



Understanding the impact of the COVID-19 pandemic on food security in Africa

CONTEXT

In addition to its global impact on human health, the COVID-19 pandemic is having a significant impact on economies, especially in Africa. Countries on the continent have tried to contain the spread of COVID-19 with lockdowns, curfews, border closures. Countries in Africa have also used other movement restrictions, such as quarantines, roadblocks, and market closures. Early indications suggest that the impact on agriculture and food security and levels of poverty and malnutrition will be significant unless urgent actions are taken.

Although the economic impacts of COVID-19 will be more significant than the SARS epidemic, the H1N1 flu epidemic, and the Ebola epidemic, COVID-19's impact on economic well-being will be observed through two distinct but similar channels. First, the direct and indirect effects of sickness and mortality will lead to an increase in health care costs and lost economic activity of infected individuals during their illnesses. Second, there will be the behavioural effects resulting from people's fear of contagion and measures taken by governments to control the spread of the infection (World Bank, 2014; Gunjal and Senahoun, 2016). The impacts of essential containment, isolation and distancing measures on social and economic well-being are yet to be realized and could have tremendous effects, notably among the most vulnerable. Historical infectious disease outbreaks show that behavioural effects have been responsible for as much as 80 or 90 percent of the total economic impacts of the epidemic.

The COVID-19 pandemic affects the entire food system

This pandemic will affect both supply and demand channels, but they will be noticed at different points in time. They will affect all elements of the food system, from primary supply to processing, to trade as well as national and international logistics systems, to intermediate and final demand. It also affects factor markets, namely labour and capital, and intermediate inputs of production. The channels of transmission into food and agricultural demand include macroeconomic factors, notable swings in exchange rates, in energy and credit markets, and, an expected surge in unemployment and the contractions in overall economic activity (Schmidhuber *et al.*, 2020).

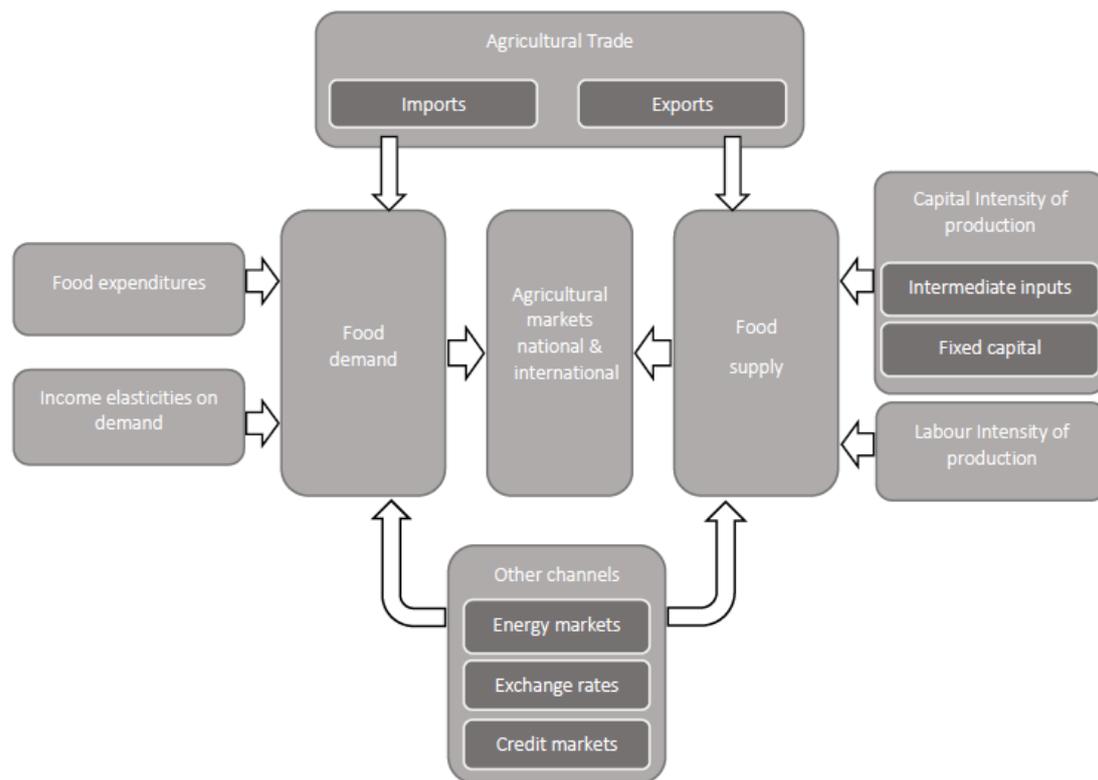
Also, the important role that agri-food enterprises of all sizes play in ensuring the functioning of food systems has become more apparent during the current COVID-19 crisis. Farm enterprises, traders, food manufacturers, distributors and retailers across food chains are collectively essential for food security, value addition, transporting food to markets, and off-farm employment for women and men living in rural and urban areas.

The COVID-19 crisis is undermining the ability of agri-food enterprises to ensure consistent supplies of food to markets from enforced closures, labour shortages due to illness, and a slowdown in operations caused by physical distancing and lockdowns. These circumstances are compromising enterprises' ability to continue business as usual, and in many cases, threatening

the survival of some beyond the crisis, with implications for food security and increased long-term poverty and malnutrition.

Africa’s food system is more vulnerable than any other region to the COVID-19 pandemic, due to several ongoing food crises, due to natural disasters and conflicts. These crises have weakened countries’ coping capacities. Several African countries rely on primary commodities for exports, and others rely on food imports. Across the continent, social protection and safety net programmes are weak.

FIGURE 1 | Broad channels of short-term economic impact



Source: FAO

AFRICA COMMODITY DEPENDENCE AND IMPACT OF COVID-19

In Africa, most countries are highly dependent on primary commodity exports and imports and are therefore vulnerable to international price and demand shocks related to these commodities. Indeed, African countries make up 65 percent of high commodity-export and low-commodity-import dependent countries (HE-LI), and 44 percent of high commodity import and export-dependent countries (HE-HI) (Annex 1).

High commodity dependence is a crucial factor driving economic slowdowns and downturns on the continent. The first channel of the impact of the pandemic on African economies is the sharp decline in commodity prices through March and April, notably those of petroleum, metals and energy and to a lesser extent those of agricultural products. Commodity prices declined and caused a depreciation of the so-called commodity currencies, such as the currencies of commodity exporters (Table 1). However, the US Dollar fell by more than 4% against a basket of other major currencies in July, the most significant monthly decline in a decade, as the value of euros, gold and other commodities increased (The economist, 2020), which contributed to a significant recovery of the currency of commodity-exporting countries in recent weeks. For

example, in South Africa, the nominal exchange rate of the Rand to the USD depreciated by about 25 percent in April compared to the pre-COVID period. The currency has recovered a large share of the losses in recent weeks, although it was still 13.8 percent below its year-ago level in mid-August.

TABLE 1 | Energy and metal prices since January 2020

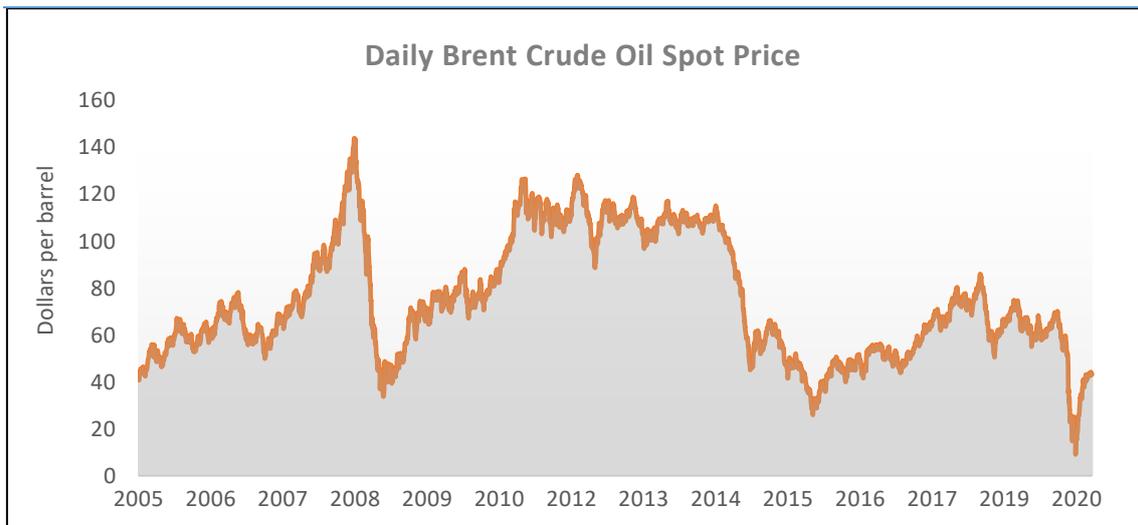
	Unit Price (Jul 2020)	Unit Price (Mar 2020)	Unit Price (Jan 2020)	Jul/Jan	Mar/Jan
Oil, WTI (USD/Barrel)	40.75	29.88	57.52	-29.2%	-48.1%
Platinum (USD/Ounce)	864.64	759.00	986.65	-12.4%	-23.1%
Palladium (USD/Ounce)	2047.50*	2108.91	2226.65	-8.0%*	-5.3%
Silver (USD/Ounce)	20.65	14.88	17.97	14.9%	-17.2%
Copper (USD/Ton)	6372.46	5182.63	6031.21	5.7%	-14.1%
Nickel (USD/Ton)	13402.30	11846.23	13506.86	-0.8%	-12.3%
Lead (USD/Ton)	1817.93	1734.44	1923.93	-5.5%	-9.8%
Aluminum (USD/Ton)	1643.81	1610.89	1773.09	-7.3%	-9.1%
Iron ore (USD/DM Ton)	108.52	88.99	95.76	13.3%	-7.1%
Gold (USD/Ounce)	1846.51	1506.95	1560.82	18.3%	-3.5%

Source: The World Bank Commodity Price Data (The Pink Sheet), monthly prices in nominal US dollars. *Authors' calculation from average daily prices

Oil prices fell to their lowest level in 17 years in March and April 2020, dropping below USD 25 a barrel, as demand for fuel was hit by work and travel lockdowns introduced in some of the world's biggest economies as part of efforts to contain the spread of COVID-19 (Financial Times, 2020). According to the Brookings Institute (Brookings Institute, 2020), the late 2014 drop in oil prices contributed to a significant decline in GDP growth for sub-Saharan Africa from 5.1 percent in 2014 to 1.4 percent in 2016. During that episode, crude oil prices fell by 56 percent over seven months.

The decline in oil prices observed in March and April 2020 was far more rapid than in 2014. Although prices have recovered significantly in recent weeks (Figure 2), the risk for oil demand remains strong as countries continued to report new cases of COVID (Reuters, 2020). Metal prices which dropped by up to 23 percent by March, also saw a strong recovery in recent weeks. Because of these fluctuations, the most significant disruption to trade will be for commodity-sensitive economies, with Algeria, Angola, Cameroon, Chad, Equatorial Guinea, Gabon, Ghana, Nigeria, and the Republic of the Congo among the most affected. Oil exports range from three percent of GDP in South Africa to 40 percent in Equatorial Guinea; oil exports are a vital source of foreign exchange earnings. Furthermore, the shocks come at a difficult time for three of the largest economies — Angola, Nigeria, and South Africa — which already had weak growth outlooks. South Africa, too, was already in recession.

FIGURE 2 | Brent Crude Oil Price

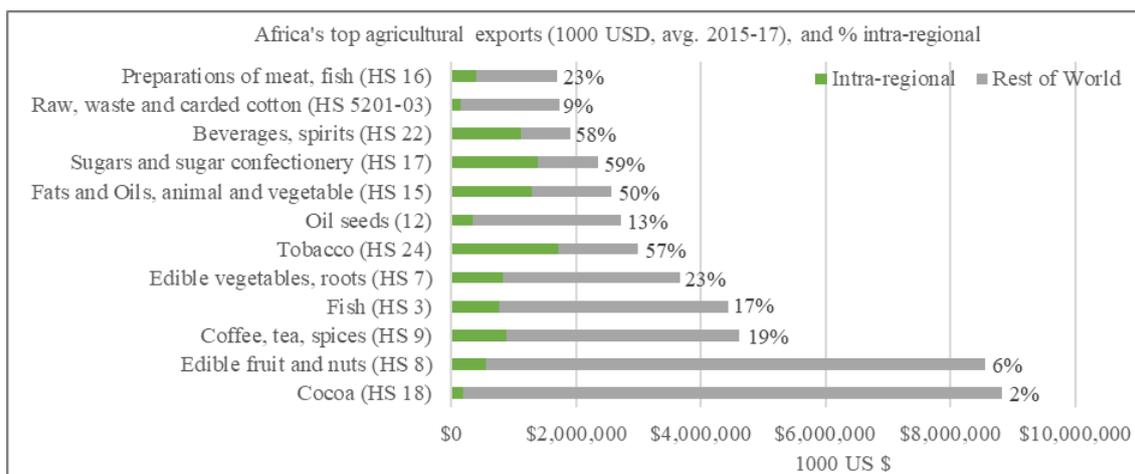


Source: U.S. Energy Information Administration (EIA); daily prices in nominal USDs, 2005 to 2020.

DECLINING DEMAND FOR AFRICAN AGRICULTURAL EXPORTS

Africa’s agricultural exports are dominated by a few product categories, mostly cash crops. The top five (cocoa, edible fruits and nuts, coffee, tea and spices, fish and edible vegetables and roots) make up 53 percent of all agricultural exports, and the top twelve products make up 80 percent of all agricultural exports, as shown in Figure 3. Most of the exports are destined for extra-regional markets. Exceptions include tobacco, fats and oils (from both animal and vegetable sources), sugar and sugar confectionery, and beverages, for which the shares exported to intra-regional markets are higher than 50 percent of total exports. Already, there are indications of declining export demands and related prices for some of these products (Sources: IMF, The Standard). For example, in Mali, COVID-19 caused cotton prices to fall driven by declining global demand from the garments industry and disruptions in international trade. In Ethiopia, a reduction in exports of agricultural commodities (such as coffee, sesame and livestock) is expected, which will have a direct effect on already limited foreign exchange reserves (Wageningen University, 2020). Similarly, there are negative consequences on cross-border markets between East African countries, including livestock exports to the Middle East. This is detrimental to the pastoral and agropastoral communities in Somalia, Ethiopia, Kenya, Djibouti and South Sudan.

FIGURE 3 | Africa’s Top Agricultural Exports (Average 2015-17) and Share Intra-Regional



Source: calculated based on data from ITC TradeMap (agricultural products include H.S. codes 1-24, and raw cotton HS 5201-5203).

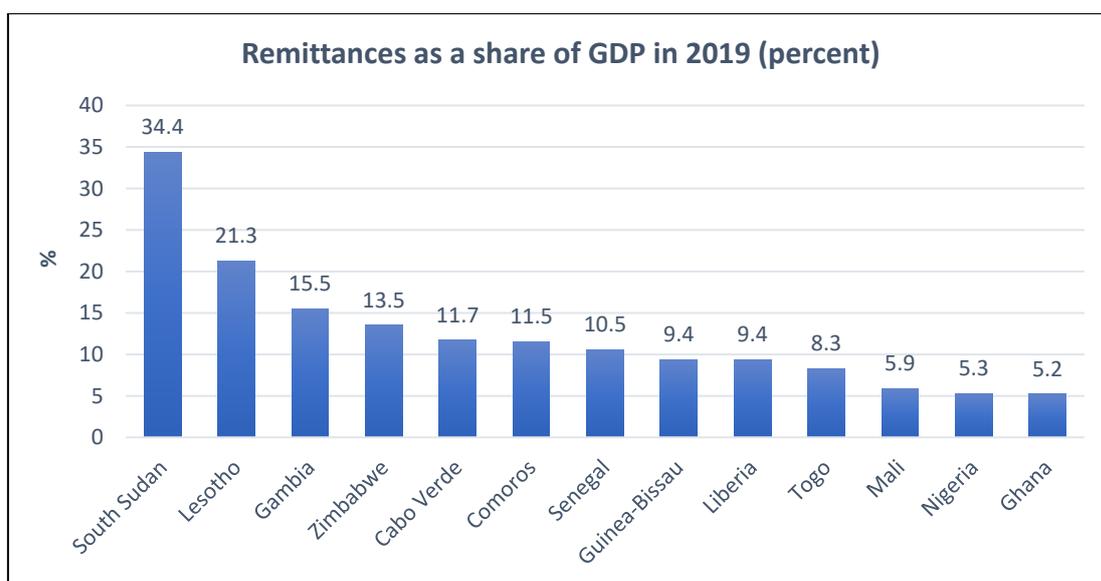
TOURISM SIGNIFICANTLY AFFECTED

Tourism contributes to over ten per cent of GDP in the Seychelles, Cape Verde, and São Tomé and Príncipe, and over five per cent in the Gambia, Morocco, Mauritius, Tunisia, Lesotho, Madagascar, Egypt, and Rwanda. Similarly, tourism employs more than a million people in Nigeria, Ethiopia, South Africa, Kenya, and Tanzania, and tourism employment comprises more than 20 per cent of total employment in Seychelles, Cape Verde, São Tomé and Príncipe, and Mauritius. In past crises, including the 2008 financial crisis and the 2014 commodity price shock, African tourism experienced losses of up to USD 7.2 billion (Brookings Institute, 2020). The current restrictions on travel and physical distancing requirements have significant impacts on tourism in many countries.

IMPACT ON REMITTANCES

According to The World Bank, remittances inflows in Sub-Saharan Africa (SSA) are expected to decline by 23.1 per cent in 2020 to USD 37 billion, while a recovery of 4.0 per cent is expected in 2021 (Dilip *et al.*, 2020). Remittances as a share of GDP exceed five per cent in several African countries, and range as high as 34 per cent in South Sudan, 21 per cent in Lesotho, 15 per cent in the Gambia and more than 11 per cent in Zimbabwe, Cape Verde and Comoros.

FIGURE 4 | Remittances as a share of GDP in Africa in 2019 (percent)



Source: The World Bank–KNOMAD remittance inflows dataset.

<https://www.knomad.org/data/remittances>.

GDP GROWTH PROJECTED TO FALL SHARPLY

Declining income from commodity trade, remittances and tourism will have negative impacts on economic growth, employment, household income and food and nutrition security. Growth in Sub-Saharan Africa is forecasted to fall sharply from 2.4 percent in 2019 to -2.1 percent in 2020 under the most optimistic scenario and -5.1 percent under the most pessimistic scenario. This is the first recession in the region in the last 25 years, according to the latest Africa's Pulse, The World Bank' semi-annual economic update for the region. GDP growth is projected to fall, especially in the region's three largest economies (Nigeria, Angola, and South Africa). Declining growth is also expected in the two fastest-growing areas — the West African Economic and Monetary Union and the East African Community. This declining growth is due to weak external demand, and disruptions to supply chains and domestic production. There was a combined demand and supply shock due to increasing social isolation measures and a global oil glut.

Reduced foreign exchange inflows are leading to currency depreciation. This hinders countries' abilities to import food and may cause food price inflation. To mitigate some of these effects, many countries will increase their debt levels.

HIGH FOOD IMPORT DEPENDENCY

Despite its vast agricultural potential, Africa is a net importer of agricultural products. While exports have been growing at a compound annual growth rate of four percent over the last two decades (1996 to 2016), imports have been increasing by six percent per year over the same period.

The increase in agricultural and food imports has been particularly striking for basic foodstuffs such as cereals, vegetable oils, sugar, meat and dairy products. Many imports are sourced from outside the region (such as wheat, sunflower oil and dairy products from Europe; rice and palm oil from Asia; maize, poultry and beef from Latin America). According to FAO estimates, between 2015 and 2017, Africa's agricultural imports, mostly food, amounted to roughly USD 80 billion in

nominal values (including North Africa). African agricultural imports have more than double from 2005 to 2007, when it was USD 39 billion.

TABLE 2 | Import dependency ratios (percent)

	AFRICA, TOTAL	NORTHERN	EASTERN	CENTRAL	SOUTHERN	WESTERN
VEGETABLE OILS	71	78	86	44	74	60
CEREALS, EXCLUDING BEER	33	54	19	34	32	24
MEAT	12	8	2	34	16	13
MILK, EXCLUDING BUTTER	9	14	2	9	10	9
PULSES	8	52	5	5	42	1
OIL CROPS	7	29	2	0	14	1
VEGETABLES	3	1	4	5	11	5
FRUITS, EXCLUDING WINE	3	4	2	1	15	2
EGGS	2	0	3	40	1	3
STARCHY ROOTS	0	4	0	0	5	0

Source: FAO.

In West Africa, for example, domestic cereal production covers only ten percent of the total cereal utilization requirements in Cabo Verde, 25 percent in Mauritania, 34 percent in Liberia and 50 percent in Senegal. Rice imports account for almost 50 percent of West Africa's total grains imports. West Africa is important in world rice markets because of its significant share of world rice imports, which is almost 20 percent.

As a result of these trends, Africa is home to many Low-Income Food-Deficit Countries (LIFDCs). The LIFDCs group includes net food-deficit countries with annual per capita income below the level used by the World Bank to determine eligibility for the International Development Association (IDA) assistance. The new list of the LIFDCs has 51 countries including 37 African countries: Benin, Burkina Faso, Burundi, Cameroon, the Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, the Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, the Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, the Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, South Sudan, the Sudan, Togo, Uganda, the United Republic of Tanzania, and Zimbabwe. LIFDCs are particularly sensitive to declining revenues or price increases.

Dependence on extra-regional imports for food makes African countries vulnerable to disruptions in international logistics and distribution and production problems in other countries. This could result in food shortages and increased food prices, particularly in countries highly dependent on food imports (Table 1), as is the case of many low-income and

landlocked countries and Small Island Developing States (SIDS). These factors, combined with losses in consumer incomes, minimal savings and limited access to public safety nets, mean that COVID-19 also creates demand-side risks, particularly among the poor populations. It is important to engage with countries and regional organizations to make sure that agricultural and food commodities continue to flow across borders and inside countries to avoid shortages and price increases.

COVID-19 SHOCK WITH HIGH FOOD AND NUTRITION INSECURITY

Before the COVID-19 pandemic, food insecurity in Africa was already high. There were 235 million undernourished people in sub-Saharan Africa in 2019, an increase of 15.6 percent compared to 2015. In addition, over 73 million people experienced severe acute food insecurity in the region in 2019 (out of 135 million globally). Also, Sub-Saharan Africa is the only region in the world where the number of the extreme poor increased (from 276 million in 1990 to 413 million in 2015).

Only a few countries are on track to achieve the SDG 2 target of a 40 percent reduction in the number of stunted children by 2030. Although the prevalence of stunting in children under five is falling regionally, the number of stunted children is rising, reaching 58.8 million in 2018. Economic growth is necessary to reduce stunting, but alone itself, is not enough, and nutrition-specific and nutrition-sensitive interventions are also needed.

According to the latest Crop Prospects and Food Situation report of FAO (FAO, 2020), 34 out of the 44 countries currently needing external assistance for food are in Africa. Conflict driven crises continued to be the primary cause of severe food insecurity, while drought, floods and other shocks have also aggravated food insecurity conditions locally. The following countries currently require food assistance: Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Djibouti, Eritrea, Eswatini, Ethiopia, Guinea, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mozambique, Namibia, Niger, Nigeria, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.

Acute food insecurity was widespread before the COVID pandemic. In West Africa, according to the March 2020 “Cadre Harmonise” analyses, the aggregate number of severely food insecure people (CH Phase 3: “Crisis” and above) was estimated at 11.4 million. If appropriate measures and responses are not implemented, this number is projected to increase to over 17 million people during the next lean season between June and August 2020, well above the 11.1 million food-insecure people that were estimated for the June to August 2019 period.

Similarly, in Eastern Africa, before the COVID-19 pandemic, food insecurity was already alarmingly high, with over 33 million food-insecure people (IPC Phase 3+), mainly located in Ethiopia, South Sudan and Sudan. The main reasons for this food insecurity include climatic shocks (drought and flooding), economic challenges and high food prices, the outbreak of livestock pest and diseases, conflict and insecurity, and population displacements.

In Central Africa, the latest IPC analyses put the number of severely food insecure people in the subregion at about 16.5 million (excluding the Republic of the Congo, Gabon and Equatorial Guinea) in the first quarter of 2020. In Southern Africa, during the peak of the lean season between January and March 2020, the number of food-insecure people was estimated at 13.8 million, more than 20 percent above the figure in the corresponding period in 2019.

Additionally, prospects in 2020 for the main crop are unfavourable in eastern Africa, due to the desert locust outbreak that had already increased concerns about further food security deteriorations.

COVID-19 risks further escalating these figures, with huge rises in humanitarian needs and food insecurity because of both the pandemic itself and containment efforts. Slowdowns or reductions

in the delivery of humanitarian assistance could be difficult in these contexts. The pandemic will likely have repercussions on humanitarian operations on budgets (as resources may be reprogrammed to support COVID-19 efforts), and on logistics, as movement restrictions will hamper both staff and delivery. This will lead to rising humanitarian delivery costs. Costs of food assistance may also increase in case of any increases in the cost of cereals. This would increase the number of people requiring humanitarian assistance while posing an enormous challenge in terms of the ability of governments and organizations to address those needs. It is, therefore, crucial to rapidly mobilize and pre-empt COVID-19 impacts on food security in food crisis countries. FAO is thus pursuing this approach: maintain and secure existing critical humanitarian operations; and act to safeguard livelihoods and protect the food supply chain to mitigate the secondary effects of the pandemic.

THE POSSIBLE IMPACT OF COVID-19 ON AGRICULTURAL PRODUCTION IN AFRICA

There are direct and indirect effects of the pandemic on farm families and farm labour. Quantitatively, the direct impact in terms of the number of people infected and becoming sick in relation to the size of the population of the area remains small. With agricultural production being highly labour-intensive in most African countries, shortages of workers due to the lockdowns may compromise farming activities including land preparation, planting, crop maintenance, crop growth (weeding, fencing, and applying chemicals), harvesting, post-harvest handling, and transporting and storing food. Additionally, there are impacts along different nodes of the agri-food value chains which affect supply chains for agricultural products, processing, packaging, transportation networks and distribution, importing or exporting fresh and processed food products.

These immediate impacts on domestic food production and distribution may increase if countries are unable to manage pest and disease outbreaks, or address food safety issues due to restrictions on movement. In addition, crops, livestock and aquaculture all depend on significant production inputs, and they can be affected through reduced access and use of material inputs, such as applied quantities of fertilizer, irrigation, and chemicals.

Labour and other input requirements vary depending on crop development stages. Planting of the 2020 crops is ongoing in West and Central Africa while harvesting the 2020 crop is completed in Southern Africa.

SOCIAL PROTECTION IN AFRICA

In the short-term, access to predictable social assistance, in the form of cash or in-kind transfers, and labour-related guarantees, help mitigate the direct economic impacts of the pandemic on households and communities. These economic impacts include health-related costs (prevention, testing and treatment), reduced access to food intake and diverse diets, and loss of employment and income due to market closures and movement restrictions. Social protection can also relieve the pressures facing households in terms of compliance with confinement and movement restrictions and protect them and the wider community from infection.

In the medium- and long-term, access to social protection enhances the ability of rural households to progressively rebuild their livelihoods, invest in economic activities and manage multiple risks. Social protection will be an essential strategy for ensuring an inclusive recovery pathway. Evidence from social protection programmes in Africa shows the broad range of beneficial impacts, including access to more and better foods, access to education and health services and increasing economic and productive capacity of rural households.

Starting from a strong base of long-standing programmes, many created in the context of food crises and the HIV/AIDS pandemic, Africa has seen a significant and rapid increase in the number of programmes in recent years. The region has new designs and social protections, strengthened community structures, comprehensive strategies and a systems-approach, building linkages with economic inclusion, and programmes to respond effectively to predictable crises, such as the Productive Safety Net (PSNP) in Ethiopia and the Hunger Safety Net in Kenya (HSNP).

However, despite recognition of the importance of social protection by African countries, most rural households, and particularly those who depend on agriculture and natural resources for their livelihoods, face significant barriers to access adequate social protection, including health-related services. On average, across countries, ten percent of the population in Africa is covered by social assistance. Refugees and migrants, typically excluded from national social protection systems and health programmes, face additional challenges due to lockdowns and movement restrictions.

POLICY RECOMMENDATIONS

Meet immediate needs of vulnerable populations and safeguard input supply chains for small-scale agricultural producers

In addition to supporting agriculture and food-related incomes through social protection (see below), it is important to preserve critical livelihood assistance and food security. One of the immediate priorities of humanitarian actors in a COVID-19 context will be to ensure that ongoing deliveries of critical humanitarian assistance to vulnerable groups are not hindered and are adapted to potential COVID-19 impacts. This includes preserving and protecting the agriculture livelihoods and food security of vulnerable populations by adapting programming and operational delivery. This means:

- continuing and scaling-up (as needed) distributions of agricultural inputs (seeds, tools, and livestock feed) and providing animal health support to ensure continuous food production and income generation in the most vulnerable areas, including within the rural-urban interface;
- supporting livelihood diversification and home-based food production (such as backyard gardens) to ensure further fresh food availability (such as distributing small stock, and distributing tools and seeds for home gardening) and income;
- reducing post-harvest losses, which are likely to substantially increase due to transport and market access, through improved storage capacities and small-scale processing and conservation fruits, vegetables, milk and meat products; and
- for displaced and host communities, supporting food production in internally displaced people (IDPs) and refugee camps and host communities to protect food availability (such as distributing small stock and distributing tools and seeds for small-scale agricultural production) and improve access to food and healthy diets, as well as scaling-up cash-based programmes.

It is fundamental to prioritize the agricultural input and service supply chains, and the necessary phytosanitary and health measures are put in place to ensure the safety of the people engaged. Similarly, it is essential to continuously analyze and identify countries and populations that are at risk of food insecurity due to COVID-19 and its indirect effects.

Protecting Livelihoods: building resilience through social assistance

Countries in Africa are developing strategies to address the COVID-19 crisis, including social protection. Lessons from the HIV/AIDS epidemic, food crises, and the Ebola outbreak highlight that health needs are the main priority. However, as highlighted in the African Union's (AU) recommendations for COVID response, impacts on income, food security and livelihoods must also be addressed by employing both immediate and medium-term strategies to prevent backsliding on poverty reduction and food security gains.

Expanding existing social protection programmes – including cash transfers, access to health services and employment-related guarantees – has been at the forefront of the global response. In Africa, many countries are still in the process of formulating responses and mobilizing resources, and many are considering social protection instruments as the primary response tool.

A review of the experience of social protection in the region and best practices leads to the following recommendations:

Social protection should be part of the short- and long-term response to the health, food security and socio-economic consequences of the pandemic

- African countries should invest in expanding social protection programmes, leveraging humanitarian funding to make them more risk-informed and shock responsive. African countries should also create contingency funds and include social protection as a sector in negotiations with donors while assuring the protection of such budgets in the context of economic recession.

In terms of social protection design and implementation:

- Ensure programmes provide uninterrupted benefits. Assess health risks for delivery of cash or in-kind benefits, cash-for-work, and school feeding and adapt delivery mechanisms to meet safety guidelines; ensure timeliness of benefits, providing advance payments or distribution when possible; relax conditionalities that require work or access to school and health services.
- When programmes exist, consider top-ups (vertical expansion) of transfers or expansion of coverage (horizontal expansion) to affected communities, building capacity for shock responsive social protection
- Consider innovative approaches to reach the vulnerable in the informal sector, including agriculture sub-sectors.

Market and trade policy measures

Promoting intra-regional trade in agri-food products is an important short- and long-term policy objective in Africa. Reducing vulnerabilities to COVID-19-related market disruptions and mitigating its impacts on the poor would require immediate efforts by African countries to ensure that agri-food supply chains and trade channels remain open. Countries have responded to the disruptions affecting the agricultural and food trade in various ways, including price controls, engaging with local businesses and the private sector, reducing import barriers, improving trade facilitation measures and easing export controls. Cross-border trade should be supported to maintain the continued flow of agricultural and food commodities and inputs, including through expanded care services and testing.

In the medium to long term, it is essential to avoid policy responses to COVID-19 that may undermine the African Continental Free Trade Area (AfCFTA) Agreement: it would be important to avoid both import and export-restricting measures, in keeping with the spirit of the AfCFTA and to ensure food availability and access in the region. The postponement of AfCFTA

implementation as a result of COVID-19 provides an opportunity to rethink the future direction of the agreement given the new and emerging trends from the pandemic. It also presents a space to address many of the outstanding issues and challenges that may undermine its implementation.

Measures for further recovery¹

In the recovery phase, countries need to focus on addressing the broader development challenges, concentrating on the growth impacts and within-country inequality from the COVID-19 induced economic recession. Continued efforts need to be deployed on ensuring better functioning of local and regional food markets, including input supplies and production services. Governments and development partners should work to identify and provide solutions to address logistics bottlenecks that are critical to ensure continuity in value chains for both staple commodities and high-value commodities.

Supporting a vibrant private sector is critical for creating businesses and quality jobs that are necessary for an inclusive and sustainable pathway towards recovery from the pandemic. The recovery agenda should aim to “build back better” by unleashing the job-creation potential of SMEs through interventions that focus on enterprise upgrading, improving their production efficiency, encouraging the promotion of innovation, leveraging different sources of finance and building their capacities for enhanced participation in dynamic value chains.

COVID-19 demonstrated the opportunities for promoting innovations in a growth and recovery agenda. In the face of the pandemic, e-commerce and other digital solutions kept food value chains alive by facilitating online retail, improving production efficiency and enhancing interaction of food chain actors. Accelerating Africa’s digital transformation is a vital priority for the continent’s recovery and growth agenda.

Responding to COVID-19 has put an enormous fiscal strain on public resources, and the crisis provides an opportunity to rethink investment and financing mechanisms for agriculture and trade in Africa. A fiscal policy and investment response strategy require a combination of domestic resource mobilization, leveraging private sector resources and mobilizing external resources through innovative financing mechanisms.

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¹ This section draws on the guidance note for the joint virtual meeting of the African Ministers responsible for Agriculture, Trade and Finance held on 27 July 2020,

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ANNEX

Annex 1 | COUNTRIES BY TYPOLOGY OF PRIMARY COMMODITY DEPENDENCE (1995 to 2017)

Low commodity-dependent (low import and low export countries)	High commodity-import and low commodity-export dependent countries	High commodity-export and low commodity-import dependent countries	High commodity-dependent (high import and high export) countries
LOW CD	HI-LE	HE-LI	HE-HI
Djibouti* Egypt* Lesotho* Liberia* South Africa Tunisia*	Cabo Verde* Comoros* Eswatini* Madagascar* Mauritius* Morocco	Algeria* Angola* Botswana* Burundi* Chad* Congo* Equatorial Guinea* Ethiopia Gabon* Ghana* Kenya* Libya* Malawi Namibia Nigeria* Rwanda* Sudan* Uganda United Republic of Tanzania Zambia Zimbabwe*	Benin* Burkina Faso* Cameroon* Central African Republic* Côte d'Ivoire* Democratic Republic of the Congo* Eritrea* Gambia* Guinea* Guinea-Bissau Mali* Mauritania Mozambique* Niger* Sao Tome and Principe* Senegal* Sierra Leone* Somalia* Togo*

Source: FAO, IFAD, UNICEF, WFP and WHO. 2019. *The State of Food Security and Nutrition in the World 2019. Safeguarding against economic slowdowns and downturns*. Rome, FAO. Table A6.2, p. 179.

*Net food-importing country in 2014–17. For definition, see FAO, IFAD, UNICEF, WFP and WHO. 2019. *The State of Food Security and Nutrition in the World 2019. Safeguarding against economic slowdowns and downturns*. Rome, FAO, 17