

POLICY BRIEF

Food insecurity and policy responses in West Africa: Targeted measures to mitigate impact and strengthen the resilience of vulnerable groups

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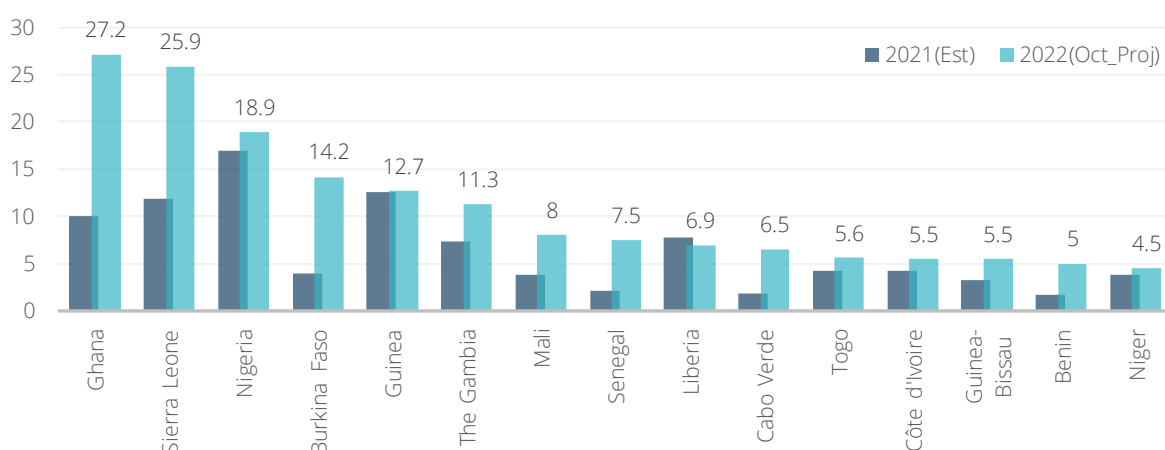
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West and Central Africa is facing an unprecedented food security crisis for 2 consecutive years due to the compounded consequences of the 2021 cereal deficit, deteriorating security situation, socioeconomic impacts of the COVID-19 pandemic and disruptions to the food and energy supply due to the Ukraine conflict. The 2021 cropping season was also characterized by extremely poor rains that resulted in a cereal production deficit of roughly 9.5 million tons in West Africa³.

The COVID-19 pandemic also increased the budget deficit, up to a regional average of -6.4% in 2021, further restricting fiscal space⁴. Governments were forced to borrow massively, increasing the ratio of government debt to GDP in many countries where ratios were already high (e.g. Cabo Verde (157%), Sao Tome & Principe (88%), Ghana (81.8%) and Senegal (73%) in 2021). Higher global food and energy prices combined with the lasting effects of the COVID 19 pandemic have strongly impacted the economic performance of the sub-region in 2022, with 11 out of 15 West African countries registering a deceleration in their GDP growth rate. This situation also pushed up domestic food prices⁵ and the Ukraine conflict has compounded to pre-existing inflationary pressures. The top 4 annual average inflation rates projected for 2022 are Ghana (27.2%), Sierra Leone (25.9%), Nigeria (18.9%) and Burkina Faso (14.2%); an increase is projected in 14 out of 15 West Africa countries (Figure 1).

Figure 1: Average Annual Inflation Rates in West Africa (%)



Source: ECA estimates from IMF, World Economic Outlook, October 2022, and countries data

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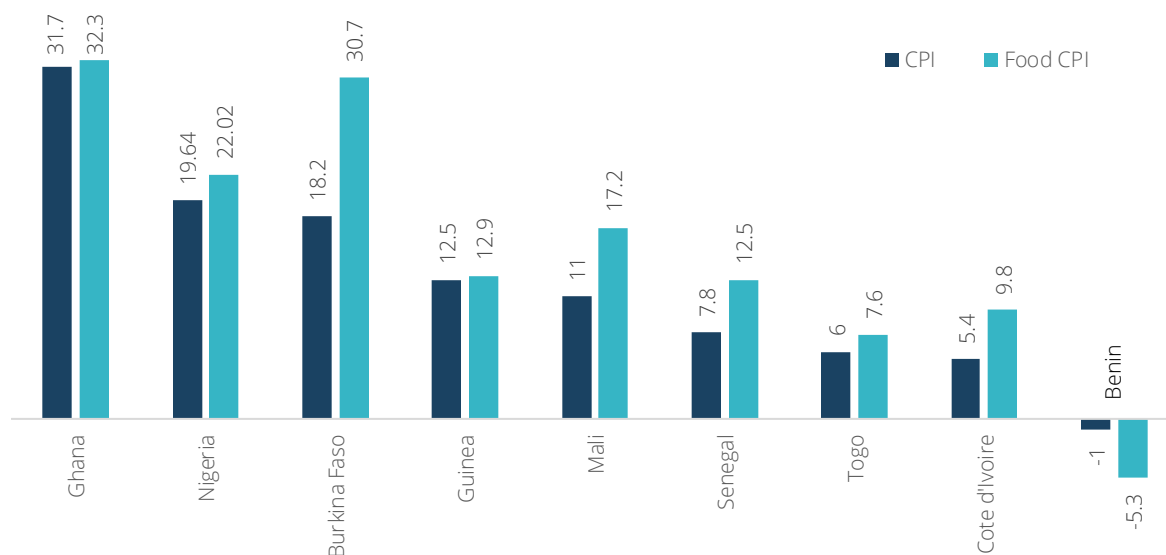
³ <https://blogs.worldbank.org/african/persistent-food-crisis-and-inflation-west-africa-region-golden-opportunity-benin>

⁴ <https://docs.wfp.org/api/documents/WFP-0000139841/download/>

⁵ <https://docs.wfp.org/api/documents/WFP-0000139585/download/>

Soaring food prices pose a significant threat to food security by reducing the purchasing power of millions of people, especially vulnerable groups (Figure 2). This is mainly due to the dominant share of food weight in the consumer price index (CPI) basket. The average share of food expenditure of households in West Africa is 43.1% of the total, with households in Mali, The Gambia, Nigeria, Senegal, Sierra Leone and Burkina Faso spending more than 50%⁶.

Figure 2: CPI and food inflation in select West African countries (June 2021-July 2022)



Source: ECA estimates, National Institutes of Statistics data, Oct 2022

As a result of this overwhelming situation, food security conditions continue to deteriorate in the region. According to the latest results of the Cadre Harmonise analysis, over 48 million people will not be able to meet their basic food needs in the upcoming lean season, an increase of 11% compared to the previous year. The situation is particularly alarming in the conflict areas of the Lake Chad Basin and the Liptako-Gourma region (Burkina Faso, Mali and Niger), where for the first time, 25,500 people are expected to be in catastrophe food security conditions⁷.

To respond to this unprecedented food insecurity, the governments of the region are implementing various policies and programmes. Policy responses aim at increasing food availability to improve food affordability. Over 50 different measures have been taken across the region to address the food crisis: targeted social safety net programmes, tax suspension or reduction on food items, release of existing food stocks, export restrictions and bans, and agricultural inputs subsidies are some of the measures taken to increase food availability. The effectiveness of some of these policy measures, however, are currently questionable.

The impact of export restrictions and bans on food availability has not been as effective as expected. In many countries, markets suffer low availability of major cereals and oil as highlighted by WFP's markets functionality index (MFI) analysis; 68% of markets monitored are facing both high food prices and poor availability of food. Also, lessons learned from the 2008 food crisis show that export restrictions and bans tend to disincentivise production, notably when this measure is implemented for a long period. In addition, export restriction measures weaken regional integration, jeopardizing the principle of free movement of goods and people - one of the core values behind the creation of the Economic Community of West African States (ECOWAS).

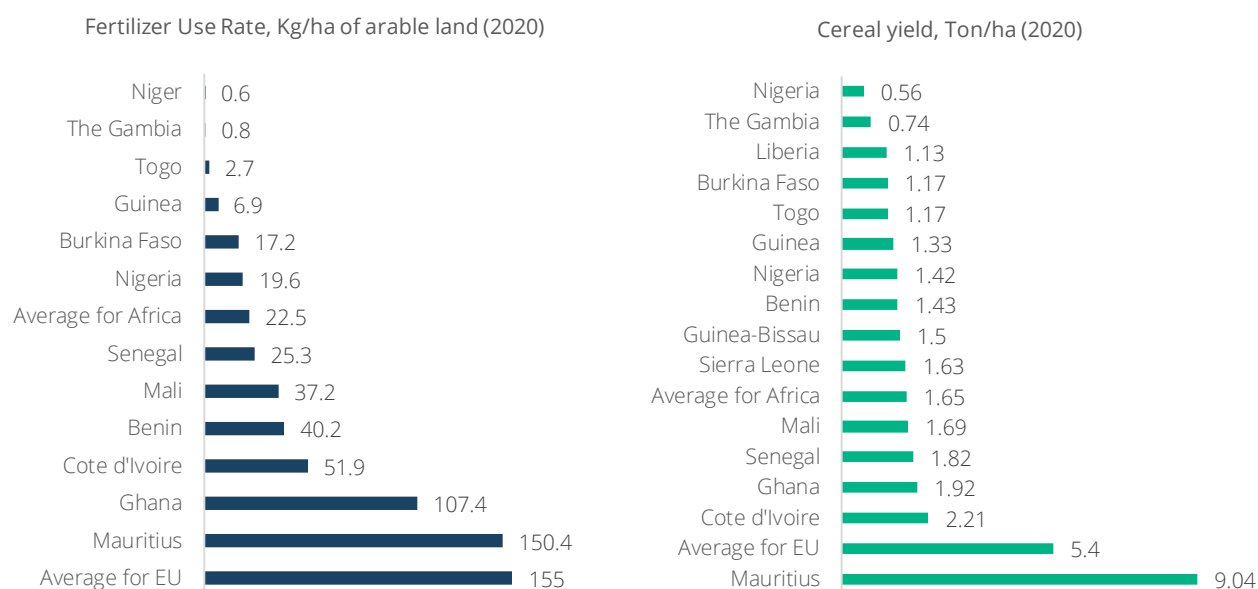
While short term or conjunctural measures restrict food availability in West Africa, the region's key food security challenges are more structural in nature. These structural challenges result in low yields, especially for cereals. The lack of support to local production (i.e. insufficient subsidies for fertilizer) has also led to a decrease in food availability. Compared to the five-year average, cereal availability per capita decreased by 2.4% in the Sahel and

⁶ UNECA

⁷ <https://fr.wfp.org/communiqués-de-presse/la-fao-le-pam-et-lunicef-appellent-des-actions-urgentes-et-durables-alors-que>

3% in the coastal countries⁸. In the Sahel, there has been a significant decrease in cereal production per capita in Burkina Faso (-6%), The Gambia (-7.8%) and Chad (-7.2%)⁹. The lack of agricultural modernization and the low level of fertilizer use to replenish soil nutrients are among the key drivers behind low cereal yields in the sub-region¹⁰. Weak research and development (R&D) capacity also lies behind the challenge of increasing the availability of adapted crop seed, mainly in the Sahel area. While Mauritius posted a yield of 9 tons per hectare in 2020, West Africa's average for the same period stood around 1.3 tons per hectare, slightly below the continental average of 1.6 tons per hectare. Cereal yield performance clearly reflects the level of fertilizer utilization (Figure 3).

Figure 3: Fertilizer use rate and cereal yields in West Africa compared to select benchmark countries



Source: ECA from FAO database, 2022

To address food access issues (i.e. high food prices), governments have prioritized the implementation of price ceilings over tackling the root causes of low crop yields and expanding social protection programmes and other social transfers for the most vulnerable groups. Whether price ceiling measures have been successfully implemented is unclear since monitoring systems were not put in place. Price ceilings have led to further disruption of markets, as in many countries, traders could not comply because governments did not propose appropriate solutions to ease fiscal pressure. Governments in the sub-region find themselves in a tight spot; on one hand they need to keep food prices low for consumers to prevent social unrest, while on the other hand, they need to generate income through taxes to ensure fiscal sustainability to import food and increase availability. Countries that cannot successfully manage these two risk facing severe consequences, such as riots and tense social tensions that could lead to political instability.

Given the complexity of the situation, lifting export bans and other restrictions could help address supply issues and boost intraregional trade and integration.

The region should promote policies that ensure long term food security through direct support to strengthening food systems, productivity and governance, meeting essential needs, and generating and disseminating knowledge. The region's population is growing rapidly at a 2-3% annual growth rate, and this puts increasing pressure on limited resources. Failing to meet people's essential needs will deepen poverty and food insecurity and could exacerbate existing conflicts over natural resources. It is important to invest in ways that improve agricultural productivity and market access for smallholder farmers. Government safety nets and social protection

⁸ RPCA, https://www.slideshare.net/RPCA_network/1-martialrpcapptnov-2022decpptx

⁹ Ibid

¹⁰ https://link.springer.com/chapter/10.1007/978-1-4020-5760-1_18

programmes need to be developed and expanded to help the poor and vulnerable, especially children, women, youth and elderly, to cope with the impact of rising food prices.

The ongoing crisis reveals the limitation of the region's current political economy model which consists of exporting raw material, cash crops and extractive products (oil) to source low-cost food from the international market. In line with the Malabo declaration and the African Union 2063, heavy investments are required to boost the production of local food while solidifying all the segments of value chains, markets, transport, processing, and distribution. Now is an opportune time to return to the roots of the Economic Community of West Africa Agricultural Policy (ECOWAP) adopted by ECOWAS in 2005. This policy is also aligned with the goal of increasing fertilizer utilization to at least 50 kg/ha of arable land (African Union 2006 Abuja Declaration) to achieve high agricultural productivity and cereal yields. Effective implementation of such policies will help boost the competitiveness of West Africa's agriculture and boost intraregional trade. Long term investments are needed to reduce humanitarian assistance and build resilience of local markets.