



AWAN
AFRIKA

African Women
Agribusiness Network

REPORT

IMPACT ASSESSMENT OF COVID-19 PANDEMIC
ON AFRICAN WOMEN AGRIBUSINESS NETWORK
(AWAN-AFRIKA) MEMBERS

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Abbreviations and Synonyms

AfCFTA	Africa Continental Free Trade Area
AWAN-Afrika	African Women Agribusiness Network – Afrika
CEEAC	Economic Community of Central African States
COVID-19	Corona Virus Disease 2019
ECOWAS	Economic Community Of West African States
FAO	Food and Agricultural Organization of the United Nations
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institution
NEPAD	New Partnership for African Development
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
UN ECA	United Nation Economic Commission for Africa
WFP	World Food Programme

1. EXECUTIVE SUMMARY

Throughout the world COVID-19 has caused substantial loss of life and forced many nations to take drastic measures to curb the spread of the disease. Associated with these measures has been a rise of social challenges and economic consequences which FAO¹ predicts will deeply compromise food security and nutrition, especially the restriction of movement within and across countries which hinders food logistical services, disrupts short and long food supply chains and affects availability of food.

The slowing down of economic growth in Africa due to COVID-19 will trigger the first economic recession in 25 years² and force 27 million people into extreme poverty³. Lives and livelihoods of women (who contribute to nearly 50% of the agricultural workforce; who 70% are engaged in agriculture for economic growth⁴; who make up nearly 70% of cross-border traders; and who own nearly 30% of small and medium enterprises in Africa), are highly threatened.

COVID 19 has impacted women led Micro- Small and Medium Enterprises most of whom are agribusinesses who are already vulnerable to internal shocks due to lack of access to finance, markets and digitalization which is the latest addition to a long list of gender inequalities that continue to disproportionately affect them.

Since March, almost all African countries were on lockdown to curb the spread of COVID-19, restrictions of movements has led to shortage of farm labourers, halted cross border trade, affected long and short distance supply chains resulting in skyrocketing transport and food costs, putting pressure on Micro and Small Enterprises, their livelihoods and those of their families are at risk.

Although some countries have provided stimulus packages to the vulnerable families, millions were left exposed and could be the next vulnerable groups. The most affected are women, because of the pandemic, the gains made in women economic empowerment are at risk.

In order to understand how COVID-19 is affecting our members' Agribusinesses and how AWAN Afrika can support our members and their businesses to build resilience against internal and external shocks associated with the pandemic, a survey was conducted through a questionnaire that was sent to all our 1,600 champion business owners in 42 African countries. From the 200

¹ FAO, IFAD, The World Bank and WFP (2020). Joint Statement on COVID-19 Impacts on Food Security and Nutrition

<http://www.fao.org/news/story/en/item/1272058/icode/>

² Zeufack, Albert G.; Calderon, Cesar; Kambou, Gerard; Djiofack, Calvin Z.; Kubota, Megumi; Korman, Vijdan; Cantu Canales, Catalina. (2020). Africa's Pulse, No. 21, Spring 2020 : An Analysis of Issues Shaping Africa's Economic Future. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/33541>
License: CC BY 3.0 IGO.

³ UN ECA (2020). COVID-19 in Africa: Protecting Lives and Economies.

https://www.uneca.org/sites/default/files/PublicationFiles/eca_covid_report_en_24apr_web1.pdf

⁴ NEPAD (2013). Agriculture in Africa: Transformation and Outlook,
<https://www.nepad.org/caadp/publication/agriculture-africa>

respondents of those surveyed 35% are from ECOWAS, 24% from SADC and 20% from East Africa Community regions.

Loss of income due to COVID-19 pandemic has raised the poverty rate⁵ in many African countries and led to a reduction in food demand. Before COVID-19 pandemic, we estimate that the annual turnover of the 1600 AWAN-Afrika women owned SMEs across the continent was over \$100Million (100 MILLIONS USD). In this survey, 91% of the respondents have lost revenue, and have reduced production by 16% and distribution by 15% and post-harvest losses was at 45%. The combination of the above with continued food consumption and panic-buying has resulted in a net reduction food stocks which has driven food prices up as experienced by 41% of the respondents.

It was also found that 61% of the respondent's businesses are experiencing heavy losses during the current pandemic in the following value chains ranging from fruits, vegetables, livestock/dairy, fisheries and cash crops.

Cross border trade which is dominated by women who before COVID 19 were transporting goods as luggage in cross- border buses within regional economic blocks which allow free movement of goods and services. According to the findings, 88% have experienced restriction of movement and 70% have lost all of their income and 4 months into the crisis the livelihoods of their families are badly affected. This has led to household food insecurity and increased rates of malnutrition.

Confinement/lockdown/curfews and fear related to COVID-19 has caused a drop in demand for agriproducts as was experienced by 63% of the Agribusiness in AWAN-Afrika network. However, these conditions created an opportunity for digital marketing and door-to-door delivery of agro-products.

Not surprisingly, it was found that only 4.4% of agribusiness who had adopted digital marketing were able to stay afloat, and even in some cases increase in business. Interesting to note is that 90% of these agriprenuers using digital marketing were under the age of 30. Generally, women who own a larger percentage of Ag-SMEs are not tech-literate and have very low uptake on the rising access to technology. In other cases, low adaptation of digital marketing was due to high costs of internet and poor connectivity in most rural African areas where agricultural activities are conducted.

Digitalization in agriculture is the future if we want to see growth in the sector. In the new normal and in post-COVID era government and donors will have to mobilize resources so that we can embark on a massive digitalization training campaign for women and youth to adapt to the new way of conducting business through digital marketing and trading. This will require investment in infrastructure; roads, electricity, internet penetration and training for adaptation.

⁵ IFPRI (May 2020). IFPRI's new COVID-19 Food Price Monitor tracks warning signs of stress in local markets <https://www.ifpri.org/blog/ifpris-new-covid-19-food-price-monitor-tracks-warning-signs-stress-local-markets>

Without the above investments there will be little improvement in value chains and supply chains. With the current crisis, if those are not addressed, we are heading to chronic food insecurity and malnutrition.

AWAN Afrika recommends that while African governments and donors are providing stimulus packages, to cushion those affected, they should ensure mechanisms to monitor the delivery of these packages are put in place so that they reach smallholder farmers and traders.

2. ORGANIZATION PROFILE

African Women Agribusiness Network (AWAN-Afrika) is a non – profit organization limited by guarantee that provides a platform for African women and youth in Agribusiness to access markets, trade information and finance so as to leverage opportunities to increase trade in the regional markets, tap into the newly created Africa Continental Free Trade Area (AfCFTA) and the global market. The network comprises of individual members’ businesses including producers, processors, aggregators, export companies and input suppliers among others across the five regions in Africa. With 70% of women on the continent engaged in agriculture for economic growth², AWAN-Afrika primarily focuses on the vital role played by women and youth-owned agribusinesses in economic development, hence seeks sustainable solutions to unique challenges they face. Our value proposition is to facilitate and accelerate growth for women and youth agribusinesses through our four pillars: Financial Inclusion, Market Access, Trade Facilitation and Technology in Agriculture, with a vision to create a platform that facilitates market participation, access to trade information and finance so as to become significant players in the continent and in global trade. AWAN-Afrika subscribes to Agenda 2063, particularly the Malabo declaration on Agriculture and Agenda 2030 in developing a people driven approach to achieve the agricultural vision for the continent which is shared prosperity and improved livelihoods, relying on potential of African people especially its women and youth.

Globally, we are aligned to the SDGs. Our secretariat is based in Nairobi, Kenya and we are present in 42 countries represented by our champions.

3. METHODOLOGY

- A structured questionnaire was designed to collect qualitative data using online google forms. Relative frequencies were produced from the data and presented as graphs.

- Additional information was collected through semi-structured focus group discussions on WhatsApp groups and videos sent in by members.

4. RESULTS

4.1. Geographic representation of respondents

AWAN-Afirka has 1600 members from 42 countries across Western, Eastern and Southern Africa as represented in Fig 1.



Figure 1. The geographical representation of AWAN-Afrika members

12.5% of the entire AWAN-Afrika membership responded to the survey. The data collected is of high quality and is representative of our network. Respondents were from 29 different African countries, Nigeria represented the largest share of respondents at 15% followed by Kenya and Malawi, both at 10%.

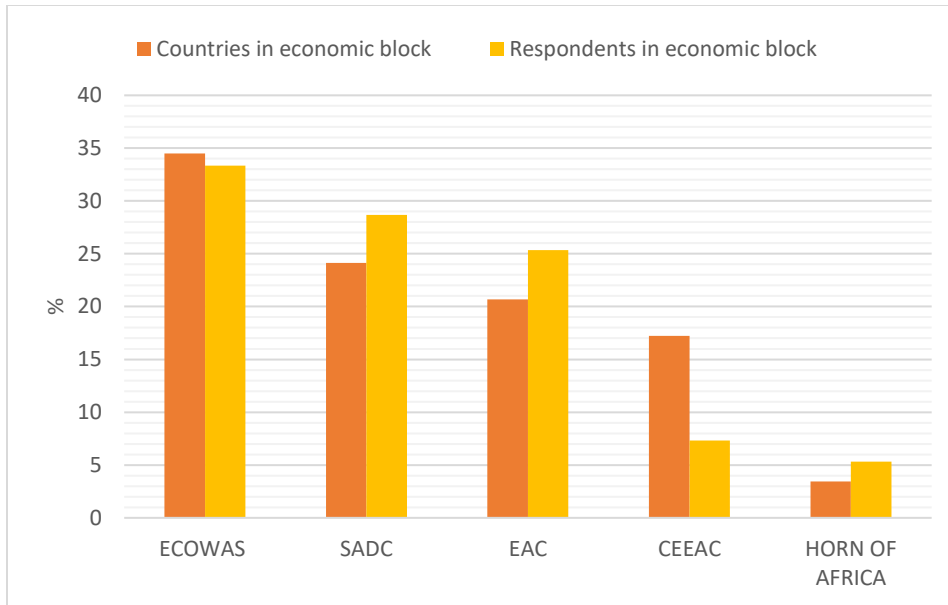


Figure 2. Major economic blocs represented by respondents

35% of the countries represented are from ECOWAS, followed by 24% from SADC and 20% from East Africa Community (Fig.2).

4.2. Respondent distribution according to supply chain

38% of the respondents are small holder farmers (Fig 3) who rely on farm inputs that are season/time sensitive, extension services from agronomist who usually travel over long distances to provide their services, migrant manual laborers who work on the farms and access to markets for their produce.

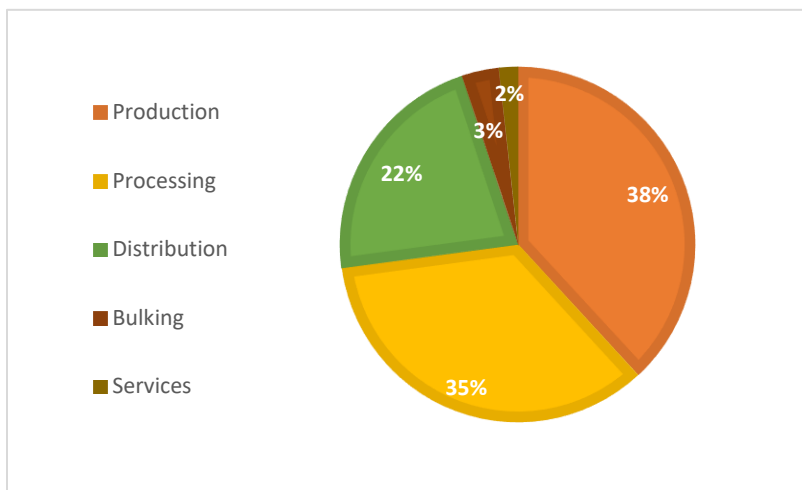


Figure 3. Respondents' distribution according to Supply Chains

35% of the respondents are agro-processors (Fig 3) who rely on food supplies from small and medium farmers. Processors are key in value addition especially in food conservation and increased shelf-life. The disruption caused by COVID 19 has significantly impacted agro-processors

has a far-reaching ripple effect on the livelihood of small holder community farmers and their families. For example, respondent from Mali and Eswatini directly impacts 400 and 60 small holder farmers respectively. On average, each respondent’s agribusiness impacts 1300 people directly and indirectly.

4.3. Respondent distribution according to value chain

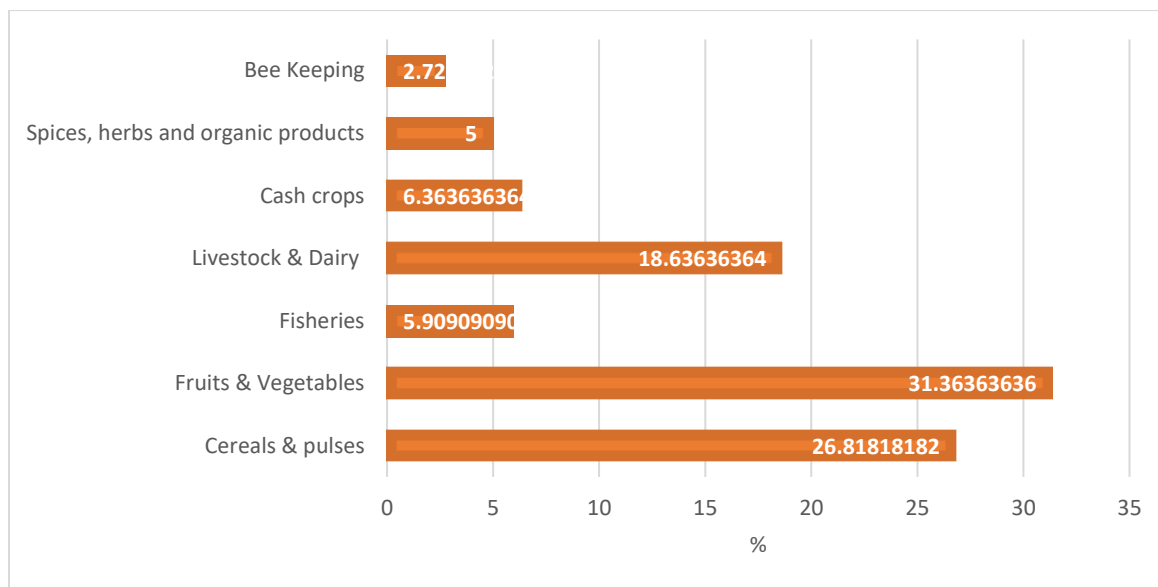


Figure 4. Respondents' distribution according to Value Chains

Agripreneurs from the fruits and vegetables value chain represented the largest share of respondents at 31%, followed by cereals and pulses at 27% and thirdly, Livestock and dairy at 19% (Fig 4).

4.4. Confinement and restriction of movement due to COVID-19

88% of the respondents experienced total o (Fig 5) leading to disruption of short & long-distance supply chains which has resulted in 91% losing income (Fig 6) and struggling to keep their businesses afloat.

When asked how the ban of movement has affected the way they transact their businesses, all respondents expressed that their businesses have been negatively affected. Here is a sample of some of the responses,

- “Most products are exported so the lockdown has impacted the trade flow and people lost jobs they have no money to buy”
- “The transaction is locally. The ban of movement has really affected my business negatively. Reaching the farmers to pass extension messages, procurement and logistics, and quantity for the processing is not cost effective, as well as the distribution and marketing very poor due to the ban on movement”

- “Poor access to food products, processing and packaging materials with exorbitant price and low patronage. And little to no flow of income”

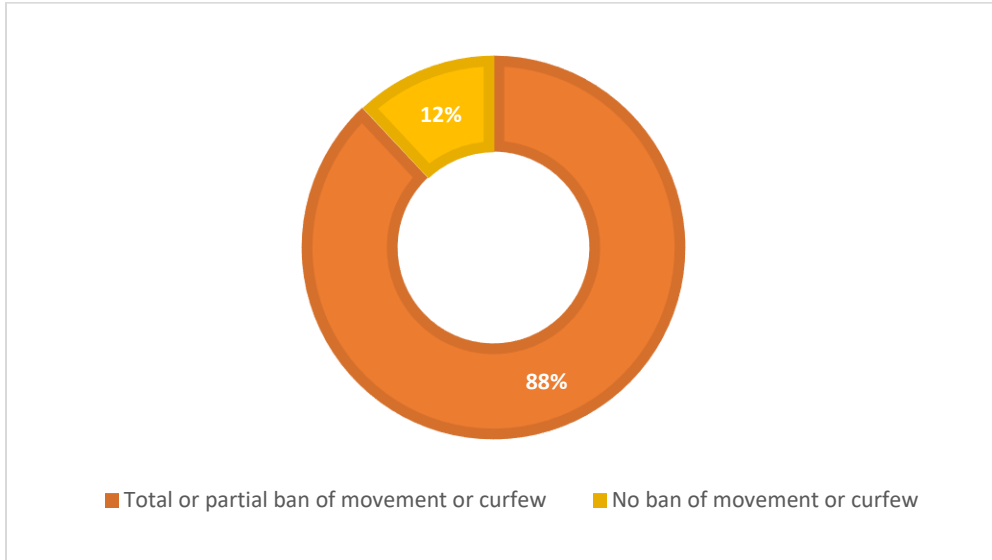


Figure 5. Respondents experiencing restriction of movement due to COVID-19

4.5. How COVID-19 has affected business operations

91% of the respondents have lost revenue, and have reduced production by 16% and distribution by 15% and post-harvest losses was at 45%.

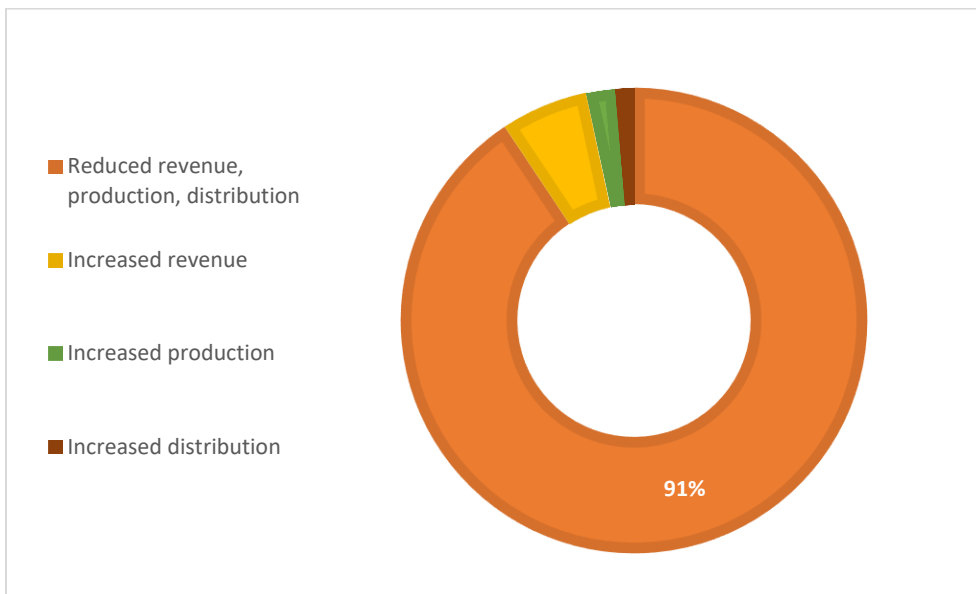


Figure 6. Effects of COVID-19 pandemic on agribusinesses owned by AWAN-Afrika members

Respondents who experienced increased production and distribution (Fig 6) are from countries where there was no ban of movement or curfews.

4.6. Demand on productions

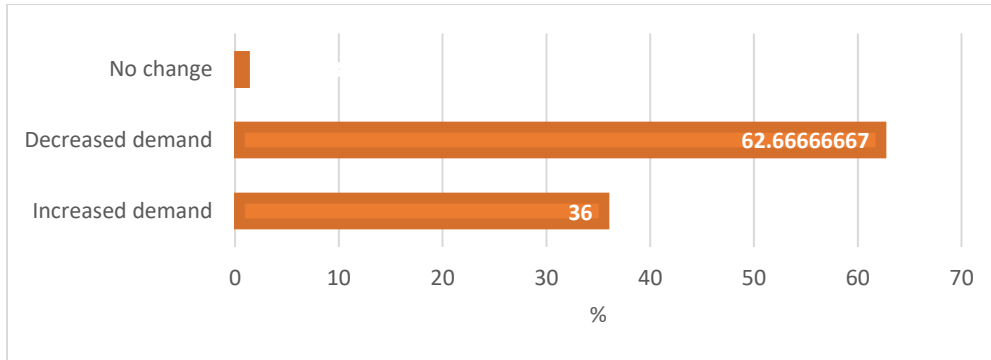


Figure 7. Effects of COVID-19 pandemic on demand of products

4.7. Ability to meet customer needs

Disruption caused by COVID-19 pandemic on long and short supply chains have rendered 77% of agribusinesses unable to meet the demands from their clients (Figure 7). This has brought many businesses to a standstill.

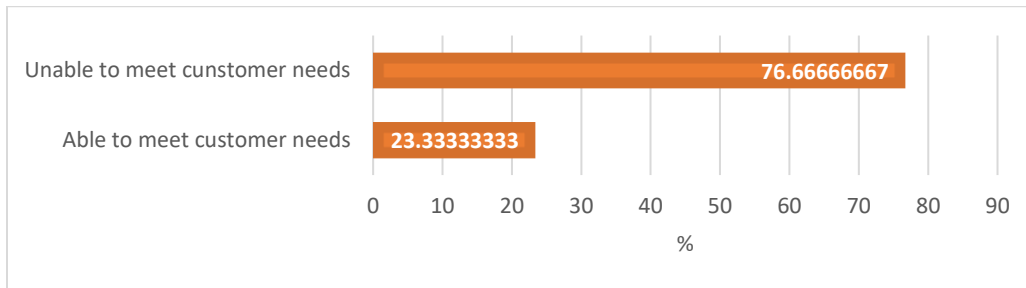


Figure 8. Ability of respondents to meet customer needs during COVID-19 pandemic

4.8. Price fluctuation

41% of agro-products have suffered price increase.

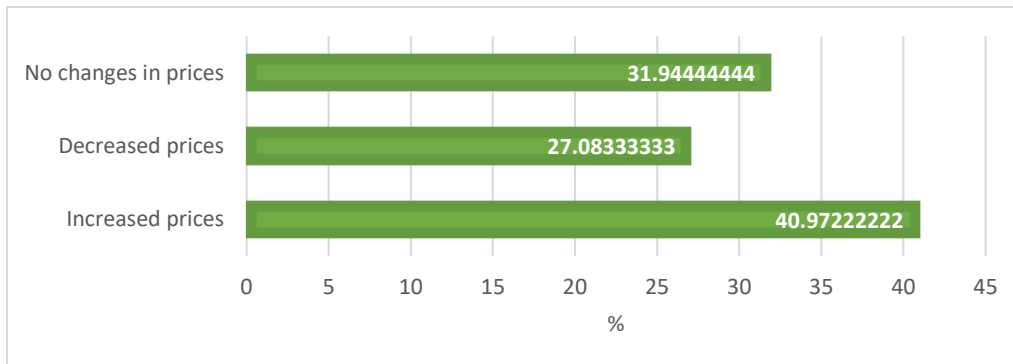


Figure 9. Price changes on agro-products due to COVID-19

4.9. Stock

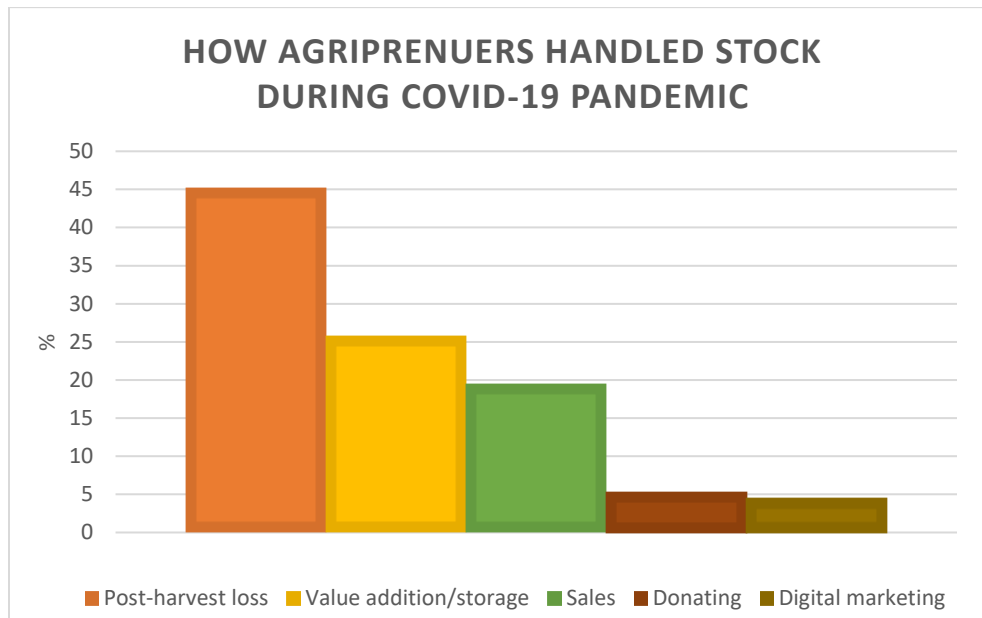


Figure 10. How AWAN-Afrika agripreneurs handled stock during the COVID-19 pandemic

The post-harvest loss experienced by 45% of women led agribusinesses due to lack of farm laborers who couldn't go to work because of restrictions of movement. 10 respondents who are in cash crop stated that an entire season of crops were abandoned to rot in the field because of lack of laborers to harvest.

The story gets worse when it comes to women street and market vendors. One of our champions reported that in her country market vendors experienced loss of their stock due to a ban on public transport some of the women vendors resolved to sleep in the market to protect their product to the expense of leaving their families and children unattended at home.

5. AWAN-AFRIKA PRIORITY INTERVENTIONS (PENDING FUNDING)

The uncertainty faced by most small-scale farmers and agribusinesses will have severe negative impact on national and continental food security and economy during and post the COVID-19 pandemic unless rapid response initiatives are put in place to mitigate the continuous worsening of the situation. This will require well-coordinated rescue plan initiatives by key drivers of change within the sector.

Actions and interventions will include:

- a. **Mobilize resources to fund our activities mainly in**
 - i) Facilitate access to flexible finance and input capital for women and youth SMEs in agribusinesses through a revolving fund
 - ii) Providing technical support to train and upgrade skills in Value chains and Supply chains quality assurance and food standards
 - iii) Upgrade our existing platform to increase the number of buyers and sellers

- iv) Establishing regional hubs and online inter-connectivity amongst our members across the regions to facilitate digital marketing and trade within the Africa Free Trade Area.
- b. Increase continuous Advocacy, through various channels of communication to continue highlighting gender specific challenges faced by AWAN-Afrika agriprenuers and insist on urgency of actions and interventions to mitigate the severe impact of COVID-19 on SMEs
- c. Increase the capacity of the communication platform for each of the 42 countries so that members can continue to trade and share country specific agribusiness related information
- d. Establish agribusiness incubation hubs in each region to train on Agri technology and attract youth into agribusiness to increase food security and combat Malnutrition.
- e. AWAN-Afrika's ambitious goal is to ensure 15 000 000 women's and youth are registered on our network by December 2021.