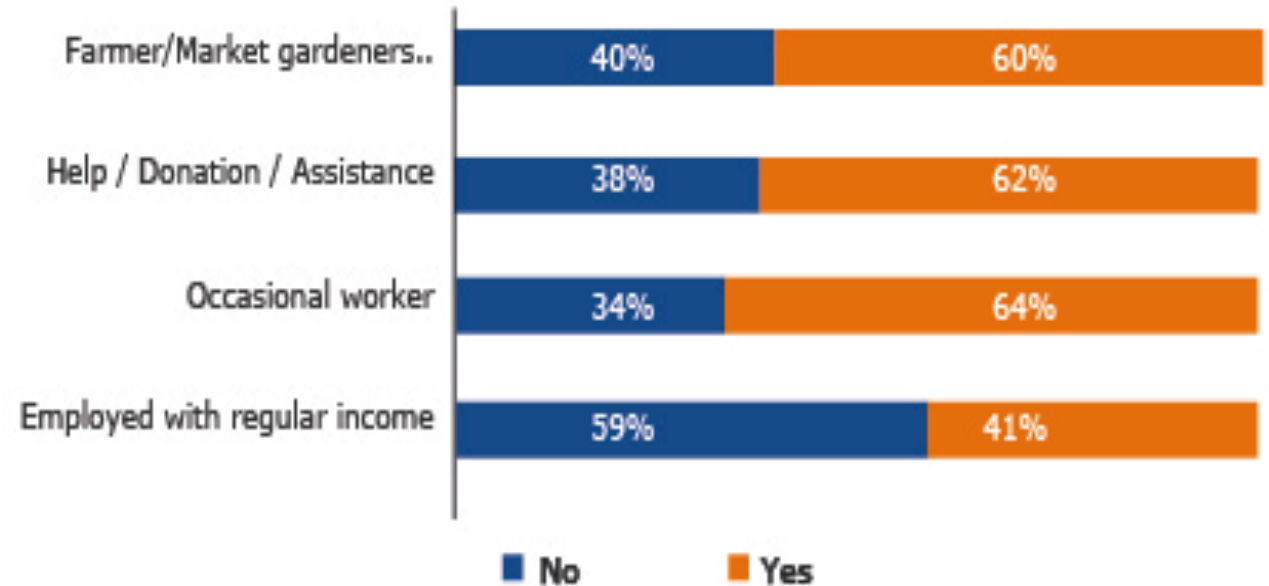


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IMPACT ON FOOD SECURITY AND COPING

- Food was noted as a major concern for more than half of households across the region (52 percent).
- 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).
- 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.
- The negative impact of job losses or reduction in income that followed the restriction measures in urban areas, impacted rural areas due to the interdependencies between the urban and rural landscapes.

Concerns over having enough food to eat, by income source



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OTHER IMPACT

- **Impact of movement:** Due to the pandemic, 86 percent of the households reported having members who had to modify their movements, either cancelling them or reducing them in both urban and rural areas.
- Results show 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.
- **Assistance:** The governments' COVID-19 is provided under the form of food donations, however assistance was limited, while the majority of households have expressed the need for financial allowances and health kits.



CONCLUSION & RECOMMENDATIONS



CONCLUSION & RECOMMENDATIONS

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.