

Response to the COVID-19 Pandemic in Ethiopia – Some Reflections

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April 12, 2020

That the COVID-19 pandemic has significant impacts is becoming increasingly apparent. The immediate effects are the morbidity and mortality suffered by some of those infected by the virus. So are the prevention (campaigns, tests) and treatment costs (hospitals, staff, medication).¹ Further economic impacts originate in the demand-side and supply-side shocks related to the pandemic and policy responses to it including lockdowns. This note reflects on the situation in Ethiopia focusing primarily on elements of key responses regarding the agri-food system.

The most apparent economic impact takes the form of slowdown in economic activity leading to lower revenues (both private and public) and higher unemployment. Specific examples already happening include: reduction in exports (flower exports curtailed because of closures of major markets in Europe); decline in tourism; contractions in services (transport, restaurants, entertainment) due to closures and fall in other economic activities; lower remittance flows due to less income/higher unemployment facing remitters caused by lockdown/downturn in source countries; and some disruptions in wholesale and retail trade. Unanticipated government expenses are likely to lead to expenditure switching and/or increasing. Also, delays in imports (particularly of food and medicines, input supplies for seasonal agricultural production (seeds, fertilizers) ...) may occur with corresponding negative consequences in agricultural production, food security, and health.

Actions - General

The government of Ethiopia is responding to the pandemic on multiple fronts.² Capacities for testing and treatment are being built. Arrivals from abroad are required to stay isolated for 14 days in designated hotels. Social (or more appropriately physical) distancing is highly encouraged. Schools and universities are closed. Most government offices are manned by a fraction of their staff with the rest working from home as much as practicable. Some regional states have closed their borders or restricted movement across or within certain zones or

¹ Luckily, all these direct costs are still relatively minimal given the low incidence of the disease in the country so far. With the possible spread of the virus, these costs can rise significantly and the corresponding long-term damage, among others, in the form of loss of human capital (partly due to death, particularly of health professionals, and deterioration of nutrition) and other capital (bankruptcies and postponed investments) can be considerable,

² Politically, the major impact is the postponement of the national elections planned for August of this year with no new date announced.

towns. The municipal administration of Addis Ababa, the capital city, has issued the rule (with serious penalties for noncompliance) that all public transport vehicles should carry half as many passengers as their capacity permits, with passengers on private minibuses required to pay twice as much as the regular fare.³

On the explicitly economic front, the central government ear-marked funds for COVID-19 specific responses and provided a credit facility for banks from the central bank. Temporary tax exemptions for businesses are introduced, some rent forgiveness is encouraged. In fact, a five-month state of emergency has been declared on April 9th, 2020. During the period of the state of emergency: rent increases and tenant evictions as well as firing of workers under contract (unless there are exceptional circumstances) are banned; bars and night clubs are closed, and factories and businesses are encouraged to operate with specified preventive measures in place.⁴

All these measures are appropriate and will bear fruit if effectively implemented or complied with. In this regard, a number of issues should be emphasised.

First, it appears that the pandemic has yet to reach its peak. In parallel, the full impact of the disruptions will occur with some delay. The worst of both may happen together in a few weeks. Action now, including as much preparation as possible, is thus indispensable. Second, coordination of effort and information in all aspects of the response to the pandemic and at all levels of government (within and across federal, regional, and local institutions) is critical. Third, clear, comprehensive, accurate, and regular updates of what the government is doing are extremely essential. Moreover, all government organs should convey a consistent message and implement mutually reinforcing actions. Such updates/actions will help the public to make informed choices, calm an anxious population, and make preventive measures more complied with and effective as a consequence. The first appears to occur with growing urgency, the second is improving, the third requires more attention.

Actions - Schooling

School closures will have detrimental learning outcomes analogous to the summer learning loss due to summer vacation that is most studied in the USA.⁵ The evidence from these studies imply that

³ The fare on large bus services remain the same.

⁴ Moreover, land borders are closed; schools and universities remain shut; all gathering of more than four persons are disallowed unless specially permitted; all vehicles (public and private), light rail (25 percent), railway (50 percent) should respectively operate at 50 per cent, 25 percent, and 50 percent of passenger capacity;

⁵ Quinn, David M., and Morgan Polikoff (September 14, 2017). "Summer learning loss: What is it, and what can we do about it?" <https://www.brookings.edu/research/summer-learning-loss-what-is-it-and-what-can-we-do-about-it/>

Paechter, Manuela, Silke Luttenberger, Daniel Macher, Florian Berding, Ilona Papousek, Elisabeth M. Weiss, and Andreas Fink (2015). "The Effects of Nine-Week Summer Vacation: Losses in Mathematics and Gains in Reading," *Eurasia Journal of Mathematics, Science & Technology Education*, 11(6), pp.1339-1413.

Cooper, Harris, Barbara Nye, Kelly Charlton, James Lindsay, and Scott Greathouse (1996). "The Effects of Summer Vacation on Achievement Test Scores: A Narrative and Meta-Analytic Review," *Review of Educational Research*, Vol. 66, No. 3, pp. 227-268

extended school breaks do result learning loss (in mathematics and reading) and this loss may be more pronounced for students from poorer households.⁶

These effects may not be very large by themselves. However, they may have considerable impact when combined with the already weak quality of schooling and significant socio-economic barriers.⁷ With the currently anticipated closure for the next five months, the negative impact may be long-term for an appreciably large number of students including those who may not come back to school once they are reopened. It thus paramount to take mitigating action on that front. Two are mentioned below.

- Most of the millions of students who are staying home due to school closures are members of poor households – households with limited opportunity for home-based entertainment or recreational/academic activities. It is essential to develop and run tailored educational and recreational radio and, whenever possible, TV programmes during the period of closure.⁸ The Federal government should encourage and support regional states to introduce or expand such programmes.
- Once schools are reopened many of the returning students will struggle to catch-up. A lot of them may fail to do so without targeted support. In anticipation, it is vital to prepare an effective remedial programme for public school students to be implemented once schools reopen. All relevant experts and stakeholders should be involved in the design of such a programme. In particular, university academic staff, whose load appears to be unintentionally reduced, can contribute a lot.

Actions – Agri-food system

i. Trade, transport, and logistics

Note that the main crop season (Meher) has ended recently. The focus thus needs to be on flow of agricultural products to markets and the delivery of modern inputs to farmers (chemical fertilizers, improved seeds, pesticides, and herbicides) for the next Meher.⁹ The exceptions in this regard are Belg production and production of crops with more than one harvest in a year (such as coffee, fruits, and vegetables). Disruptions to modern input supplies and migrant labour now may be important constraints to these.

⁶ In Ethiopia, the rural-urban divide and the differences between private and public schools are also important factors.

⁷ For instance, the proportions of children in Grade 2 or 3 achieving at least a minimum proficiency level in reading and mathematics were only 10 percent and 17 percent, respectively, in 2016 (see UNESCO (2020). SDG 4 Country Profiles – Ethiopia at <http://tcg.uis.unesco.org/country-profile/>).

⁸ As this goes online, the Addis Ababa city administration announced that it is trying to organize educational programmes using TV and radio channels. Federal and regional governments should attempt to replicate these responses by designing analogously relevant programmes that are within their means.

⁹ The pandemic may also put pressure on some traditional labour exchange relations that involve working in groups.

Uncertainty and disruptions along the value chain (including blockage of supply lines) will rapidly reduce demand for agricultural products and consequently lead to significant decline in prices facing small-holders and suppliers of perishable products. There is some evidence that this is already happening in the vegetables sector. In contrast, falling supply of produce to markets (urban and, to a lesser extent, rural) expose consumers to higher prices. Again, there is anecdotal evidence of rising teff prices. Expected/actual declines in agricultural or food imports may have an analogous effect on corresponding market prices. Anecdotes of rising price of edible oil are a relevant example.¹⁰

Thus, ensuring minimal disruption in flow of goods with appropriate actions in transport/logistics and procurement is a priority:

- remove unnecessary and/or illegal check points/taxes/other payments through the coordinated effort of federal, regional, and local authorities and institute expedited COVID-19 related checks to further reduce delays on the road.
- use existing platforms, such as the Ethiopian Grain Trade Enterprise (EGTE) and the Productive Safety Net Programme (PSNP), to procure and distribute grains including to private traders/retailers.
- keep markets open with clear and enforced sanitization procedures and appropriately scheduled closed days to implement those procedures.¹¹
- minimize the operational burden on retailers in the form of regulations which, though appropriate in normal times, discourage operators under the current difficult circumstances – up-to-date licenses, tax arrears, ...
- steer away from price controls but focus on creating an enabling environment where food and agricultural traders can function as well as possible, given these challenging circumstances.

ii. Food security

The focus here should be to prepare for covering the immediate needs of vulnerable populations. These include getting ready to provide emergency food assistance and nutrition interventions, in part through enhanced and more accessible safety nets.¹²

¹⁰ Note, the impact on food demand and supply may be conflated with the impact of Lent (particularly for Ethiopian Orthodox Christians) now and Ramadan (for Muslims) later (April 23 onwards)

¹¹ In this regard, it is commendable that the Addis Ababa government has recently decided to temporarily move the city's main fruits and vegetables market from its current very crowded location to a large open space.

¹² For some relevant actions see: Maximo Torero Cullen (March 24, 2020). "Coronavirus Food Supply Chain Under Strain - What to do?" Chief Economist, FAO (<http://www.fao.org/3/ca8308en/ca8308en.pdf>).

- Food distribution system in time of crisis needs to combine both public and private mechanisms.
 - keep markets open, partly by supplying them from the national grain reserve or public procurement (including Ethiopian Grain Trade Enterprise, the Productive Safety Net Programme, and others) (see also the third bullet under ‘Trade, transport, and logistics’ above);
 - alongside private markets, set up food distribution centres (such as the kebele outlets), particularly in urban areas, to provide food for households with considerable decline in incomes – including poor households with laid off bread winners or falling remittances and informal sector operators (such as daily labourers);
 - encourage and support local civil societies and neighbourhood organizations to engage in the mobilization and distribution of food assistance as appropriate. (Addis Ababa City Administration has launched a network of what it calls ‘food banks’ at sub-kebele level to mobilize and distribute food and other resources to the needy);
- School closures and the discontinuation of school feeding. “School feeding programs across the country are benefiting **1 million students**, according to the Ministry of Education.”¹³ An estimated **300,000 students** benefit from this programme with jobs for **10,000 mothers** in Addis Ababa alone.¹⁴ Its discontinuation does thus lead to lower access to food for many children with corresponding deterioration in their nutrition and health. Even if food is available, some mothers need to shoulder the additional burden of preparing additional meals at home. Other mothers will experience income losses due to losing their jobs in the programme. To partly mitigate these negative consequences, it is necessary to replace the school feeding programme, perhaps with some form of monthly rationing of the main ingredients or equivalent cash transfers. The schools themselves can serve as distribution centres. So can Kebele shops.
- The Productive Safety Net Program (PSNP)/ Humanitarian Food Assistance (HFA)
 - plan for expanding the coverage of the PSNP/HFA significantly through more funding (contingency funding, emergency appeals, ...) and local and/or international procurement – extension may include households with

¹³ See <https://reliefweb.int/report/ethiopia/school-feeding-programs-benefiting-1-mn-students>

¹⁴ See <https://reliefweb.int/report/ethiopia/school-feeding-program-helps-cut-dropouts>

migrant workers who have lost their seasonal or regular jobs and returned home, households whose children are back home from universities, ...;

- prepare for the possibility that conditionalities (such as labour contributions to public works projects) may have to be temporarily removed due to social distancing and other measures to prevent the spread of COVID-19.
- build capacity to switch to food transfers as necessary (possibly in most places);
- consider the expansion of e-payments;

To conclude, there are encouraging initiatives adopted by federal, regional, and city governments in Ethiopia.¹⁵ These efforts should be supported to go beyond launch and are implemented in a sustainable manner. Also important is the tracking of the implementation that will create the opportunity to quickly draw lessons and redesign interventions accordingly.

¹⁵ Sensibly, the government has distanced itself from complete lockdown as a means of preventing the spread of the COVID-19.