

COVID-19 PANDEMIC AND ITS IMPACT ON AGRICULTURE AND FOOD SECURITY



Policy Response for Burkina Faso

The first COVID-19 case was reported on March 9, 2020 in Burkina Faso. Since then, the country has seen a moderate increase of outbreaks in nine of its 13 regions. The COVID-19 pandemic has been exacerbated by the difficult security and humanitarian situation in the country. The government's response to mitigate the impact of COVID-19 has included imposing travel bans, prohibiting mass gatherings, shutting down schools, markets, borders, quarantine of the affected cities, and the mandatory use of face masks nationwide. The President, Prime Minister, and Ministers committed to donate part of their salaries as a solidarity action to support vulnerable households.

Impact of COVID-19 in Burkina Faso

The COVID-19 pandemic has created a widening fiscal deficit created by the huge healthcare and social safety net spending by the government. The government-imposed lockdown and movement restrictions across the country have taken a toll, affecting the most vulnerable population in the country. The UNHCR (April 2020) situation report noted that the COVID-19 pandemic, combined with current insecurity in the country, has greatly affected market stability, hitting an already very fragile food situation with full force, making it even more difficult to reach cover the food needs of thousands of displaced persons.

Impact on GDP

Agriculture remains a major contributor to the Burkinabé economy contributing almost 30% of GDP according to the International Monetary Fund (IMF). Burkina Faso recorded 6.8% GDP growth in 2018 and 5.7% in 2019, mainly driven by the services and mining sectors as well as exports. The IMF has estimated that due to the COVID-19 pandemic, the country's GDP growth is expected to slow down to 2% in 2020.

As the growth rate has slumped due to the pandemic, the government announced plans to revise the 2020 budget to address the socio-economic impact of the outbreak. The IMF's World Economic Outlook (April 2020), anticipates that the budget revision should still keep the budget deficit below the West African Economic and Monetary Union (WAEMU) limit of 3% of GDP in 2020, similar to 2019 deficit levels. To help the country effectively respond to the pandemic, both the World Bank and IMF have approved grants of \$100 million (\$80 million grant and \$20 million from Trust Funds) and \$21.15 million in financing, of which 50% is a grant and 50% is a credit.

Impact on Agriculture

The response to the pandemic has without doubt affected agriculture. For example, the government has cut expenditure on most sectors of the economy including agriculture due to massive health care spending. These government budget cuts have affected the government agriculture inputs subsidy program where millions of farmers will not receive subsidies for the upcoming agricultural season. With the new agricultural planting season starting in May, through June 2020, producers and farmers are concerned and complaining of difficulties in accessing the much needed agricultural inputs which will in turn affect production systems and food security. Burkina Faso



depends largely on imports from China, and more recently on Turkey and Russia. However, the travel ban and closure of the border has slowed down the delivery of agricultural inputs and has created price hikes on inputs. The restriction of movement has also led to hikes in prices of other commodities. According to Amadou Hamadou DICKO, President of the Association for the Promotion of Livestock in the Sahel and Savannah (APESS), "within this short period, a 100 kg bag of millet has gone from 16,000 to 19,000 CFA and a liter of cooking oil has almost doubled". This is a price increase of 20% in a relatively short time.

Though the lockdown and restriction of movement has been relaxed, it has greatly affected the cost of transport which has impacted the ability of farmers to move fresh produce to open markets as well as neighboring countries, including Ghana, Togo, and Côte d'Ivoire. Farmers and traders alike have noted that increased border controls and health checks at the borders have increased financial losses due to the perishable nature of their products. The high financial losses are discouraging farmers from investing in agricultural inputs for the new planting season.

Government Policy Response

The government of Burkina Faso has put up in place fiscal and monetary measures as well as specific sectoral response measures which include:

- a. Lowering import duties and VAT on essential items;
- b. Delay in tax payments, and waiving late payment fines and penalties;
- c. Suspending government fees charged on informal sector operators for rent, security and parking in urban markets;
- d. Government policy decision for the Burkina Faso Central Bank to allow for a deferral of payments on claims for a period of three months, renewable once;
- e. Lowering the licensing fee for companies in the transportation and tourism sectors;
- f. Suspending on-site tax inspection operations;
- g. Support agricultural inputs subsidy worth 30 billion CFA francs;
- h. Donating food and providing assistance to households and local small businesses;
- i. Buying up stocks of consumer products and strengthening surveillance of prices.

Policy Response Package for Burkina Faso

- a. Support matching funds (already established with Coris Bank and Banque Agricole du Faso (BADF)) for increased funding to secure inputs and diligently move to negotiate farming contracts to be supported by the two participating banks;
- b. Provide increased funding to Institut de l'Environnement et de Recherches Agricoles (INERA) to enhance its production capability for maize foundation seed to be distributed free of charge (proposal stemming from INERA);
- c. Help scale through village based advisors demonstrated resilient technologies to secure farmers' output (e.g. supplementary irrigation for maize);
- d. Support access to Aflasafe to increase market access for produce from Burkina Faso into the West Africa Market;
- e. Support development of communication and awareness campaigns materials and their dissemination in both print and electronic media;

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- f. Support the government to put in place food infrastructures, for 100,000 tons of food, storage capacity with digitalized monitoring system;
 - g. Establish and make functional a Food Security Fund - a joint mechanism between partners and the government;
 - h. Strengthen digital platform for communication on agriculture including fight against a possible threat to locusts.

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