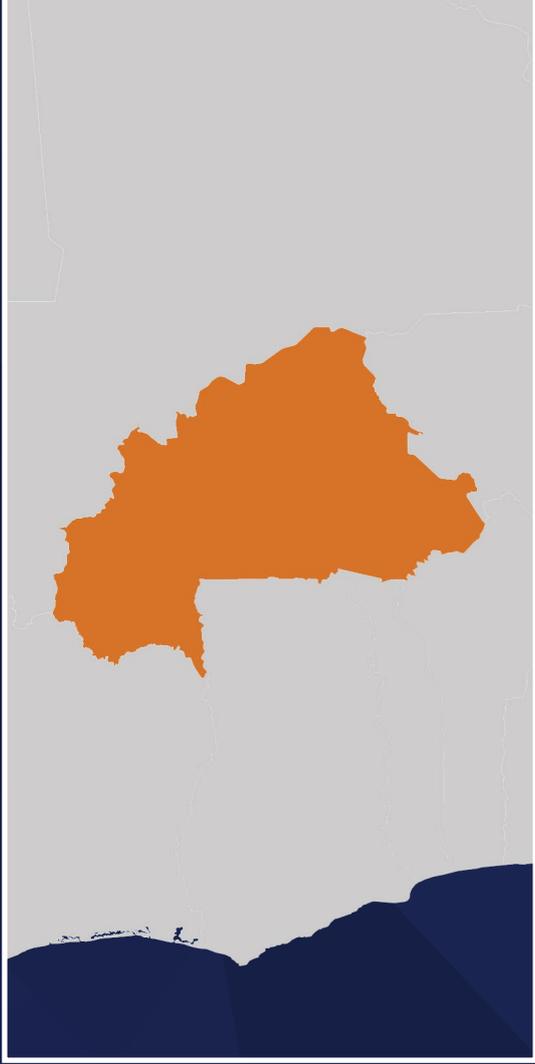


October 2020



ESTIMATING THE ECONOMIC IMPACT OF COVID-19 ON GOLD EXPORT, COTTON PRODUCTION, AND FOOD SECURITY IN BURKINA FASO



OCTOBER 2020

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Abbreviations

GDP	Gross domestic product
HP+	Health Policy Plus
IMF	International Monetary Fund
Kg	Kilogram
SOCOMA	Société Cotonnière du Gourma
USAID	U.S. Agency for International Development

Background

Objective

This Nowcast report presents results from a research study to understand how COVID-19 is affecting the Burkinabé economy in 2020, focusing on the gold mining and cotton industries and on food security in the country. It was developed by the U.S. Agency for International Development (USAID)-funded Health Policy Plus (HP+) project.

What is a “Nowcast”?

A Nowcast is a way for economists to innovatively, rapidly mine economic data to assess current impact (“now”) and develop short-term projections (“cast”).

Burkina Faso’s Economy

Burkina Faso is an economically vulnerable country, ranked 182 out of 189 in the Human Development Index with a per capita gross domestic product (GDP) of US\$642 (IMF, 2019). The country has the lowest average years of education of any in the world, at only 1.6. Estimates suggest that 3.5 million people—or 20 percent of the population—are currently food insecure (USAID, 2020). Burkina Faso ranks 88 out of 117 countries in the Global Hunger Index, placing it in a highly vulnerable state regarding food security (Von Grebmer et al., 2019).

It is estimated that 920,000 internally displaced persons reside in the country, driven by violence located predominantly in the Sahel region (IOM, 2020). According to the Burkina Faso Health Cluster, violence has caused approximately 5 percent of all health facilities (95 facilities) to shut down and another 10.5 percent (199 facilities) to function partially, effectively restricting access to healthcare for an estimated 1.2 million people (Cluster Santé, 2020). Meanwhile, jihadists are moving from the north to the west of the country, toward the regions where grain and cotton production are most prevalent (Mednick, 2020). The COVID-19 pandemic is worsening an already tenuous economy.

The Economic Impact of COVID-19

On January 5, 2020, the World Health Organization reported the first outbreak of a novel coronavirus in Wuhan, China. On February 14, the Egyptian government identified the first case of COVID-19 in Africa. On March 9, Burkina Faso reported the first two COVID-19 cases in the country. Two days later, the World Health Organization declared COVID-19 to be a pandemic. By March 14, the virus was discovered in Burkina’s mining sector, where an Englishman working there was identified to be positive for COVID-19. Four days later, the country had its first COVID-19 death; by March 20, airports and borders were closed and a curfew was established. As of September 10, Burkina Faso, a country of more than 20 million people, has had 1,476 reported cases of COVID-19 and 56 deaths (Ministère de la Santé, 2020).

While the government of Burkina Faso did not technically enforce a lockdown, it did encourage social distancing and hand washing; close academic institutions, workplaces, air travel, and land borders; enact night curfews; and enforce mandatory wearing of face masks. While these actions may have prevented a worse outbreak of COVID-19 from occurring, many have had negative economic consequences due to the inability of people to travel for work, trade, or pleasure (Ouedraogo et al., 2020). Although it may not be possible to fully

comprehend the economic consequences that these actions have caused, it is possible to assess the impact on specific areas and/or sectors that can reveal a partial portrayal of how Burkina Faso’s economy has been affected by the restrictions.

From a macroeconomic perspective, the impact of COVID-19 can be observed through projections of changes in GDP. The World Bank, for example, projected in January 2020 (before any outbreak of COVID-19 in Africa was recorded) that GDP growth in the year 2020 would reach 2.9 percent in sub-Saharan Africa and 6.0 percent in Burkina Faso (World Bank, 2020). However, revised June 2020 forecasts projected that GDP instead would decline by 2.8 percent in sub-Saharan Africa and growth projections were revised downwards for Burkina Faso to only 2 percent.

COVID-19 is also impacting morbidity and mortality among all types of workers, who now incur both higher healthcare costs and lower productivity rates if infected. Additional indirect impact is likely to be related to policies limiting travel and trade, which will affect the ability of workers to access needed inputs (e.g., border shutdowns reduce the ability of farmers to access seeds and other farming materials from international sources).

One indicator that the economy is slowing down is the amount of time that individuals spend at their workplaces, as many businesses still require the physical presence of staff (Jolayemi, 2020). Global Mobility Reports indicate daily changes in mobility and time spent at work based on cell phone data (Google LLC, 2020). Figure 1 illustrates how time spent at work since mid-February, when compared to a comparable day of the week before the outbreak occurred (in this case, January and early February), has changed over time. By April 1, time spent at work in Burkina Faso had dropped by 24 percent. At that point, time spent at work began to recover until late May, when it returned to pre-COVID-19 levels.

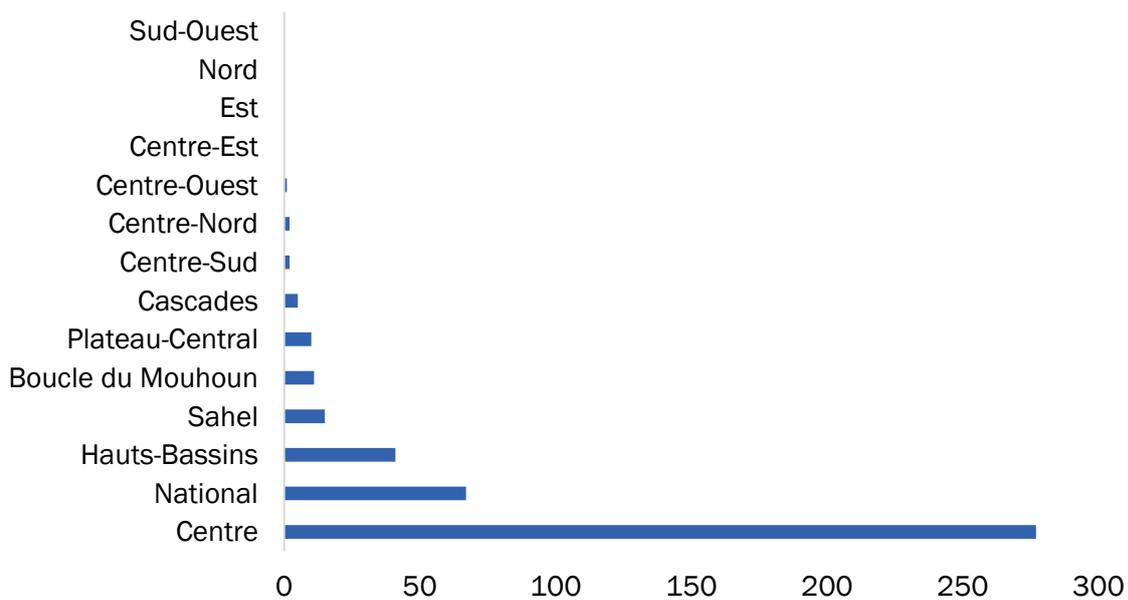
Figure 1. Impact of COVID-19 on Time Spent at Work in Burkina Faso



Source: Google LLC, 2020

Figure 2 provides estimates of COVID-19 infections per million population by region. Overall, there were 67 infections per million population as of August 25. The Centre region has more cases per million population than any other region (277), followed by Hauts-Bassins (41), Sahel (15), and Boucle du Mouhoun (11).

Figure 2. Number of COVID-19 Cases per Million Population by Region



Source: Ministère de la Santé, 2020

Gold Mining

Background

Burkina Faso's mining industry is facing a new reality amid the COVID-19 pandemic (RGN, 2020). Higher global gold prices as well as local restrictions designed to protect workers and the general population from the spread of the virus can limit mining and exports of gold, negatively impacting the country's economy.

COVID-19 is not a unique disease in terms of its effects on mining. Prior Ebola outbreaks in West Africa (2014–2016) were traced to alluvial mining communities and infection fears triggered reductions in mining extraction (Brownell and Colee, 2014). Similarly, COVID-19 is reportedly affecting gold mining and exports in Burkina Faso.

“[The] mining industry employs a considerable workforce, with more individuals partially or indirectly benefitting from the mining sector; and since 2009, gold has replaced cotton as Burkina Faso's leading export commodity.”

—OECD, 2018, p. 6, 11

In other parts of the world, mining has been particularly hard hit by COVID-19. Chile, for example, has incurred significant outbreaks in its mines, with severe economic consequences for the country (Cambero, 2020). Reduced mining of gold due to COVID-19 in Burkina Faso could potentially translate into reduced export revenue and revenue from taxes, which could have severe consequences on the country's economy and on the government's ability to meet its obligations if the pandemic persists.

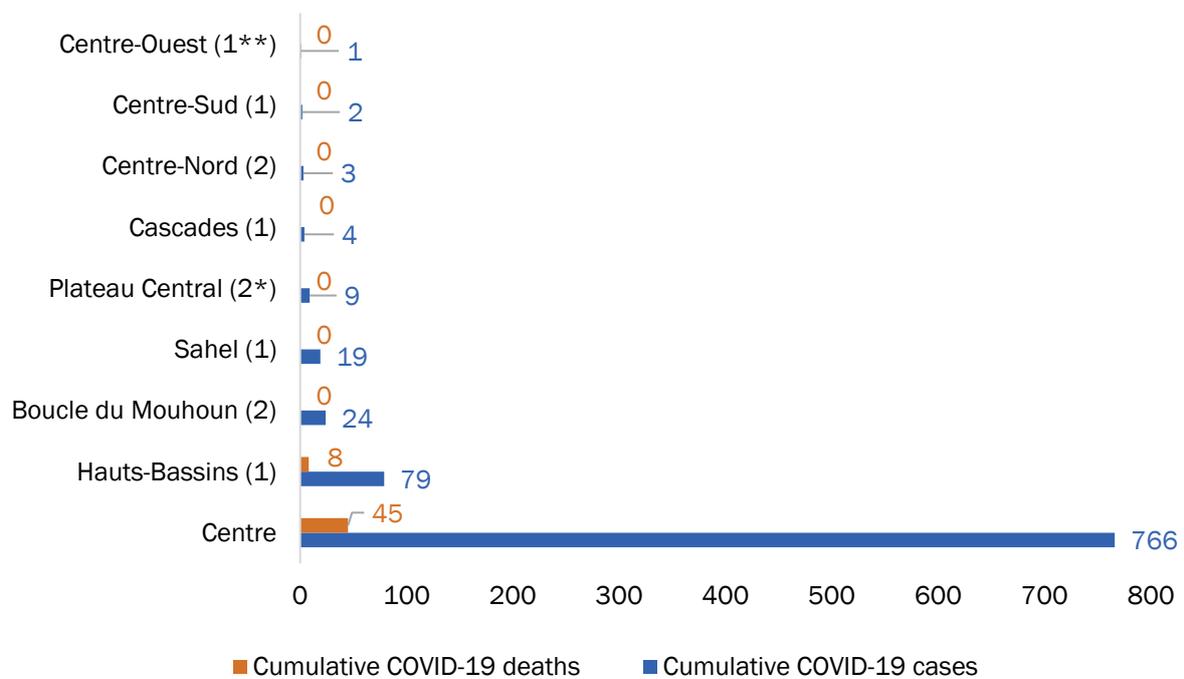
Due to increasing terrorist-related insecurity in the country's mining regions, mining exports decreased by 5 percent, from 52.6 tons in 2018 to 50 tons in 2019. As the value of gold increases, the actions of the jihadists have become emboldened. It is estimated that, since 2016, the damage caused by jihadists in Burkina Faso has reached US\$1.1 billion and that

jihadists have reaped US\$140 million from attacks on gold mines in the country (OECD, 2018).

Burkina Faso’s industrial mining is heavily dominated by gold, which is concentrated in the Sahel, Centre-North, and Boucle du Mouhoun regions. Since 2009, gold has replaced cotton as its leading export commodity (World Bank, 2015). The gold mining industry is considered one of the most dynamic sectors in the country’s economy (INSD, 2017). According to the National Institute for Statistics and Demography, the southwest and north account for 75 percent of artisanal mining activities (World Bank, 2015). Artisanal annual contribution to gold mining in Burkina Faso is non-negligible, ranging from 9.5 to 30 tons, while industrial gold export (the primary focus of this analysis) amounted to 45.5 to 55 tons as of 2018 (Assemblée Nationale, 2016).

As of July 24, Sahel, Centre-North, and Boucle du Mouhoun accounted for only 5 percent of COVID-19 cases (Figure 3). Gold mines therefore don’t appear to be located in areas disproportionately affected by COVID-19 to date.

Figure 3. Cumulative COVID-19 Cases and Deaths as of August 25, 2020

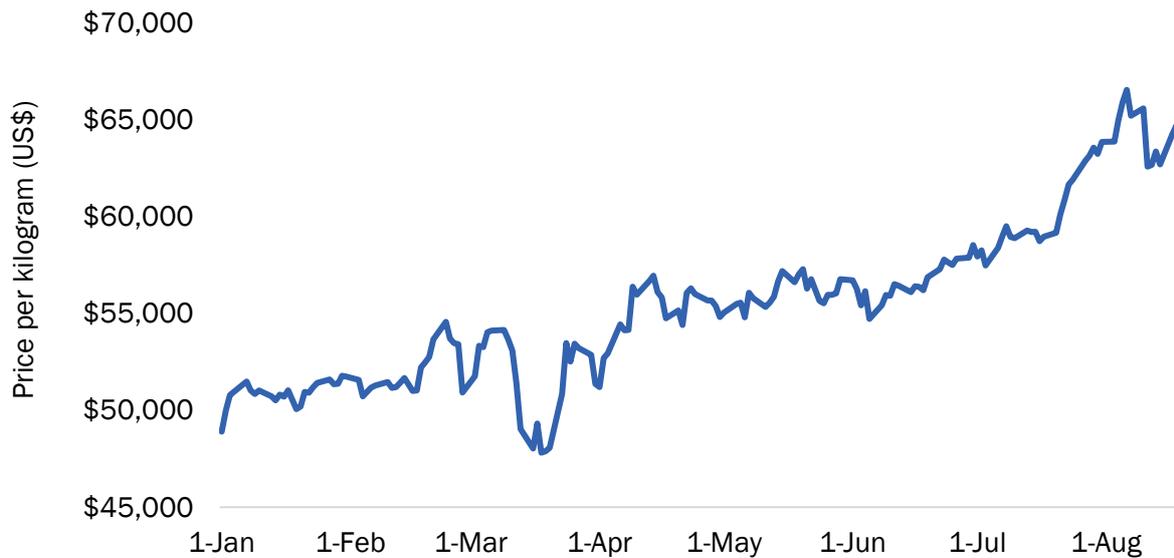


Number of mines in each region is in parenthesis: *gold mine in construction, **zinc mine
 Source: Ministère de la Santé, 2020

Since January 2020, monthly gold prices have increased by 27 percent in international markets (Figure 4), in large part because the COVID-19 pandemic has caused investors to flee to investments in minerals that are viewed as less likely to be affected by fluctuations in value. Within Burkina Faso, there are high expectations that increasing revenue from gold mining could partially help boost the economy.

Given the significant role that gold mining plays in Burkina Faso’s economy, it is essential to understand how COVID-19 may affect this sector.

Figure 4. Monthly Gold Prices in 2020



Source: Investing.com, 2020b

Approach

To assess the potential impact of the COVID-19 pandemic on the gold mining sector in Burkina Faso, HP+ analysts developed a two-pronged approach. First, a desk review was conducted, using national and international documents as well as a review of available epidemiologic data. Second, key informant interviews to verify collected data were held with gold and silver mining companies in the country, including SEMAFO, BISSA GOLD, IAMGOLD Essakane, SOMITA, Gryphon Minerals, OREZONE, Predictive Discovery, True Gold, and Burkina Faso’s Chamber of Mines. Once the data was collected and verified, modeling was conducted to assess the potential impact of COVID-19 on the gold mining sector.

To model the effects of COVID-19 on gold export revenues, a baseline scenario—a counterfactual scenario that represents what the economy might have looked like in the absence of COVID-19—was established. Next, for comparison purposes, three potential, different scenarios were considered—each of which assumes different levels of reduction in gold mining export (but the same path in terms of gold prices). The yearly expected export quantity was spread equally over a 12-month period since actual monthly gold mining export data in Burkina Faso is not available. In the baseline scenario, gold export for 2020 remained the same as in 2019 (50 tons) and the price of gold did not change from December 2019 levels (US\$50,583/kg). In terms of price of gold, in each of the three assumed scenarios, actual gold prices from January to July 2020 were tracked and then assumed to remain constant from August to December 2020. The baseline scenario was then compared to three scenarios with the specifications as indicated in Table 1.

It is important to note that scenarios 1 and 2 are based on a recent study showing that mining export in Burkina Faso could see a decrease between 6 and 10 percent (Ouedraogo et al., 2020). Scenario 3 is even more pessimistic than these projections in assuming a 20 percent decrease in export.

Table 1. Description of Scenarios (Gold)

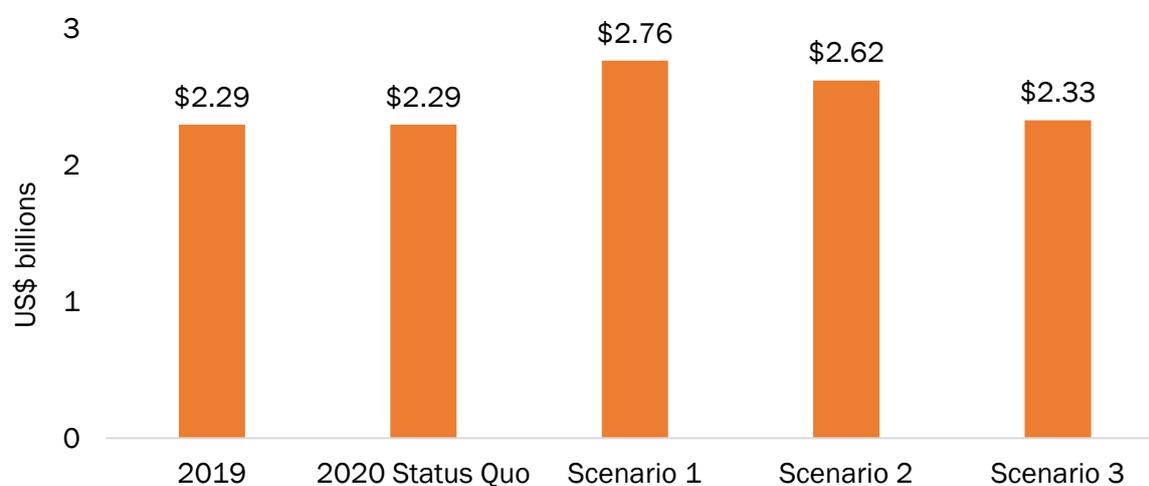
Scenario	Global Gold Prices	Burkina Faso Gold Export
Baseline (without COVID-19)	Prices remain at 2019 average price (US\$50,583/kg) throughout 2020	50 tons (same as 2019 production)
Global Prices (with COVID-19), Small Loss in Export (<i>most optimistic</i>)	Prices remain the same from August to December 2020 levels (yearly average US\$64,118/kg)	47.5 tons (5% less than baseline)
Global Prices (with COVID-19), Large Loss in Export	Prices remain the same from August to December 2020 levels (yearly average US\$64,118/kg)	45 tons (10% less than baseline)
Global Prices (with COVID-19), Very Large Loss in Export (<i>most pessimistic</i>)	Prices remain the same from August to December 2020 levels (yearly average US\$64,118/kg)	40 tons (20% less than baseline)

Results

Discussions with SEMAFO MANA informed the authors of a small decline in gold extraction since the beginning of the COVID-19 pandemic. However, the company also reported that only a small number of essential production personnel are currently working—resulting in a reduction in the quantity of gold exported.

As indicated in Figure 5, baseline exports were estimated to be US\$2.29 billion in 2020, assuming 50 tons of gold export (the same as in 2019) and prices remaining at levels that existed in December 2019 (US\$50,583/kg). Scenario 1 takes into consideration the actual observed increase in gold prices in 2020, as well as a small decrease in export. This scenario was estimated to result in US\$2.76 billion of gold exports in 2020, an increase of US\$469 million. In scenario 2, the gold prices follow the same path as in scenario 1, but gold export is projected to decline more significantly, resulting in exports of US\$2.62 billion—an increase of US\$323 million. Finally, scenario 3, with larger reductions in gold export, results in exports of US\$2.33 billion—an increase of only US\$32 million. Thus, in all three scenarios, gold export revenues are projected to rise relative to the baseline scenario, although to a much smaller degree in scenario 3, wherein export is significantly reduced.

Figure 5. Gold Mining Export Revenues under Different Scenarios



The economic benefits from the increasing global price of gold in scenarios 1–3 is projected to exceed the negative economic consequences of reduced gold exports. In other words, total gold revenue increases in all three scenarios relative to the baseline scenario. With only a 5 percent reduction in gold exports, revenue would rise by almost US\$470 million. With a 10 percent reduction in gold exports, revenue would increase by US\$320 million relative to the baseline. However, with a 20 percent reduction in gold exports, revenue would increase by only about US\$30 million. This illustrates the importance of maintaining gold production in Burkina Faso, as the economy is likely to rely heavily on gold revenue to counteract the negative economic consequences that have been projected by the World Bank (World Bank, 2020).

Mining stakeholders indicated that, so far, they have had no difficulty in obtaining supplies needed for minimal operations since COVID-19 began. Interviews with other key mining stakeholders revealed that the sector is incurring additional export costs for special charter flights. Furthermore, interviews revealed that monthly gold production and exports have been uneven. Stakeholders are hopeful that exports could recover to pre-COVID-19 levels if the pandemic is swiftly contained. However, if the pandemic continues to spread apace, the medium- and long-term economic impact could be severe, especially in the case of a second wave of new infections or the introduction of a total lockdown (Ouedraogo et al., 2020; Pedro et al., 2020). A worsening of the epidemic would limit the ability of industrial and artisanal miners to perform operations, thereby affecting the daily lives of mining communities and causing social and economic harm.

Cotton Farming

Background

The cotton industry produces the second largest exports (after gold mining) in Burkina Faso, representing the most valuable agricultural activity in the country. However, cotton exports have been declining in recent years. Having once been the largest producer of cotton in Africa, Burkina Faso now trails Côte d’Ivoire, Mali, and Benin. The decline in the sector has been driven by a lack of security in some parts of the country—particularly the Sahel region—as well as infestations from pests and uncertain levels of rainfall (Gakpo, 2019).

The Food and Agriculture Organization of the United Nations estimates that approximately 4 million Burkinabé support themselves either directly or indirectly through the production of cotton, or about 54 percent of Burkina Faso’s entire labor force (Krese and Franko, 2017). Most of the cotton production occurs in the western regions of the country, with Hauts-Bassins (40 percent), Boucle du Mouhoun (32 percent), Cascades (8 percent), and Sud-Ouest (8 percent) accounting for 88 percent of all cotton production. Cotton production is dominated by small landowners, with the average field being only 3.8 hectares (Vitale, 2018). Cotton is planted on a three-year cycle, with cereals being planted in the other two years.

The evolution of cotton prices in Burkina Faso has been cyclical with regard to GDP, with higher cotton prices being associated with higher GDP per capita and vice versa. The global price of cotton is therefore closely related to the country’s economic growth. Similarly, in years in which cotton production has been strong, GDP per capita has tended to rise rapidly. On the other hand, in years in which cotton production has declined, GDP per capita has tended to stagnate. This again illustrates how important cotton is to Burkina Faso’s economy.

Farmers sell their raw product to cotton ginning mill companies, the largest of which is SOFITEX. These ginning mill companies provide farmers with agricultural inputs and are repaid once the raw cotton is delivered. The price to farmers for the 2020/2021 cotton growing season, announced on May 29, 2020, was set at 9 percent below the price paid in the previous year (Archyde, 2020).

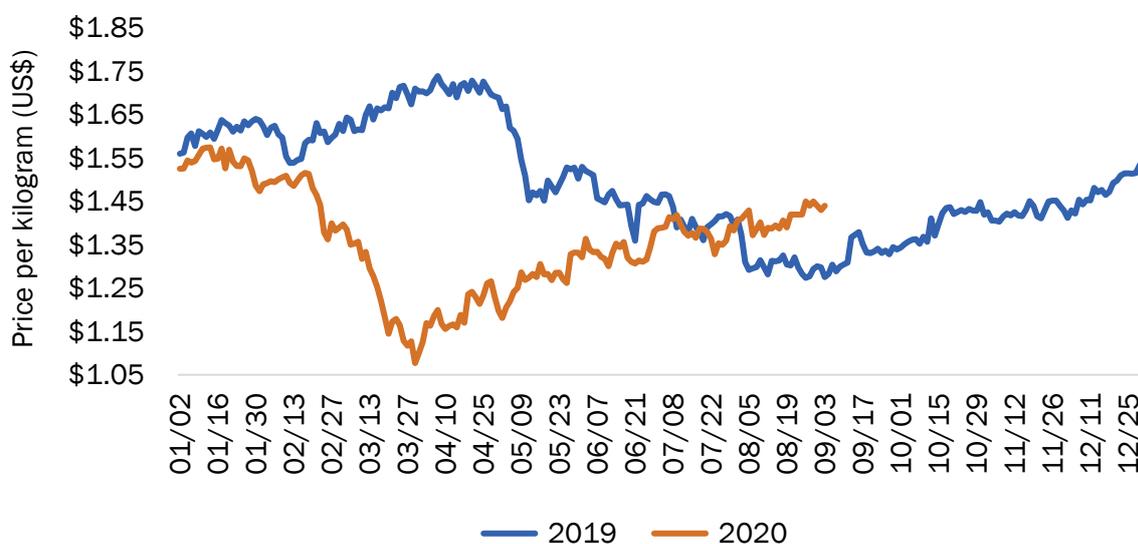
The direct health impact of COVID-19 on cotton farmers is expected to be relatively small. The four regions that produce 88 percent of all cotton in Burkina Faso represented only 12 percent of all COVID-19 infections as of August 25, 2020 (Ministère de la Santé, 2020). Thus, the cotton-producing regions—at least for now—do not represent a disproportionately large proportion of COVID-19 cases.

The economic impacts of COVID-19, however, are likely to be more significant. These indirect impacts include challenges in accessing inputs to the cotton farming sector, including labor, seeds, pesticides, fertilizers, equipment, etc. These challenges are likely to occur due to an inability to import supplies across borders and an unwillingness by laborers to travel and work on these cotton farms.

“All producers should be aware that this drop in purchase prices is due to the COVID-19 pandemic.”
 —President of the National Union of Cotton Producers

More direct impact on the sector may be felt through the international price of cotton. From January until March 2020, the global price of cotton declined drastically, falling approximately 30 percent (Figure 6). This contrasted significantly with the previous year, when cotton prices rose in the same time period. The drop in 2020 prices was due in large part to reductions in demand for products made with cotton by countries suffering severe economic losses attributable to COVID-19. The U.S. Department of Agriculture estimated that, in April, global mill use would drop by 8 percent compared to the previous year—representing the lowest figure in six years (Archyde, 2020). Although global prices partially recovered between the months of April and June, they still remain 8.5 percent below the level of the beginning of the year. It is unclear whether the prices will follow the overall downward trendline toward US\$1.28 per kg or will return to levels seen in 2019 (US\$1.49 per kg). This is likely to be determined by the extent to which the internal demand in large economies recovers to pre-COVID-19 levels.

Figure 6. Cotton Prices in 2020



Source: Investing.com, 2020a

Approach

The approach to analyzing the impact of COVID-19 on the price, production, and export of cotton in Burkina Faso involved a desk review of secondary data sources; analyses of Burkina Faso’s cotton industry; and prices from Burkina Faso’s own sources, the Food and Agriculture Organization of the United Nations, USAID, and the U.S. Department of Agriculture. Following data review, interviews were conducted with the Société Burkinabè des Fibres Textiles, West Africa’s largest cotton company; la Société Cotonnière du Gourma (SOCOMA), the country’s second largest cotton producer; Union Nationale des Producteurs de Coton du Burkina Faso; and Association Interprofessionnelle du Coton du Burkina Faso. Next, to predict the impact of COVID-19 on the cotton industry, the authors developed economic scenarios based on global prices and cotton production in Burkina Faso.

SOCOMA was interviewed on August 4, 2020. A representative predicted a decline in revenue of nearly US\$4 million, due to decreases in prices, cancellation of contracts, closure of borders, and reduced access to cotton inputs (particularly seedlings). The company predicted that cotton revenues in Burkina Faso could decline by US\$36 million in 2020. Based on these projections, authors developed scenarios assuming either a 5 percent or 20 percent decline in cotton production and that cotton prices would either continue to fall based on the current trajectory (falling to US\$1.28/kg by December 2020) or return to 2019 levels (US\$1.49/kg) by the end of the year.

“It is the first time that we have seen supply and demand strongly impacted. All the textile industries were closed, the big consumers that are the European Union and the United States were in total containment.”

—Ali Campaoré,
General Director of SOCOMA

The baseline (without COVID-19) is a scenario in which prices are the same as in 2019 (US\$1.49 per kg) and exports decreased slightly from 2019 levels (from 1 million bales to 925,000 bales) based on annual projections made for 2020 (USDA, 2020). If the price remained constant throughout 2020, the value of total exports would reach US\$300.1 million in 2020. For this analysis, that amount is considering the baseline revenues for 2020. The four scenarios and the baseline are described in Table 2.

Table 2. Description of Scenarios (Cotton)

Scenario	Global Cotton Prices	Burkina Faso Cotton Production in 2020
Baseline (without COVID-19)	Prices remain at average price for 2019 (US\$1.49/kg) throughout 2020	925,000 bales
Global Prices Recover/ Small Loss in Production (<i>most optimistic</i>)	Prices to return to 2019 levels (US\$1.49/kg) from current levels (US\$1.41/kg) by December 2020	875,000 bales
Global Prices Recover/ Large Loss in Production	Prices to return to 2019 levels (US\$1.49/kg) from current levels (US\$1.41/kg) by December 2020	740,000 bales
Global Prices Decline/ Small Loss in Production	Prices continue to decline through the end of 2020, falling to US\$1.28/kg by the end of December 2020	875,000 bales
Global Prices Decline/ Large Loss in Production (<i>most pessimistic</i>)	Prices continue to decline through the end of 2020, falling to US\$1.28/kg by the end of December	740,000 bales

Scenario 1 assumes that the total value of exports of cotton in Burkina Faso would decline from 925,000 bales predicted in July 2020 to 875,000 bales (USDA, 2020). The price per kilogram of cotton dropped from US\$1.54/kg in January to US\$1.19 in April 2020. For this scenario, it was assumed that the price would gradually rise back to 2019 levels (US\$1.49/kg) by December 2020.

Scenario 2 assumes that the quantity of cotton exported would decline by 20 percent and prices would gradually rise until they returned to the levels seen in 2019.

Scenario 3 assumes that the quantity of cotton exports would remain only 5 percent below levels projected in January 2020, but the prices would continue to decline following the current trend that existed in the first half of the year. In this scenario, the price of cotton would fall to US\$1.28/kg due to significant worldwide reduction in demand.

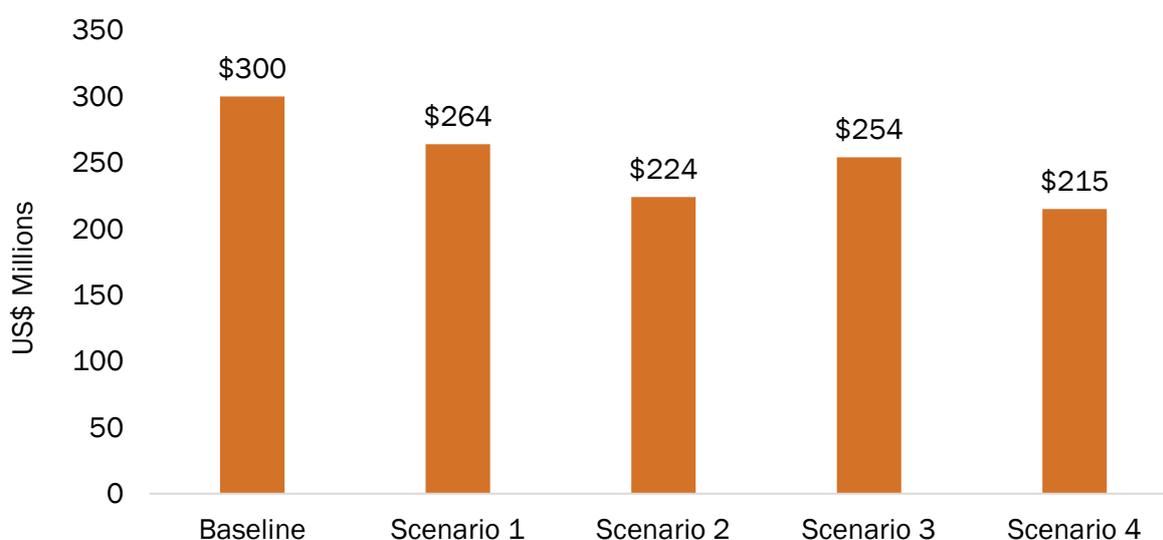
Finally, scenario 4—the most pessimistic—assumes a 20 percent decline in exports and that prices would fall to US\$1.28/kg by the end of 2020.

Results

In scenario 1, Burkina Faso’s cotton exports would amount to US\$264 million—US\$36 million less than the estimation export revenue under the baseline scenario. Of the scenarios evaluated, this would be the most optimistic. In scenario 2, total cotton export revenue would reach US\$224 million, a decline of US\$76 million (a 25 percent reduction in cotton export revenue compared to the baseline). In the third scenario, total revenue would fall to US\$254 million, a decline of US\$46 million (a 15 percent reduction in cotton export revenue). In the fourth and most pessimistic scenario, total export revenue would fall to US\$215 million, a decline of US\$85 million. This represents a 28 percent reduction in cotton export revenue for 2020 compared to the baseline.

These scenarios indicate that cotton export revenues in 2020 are likely to drop anywhere between 12 and 28 percent due to COVID-19 (Figure 7). In each scenario, reductions are attributable to some combination of reduced exports and reduced global prices.

Figure 7. Cotton Export Revenue under Different Scenarios



In January 2020, Burkina Faso's economy was projected to grow by 6 percent (US\$945 million). By June 2020, the World Bank reduced this estimate to only 2 percent, or just US\$315 million (World Bank, 2020). By these projections, COVID-19 would result in a loss of US\$630 million to Burkina Faso's economy. The loss in revenue due to cotton was estimated to range from US\$36 million to US\$85 million. In other words, of the country's projected economic losses due to COVID-19, cotton exports alone could account for anywhere between 6 and 13 percent.

Food Security

It has been estimated that 30 percent of household income in Burkina Faso is used to purchase millet and sorghum for consumption (MAFAP, 2013). The fact that the country is both a producer and a consumer of grains indicates the complexity by which changing prices of agricultural outputs can influence farmers in Burkina Faso. In other words, higher prices of grains, for example, can both benefit Burkinabé farmers, as well as hurt Burkinabé consumers.

The Food and Agriculture Organization of the United Nations and the World Food Programme noted that COVID-19 is likely to affect food security through a number of critical pathways (Reliefweb, 2020b). These potential impacts include:

- Food access through reduced household purchasing power
- Availability of food, agricultural production, and food supply chains
- Government capacities to protect vulnerable populations
- Political stability
- Conflict dynamics

The security of food production in West Africa was already tenuous for 2020, with COVID-19 compounding preexisting concerns about the impacts of armyworms and desert locusts (Reliefweb, 2020b). Estimates of food insecurity and malnutrition in West Africa have been revised upwards due to COVID-19, from 17 million people to 50 million people between June and August 2020 (Reliefweb, 2020a). In addition, the current political situation in Burkina Faso makes planting and getting products to market all the more difficult.

Interviews with three subsistence farmers in Burkina Faso indicated that the impact of COVID-19 on agricultural production has been highly uneven. While there has not yet been any impact on the production of tubers, respondents expressed concern about perishable vegetables, including leafy vegetables such as lettuce, cabbage, and spinach. Respondents indicated that the harvest of these vegetables corresponded with the arrival of COVID-19 and the subsequent closing of markets.

"If production goes down...and movement restrictions due to the coronavirus drive up food prices in the markets, it could push numbers of severely vulnerable people to double or triple."

—Julia Wanjiru, Communications Coordinator for the Sahel and West Africa Club

Millet prices generally remained high in 2018 but dropped significantly in 2019. So far in 2020, millet prices have increased by 21.2 percent between January and July. This increase could potentially cause food insecurity in the country, as Burkinabé rely heavily on millet as an integral part of their diet.

Sorghum prices began dropping precipitously in July 2019, reaching record low prices by September 2019, and recovering slowly thereafter. Since the start of the year, sorghum prices have increased by 4 percent, but generally remain low.

White maize prices remain relatively unchanged for the year, down only 0.9 percent. This suggests that the country's main agricultural products, excluding cotton, have not yet seen a major negative impact from COVID-19.

Conclusions and a Call to Action

The three issues that are explored as part of this Nowcast each represent a unique aspect of the impact of COVID-19 on Burkina Faso's economy. Gold mining, at least in the short term, represents a unique opportunity for the country to mitigate the negative consequences of the pandemic on the national economy. In the most optimistic scenario, gold mining could add US\$470 million to the national economy while cotton production would only subtract US\$36 million. However, in the most pessimistic scenario, gold mining would add only US\$40 million and cotton production would reduce revenues by US\$85 million. Some factors remain out of the hands of the government (e.g., the global prices of gold and cotton), while others can be influenced by policies enacted within the country to reinforce the economy (e.g., policies that encourage businesses to maintain gold production and policies that maintain free trade within the region).

As COVID-19-related decreases in gold mining extraction would directly impact Burkina Faso's economy, it becomes particularly critical for the government and the mining companies to at least maintain current levels of output. Thus, to mitigate the impact of COVID-19 on the economy:

- Collaboration between governments and mining industries should be encouraged and strengthened (Arnoldi, 2020).
- Mining industries should continue to support the government, health agencies, and communities by donating funds and essential goods.
- Government should continue to assure open and safe access to mining inputs (including labor), continue to aggressively address new outbreaks, and coordinate with the mining sector to assure that gold exploration is not completely interrupted despite decreased shipping logistics.

Cotton exports represent a critical component of the Burkinabé economy, providing direct and indirect employment for one-fifth of the population and more than half of the entire labor force. As illustrated by this Nowcast, cotton production is a key driver of Burkina Faso's economic growth. Therefore, prioritizing cotton production is essential to mitigate the impact of COVID-19. Without this emphasis, the four million people who rely on cotton are likely to suffer significant economic losses.

Domestic and international assistance to Burkina Faso's economy generally, and the cotton industry specifically, will be essential moving forward. The government will need to ensure adequate supplies of farming inputs, including seeds, fertilizer, equipment, and pesticides. There will also need to be mechanisms through which cotton is able to reach the mills and eventually travel across national borders to ports for export (USDA and GAIN, 2018). If borders do not remain open, the impact on Burkina Faso's economy could be devastating.

In terms of food security, Burkina Faso currently faces a critical combination of factors, including increasing insecurity (especially in the country's breadbasket), rising food prices (particularly millet), and the spread of COVID-19. Given that millet and sorghum represent 30 percent of household expenditures in Burkina Faso, an increase in millet prices could be devastating for families who are trying to avoid hunger. Already 5 percent of the country's population is displaced, including farmers who are relied upon to produce grains for the entire country. If COVID-19 were to spread further, or if the security situation were to worsen, the country may be pushed into the direst of circumstances.

The role of the international community in responding to the needs of Burkina Faso will be critical over the next few months. Any response should take into consideration the needs of internally displaced persons, subsistence farmers, cotton farmers, and those who are suffering from COVID-19.

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