

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



Policy Response for Togo

The first COVID-19 case was reported in Togo on March 6, 2020; since then, the number of cases has risen to 522 cases reported with 13 deaths¹. As the number of positive cases has increased, the government activated strict measures to curb the spread of the virus, including border closure with Ghana and Burkina Faso, and travel restrictions on entry into the cities of Lomé, Tsevie, Kpalime and Sokode.

Impact of COVID-19 in Togo

Togo is a travel hub connecting West and Central Africa. The country depends on international trade, and has an import driven economy. The border closure and travel restrictions have adversely affected the country's economy with a slump in revenues (tax and customs duties) and increased debt. Agriculture is one of the sectors that has been impacted gravely by the travel restrictions created to slow the spread of COVID-19, as over 60% of Togo's people depend on the agriculture sector for their daily subsistence and survival. In addition, the restricted movement of people and goods has created disruptions in the supply chain, limited access to markets, and is threatening farmers' access to farm inputs, such as seeds, fertilizers and insecticides. On the positive side, in Togo, prices of food and agriculture commodities have remained relatively stable as the country had a bumper harvest for the 2019/2020 harvesting season. However, the inability of farmers to access export markets and critical farm inputs is increasingly raising concerns and fears amongst farmers who are investing for the May/June planting season.

The government has developed a National Response Plan estimated at 20 billion CFA francs (\$40 million), and announced a budget contribution of 2 billion CFA francs (\$4 million) to mitigate the impact of the COVID-19 pandemic. The World Bank has contributed 4 billion CFA francs (\$8 million) to support the plan. The Ministry of Finance has noted that the country still has an estimated financing gap of 14 billion CFA francs (\$28 million), to effectively rollout its plan to mitigate the impact of COVID-19. In the same vein, the government has revised its budget downward from CFA francs 578.4 billion to CFA francs 348.4 billion due to shortfall in budget resources of about 40% from tax earnings, non-tax and service revenues. The government has also established a National Solidarity and Economic Recovery Fund to help mobilize resources to fight the pandemic. The pandemic is a big test to this small nation's limited government capacity, poor healthcare infrastructure and development deficit.

GDP and Economic Growth

Togo's economic growth was 5.2 percent between 2014-16, propped up by increased investment in infrastructure and strong agricultural production. In the latest macro-budget review, the Ministry of Finance noted that the pandemic has severely affected trade, services, travel, and tourism. The economy was initially projected to maintain a GDP growth rate of 5.3% for 2020, however, it is now estimated to slump to 1.3%.

¹ June 12, 2020 <https://covid19.who.int/region/afro/country/tg>



According to the International Monetary Fund (IMF), Togo is amongst a group of countries that are most exposed to the impact of the pandemic, as about 65% of public resources, excluding grants, is used to service debt with little left to support health infrastructure and other essential services.

Because of this pressure on national resources, the government approached multilateral agencies for support. The World Bank and the IMF approved \$8.1 million and \$241.5million respectively in financing from the International Development Association (IDA) and Extended Credit Facility (ECF) to help Togo combat COVID-19, reinforce macroeconomic stability, support economic and financial reforms, and promote sustainable and inclusive growth.

Government Policy Response

Over 60% of Togo's population lives in rural areas and are extremely vulnerable to the economic impact of the pandemic. To address their immediate needs, the government has set up an unconditional cash transfer scheme called "Novissi" or "solidarity" in the local language. The social safety-net programme will provide grants worth at least 30 per cent of the minimum wage to support people in the informal sector whose incomes have been disrupted by the COVID-19 pandemic. The scheme is expected to enroll informal workers aged 18 or older whose revenue has been affected by the crisis and who can prove their identity with a valid voting card. It is anticipated that through the scheme, beneficiaries will be able to pay for basic daily necessities such as food, sanitation and communication. The government has also waived payment of water and electricity charges for the most vulnerable.

Government response to COVID-19's impact on the Agriculture Sector

Agriculture is one of the key drivers of Togo's economic growth, contributing around 30% of GDP, and employing 60% of the population. The 2018 National Agriculture census recorded over 3.8 million people living in rural areas; three million work in the agriculture sector. Food crops make up 70% of all of Togo's agricultural output. They are primarily for local consumption rather than export. Togo's major export commodities include cotton, cashew and sesame. Most farmers in Togo are smallholders (average land holding of 3.9ha), and are vulnerable to external shocks and stresses such as the impact of COVID-19, climate change, and price volatility. In the southern belt of the country, the planting season for this year began in April; while in the Northern belt, the season starts in May/June.

To mitigate the impact of the pandemic on agricultural production, the Ministry of Agriculture, Animal Production and Fishery, launched a COVID-19 agricultural response plan with several measures put in place to ensure food and nutritional security, as well avert any adverse effect on the food system and farmers income. The government's COVID-19 response plan targets production of 225,000 tons of cotton, about 2 million tons of corn, about 140,000 tons of soybeans, and over 330,000 tons of rice, with increased revenues projected to be around CFA 228 billion. The intervention design expects that producers will register with their respective cooperatives, farmer associations and at any remote office of the ministry of agriculture to benefit from the COVID-19 response plan. Interventions include:

- a. **Promotion of mechanized agriculture.** The government aims to support business start-ups (small and medium enterprises) to provide mechanization services for farmers. Estimated mechanization needs include 500 tractors (70 Hp with accessories), 500 mini tractors, 350 tillers, 1000 agriculture kits (shellers, dryers etc.) and support for about one hundred agricultural processing units.
- b. **Intensification of agriculture input use.** The input needs for the 2020 planting season are estimated at 19, 222 MT of seeds, and 153,600 MT of fertilizers. The government and partners have so far mobilized 7,000 MT of seeds and 42, 275 MT of fertilizers.

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- c. **Water management.** The government plans to deploy 15,000 irrigation kits by November 2020 to boost vegetables and dry season food production. 100 boreholes will be drilled in rural areas to enhance access to water for food production.
 - d. **Digital Platform.** Launched a digital platform with the participation of the private sector to manage the COVID-19 intervention initiatives.

Policy Response Package for Togo

- Technical assistance support to food safety commissioner for surveillance of food availability; weekly update on food availability and distribution.
- Support information, education, and communication campaigns using radio, TV, SMS messages etc. to sensitize farmers to prevent the spread of the coronavirus.
- Support the fundraising campaigns for the COVID-19 Social Protection Fund.
- Strengthen the coordination of partners and support to COVID-19 response.
- Mobilize PPE (i.e. face masks, gloves, alcohol-based hand sanitizers, etc.) for front-line agricultural extension workers and community counselors.
- Facilitate farmers' access to agro-inputs (seeds, fertilizer etc) and mechanization services for the 2020 planting season.
- Financing for value chain actors: scale inclusive finance product, working capital for agri-business SMEs (aggregators, food processors, agro-dealers etc.).
- Support the development of fertilizers, mechanisation and Youth Entrepreneurship Strategy.
- Scale digital information services for value chain actors and strengthen extension (village-based advisors model).
- Strengthen private sector agro-input distribution.
- Facilitate farmer access to private sector driven input and output markets, and digital payment system.
- Support the Ministry of Agriculture to mobilise partners and resources to invest into agriculture investment programs.

For further information about costs, please contact:

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