The ripple effect of COVID-19 on economic activities, livelihoods and food security in East Africa and the Great Lakes

COVID-19 was declared a pandemic by the World Health Organization (WHO) on 11 March 2020, and the first cases in the East Africa and Great Lakes (EAGL) region were confirmed on 13 March 2020. While the number of confirmed cases is still relatively low compared to the rest of the world, figures continue to increase daily. Governments throughout the region moved swiftly to adopt far-reaching measures to limit the spread of COVID-19, including the closure of international borders, movement restrictions, curfews and lockdowns.

While COVID-19 is a health emergency, its impacts will be experienced in multiple waves, one of which will be heightened food insecurity. The EAGL region was already food-stressed before the outbreak, with an estimated 20 million people food insecure in East Africa, and 13.6 million in the Democratic Republic of Congo (DR Congo) alone. According to the World Food Programme (WFP), this figure is likely to increase to between 34 and 43 million in East Africa in the coming trimester as a consequence of COVID-19\(^1\) and the associated government restrictions. The situation will be further compounded by the presence of huge swarms of desert locust that could lead to dramatic crop loss in parts of Ethiopia, Kenya and Somalia. Flooding is currently being experienced in most parts of the region and the resurgence of Ebola in DR Congo could further complicate the COVID-19 response.

Immediate consequences on economic activities and livelihoods

Lockdowns and movement restrictions have become major features in fighting the pandemic throughout the world. However, implementing these policies presents particular challenges in the EAGL region due to limited access to water, hygiene and sanitation, the overcrowding of urban slums and the need for frequent interactions for income-generating activities. Displacement-affected populations and the urban poor - often residing in over-populated camps and settlements - are particularly affected, as well as the elderly and people with disabilities.

The EAGL region has one of the world’s fastest economic growth\(^ii\), but economies and infrastructure may not withstand the measures in place to prevent the spread of COVID-19. The World Bank warned that Africa may enter its first recession in 25 years. It is estimated that sub-Saharan economies could lose between USD 37 to 79 billion in 2020, with consequences until 2021 in the best-case scenario.

The economic impact of COVID-19 was felt before the virus reached the region, following the restrictions put in place in China and Europe, which led to an overall reduction in trade and the plummeting of the demand for tourism. The economies in the region rely heavily on exports, including coffee, tea, fresh products and oil, for which market value is collapsing or have been shut down. South Sudan, in particular, will be heavily
impacted by the collapse of oil prices, and growth could decrease by 7 percent.iii Kenya, Ethiopia and Uganda are important producers of coffee, tea and cocoa, which provide an income to almost 5 million small-growers. A downwards trend in demand has already decreased prices by 7 percent compared to December 2019.iv This will, in turn, lead to a devaluation of the currencies.

A large portion of the population in the EAGL region has fragile livelihoods and up to 80 percent of non-agricultural employment is informal.v Informal work requires frequent social interactions and cannot be performed remotely. Consequently, a large number of low-skilled workers have lost their employment, raising concerns over people having to sell productive assets to meet their basic needs – which would compromise economic recovery - or engage in negative coping strategies that could expose them to protection risks. Women make up 92.8 percent of the share of informal employment,vi and their control over resources and decision-making is likely to be further strained by the pandemic because of the loss of casual income and access to markets.

The impact on livelihoods will worsen the food security crisis

The region hosts almost a quarter of the world’s acutely food insecure people, a situation largely imputable to extreme weather patterns and conflicts. Before the outbreak of COVID-19, around 20 percent of the global total number of acutely food insecure people (IPC 3 and above) were in Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda.vii

Food insecurity is exacerbated by the desert locust swarms currently observed across the region. The situation is particularly worrisome in Kenya, Ethiopia, Uganda and Somalia, where widespread breeding is in progress and new swarms are starting to form, representing an unprecedented impact on food security and livelihoods at the beginning of the cropping season. Indeed, a swarm of one square kilometre can eat the same amount of food in one day as 35,000 people.

Movement restrictions related to COVID-19 will likely impact the agricultural production in the region and increase food insecurity, in particular in urban areas where subsistence farming is not an option. Movement restrictions have coincided with the first rains planting season and limited farmers’ access to inputs. Restrictions may also lead to a shortage of labour to harvest crops, and the closure of or lack of access to markets may prevent farmers from selling their produce, thus reducing food supply and leading to an increase in prices. The closure of markets also reduces people’s access to food, and the poorest households may not be able to purchase goods from supermarkets, where the prices are higher. This is likely to give rise to negative coping mechanisms including child labour, child marriage and transactional sex.

While COVID-19 originated as a health crisis, its impact on the economy and food security is providing a fertile ground for a protection crisis in the EAGL region, affecting the most vulnerable disproportionately.

Recommendations

It is essential to respond to the immediate needs associated with COVID-19, while concomitantly addressing the foreseeable economic consequences of this crisis. This will be essential in containing the negative impact on self-reliance and future prospects, in particular for displacement-affected communities and vulnerable groups including women, the elderly and people with disabilities.
To donors

**Provide support to a holistic COVID-19 response in all countries**, going beyond a direct health response. Food security and livelihoods are equally important to combat the current multi-layered crisis.

**Increase additional funding to support small businesses, including those managed by women.** Restarting businesses and livelihoods after they have been interrupted and the productive assets have been sold would take more effort to rebuild than it would take to protect them. Where possible, there should be financial support to small and medium-sized businesses, preventing job losses and allowing for faster economic recovery.

**Provide flexible funding that responds to COVID-19 and food insecurity issues while addressing long-term socio-economic impacts and chronic displacement issues.** Operational partners need flexibility from existing and new donors to re-programme funds and adapt projects as the pandemic evolves and is compounded by food insecurity. Reprogrammed funding should be replenished so short-term response to COVID-19 would not be at the expense of multi-year funding essential to address the longer-term socio-economic impact of COVID-19 on displaced populations and to address chronic displacement issues.

To governments

**Prevention measures, while essential, must respect human rights.** Preventive public health measures should also ensure respect for human rights and mitigate protection challenges, with governments bearing the primary responsibility for the protection of their people. Preventive measures should consider the specific needs of vulnerable groups including women and persons with disabilities.

**Expand safety nets.** Lockdown and restrictions of movement are needed measures which, where possible, should be accompanied by an expansion of safety-net measures, including cash and voucher assistance (CVA) and blanket feeding for the most vulnerable, including displacement-affected populations regardless of their status. Essential needs should be covered and livelihoods preserved as much as possible.

**Ensure access to sim cards and mobile money platforms to all,** including displaced populations. This will facilitate cash-based responses, increase access to information, and limit risk of transmission through physical cash.

**Eliminate barriers to financial inclusion** to reduce reliance on cash and promote fast and efficient transfers for individuals and small businesses. These measures can also go a long way to stimulating overseas and urban-rural remittances.

**Interventions for economic recovery** should start while emergency response plans are being rolled out. The foundation for financial inclusion, asset recovery and market facilitation can be leveraged through integration with thoughtful emergency response activities, including CVA, social protection and universal pension.

To humanitarian actors

**Share real-time data on markets and livelihoods.** Humanitarian actors should work together to collect real-time data on the impact of COVID-19 on markets and livelihoods, and how it impacts the vulnerability of refugees, IDPs, asylum seekers, host communities, the elderly and people with disabilities. The market
relevant information should be shared out to local economic actors to quell panic and bulk buying, especially around Ramadan and other large cultural events.

**Increase market-based programming.** Market assessment and stakeholders analysis should be conducted to assess whether CVA programming is feasible to respond to the COVID-19 crisis, and programming should be adapted accordingly. When CVA is not possible, actors should ensure that the assets distributed are not undermining local vendors, stockpiled or sold on at inflated prices. Market facilitation for shortening supply chains in a post-disaster context will build long term resilience by decreasing reliance on import markets.

**Support businesses and work with the private sector.** Humanitarian actors should support businesses to innovate on how they can reach their customers and provide their products/services safely and minimise the cost of doing so. The response should mobilise private sector stakeholders in emergencies as well as in longer term economic recovery, and focus on local resource recovery and integration of activities towards creating circular bio economy.

**Rethinking the current agricultural model is essential to the prevention of such a crisis in the future.** Food production should be localised through strategies such as bio-intensive, agroecological, agroforestry and permaculture-based resilience design approaches, including household permagardens or permaculture farms to prevent an over-reliance on imports and to mitigate the impacts of increases in food prices. It is particularly important during containment measures that capacity is built for farmers and households to produce high-nutrient foods at the local-most and household level, shortening supplies change as much as possible.

**Prioritize GBV and child protection programming.** Women, girls and child-headed households will be disproportionately affected by the crisis and actors must mainstream GBV messaging and child protection throughout their programming. All must have equal access to market relevant information to negotiate fair prices in male-dominated markets, no matter their gender.

**Contact:** Pauline Wesolek, Regional Advocacy Coordinator, Danish Refugee Council (DRC) East Africa and Great Lakes, pauline.wesolek@drc.ngo
6 Foreign Policy, Kenya’s Labor Market Wasn’t Made for a Pandemic, 10 April 2020.