Socioeconomic impacts of COVID-19

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West Africa
(Benin, Côte d'Ivoire, Ghana, Senegal and Togo)

By Sara Awad and Alexandra Konn

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The COVID-19 pandemic currently represents the greatest challenge our world has faced since the Second World War. In less than a year, the pandemic has profoundly changed daily lives across the world, forcing the majority of people to adopt a new way of life both physically and mentally. The global spread of the virus has overwhelmed health systems and caused widespread social and economic disruption that will leave deep scars. This crisis is expected to hit developing countries disproportionately in the longer term.

In May 2020, CESO’s Program Development and Learning team initiated this research to document the social and economic impacts of COVID-19 across a number of countries where CESO has ongoing initiatives. While the key goal of this report is to contribute to informed strategy development in CESO’s project AWE (Accelerating Women’s Empowerment) funded by Global Affairs Canada. The study may also provide useful insights to the general public, particularly students, researchers, practitioners, business leaders and policy makers who are engaged or could potentially become more engaged in the area of international development.

This report summarizes the social and economic impact of COVID-19 in Benin, Côte d’Ivoire, Ghana, Senegal and Togo. Here, we explore the impact of the pandemic on gender equality, environment, agribusiness, tourism and hospitality, health and nutrition, and agroforestry. These are key sectors and thematic areas where CESO aims to support people, businesses and other institutions to adapt, innovate and recover. This report is one of five publications that encapsulate the key findings of CESO’s research on the impact of COVID-19 in twenty countries.

An in-depth review and analysis of news, articles and journals published in international, regional and national publications forms the key pillar of this research. These findings have been triangulated and further elaborated with insights from AWE staff members and partners from across different countries.

This research has involved the collection and application of a depth of primary data with support of CESO staff members and partners from across different countries. The guidance from the management of CESO’s International Services team and technical specialists enabled the researchers to identify high priority practical areas to explore during the study. CESO appreciates the valuable advice from its expert volunteers who have supported the research in its critical milestones. Special thanks goes to the internship program at the Munk School of Global Affairs and Public Policy at the University of Toronto, which provided key support in research design, coordination and compilation.
Introduction

Given the uneven global spread of the virus, Africa experienced its first outbreak much later than Europe and Asia. In sub-Saharan Africa, the World Bank estimates a decline in economic growth from 2019 to 2020 that would see the region enter its first recession in 25 years. In this region, agricultural production is expected to contract significantly if trade blockages are imposed, threatening food security in a region already facing an increased risk of food insecurity due to climate related crises, such as longer and more severe droughts. In 33 African countries, lockdowns have. This will the delivery of food assistance to rural areas and prevented farmers from accessing markets to sell their crops. As household consumption declined and an estimated 20 million jobs are lost, an additional 40 to 59 million people will be pushed into extreme poverty.

Due to trade disruptions, border closures, and mobility restrictions, local economies in West Africa have been severely impacted. Additionally, West African countries have a large informal market. For example, in Senegal, the informal labour market makes up about 60% of the entire labour force and many workers have limited savings and lack insurance and safety nets. Women tend to be more represented in informal work, which makes them more vulnerable to the economic impacts of COVID-19. According to a UNDP survey conducted in May, a reported 46.3% of women had lost employment compared to 22.1% of men, in the informal sector. This higher percentage of women exiting the labour force can partly be attributed to their prevalence in the most impacted sectors as well as the increased burden of care they experience at home.

Countries imposed lockdowns and restrictions to prevent the spread of the virus which had severe implications for the agribusiness sector. Market closures and travel restrictions impact farmer and producer market access and the supply of labour. Concerns surrounding access to agricultural inputs abound as farmers’ purchasing power for next season is diminished and imports are affected by stricter border checks and mandatory quarantines.

Because women represent approximately 75% of this workforce, they are disproportionately impacted by this income loss. As people lose their source of income, they may substitute basic food staples with a longer shelf life over more nutrient dense foods, thus reducing the nutritional status of households and incentivizing farmers to restrict production of these crops in favor of cash crops. The consequence of this could be an increase in malnutrition in the region.

The IMF predicts a GDP contraction in sub-Saharan Africa so severe that it has been dubbed “the worst reading on record.” Countries that are less diversified and more dependent on tourism, such as Senegal, will be hit the hardest with an estimated contraction of approximately -5%, compared to the pre-COVID estimated growth rate of approximately 4%. As travel is disrupted and borders are closed, the tourism and hospitality sector suffers the loss of customers and a reduced demand.

Across Africa, countries are responding differently to the pandemic with their central banks cutting interest rates and enacting other measures to encourage lending and soften the economic blow. Many have implemented their own socio-economic protection and recovery plans. Additionally, some governments are turning to technology to help them in the fight against COVID-19. Along with economic responses, many countries are using their experience with Ebola to better prepare themselves for COVID-19, from screening travellers to implementing quick lockdowns, and working with the World Health Organization (WHO) to expand testing capacity.
The COVID-19 pandemic has affected all activities in the Beninese economy, with the exception of pharmaceutical companies, which have been in great demand by the population, in particular for the purchase of masks and hydro-alcoholic gels as part of preventive measures and other products in the treatment of common pathologies. Low-income households have been the most hit by the pandemic. These households rarely have any savings and thus the cessation of activities due to various restrictions, closings of certain places and borders seriously affected their means of survival. Many live only on donations and charitable organizations.

The transportation sector in general has been crippled by this health crisis. Air, sea and land inter-border passenger transportation have seen a drastic drop. The closure of borders in order to limit the movement of populations, restrictions on public transport and other measures to prevent the spread of the virus have impacted all the activities of the transport sector.

CESO’s Country Representative in Benin notes that local MSMEs in Benin have experienced a sharp decline in customer demand, which has impacted their revenues and sales. In order to reduce their costs, a large number of companies have laid off their employees or have not renewed employment contracts, thus affecting households. Additionally, restrictive measures imposed by the government in order to contain the spread of the virus have led to an unforeseen slowdown of economic activities.

According to the World Food Programme (WFP), the decline in demand from China and other heavily impacted countries will significantly decrease economic activity in the agriculture, extractive industry, and tourism sectors, which employ a large number of women in West Africa. In Benin, many businesses surveyed by the Chamber of Commerce and Industry have reported difficulties in generating revenue and are unable to pay their employees, afford their office space rent, or pay their taxes. Exporting companies are hit harder than importing companies, although the latter are still experiencing declines in demand due to consumer’s fear about contamination from products from COVID-19 affected countries.

Beninese women play a significant role in the economic survival of their families by carrying out a wide range of jobs and activities in different sectors including agriculture, livestock, processing, trade, crafts, hospitality, hairdressing, sewing, etc. Business disruptions and the loss of informal income are felt more acutely by women, who dominate the informal economy and are also dealing with an increasing burden of care at home. Additionally, the government issued movement
restrictions have made the household tasks of women and girls, such as collecting water and firewood, more difficult and dangerous.

**Agribusiness**

In Benin, agribusiness is an important part of the country, contributing around 30% to Gross Domestic Product (GDP) and providing employment for 70% of the population. Women are a large part of the sector and contribute between 60-80% of the agricultural work such as planting, weeding, and harvesting. Additionally, women are generally responsible for the storage, processing, and marketing the post-harvest products. As well as their agricultural responsibilities, women are responsible for care within the household which includes activities like water and firewood collection and food preparation. In cases where men migrate to find work, women are the sole workers on the family plot, providing food for the whole household. Women’s contributions to the sector, usually informal, are often overlooked and the International Fund for Agriculture Development (IFAD) reports they are more vulnerable to poverty and lack access to economic opportunities. Given the prevalence of women in the agribusiness sector, as well as their existing vulnerabilities, the COVID-19 pandemic is likely to have a greater negative impact on women than men.

The World Food Programme (WFP) warns that COVID-19 may result in West African governments prioritizing health expenses over agricultural expenses, leaving farmers with lower access to quality fertilizers and other agricultural inputs. Additionally, the harvests may not reach as many markets and provide as much income to farmers due to market closures and travel restrictions. Benin is bordered by Togo, Burkina Faso, and Niger, and engages in a lot of cross-border trade. However, most of it is informal, by small scale traders who conduct their business on transit or cars that do not pass the new border screenings. Benin food traders have reported a significantly slower crossing time at borders due to these restrictions and health checks, which creates problems for time-sensitive value chains. These disruptions impact informal workers more heavily and limit the amount that producers and traders can sell, decreasing their income, and leaving them vulnerable to food insecurity and poverty.

The cashew sector is impacted heavily by the COVID-19 pandemic. As one of Benin’s most valuable exports, cashew is a significant contributor to the economy. However, most of Benin’s cashews are processed internationally, with only 20% being processed locally. Thus, global travel restrictions have prevented many of these foreign buyers from reaching Benin at the start of cashew buying season in late March. As a result, cashew prices dropped and smallholder cashew farmers had to sell at a loss, negatively affecting their income and ability to support themselves and their
families. For local producers, market closures and domestic travel restrictions have reduced sales, and income for this group is also negatively impacted.

Tourism and Hospitality

According to CESO’s Country Representative in Benin, all activities in the Beninese tourism sector have been severely affected by the health crisis. Companies operating in the tourism and hospitality sector including hotels, restaurants, travel agencies, tourist guides, touristic sites, etc. have witnessed a slowdown or a discontinuation of their activities. Given that this sector employs a large number of women, the latter have experienced the negative economic effects of the crisis.

National Response

The government has put a lot of effort in educating the Beninese population on preventive measures through the subsidization of mask prices and the involvement of the police for the rigorous monitoring of measures barriers and the wearing of masks. In the major cities, we can estimate that more than 90% of companies have a handwashing device at the entrance and markings on the ground to respect distancing. However, all these precautions are only observed in big cities like Cotonou and Porto Novo. In the other cities the populations live without really taking into account the health measures defined by the authorities.

The government has also put in place measures to support the most affected sectors and the most vulnerable people from lower-income households. The government has announced a stimulus package of US$124 million on June 10. This package is intended to support formal businesses, craftsmen and small service traders in the informal sector, and other vulnerable populations. Within this package are the following measures: 70% of the gross salary for formal sector employees will be covered for a three month period; value-added taxes will be reimbursed; a general subsidy for electricity and water tariffs will be applied to all citizens; and hotels and travel agencies will have their electricity covered by the government for three months. In addition, the government is aiming to increase healthcare spending, support vulnerable households with cash transfers, and support impacted businesses.
The government has also started transferring cash to targeted beneficiaries in order to mitigate the economic and social impact of the pandemic starting July 8th, 2020. Beneficiaries receive money via their mobile money accounts.

In Benin, local entrepreneurs are helping fight the COVID-19 pandemic, with financial and technical assistance from a United Nations and government initiative. An example of one of these entrepreneurs is the start-up, Atingan, that switched its business from manufacturing eco-friendly stoves to handwashing stations that can be operated with pedals to avoid contact. Another example is the Aldo Initiative, a group of fashion designers that create tested and effective masks from local fabrics. The ideas from these innovators cover a wide range – and are critical in addressing the needs of Benin amidst the pandemic.

In the medium and long term, it is expected that the economic recovery will depend on the effective involvement of the government through the implementation of a robust plan of social and humanitarian economic response taking into account the informal economy as well as the agricultural sector. This could be done through the establishment of funds to support agricultural incomes, the promotion of local production, the facilitation of market access, the facilitation of import and export procedures for merchandise.

**International Response**

On June 26 2020, the World Bank approved $50 million in financing from the International Development Association to help Benin in the socio-economic recovery from the COVID-19 pandemic. This funding will help strengthen Benin’s fiscal and debt management and speed up the development of the digital economy. Additionally, the funding will help make the energy sector more competitive, improve its financial sustainability, and promote renewable energy sources. This $50 million from the World Bank is in addition to a $40 million already provided to help Benin fight the health and economic impacts of COVID-19.

The United Nations Development Programme (UNDP) is also contributing to the international response through its support to the national response to contain the impact of COVID-19. The UNDP’s support will work to prevent transmission of the virus and mitigate its social and economic impacts. This will be accomplished by conducting an assessment on the socio-economic impact, particularly its impact on SDG progress, expenditure analysis, and finance as well as the impact on social and economic sectors. Additionally, the UNDP will perform an economic impact analysis on the most vulnerable people who lack social protections and whose economic activities have decreased. The UNDP will then use these assessments to help the national government inform policy options to increase the rate of recovery.
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Similar to other African countries, Côte d’Ivoire has not been spared the coronavirus pandemic and its adverse effects. The pandemic’s impact has been felt in both informal and formal sectors as well as households with a decrease in income of 43% of households. 72% of households claimed to be unable to cope with domestic costs such as water and electricity bills as many of them work in the private and informal sectors. This decline in income has resulted in difficult access to health services as well as rather limited access to products and services due to the increase in food prices.

According to a study jointly conducted by the Ministry of Planning and Development in Côte d’Ivoire and the UNDP, the decrease in demand resulting from the government’s prevention measures has led to a fall in production, investment and employment for the entire formal sector and an estimated 39% of jobs lost for the informal sector.

In Côte d’Ivoire, a reported 16% of companies have closed their business; 42.6% have temporarily suspended operations; and approximately 66% have reduced their business activity. A significant portion of companies in Côte d’Ivoire are small or medium sized enterprises – approximately 74%. These smaller companies are much more affected than larger ones because they have less resources to fall back on and thus are more concerned about the long-term effects of the pandemic. Given the context where a significant portion of the workforce is employed in the informal sector – contributing over 40% to national GDP – the government measures are challenging to comply with as many do not have the option to work from home. The joint study reports that among the workers who lost employment, 22.1% were male while 46.3% were female; an unsurprising statistic considering that women are more prevalent in the informal sector.

Before COVID-19 arrived in Côte d’Ivoire, local Financial Technology (FinTech) enterprises faced challenges to their existence including high tax rates and expensive operating licenses that made start-ups unsustainable. The pandemic has exacerbated these challenges and created new ones. A lockdown and restrictions have forced small companies to lay off some employees and the remainder are struggling with internal process issues working from home. Many FinTech’s have adapted by increasing their...
digital presence on social media to create new opportunities and by making their current offerings more online-friendly. These innovative FinTechs are aware of a support fund for SMEs set up by the government of Côte d’Ivoire but many are also seeking out investment from professional private investors to remain afloat.

Once the crisis is over, some activities will go through a difficult recovery period and some companies will be very weak because of the accumulated debts. It is encouraged that the government supports value chains in stride through public investments and encouraging private sector developments.

**Gender Equality**

As they represent two thirds of the heads of informal enterprises, women are a critical part of the Cote d’Ivoire economy. As such, women-led businesses are particularly affected due to their lack of collateral, lower earnings as compared to their male counterparts, and concentration in lower productivity sectors and the informal sector. According to a UN Women impact feature, a significant share of MSMEs in the country are run by women but because of their tendency to be in the agriculture or service sectors, they often have difficulty accessing finance even in the best of times. During a crisis like COVID-19, there is little to sustain these businesses when income drops. A particular business owner reported to UN Women that access to local markets has been reduced because social distancing measures impact attendance and with the closure of many shops there are few opportunities to sell her products. Therefore, women are a critical piece of the Côte d’Ivoire economy and are feeling the impacts of COVID-19 most acutely.

CESO’s Country Representative in Cote d’Ivoire notes that the coronavirus pandemic has widened the gap in gender inequalities that already existed. Gender-based, sexual and domestic violence has increased as a result of the restrictions imposed by the lockdown. Access to the health service is reduced as a result of the priority placed on reducing the spread of the disease. It should also be noted that 70% of the health force is represented by women (doctors, nurses, midwives, nursing assistants, etc.), therefore women are more exposed and more vulnerable to getting sick and transmitting it to their children.
Agribusiness

In Côte d’Ivoire, the agriculture sector is mostly compromised of smallholder farms that depend on farm income almost entirely as a source of income. Agribusiness companies have suffered disruption in the production and processing process due to difficulties in sourcing agricultural raw inputs and packaging materials. According to the UNDP, more than half of households who work in agriculture and animal husbandry experienced a decline in income as a result of the COVID-19 pandemic. Such declines may be challenging to overcome without any assistance to fall back on.

Cote d’Ivoire is the largest international producer of cocoa, and thus the crop makes up a significant portion of its agricultural sector. COVID-19 could result in a reduction in demand for this crop and, as much of it is exported, potential supply chain disruption is also a threat according to the UNDP. A study by the Côte d’Ivoire Ministry of Planning and Development and the UNDP explains that as a result of COVID-19, export crop prices have decreased. The fall in prices of export goods such as cocoa and cashew will heavily impact poor farmers who may resort to selling productive assets for a source of income, and will likely reduce investment in human capital, particularly girls.

In a Cote d’Ivoire telephone survey of 515 cocoa producers, over half of the producers reported that their household income had decreased since lockdown began. While steps have been made to exit its partial lockdown, the country is just seeing its peak of COVID-19 and these cocoa producers are not yet out of the woods.

Given the isolation of Abidjan from the surrounding areas, COVID-19 has been prevented from spreading to rural areas and the UNDP reports that if the virus reaches these areas and prices rise in urban areas, farmers who sell domestically will be more affected. As such, 25.90% of households had economic difficulties linked to the rise in prices.
Women play a predominant role in the agribusiness sector and work mostly in the weakest links of value chains, the crisis has led to a drop in their income due to the drop in demand, working hours (curfew) and difficult access to raw materials due to the isolation of Greater Abidjan and the ban on travel between regions.

Men and women in artisanal fisheries maintain close contact at most points on the value chain. Therefore, this sub-sector is very vulnerable to the restriction measures imposed to prevent the spread of COVID-19. However, many women have not let this stop them from conducting business. The Union des Societes Cooperatives des Femmes de la Pech de Cote d'Ivoire (USCOFED-CI) have started sanitization measures at several points to help people maintain appropriate prevention hygiene measures. However, many have had to dip into their own savings to contribute these sanitary kits and has shown them that the artisanal fishery industry is lacking important sanitary conditions.

The government has established a number of funds to support various sectors in Cote d'Ivoire. These include: a 250 billion fund to support SMEs; a 25 billion fund for companies in the cashew, cocoa, coffee, rubber, cotton, and palm oil sectors; and a 50 billion fund for the food, vegetable, and fruit sectors.

**Health & Nutrition**

Getting proper nutrition in Côte d'Ivoire can be a challenge as 80% of children do not have enough to eat, 20% are stunted, and more than 6% suffer from acute malnutrition, according to UNICEF. Additionally, many mothers have difficulty breastfeeding due to a lack of nutrition, resulting in more than 75% of babies who are not exclusively breastfed for the first six months of their life. With the COVID-19 pandemic, these nutrition challenges are at risk of becoming more severe as food security is threatened and access to nutrient dense foods may become less available. UNICEF is working to prevent an increase in malnutrition due to COVID-19 with the training of more than 2000 community health workers and the development of nutrition videos to educate about its necessity during the pandemic.

**Agroforestry**

The impact of Covid-19 on the environment has been both negative and positive. The study conducted by the Swiss Center for Scientific Research in Côte d'Ivoire shows the increase in the quantity of medical and hazardous waste generated during this period, which is a destructive factor of the environment. On the other hand, the decline in human and industrial activity has led to a considerable reduction in CO2 emissions, nitrogen dioxide concentration, the decrease in water pollution has positively contributed to environmental conservation.

High deforestation in Côte d'Ivoire has become a critical issue for the country in recent decades. Having already lost around 90% of its forests, this resources now only exists in national parks and a
handful of forest reserves. The main driver behind Côte d’Ivoire’s deforestation is cocoa production – poor cocoa farmers struggle to produce enough to survive on their plots and as their trees age and the yields decline, they are often forced to illegally expand into protected areas. With COVID-19 leading to a fall in export prices, these farmers livelihoods are threatened and they may be forced to expand their agricultural land even further – harvesting much more cocoa to be in the same position they were in pre-COVID-19.

According to the UN Environment Chief, Inger Andersen, “Nature is sending us a message with the coronavirus pandemic. Failing to take care of the planet means not taking care of ourselves.” Therefore, COVID-19 has highlighted another critical need for forest conservation: wildlife is driven into close proximity with humans by forest destruction, so reversing deforestation and protecting the forests of Cote d’Ivoire with agroforestry will help tackle both climate change and future pandemics.

Tourism and Hospitality

The tourism and hospitality sector is one of the sectors most affected by the COVID-19 pandemic. The sector in Côte d’Ivoire is mainly composed of SMEs (79% are micro enterprises, 16% small enterprises and only 5% are considered as medium enterprises) which suffered a slowdown of activities due to border closures as well as the preventive measures taken by the government to stop the spread of the coronavirus. The main impacts are the inability of players in this sector to pay their debts.

CESO’s Country Representative in Cote d’Ivoire highlights that signs of this sector’s recovery have been noticed, especially in large hotels since the opening of the borders of countries in the

Tourism and Hospitality
Economic Community of West African States (ECOWAS) zone. However, strict compliance with hygienic measures is required for all actors in the tourism, hotel and leisure sector.

**National Response**

The government of Côte d’Ivoire was quick to act after experiencing its first case of COVID-19. By March 23, a state of emergency was declared, and measures were implemented to prevent the spread of the virus. Measures included: a ban on all international travel with the exception of humanitarian aid; mask wearing mandatory in certain settings; a 9pm to 5am curfew; prohibited movement between Abidjan and other cities; and the closure of restaurants, bars, schools and universities. Within Abidjan, authorities also implemented an extensive cleaning operation to disinfect potential transmission sites. In view of these emergency established measures, it is fair to say that the government’s reaction was prompt.

To support the households and businesses impacted by COVID-19 and the government-imposed measures, the Côte d’Ivoire government established four specific funds to support the informal sector, small and medium enterprises, large companies, and national solidarity. The government also suspended the collection of certain taxes and in order to help companies conserve their liquidity, relieve their cash-flow and protect their working capital for a period of 3 months.

Additionally, the government extended financial support for the agricultural sector equivalent to 0.8% of national GDP (with a specific focus on the companies in the cashew, cocoa, coffee, rubber, cotton, palm oil subsectors); created an emergency health response plan equal to 0.3% of GDP; deferred the payment of electricity and water bills for households subscribed to the social tariff; and on May 31, announced the implementation of an economic support package of agricultural inputs and expanded cash transfers to protect the most vulnerable. The government is also supporting women entrepreneurs with an exchange platform with INIE (Institute for Nonprofit Innovation and Excellence) in which they can identify difficulties and overcome economic shocks during and after the crisis. The government also distributed health kits to women who work in the markets because they are more exposed to contamination.

In the medium and long term, the post COVID-19 recovery plans could focus on accelerating digital transformation at all levels (e.g. SMEs with high levels of digitization generate more revenue).

Once the crisis is over, economic activities will go through a period of recovery and some companies will be very weak because of the accumulated debts. According to CESO’s Country Representative in Côte d’Ivoire, the biggest challenge would be to encourage the government to public investment to stimulate supply and support value chains that were hit by the pandemic.

**International Response**

International support for Côte d’Ivoire’s fight against COVID-19 comes from international organizations. The World Bank International Development Association agreed to pledge USD35
The purpose of the COVID-19 Strategic Preparedness and Response project is to provide personal protective equipment to health care workers and strengthen the health system through the provision of intensive care equipment and improved facilities. The project is also intended to support the training of health care workers, make detection and treatment of patients more efficient, and improve the water supply to ensure better access for hygiene and sanitation. As well as emergency health support funding, Coralie Gever, the World Bank Country Director for Cote d'Ivoire, Benin, Togo, and Guinea explains that the project will also “enable the authorities to use the various safety net mechanisms to provide financial assistance to poor households that have been affected or made vulnerable by COVID-19.”

As part of the international response, the United Nations Population Fund is working to create an electronic nano server that will act as a hotspot and storage device. With this, midwives will have access, with or without internet, to training information and other learning materials about COVID-19. Additionally, UNICEF and various partners are working to create insights for Cote d'Ivoire’s country office about the impacts of social distancing, and the suitability and sustainability of it in low-income areas.
References


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Ghana was enjoying macroeconomic stabilization, high growth, and an inflation level nearing the Bank of Ghana’s target, according to the IMF. However, the shock of COVID-19 has caused a rapid deterioration in these economic successes. The United Nations reports that the negative impact of the pandemic on Ghana will stem from supply chain disruptions and restricted movements. Ghana’s 46 border districts are expected to see a significant reduction in local consumption of goods as a result of value chain disruption because of land closures. These disruptions will affect all that are connected to these supply chains - individuals and businesses and the wider economy of these border districts. Movement restrictions may lead to job loss for many involved in person-to-person businesses. However, some businesses may be benefitted by the global disruption, particularly local producers who predominantly produce for local markets. Additionally, those who were previously struggling to compete with external competitors may come out on the other side of COVID-19 stronger. Additionally, some are likely to find opportunities by the increased demand for certain products such as hand sanitizer, gloves, or masks.

According to the Food and Agriculture Organization (FAO), women are overrepresented in the informal economy and thus are more vulnerable to the pandemic because of a lack of job security and limited access to savings and credit. For women and girls, a statement released by GenCED, identified the challenges facing them to include: impact on women in the informal sector, increased burden of care, and exclusion from leadership roles. The organization urged the government to create a ‘stimulus package for women working in the informal sector who are unable to run their businesses as a result of the pandemic.’

If Ghana were to experience a long and severe outbreak, the recovery prospects are low for 2021, and if international markets and trade remain disrupted, rising food insecurity will exacerbate Ghana’s poverty. How Ghana will recover then, depends on how COVID-19 evolves in the country as well as in its neighbors. According the United Nations, the path to recovery should begin with easing the supply chain disruptions at Ghana’s borders. Additionally, businesses that have taken on a role previously filled by international imports should be supported and given a foothold to survive once the world economy recovers. Increasing local production will not only provide more employment opportunities during and after the COVID-19 crisis, but will additionally have environmental benefits in the long-term as shipments of raw materials will be reduced. Additionally, the United Nations expects to see a push in domestic tourism and an increase in online businesses as Ghana adapts to a disrupted global market.
Agribusiness

Before the pandemic shocked the world, Ghana spent approximately US$100 million a month on imported agricultural products from China, the United States, and Europe. With COVID-19, importing from these countries has been a challenge, and Ghana is already feeling the pandemic’s negative impact on food supply systems. According to a member of the Graduate Farmers Network, the crisis is already impacting Ghana’s major export crops, including cashew which has seen a drop in the price of a 100kg bag by 40-50%. Because processing factories have been forced to shut down due to lockdowns, exports have been reduced leaving the cashew farmers in Ghana with excess supply. This excess supply translates to lower prices and profits, reducing the income and therefore the purchasing power of those involved.

In addition to reductions in demand and excess supply, the agribusiness sector in Ghana could experience a shortage of labor resulting from layoffs, movement restrictions or the virus itself. According to FAO, this labor shortage may disrupt the production and processing of food. This could translate to crops left on the field that could otherwise be sold at a local market or store, potentially contributing to food insecurity in the country. In periods of labor shortage, FAO reports that women often work in unpaid post-harvesting positions on cocoa plantation. As women make up a significant portion of the sector – almost 50% according to FAO – they face a high risk from the pandemic’s impacts. Even more so given their representation as informal workers or as unpaid family farm workers.

The pandemic in Ghana has created concern surrounding access to agricultural inputs, which could affect next seasons’ crop yield, and a decline in financing available to small enterprises and agro-dealers. Since the majority of smallholder farmers are women, a drop in available financing would be detrimental for a group that already faces limited access.

In the greater Accra and Ashanti regions of Ghana, the partial lockdown allows for only the transportation of goods between these two areas. Farmers in Accra have reported an increase in demand for organic produce, and through online or telephone ordering and payments via app, the demand for organic food in these regions is being satisfied. Thus, creating better linkages between producers and consumers can help circumvent border restrictions, and prevent issues with excess supply and labor shortage, as layoffs will decrease and food will reach the consumer.
Tourism & Hospitality

The tourism and hospitality industry in Ghana was a significant contributor to national GDP, adding approximately 5.5% to national GDP, or USD$1.9 billion in 2019. According to Tourism Minister Barbara Oteng Gyasi, “[in 2019] several of our hotels registered 100 per cent occupancy, the arts and crafts dealers doubled their sales compared to 2018, [and] car rentals also had increased patronage.” However, these gains have quickly deteriorated since the pandemic shocked the economy. Gyasi stated in a press release that the industry had lost up to USD$171 million from March to June as a result of reduced tourists and limited operations. Tour operators in Ghana report having to lay off employees and one operator, Moses Femi Gbeku, worries about the impact it will have on his employees’ families food security, citing that some of his employees are providing for 20 people at a time.

In Ghana, 83% of the employees in the tourism and hospitality sector are female, with a significant pay gap between them and their male counterparts, according to the United Nations. The prevalence of women employees in this sector means that it will likely be women who lose their source of income, already low to begin with. This lower purchasing power will decrease women’s ability to afford food for themselves and their families and they may resort to negative coping mechanisms such as restricting the amount they eat.

Some business owners are switching gears to try and increase their domestic consumers and stay afloat. To assist the sector, the Ministry of Tourism with the Ghana Tourism Development Authority and the World Bank has put USD$9 million into a project – to be divided with USD$4 million going to the development of tourism and destination sites and $5 million going to tourism and hospitality business support systems in the value chain.

“We don’t anticipate any significant improvement in international travel until [2021] year so, for this year, our agenda in to improve domestic tourism”
- Barbara Oteng Gyasi, Minister for Tourism, Creative Arts and Culture of Ghana

National Response

According to the IMF, the national government has committed USD$210 million to the Coronavirus Alleviation Programme, which includes the promotion of certain industries, a stimulus package for small businesses, and the creation of social protections and insurance policies. This is in addition to a USD$100 million for Ghana’s COVID-19 preparedness and response plan. This increase in government spending will be funded by cuts in spending on goods and services, transfers, and capital investment as well as the postponement of interest payments on domestic bonds equal to 0.6% of GDP.
International Response

The international response to the COVID-19 pandemic in Ghana comes from the IMF, the World Bank, and the UNDP. From the IMF is USD$1 billion, intended to go towards helping Ghana meet its response plan budget and balance its payments. The World Bank will provide USD$100 million in short, medium and long-term support, to be used in the short-term to help Ghana deal with the health and economic impacts as finance, policy and technical assistance. Lastly, the UNDP offered a three pillar response to help Ghana address the crisis. The first two pillars are health systems and crisis management responses while the third tackles the socio-economic impact. The main focus on pillar three is to safeguard the progress made on sustainable development goals in Ghana and to protect jobs. For this pillar, the UNDP proposes the following interventions: a COVID-19 economic recovery group; identifying, measuring and tracking the social and economic impacts on individuals, households, and businesses; job protection efforts for youth; a re-imagining of SDG financing and architecture; and the identification of potential policy solutions for a digital transformation of the economy. In order to finance these interventions, the UNDP will redirect resources from existing projects.
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In Senegal, the health crisis linked to COVID-19 has multidimensional impacts, particularly on the economic and social level. According to the World Bank, the pandemic had a large impact on the informal sector, which represents an important part of the country's economy (absorbing as much as 60% of the urban labor forces). The World Bank estimates that COVID-19 will have a negative impact on Senegal’s economy from the likely reduction in trade, tourism and the disruption of the imports and exports. GDP growth is expected to slow down due to the decline of economic activities. Although effects of the pandemic in Senegal are not fully yet realized, many households have reported a loss of income and a reduction in meal sizes, reported by the Centre for Global Development. Additionally, the decrease in remittances from the Senegalese diaspora to Senegal have seriously affected households who depend on these remittances.

Much like their clients, microfinance institutions (MFIs) are facing challenges due to the COVID-19 crisis. The survival of MFIs depends largely on the ability of their clients to pay back their loans and the economic impacts of COVID-19 are threatening the capacity of clients to conform to this strong repayment culture. Either by government mandate or voluntarily out of necessity, many MFIs are rescheduling their loan payments and using their reserves and savings to stay afloat. Without reliable client repayments, the future of many MFIs is uncertain.

The Senegalese Agency for the Development and Supervision of Small and Medium Enterprises conducted a survey on 830 companies which revealed that approximately 90% of Senegal’s small and medium enterprises (SMEs) are negatively impacted by COVID-19. The survey showed that 44% of companies ceased or suspended activities while around 35% were forced to reduce their workforce either through partial or complete dismissal. Although support measures are available through banks and government, 74% of the SMEs surveyed reported not knowing what these measures were. When asked about what type of assistance the businesses felt they could most benefit from, business promotion and access to advice and accounting expertise were top of the list. Additionally, approximately 25% of SMEs wanted access to digitalization tools. According to CESO’s Country Representative in Senegal, MSMEs who had outstanding loans have difficulty repaying their loans, which leads them to close their establishments due to the decline in their production and economic activity.

In light of the COVID-19 pandemic, the Senegalese government has temporarily suspended one aspect of its anti-plastic law. The ban on the production of water in bags was lifted in April and, according to the government, will be reinstated after the pandemic. In 2018, the capital of Senegal, Dakar, produced approximately 100 thousand tons of plastic waste. With this aspect of the anti-
plastic law lifted, the amount of plastic waste produced during the pandemic threatens to set back some of the progress made on environmental sustainability in Senegal.

At time of publication, CESO’s Country Representative in Senegal highlights the increase in the number of COVID-19 cases which risks distorting the economic and social resilience plan and the prolongation of the impacts on various sectors.

**Gender Equality**

In Senegal, UN Women reports that women are employed more in the informal sector than the formal and the impact of COVID-19 disruptions can affect their ability to ensure the day-to-day survival of themselves and their families. 75% of women in Senegal employed in the informal sector have recorded a partial to total decline in their income resulting from the lockdown measures. This situation is made worse by the fact that many of these women do not have insurance to support them. Some women have been let go because of their new responsibilities in the house – a mother who must regularly check on her children at home is a burden and a risk for many employers. As at-home care responsibilities increase, the burden falls heavily on women while the tradition male and female roles remain unchanged.

According to an interview between UN Women and Nicole Gakou, the head of the Union of Women Entrepreneurs in Senegal, the measures implemented by the government – physical distancing, market closures, travel restrictions – are having an impact on all union member companies, regardless of the sector they operate in. In non-crisis times, women have challenges acquiring bank loans, and this is made no easier during the pandemic. According to Nicole Gakou, women often don’t have information about who to contact regarding accessing a bank loan. Thus, as a result of the pandemic, women workers resort to using their savings to keep their businesses afloat, an unsustainable option given their responsibilities and commitments to their families and employees. The more vulnerable position of women in society ensures that they are among the hardest hit by the economic impacts of COVID-19.

Some Senegalese women have been able to adapt to the new environment, however technological and literacy barriers prevent most from doing the same. For example, designers have benefitted with the creation of masks while traders have opted to rely on digital apps to make sales with contactless home delivery.
Agribusiness

Senegal’s agribusiness sector is already feeling the impacts of the COVID-19 pandemic. Measures imposed, including lockdowns and movement restrictions, have interrupted field work and prevented small farmers and businesses from accessing markets and processing their produce. Coupled with declining demand and prices, income is falling while food waste is increasing, according to the Food and Agriculture Organization (FAO). FAO reports that these measures are also preventing seasonal and migrant workers from accessing work and they are forced to return home with no income to provide their families, putting them at greater risk of food insecurity.

Agricultural exports from Senegal are an important component of the country’s economy – making up more than 15% of GDP in 2019. The World Bank estimates a price deflation on agricultural exports resulting from reduced demand in the eurozone. According to FAO, these supply and demand shocks are particularly harmful to small scale agribusiness enterprises, creating unsustainable high production costs and low revenues. Nonetheless, SMEs working in the agribusiness sector were able to sell their products locally.

The fishing sector, considered as a main source of income for the Senegalese economy, has witnessed a major disruption in artisanal fishing systems. The state of emergency and the closure of borders have prevented fishermen from moving freely in maritime waters, from accessing the landing center at any time of the day and from fluid transport for the distribution of products. This has therefore affected their economic activities and their incomes.

In Senegal, women play a large role in the agribusiness sector and UN Women have targeted women in agriculture for a solution to the risk of increased food insecurity as a result of the pandemic. The UN Women program, “Household Basket: women are part of the solution”, was implemented by the Ministry of Women, Family, Gender and Child Protection with the support of UN Women Senegal. The “Household Basket” program involves purchasing rice from women producers and distributing it across the country to vulnerable families receiving government monthly cash transfers. This program intends to provide food kits to 10 000 vulnerable households, by simultaneously targeting the strain on continuing business for women farmers and producers alongside the food insecurity created by the COVID-19 pandemic.
Women who made an income selling food product either as market vendors or just within their neighborhood, are reporting significant reductions in how much they can sell as a result of new regulations. Many rely on loans from factories to purchase these products which they then sell at a higher price to ensure a profit when they pay the loan back plus interest. However, with reductions in sales, these women are unable to pay back their loans and provide for themselves and their families.

Tourism and Hospitality

For Senegal, tourism represents a significant portion of its GDP – over 10% according to the OECD and represents a major source of foreign currency. According CESO’s Country Representative in Senegal, due to restrictions on movement and air travel; the cessation of touristic activities; and the closure of restaurants, hotels and touristic sites, the growth of the tourism sector will be impacted, as well as spillover sectors including losses of employment and revenues. Similarly, the hospitality and restaurant industries have witnessed a drop in customer demand. The World Bank reports that the country received over one million tourists between 2013 and 2017, a number that is likely to decrease significantly due to the COVID-19 prevention measures.

The OECD mentioned that because of the importance of this industry and the toll that COVID-19 has on international and national travel, the impact of COVID-19 will be higher in Senegal compared to other African economies who are less dependent on tourism. Hotel companies and other actors in the sector have a deferral of their VAT and Income Tax.

Within the sector, it will likely be women who are most impacted as they are more prevalent in the informal sector. Additionally, women in tourism and hospitality will be the most affected due to the restrictions on travel and restaurants and hotel closures. UN Women already reports these women are seeing their business activities interrupted or decreased.

CESO’s Country Representative in Senegal notes that there are signs of recovery in the sector as restrictions are easing. Some hotels have resumed their activities while respecting distancing and hygiene measures. Some hotels have also rented their properties to the state in order to host COVID-19 patients.

Health and Nutrition

According to the World Food Programme, West Africa was experiencing immense challenges addressing acute malnutrition in pregnant and breastfeeding women and children under five well before the pandemic hit. The World Food Programme reports that the impact on nutrition resulting from the pandemic will include: an increase in food insecure households and a resulting decline in

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the nutritional status of the family; a prioritization of basic staples over nutritious foods resulting from a reduction in income; and an increase in malnutrition in young children. According to the OECD, there are already over half a million school children in Senegal who no longer have access to nutritious school meals because of the government imposed closures. The impacts on health and nutrition are directly tied to a person’s ability to access and afford nutritious food. With the COVID-19 pandemic reducing purchasing power and making the growing and producing of fresh produce unattractive, nutrition alternatives may be necessary to prevent increases in malnutrition.

National Response

Senegal’s response to the COVID-19 pandemic include the economic and social resilience program which focuses on four main pillars: strengthening the health system, strengthening social protection, supporting employment and stabilizing the economy, and securing supply chains for necessary products such as food and medicine. As part of the second pillar, social protection, the government is providing food aid to one million poor households; suspending the payment of water and electricity bills; and supporting small farmers, fishman and women processors, fishmongers and aquaculturists. For the third pillar, Senegal will provide support to the hardest hit sectors, namely tourism, and expand access to financing. Lastly, the fourth pillar involves the government increasing support for the agricultural sector through prioritizing domestic food production.

The government has also mobilized a large fund in order to support SMEs and households. While the Senegal government’s COVID-19 intends to support local businesses struggling during the pandemic, however because this financing is targeting the private sector, the majority of women are left out due to their employment in the informal sector.

Senegal citizens have also been responding to the crisis with innovation. Digital technology and apps have been created that update the public with factual, current information on how the virus is spreading; allows authorities to communicate with the public; and enables the public to communicate back and help track the COVID-19 cases around the country.
International Response

The international response is supplementing and expanding the capacity of the national response. The UNDP is committed to encouraging the development and implementation of a crisis communication plan using an approach that integrates all of society with a focus on most vulnerable populations. An important component of the socio-economic recovery plan, the UNDP, alongside other UN agencies and International Financial Institutions (IFIs), is executing an economic, social and environmental impact analysis to help the national government inform the direction of its recovery plan. Secondly, the UNDP intends to enhance social grants support, targeting the urgent needs of the most vulnerable populations. Lastly, the UNDP is assisting Senegal’s socio-economic recovery with the establishment of a logistic distribution chain with a focus on food and sanitation products to hard to reach, vulnerable areas.

UNICEF has responded to a need in Senegal with a large shipment of personal protective equipment, thermometers, hygiene and sanitation items, and oxygen concentrators to be distributed to the areas with the most need.

The World Bank is also responding to Senegal’s fight against COVID-19. The International Development Association approved a USD20 million credit to help Senegal strengthen its prevention, preparedness, and response to the outbreak. Alongside this funding, the World Bank granted a USD150 million International Development Association credit explicitly for Senegal’s agricultural sector with the goal of strengthening productivity and creating climate-friendly, sustainable, and competitive food systems. This funding should increase exports of shelled groundnuts and other high-value crops and will be critical in mitigating the negative effects of the pandemic on the agricultural sector.

The European Investment Bank (EIB) is providing support to the Senegalese response to COVID-19 with a loan of approximately US$86 million, agreed upon on July 23. This concessional loan is targeting vulnerable businesses in the fishing, agriculture, tourism, manufacturing and retail sectors. In addition to giving Senegal’s banks the financing to grant loans to hard-hit businesses, this EIB loan will help to bring more private sector investment into Senegal.
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Togo is particularly vulnerable to the impacts of COVID-19 given its status as a regional transportation hub and its strong trade ties to Asia. According to the World Bank, its main economic activities (agriculture, animal husbandry, trade, and transit) will be impacted through trade disruptions, ties with affected economies, and containment measures. Togo's steady economic growth that it attributes to investments in infrastructure, expansion of services, and a more welcoming investment climate, is at risk from the COVID-19 pandemic. The Togolese Minster of Finance, Sani Yaya, expressed concern over the impacts of COVID-19 on the Togolese economy, “Activity has slowed down, and the economic growth rate will surely be impacted. It could be reduced by half.”

Agribusiness

The agribusiness sector is critical to Togo’s economy, contributing over 40% to GDP in 2019 and employing more than two thirds of the population. Despite this, much of the population is food insecure, about 71% of households in rural areas and 34% of households in urban areas. Disruptions to the agribusiness sector resulting from COVID-19 could create a food crisis that raises the number of households facing food insecurity. Restrictions on movement may inhibit trade and prevent farmers from accessing agricultural inputs, resulting in a poor cropping season with low yields. Recognizing this threat, the government of Togo and other organizations are taking measures to ensure that farmers and herders are well supported during the crisis: the African Development Bank has reallocated a US$3 million loan towards the purchase of agricultural inputs to strengthen Togo’s food security; the World Food Programme, at the request of the Togo Ministry of Agriculture, is conducting a survey of 2180 households to assess the impact of COVID-19 on food security and income; and the government of Togo has launched an agricultural response plan to boost food security and increase the incomes of local producers by providing them loans, equipment, and irrigation kits. Additionally, the agricultural response plan set production targets for cotton, corn, soybeans, and rice to ensure revenues and food access for all.
In Togo and the rest of West Africa, women generally work in the informal economy, producing and trading crops and livestock. Additionally, women tend to have a greater care burden and are more likely to be responsible for ensuring that their households receives adequate nutrition. Given this, women are more vulnerable to the impact of the COVID-19 pandemic. Travel restrictions may make it much more challenging for them to engage in trading activities and access markets to sell their produce. Because of the informal nature of their work, these limitations could significantly reduce their activity and income, and put her and her household at greater risk of food insecurity.

**National Response**

The International Monetary Fund (IMF) reports that the national response from the Togolese government has been extensive with the rapid implementation of a comprehensive multi-year response plan with the goal of protecting lives, livelihoods, and prospects for future growth. This plan consists of health, social, and economic measures to target the economic fallout, provide support for vulnerable firms and households, and strengthen the health system.

As part of the social measures, the government has created a new cash-transfer program called NOVISSI to support informal workers. This program provides at least 30 of minimum wage to eligible applicants, who can receive any amount between US$18 and US$34. According to the IMF, there are a total of 1.4 million individuals registered as of July 1 2020, with 600 000 who have received payments, 65% of whom are women. As part of the economic recovery, the government has implemented numerous tax policies and administration measures to protect the most vulnerable firms. The value-added tax rate for firms in the hospitality and catering sectors has been reduced from 18% to 10%; audits and penalties for late tax payments have been suspended; and an agriculture response plan has been announced that will increase farmers’ incomes, support the growth of the agriculture sector, and ensure food security.

Togo operated an #AllAgainstCorona hackathon to generate solutions to the challenges brought about by the COVID-19 pandemic. Participants without internet were still able to contribute over the phone and technical issues were dealt with by a support team and mentors. One of the projects that won the hackathon was a smart sink – which enables people to disinfect their hands without wasting water in busy areas such as an outdoor market.
International Response

The international response to the COVID-19 pandemic in Togo comes from the IMF, the World Bank, and the UNDP. The IMF has contributed an extended credit facility disbursement of US$131 million to Togo’s national solidarity fund. The World Bank, through the International Development Association (IDA), has approved $8.1 million to help Togo combat the virus and strengthen its response to public health emergencies.

The United Nations Development Programme (UNDP) is working to support Togo’s national response through four areas of intervention: 1) building resilient health systems, 2) inclusive and multi-sectoral crisis management and response, 3) socio-economic impact assessment, and 4) contribute to the UN inter-agency contingency plan. The third area of intervention, socio-economic impact assessment, involves the UNDP conducting an impact study with the Togo Ministry of Economics, the World Bank, the IMF, and other organizations. The study will include impact assessments of the trade, labor, transport, and services sectors. Additionally, the UNDP is supporting the Togo’s national solidarity fund by encouraging contributions from the private sector, mobilizing businesses to support new jobs and rising employment.
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