



United Nations
Economic Commission for Africa

POTENTIAL SOCIO-ECONOMIC IMPACTS OF CORONAVIRUS ON WEST AFRICA

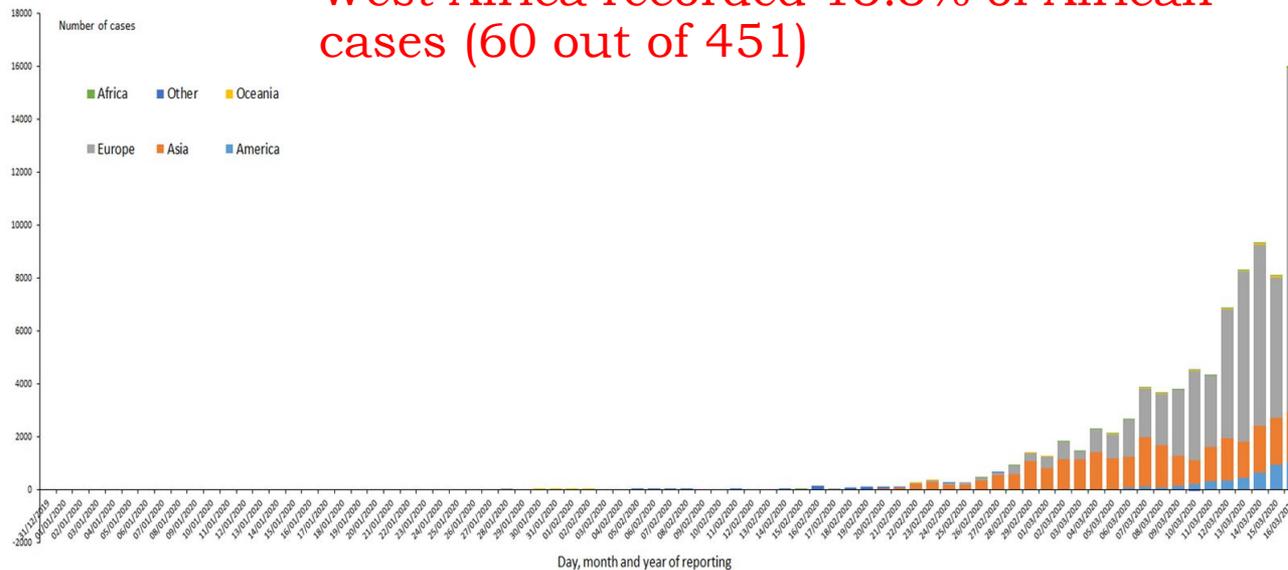
IMPEDIMENTS TO HARNESSING DEMOGRAPHIC DIVIDEND



18 March 2020
Niamey, Niger

COVID-19 worldwide cases as of 17 March 2020

West Africa recorded 13.3% of African cases (60 out of 451)



West Africa preparedness and responsiveness to the crisis

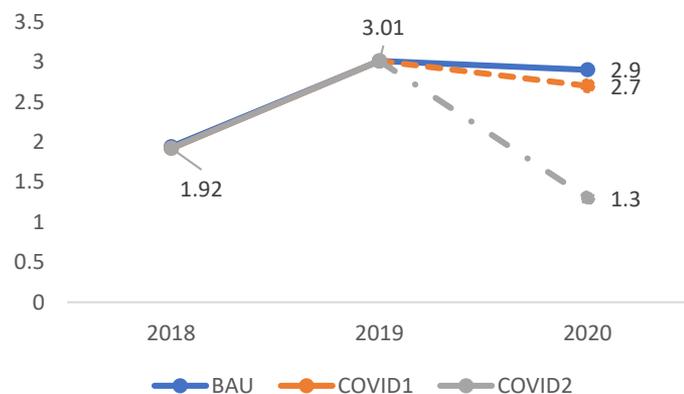
Countries	Measures and policy response
ECOWAS	Cross-border collaboration between Member States and control at entry points (air, land, maritime). Necessary preventive and containment measures, Availability of essential medical supplies including laboratory equipment
All countries	Border control, prevention, thermal imaging cameras at the airports, assistance and treatment, cancellation of festivities and public demonstration and surveillance measures, suspension of flight from high level infected countries
Burkina Faso, Côte d'Ivoire, Ghana, Senegal	Closing of schools and Universities
Most of the countries	Resources allocated to prevention and mitigations plans <ul style="list-style-type: none"> • Senegal: \$US2.3 million • Nigeria: \$US163.6 million • Burkina Faso: \$US20 million, • Benin: \$US102 million • Ghana: \$US100 million • Cote d'Ivoire, \$US1.4 million • Guinea:\$US12.8 million
Low-income countries: Benin; Burkina Faso; Gambia, The; Guinea; Guinea-Bissau; Liberia; Mali; Niger; Sierra Leone; Togo	Allocation of \$US3.3 billion in grants by World Bank, \$US10 billion loans and \$US295 million as grants

COVID-19 potential economic impact by channels

- Potential impact on growth: the case of Nigeria
- Potential impact on remittance inflows
- Potential impact on tourism

COVID-19 potential loss of 1.6% growth rate for Nigeria

Loss of GDP growth for Nigeria in 2020 (two scenarios)



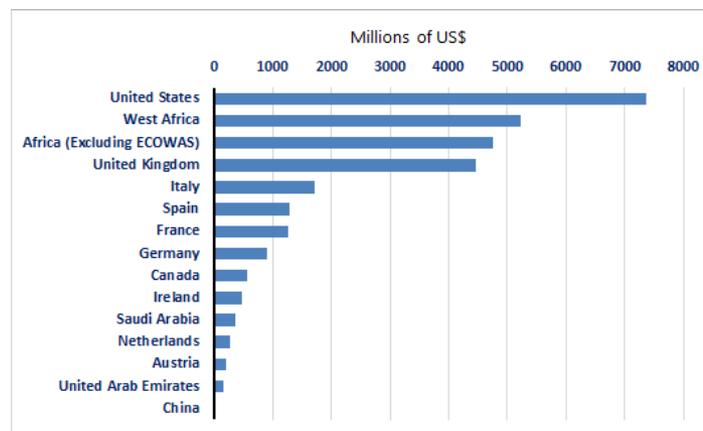
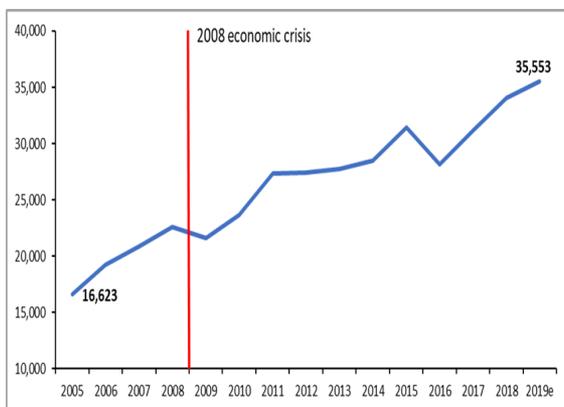
- COVID1: Decline of crude oil price limited to 7% during the first quarter of 2020
- COVID2: Sharp decline of 22% in crude oil price in reference until the end of
- Growth rate for Nigeria could fall from 2.9% to 1.3% in 2020
- With Nigeria accounting for 74% of ECOWAS, it can be inferred the region could follow a similar trend

COVID-19 potential impact on remittance inflows

Potential effect of COVID-19 on remittances– Assuming similar effect in 2008 economic

Top remittance-sending countries affected by COVID-19

- Migrant remittance inflows in West Africa 2005-2019 (US\$ million)
- Main remittance-sending countries (millions of US\$) to West Africa

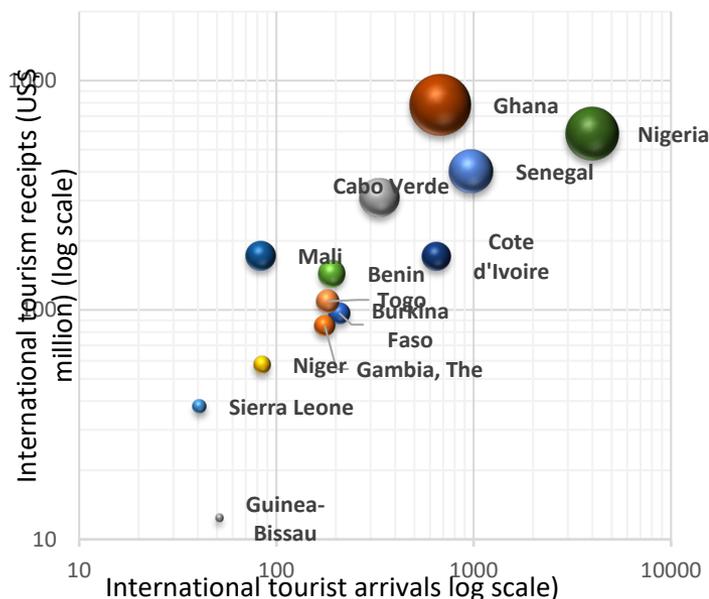


Source: authors' calculation using World Bank data

COVID-19 impact on Tourism

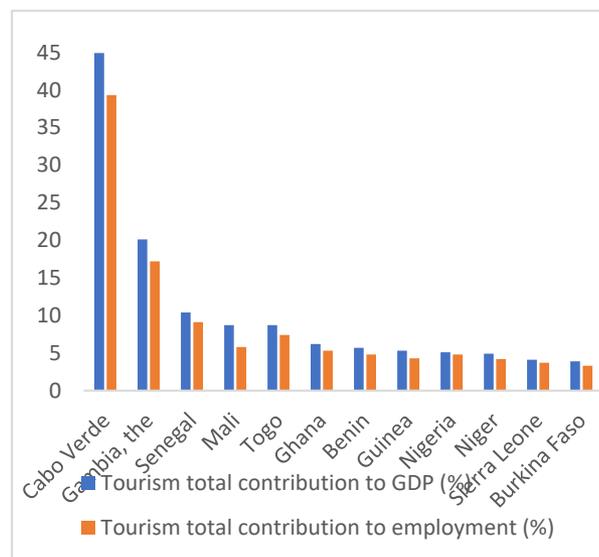
The tourism sector in West Africa has expanded significantly, in terms of international tourist arrivals, receipts and export revenues. It is a key contributor to GDP and employment, particularly in Cabo Verde; Gambia, The; and Senegal. The COVID-19 will probably lead to important losses as travel bans are in the rise

International tourist arrivals and international tourism receipts- 2000-2017



Source: ECA based on UNWTO, 2020

Contribution of tourism to GDP and Employment in West Africa in 2017 (%)

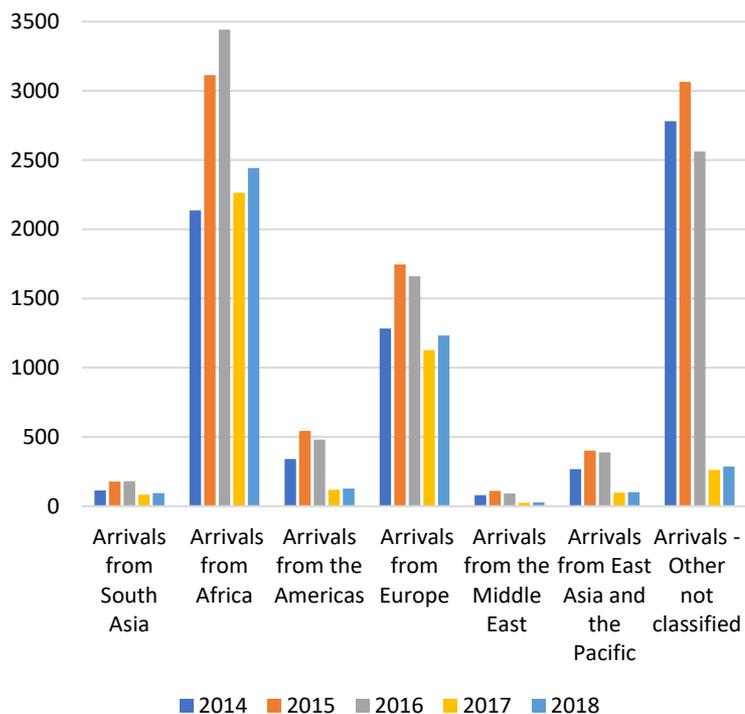


Source: ECA based on UNCTADStat, 2020

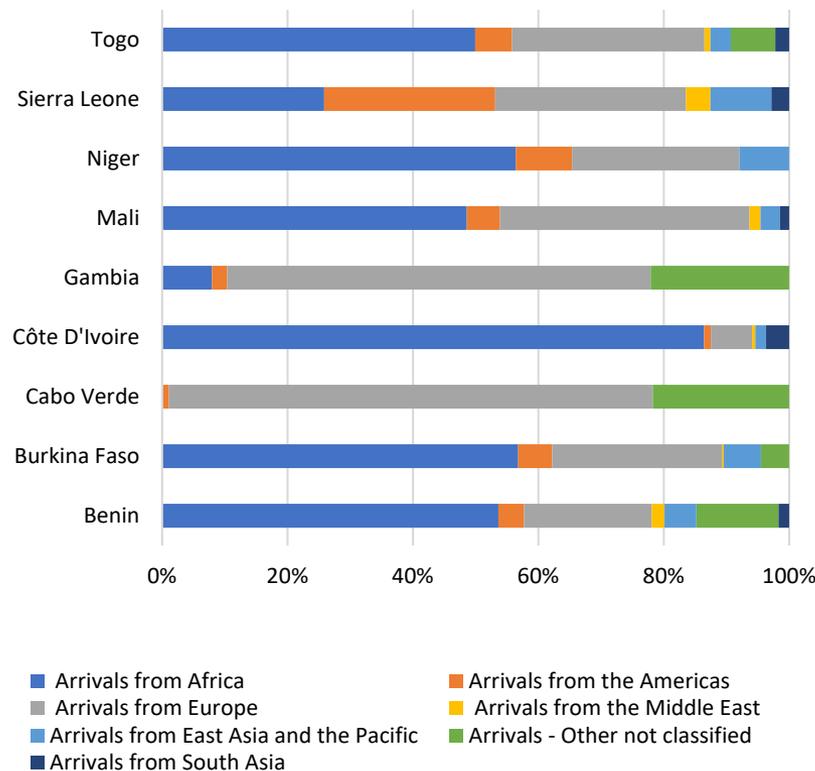
COVID-19 impact on Tourism (cont'd)

For the Sub-region, the number of tourists coming from the Europe is the highest. The spread of the virus in many countries beyond China, to Europe mainly will increase the effects of the COVID-19 outbreak on the sector

Inbound tourism in ECOWAS - Arrivals by region (Thousands)



Distribution of Tourists by region of origin for selected countries (%)



Source: ECA based on UNWTO, 2020

Source: ECA based on UNWTO, 2020

COVID-19 impact on Tourism (cont'd)

- In an optimistic scenario where tourism arrivals fall by 25% (similar to Ebola outbreak in 2013–14), an expected decrease of 25% of tourism revenues annually (S1) could decrease the overall sectoral contribution to the countries (and regional) GDP and employment
- COVID-19 human crisis, along with travel restrictions would result in a higher decline in tourism in West Africa. In this scenario (S2), an anticipated drop of 50% could decrease further the overall sectoral contribution to the countries (and regional) GDP and employment

Decline in the tourism sector contribution to GDP and Employment as a result of COVID-19

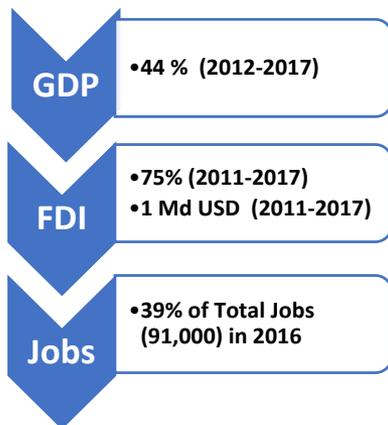
	Tourism total contribution to GDP (%)			Tourism total contribution to employment (%)		
	<i>BAU</i>	<i>S1</i>	<i>S2</i>	<i>BAU</i>	<i>S1</i>	<i>S2</i>
Benin	6.06	4.55	3.03	5.26	3.94	2.63
Burkina Faso	3.60	2.70	1.80	3.15	2.37	1.58
Cabo Verde	43.38	32.54	21.69	37.84	28.38	18.92
Cote d'Ivoire	4.90	3.67	2.45	4.38	3.28	2.19
Gambia, the	19.94	14.96	9.97	17.28	12.96	8.64
Ghana	7.41	5.56	3.71	6.29	4.72	3.15
Guinea	4.58	3.44	2.29	3.66	2.74	1.83
Mali	9.48	7.11	4.74	6.66	4.99	3.33
Niger	3.75	2.82	1.88	3.20	2.40	1.60
Nigeria	4.13	3.09	2.06	3.95	2.96	1.98
Senegal	11.35	8.52	5.68	9.80	7.35	4.90
Sierra Leone	5.39	4.04	2.70	5.36	4.02	2.68
Togo	8.47	6.35	4.23	7.15	5.37	3.58
ECOWAS	4.87	3.65	2.43	4.49	3.37	2.24

Source: ECA' calculation based on UNCTADStat, 2020

COVID-19 impact on Tourism (cont'd)

The tourism sector is highly exposed in West Africa as illustrated with Cabo Verde

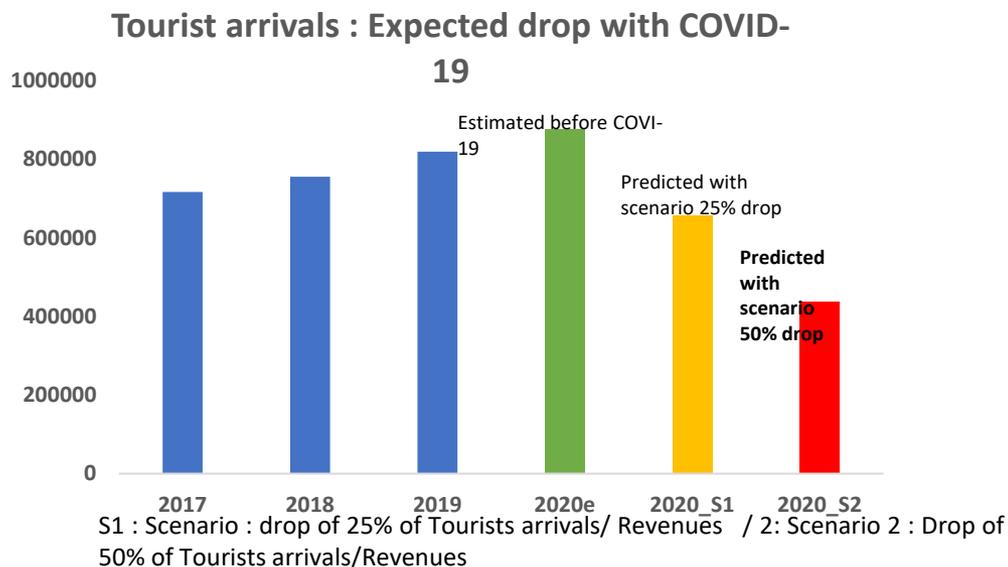
Tourism sector, a key driver for jobs creation & economic growth for Cabo Verde



Potential economic losses / fiscal impact



	Population 2019	550 983	Ratio Tourists to population : 1.5
	Tourists 2019	819,308	

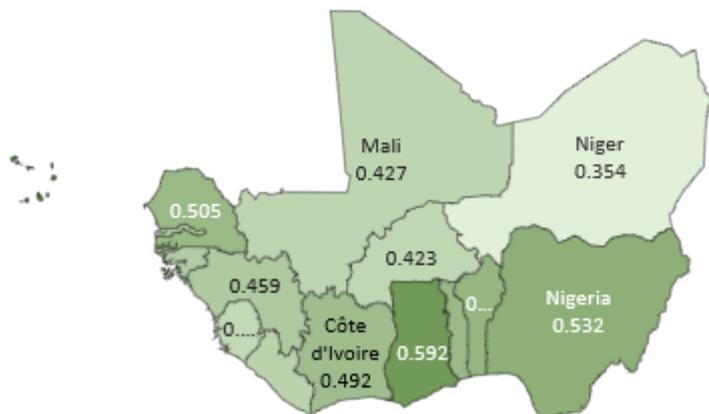


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 ECA, Cabo Verde Country Profile , 2016

Human Crisis induced by the Spread of COVID-19 in West Africa

The spread of COVID-19 occurs in the context of low human development score in West Africa

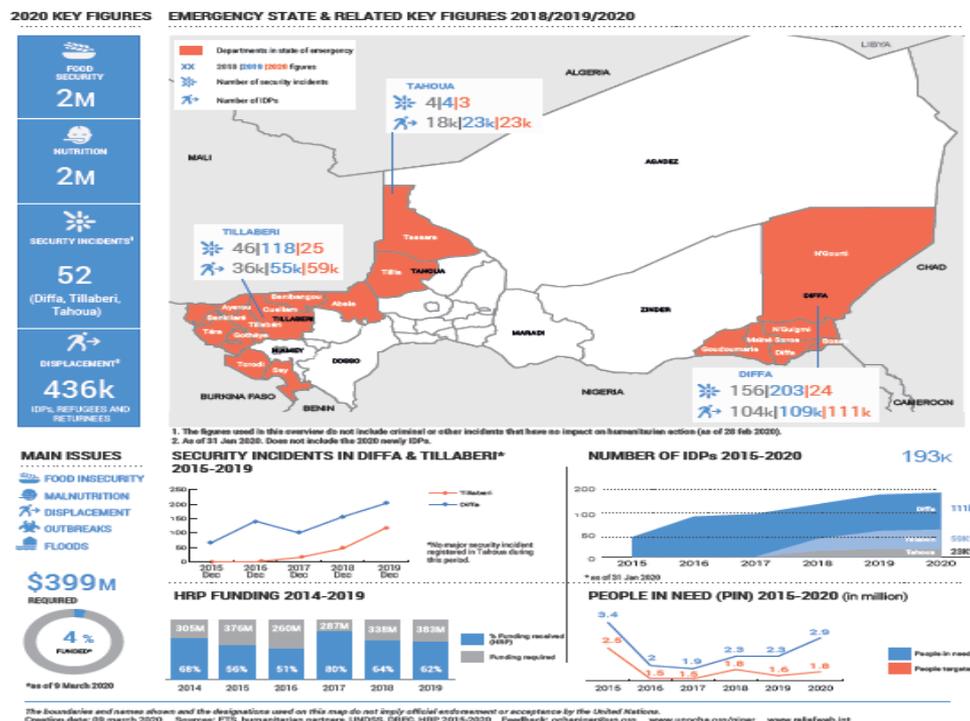
Human development score of countries in West Africa, 2017



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CODIV19 will worsen the current human crisis in the Sahel region due to the combination of poverty, climate change, low human development and conflict :

Case of Niger

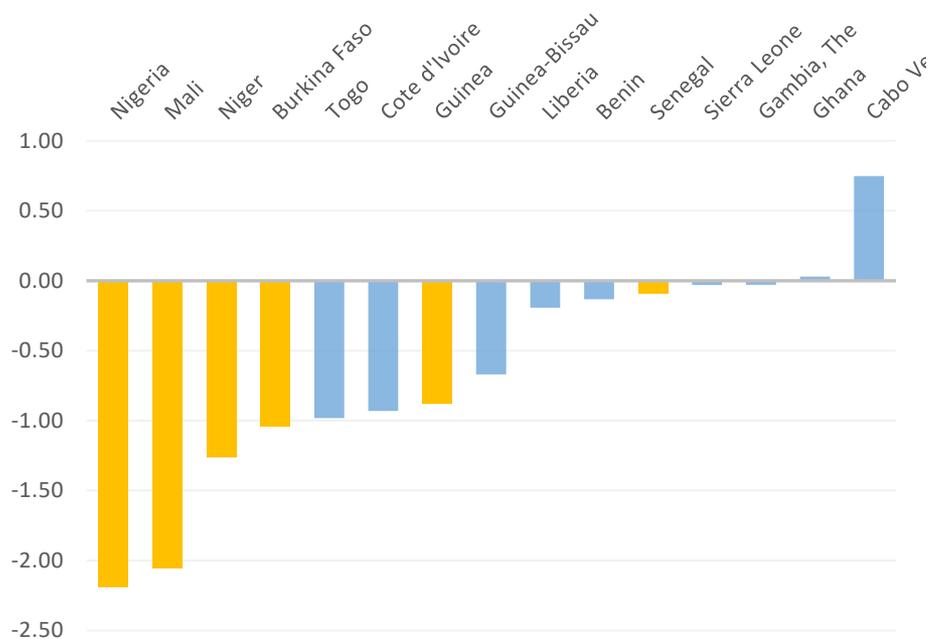


Source: ECA's compilation from UNDP data, 2018

Source: OCHA humanitarian situation overview, 13 March 2020

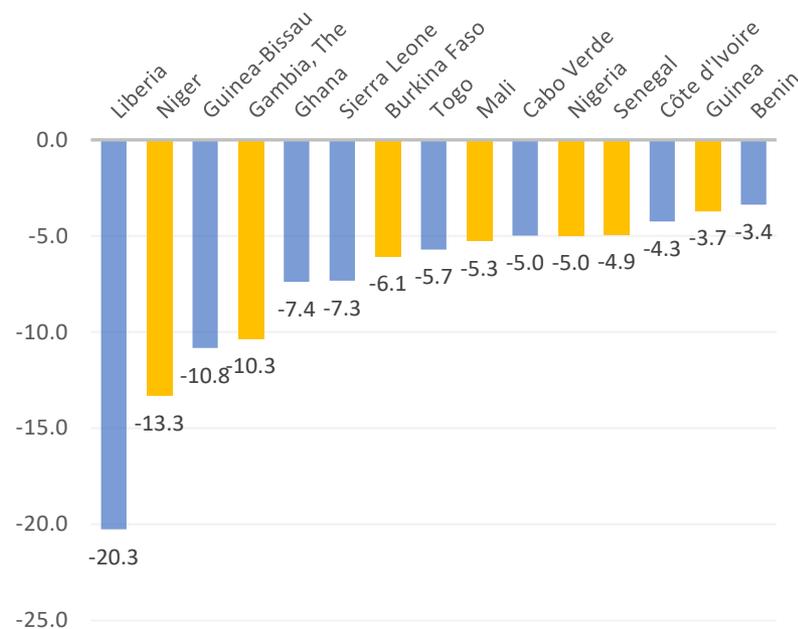
Sahel countries could be more impacted in West Africa : increased insecurity and narrow fiscal space

Political stability and security index



Source: Worldwide governance index, World Bank (index ranged from -2.5 to +2.5)

Overall fiscal deficit (2019, % GDP)

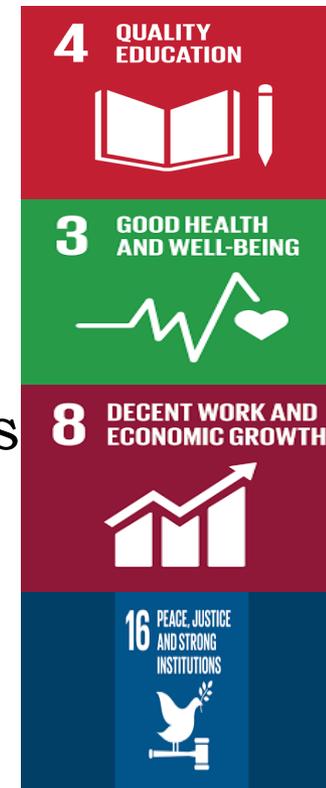


Source: World bank database, 2020

Potential impact of COVID-19 on Countries' efforts to harness Demographic Dividend

Main pillars of Demographic Dividend (DD)

- Education
- Health
- Productivity and Decent jobs
- Governance

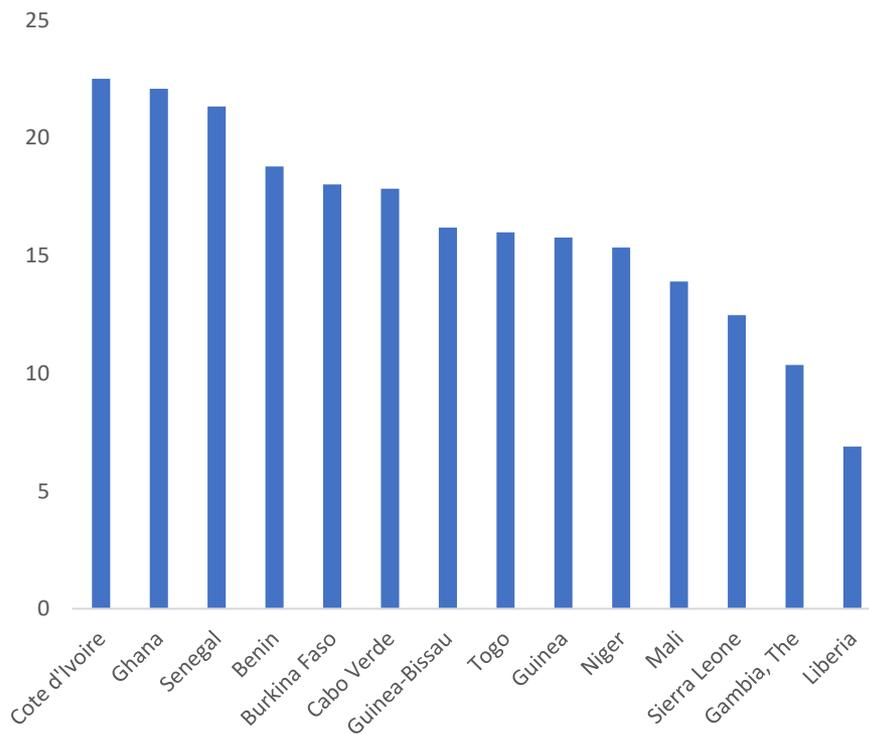
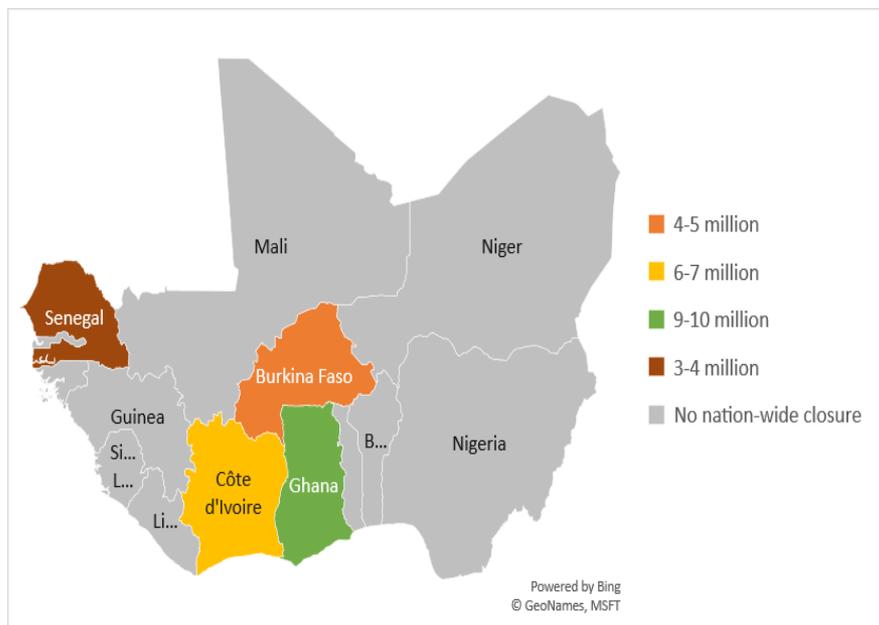


COVID-19 Impact on Demographic dividend: Education

- Effect of Covid-19 on Education in Affected West African Countries
- Four countries in West Africa have enforced nation-wide school/campus closures
- A total of 24,382,837 learners have been affected

Covid 19 might affect countries' already low resources allocated to education and health

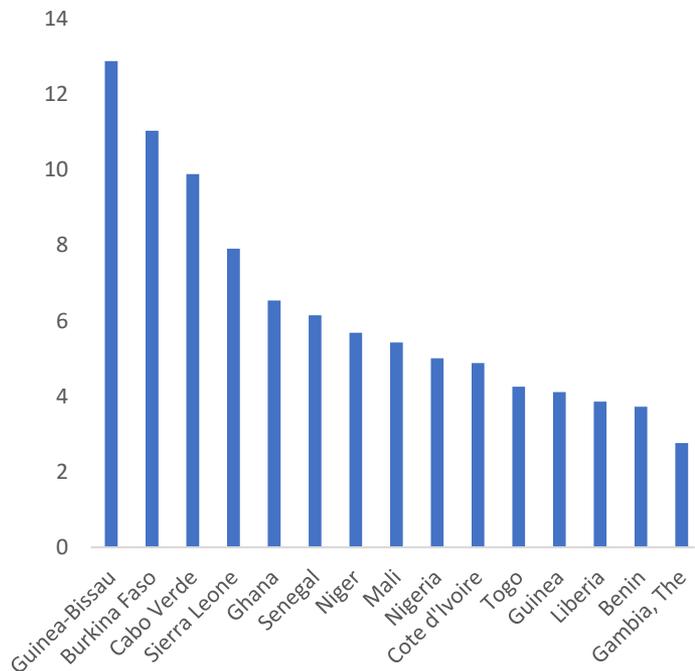
Government expenditure on education, total (% of government expenditure)



Source: authors' calculation using UNESCO data, 2020 and WDI, 2016

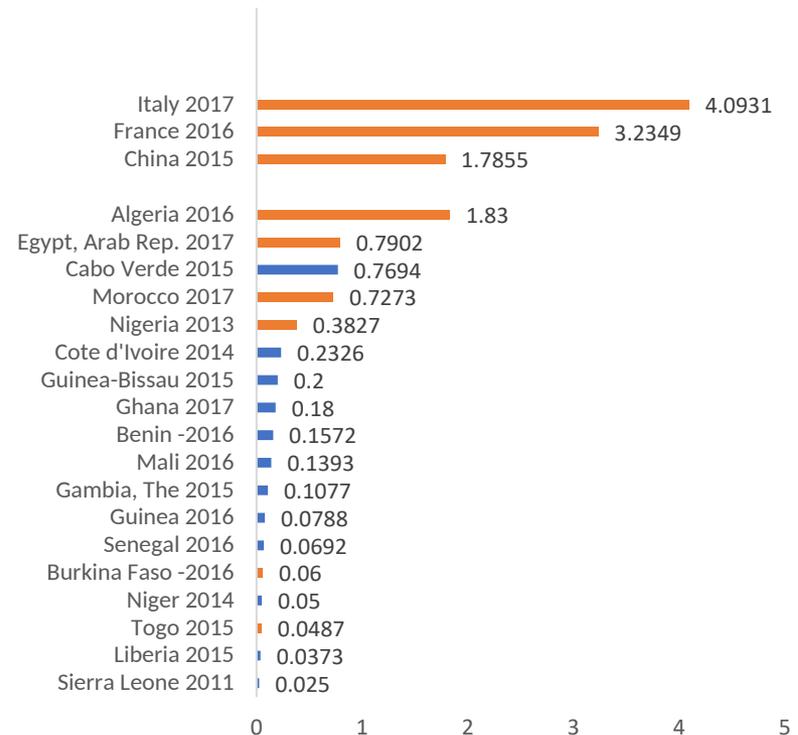
COVID-19 Impact on Demographic dividend: productive jobs

- Government health expenditure (% of general expenditure)



Source: authors' calculation based on WDI, 2016

- Number of physicians (per 1,000 people)



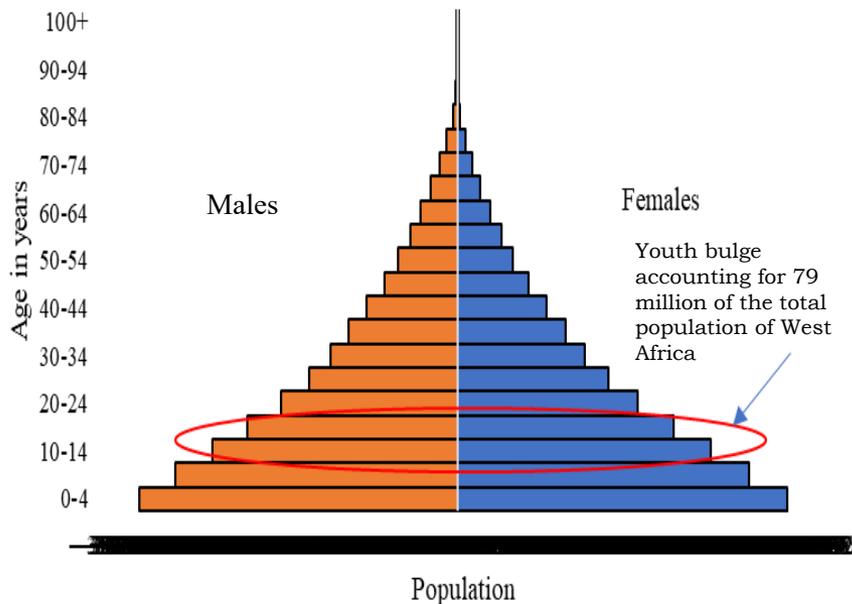
Source: authors' calculation based on the WHO's Global Health Workforce

COVID-19 Impact on Demographic dividend: productive jobs

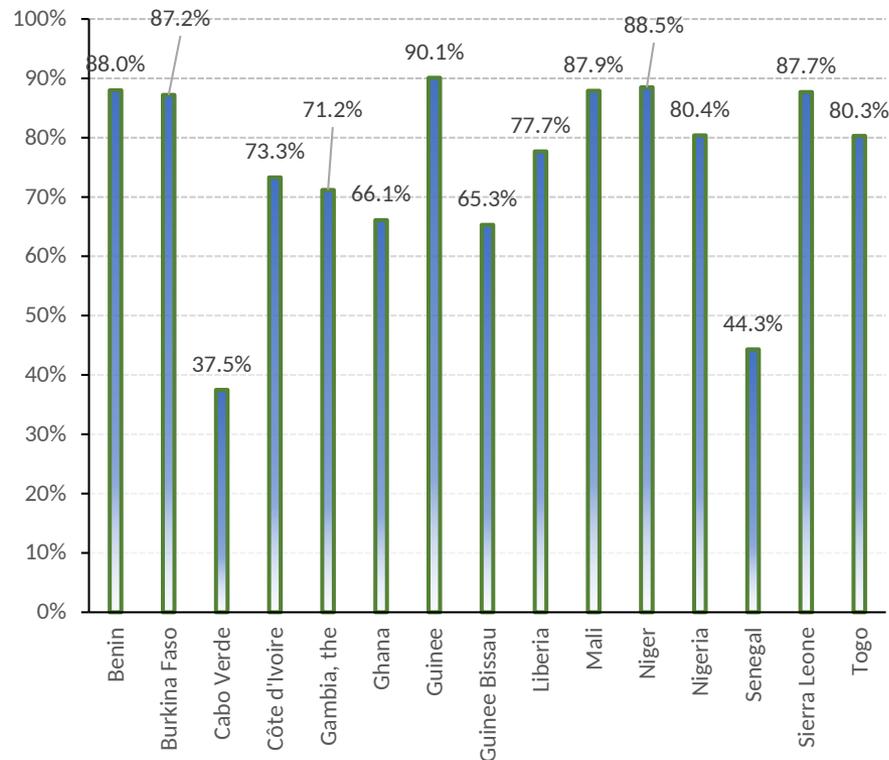
Youth bulge in West Africa

- Productivity of the working-age population could be negatively affected due to illness, self-isolation, government lockdowns of areas or towns
- Individuals' fear and aversion workplaces could lead to wage loss and COVID-19 can even worsen job vulnerability

Population Pyramid: West Africa



Source: UNDESA 2020 database



Proportions of vulnerable jobs in ECOWAS countries in 2017 (%)

Source: ECA, 2019, West African economic and social profile 2019

POLICY OPTIONS

- Scale up measures adopted to mitigate the pandemic
- Social response
- Economic stimulus
- The above would contribute to address the pandemic impediments to harnessing demographic dividend

RECOMMENDATIONS

SOCIAL RESPONSE

- (i) Wide information/sensitisation on Codiv 19, specially in rural and remote areas;
- (ii) Bring health facility closer to the communities including the vulnerable groups i.e. the poor and displaced people
- (iii) Ensure availability of testing and care equipment with a specific attention to rural, conflicted affected areas;
- (iv) Increase health personal and protect them
- (v) Fund quality distance learning, covering the most vulnerable groups

ECONOMIC RESPONSE

- (i) Revise budget to allocate appropriate resources to health, education and other mitigation programmes
- (i) Support cross border trade with greater control, expand testing, care services, etc. to borders
- (i) Regional responses the pandemic , i.e. regional economic stimulus
- (i) Overarching measure: invest in transforming the region's important natural and mineral resources endowment mineral and natural



THANK YOU!

Ideas
to
Action