

COVID-19 Impact Monitoring

at the household level

Burkina Faso



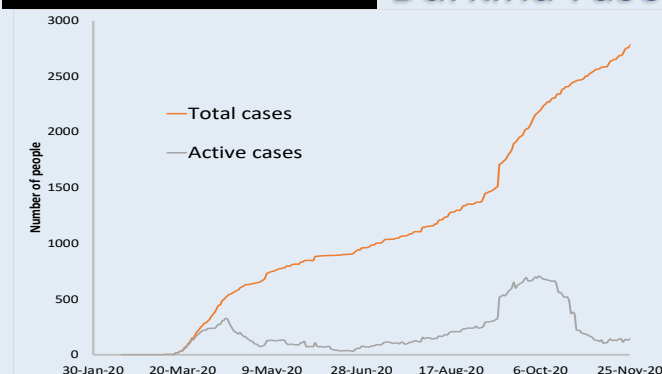
Brief No.4 — December 2020

KEY MESSAGES

- Due to lack of financial means, a non-negligible proportion of households could not access food. If strong actions are not taken, Covid-19 could worsen food insecurity;
- Given the low penetration of the financial sector, most households resort to informal channels for obtaining credit in these times of Covid-19 ...
- ... There is clearly a solvency risk and a risk for households to become too indebted, because, most loans are geared towards short-term consumption needs, unlike investments for income generation;
- The proportion of respondents with a job increased significantly from 75.1% in the first round to 83.3% in the second round, 89.4% in the third round and 91.2% in the fourth round.
- Given the low coverage of formal financial services, including insurance, and the limited social safety net, most households experience shocks without doing anything (37.9%)

Confirmed Cases of COVID-19

Burkina Faso



68 Deaths 2,567 Recovered

Source: INSD (as of November 25th, 2020)



BACKGROUND

This note presents the results of the fourth round of a nationally representative telephone survey (HFPS). Data collection took place between November 06 and December 02, 2020. In addition to the 2,013 households successfully interviewed in the third round, in an effort to maintain sample size, additional 91 households that had not been successfully interviewed in previous rounds but did not refuse to participate in the survey were called in this fourth round and 2,011 (95.58% of the sample) were successfully interviewed in Round 4. The questionnaire includes key modules that were administered in previous rounds, namely, access to food and health services, employment and income, and shocks. A new module on credit is added.



ACCESS TO FOOD AND BASIC SERVICES

As was the case in previous passages, it appears that food markets are functioning well. Most of the households that tried to buy the basic commodities were able to do so (Figure 1). Among the subgroup of those who tried to purchase the products, between 92% and 98% were able to do so. Taking into account the differences in consumption habits, the staple foods considered for this study are: (i) for Ouagadougou: imported rice, corn in grains and corn on the ground; (ii) for other urban areas: corn in grains, imported rice and local rice; and (iii) for rural areas: corn kernels, sorghum and millet. During the fourth visit, 98% of households declared having had access to the selected staple foods (Figure 1). Compared to the third pass, this represents an increase of two percentage points. Urban households are more affected by food accessibility problems. Almost all households mentioned affordability problem as the main reason why they could not access basic foods (Figure 2). This is a sign that if strong action is not taken, the Covid-19 pandemic could worsen food insecurity.

Figure 1: Share unable to access food

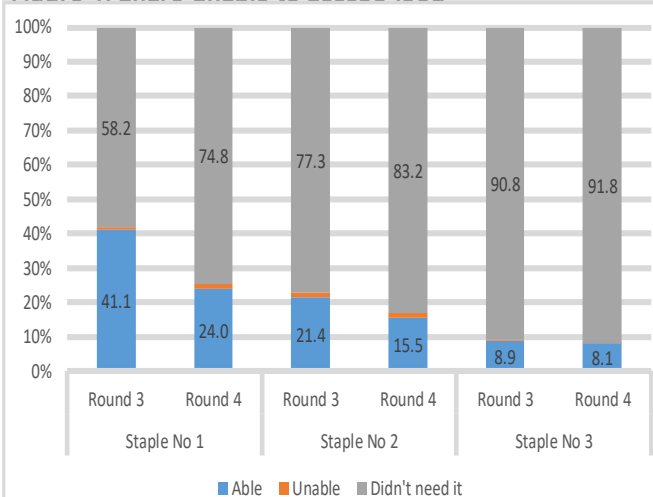
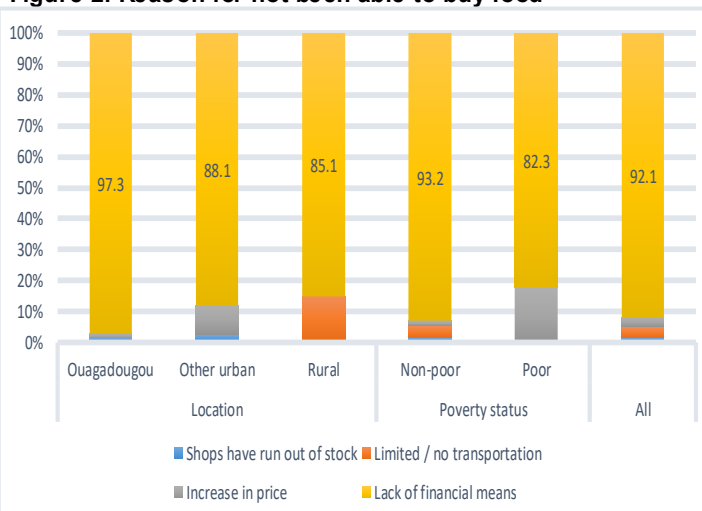


Figure 2: Reason for not been able to buy food





ACCESS TO FOOD AND BASIC SERVICES

Findings from all the four rounds reveal that despite the covid-19 challenges, the health system continued to function. As a consequence, the vast majority of the 62% of households that needed health care were able to access the services (Figure 3). For the few that were not able to access health services, financial affordability is mentioned as the main barrier to health service. Despite the Covid-19, pharmacies are still functioning properly (Figure 4). Most households (62.4%) declared that they were able to buy medicine in a pharmacy. It is important to note that 28.7% declared that they did not need to buy drugs at the time of the survey. A non-negligible proportion resorted to rely on traditional providers to acquire their drugs.

Figure 3: Proportion that needed and where able get treatment

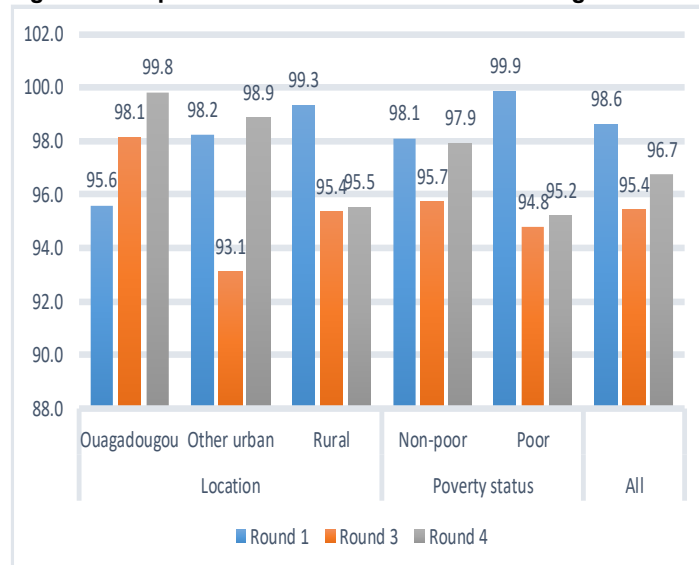
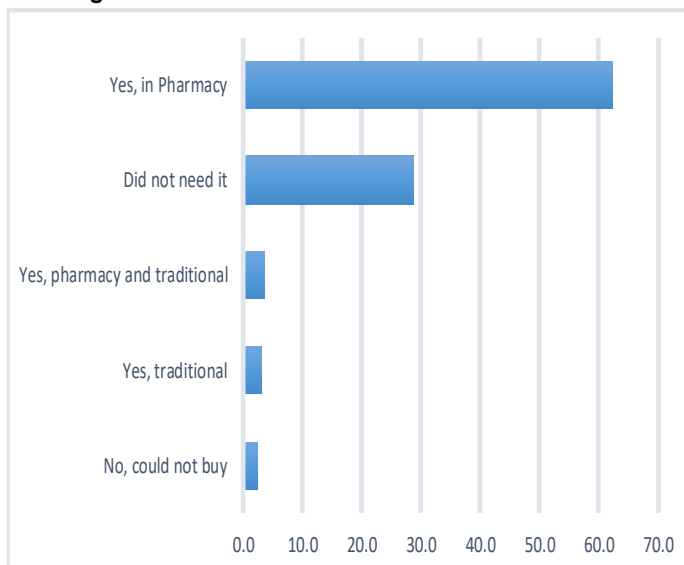


Figure 4: Access to medicines



CREDIT

A high proportion of households (69.3%) declared that since the Covid-19 outbreak, they were able to secure a loan from a financial institution, a money lender, a friend, or a family member (Figure 5). The vast majority of these loans came from family/friend (Figure 6). A clear sign of the low penetration and poor performance of the formal financial sector. Banks and microfinance institutions accounts for only 12.2% of the loans. When asked, households declared that the loan that they took during the Covid-19 crisis was mainly to buy food (31.5%) or cover health care related costs (29.8%). A non negligible proportion (16.1%) declared that they use the loan to acquire agricultural inputs such as improved seeds and fertilizers. There is clearly a risk of solvability, and risk for households becoming too indebted. This given that most of the loan are oriented to short term consumption needs, as oppose to investment for income generation.

Figure 5: Share of households who got a loan

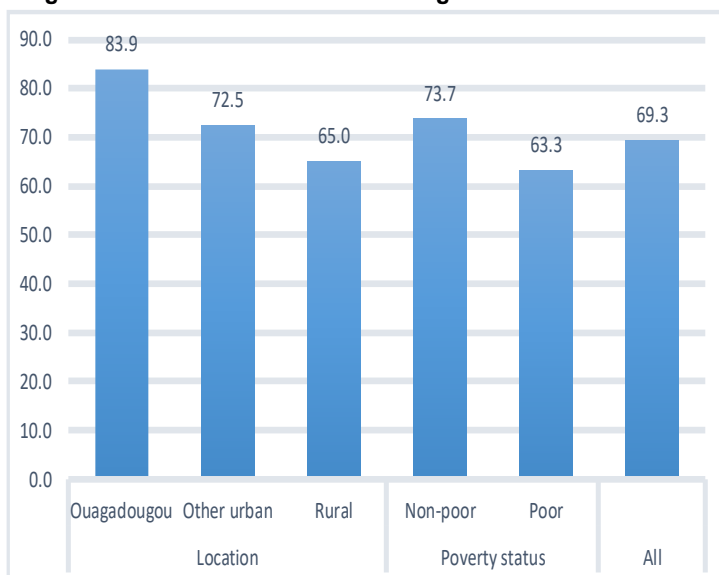
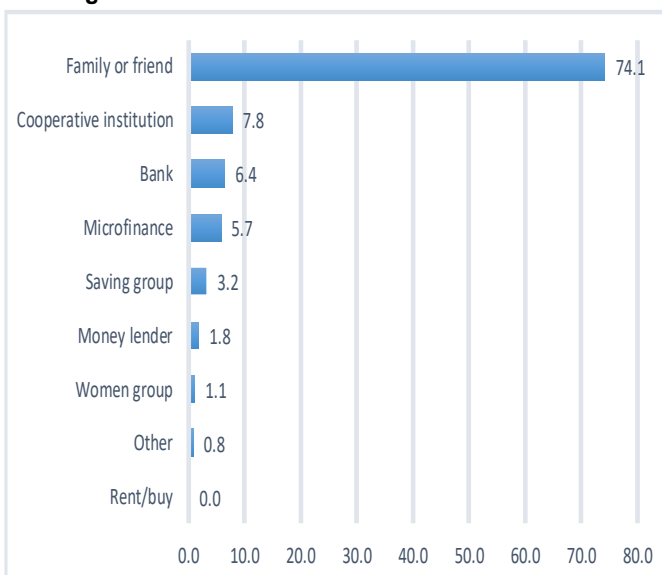


Figure 6: Source of the loan

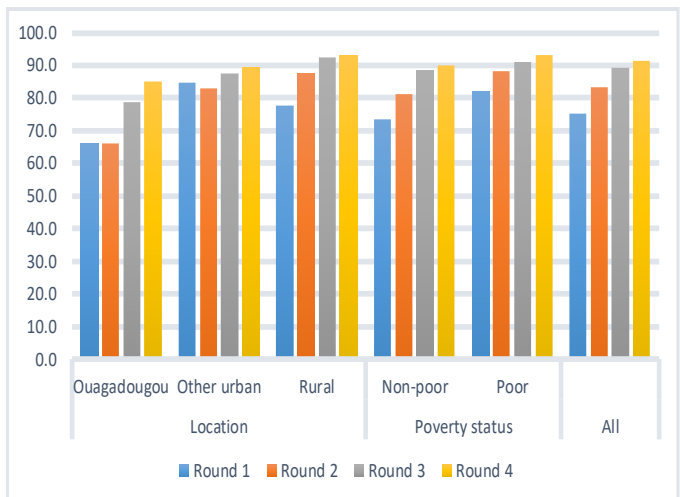




EMPLOYMENT AND INCOME

The proportion of respondents who are employed has increased significantly, from 75.1% in the first round to 83.3% during the second round, 89.4% in the third round, and 91.2% in the fourth round (Figure 7). This represents a 16.1 percentage points increase between the first and the fourth round. A clear sign that the economic recovery is underway. However, those in Ouagadougou and in rural areas seem to have benefitted more from this positive shift of the labor market. Between the first and fourth rounds, the proportion of those who are employed in other urban areas increased by only 4.6 percentage points, against 19.1 percentage points and 15.5 percentage points for those living in Ouagadougou and rural areas respectively. But this improvement of the labor market has yet to translate into a clear increase of incomes.

Figure 7: Share of respondents who are employed



SHOCKS

The incidence of shocks is high, with two in five households (40%) declaring to have been affected by a negative shock between the third and the fourth round. Illness of an earning household member is by far the biggest shock (Figure 8). This shock hit one in three households (34%). Three other types of shocks stand out with high scores. These are: (i) others, a sign that the questionnaire design may not be capturing important shocks (20.1%); (ii) the increase in the price of inputs (18.3%); (iii) thefts (11.6%). Other notable shocks include: poor harvest due to lack of manpower; increase in the price of inputs; bankruptcy of a non-agricultural family business; job loss; death of a person sending money to the household; and loss of important contact. There are some notable differences depending on the area of residence and the poverty status. For example, shocks related to increase in the price of the main foods consumed affect non-poor the most. This is expected given that the poor are more likely to rely on own food production.

Given the low coverage of formal financial services, including insurance, and limited social safety net, most households suffer shocks without doing anything (37.9%) (Figure 9). Those who can received help from friends or family (25.6%); drew on his savings (23.6%); sold assets (16.2%); engaged in additional income generating activities (10.8%); borrowed from friends or family (10.6%); or reduced food consumption (9.1%). Most of the strategies adopted are not optimal, and are likely to have long lasting negative impact of the households, including impact on nutritional status for those reducing food consumption.

Figure 8: Proportion of households affected by the shock

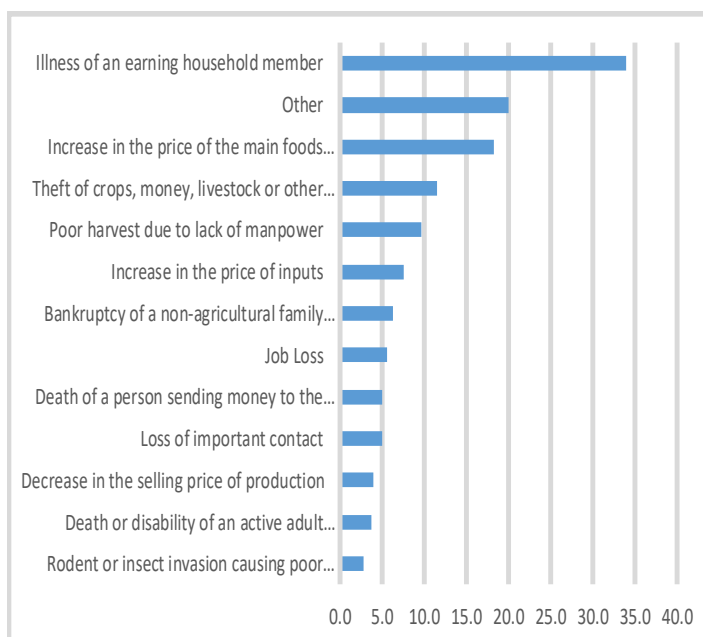
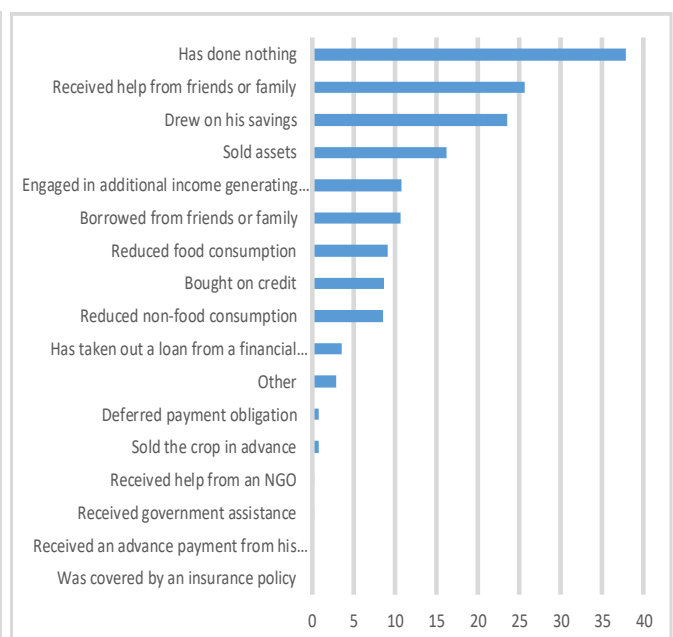


Figure 9: Coping strategy



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For further details on the data, visit <http://surveys.worldbank.org/covid-19> or <http://www.insd.bf/n/>



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