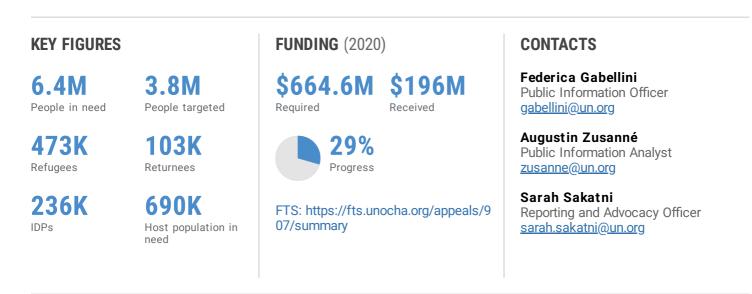


HIGHLIGHTS (31 Aug 2020)

- Epidemiological situation
- Social impacts of COVID-19
- Economic impact of barrier measures
- Evaluation of gaps in the hotel, restaurant and bar sector
- Response to socio-economic impacts of COVID-19



Séance de sensibilisation sur le respect des mesures barrières dans le 9eme arrondissement de la ville de N'Djamena. Crédit photo: Oxfam au Tchad/Mahamat lbrahim



ANALYSIS (31 Aug 2020)

COVID-19: having a significant impact on social life and the national economy

Epidemiological situation

The COVID-19 pandemic reached Chad on 19 March 2020. The situation rapidly escalated with imported cases first, followed by community contamination in 15 out of 23 provinces in the country. As of 24 August, there have been 995 reported cases in the 15 affected provinces, 871 recoveries and 77 deaths. Health personnel represent 9.3 percent of the total reported cases, with 79 people having tested positive.



The Government of Chad conducted, in collaboration with its technical partners, <u>a study on the impact of COVID-19 on</u> <u>social life and the economy of the country</u>. According to the results of this study, the pandemic has greatly affected these two aspects of life.

These impacts could be explained by the prevention and response measures that the Government took to control the pandemic, as other countries did around the world. These measures -closure of land and air borders, limited inter-city movements, closure of businesses and schools, curfew, ban on gatherings, to name a few - have severely impacted several sectors including basic social services such as health, food, education, WASH, and the economy.

The economic dimension includes agriculture, trade, tourism, transport and the private sector (small and medium-sized enterprises and industries), with an important loss in income and employment. The economic aspect has also led to the increase in food prices as a result of the supply chain disruption and indirect effects related to a weak fiscal state of the Government caused by high expenditures to counter the crisis, and a small mobilization of fiscal resources.

Social impacts of COVID-19

The social consequences of COVID-19 affect the health, nutrition and education sectors, among others. As to food security, at the national level, the consensus analysis using the Harmonized Framework of March 2020 reported 15 departments in crisis phase and 38 departments in under pressure phase. For the period from June to August, more than 1 million people have been reported to be in crisis phase or worse. This represents a 59 percent increase compared to 2019. Moreover, around 82,000 daily workers in N'Djamena will see their income affected by the crisis and the severity of food insecurity will increase for approximately 320,000 people.

Additionally, UNICEF and the World Food Programme (WFP) conducted an evaluation on the direct and indirect impact of the pandemic on children and the food situation in 2020. According to their assessment report, an additional 15,500 children under five will be affected by severe acute malnutrition among children who have become poor in 2020. More than 3 million children aged 3 to 17 will need education and close to 140,000 students won't have access to school canteens anymore.

In the health sector, around 72,000 children aged 0 to 11 months in N'Djamena may not benefit from routine vaccination. 7,000 street child beggars could be impacted.

Pregnant and breastfeeding women have increased nutrient needs that are not being met. This has consequences for their health, their nutrition and their child's development. This also affects the immune response of the mother and the child. Prenatal consultations have decreased in health facilities because women want to avoid being exposed to possible contamination. The rate of exclusive breastfeeding, already very low, will further deteriorate through fear of transmission from the mother to the child. The inadequate diet of the infant and of the young child remains a major concern.

Still according to the evaluation, the deterioration of the agricultural harvest, coupled with the impact of COVID-19, will increase the number of people affected by global acute malnutrition, with an additional 2 million children aged 6 to 59 months, representing 58.6 percent of the total affected. Out of the 2 million children, more than 561,000 aged 6 to 59 months will be affected by severe acute malnutrition, representing 16.4 percent of the total. Revisions include children of displaced populations, refugee children and returnee children: more than 61,000 children aged 6 to 59 months affected by global acute malnutrition and more than 22,600 children affected by severe acute malnutrition.

In the education sector, barrier measures have led to the closure of 16,896 primary, technical and higher education facilities. The report on impacts indicates that this closure deprived more than 3.4 million learners, including 40,749 students, of an education. It also led to the loss of employment for more than 55,000 teachers – including 20,000 substitute teachers and 19,000 community teachers, in charge of institutions and parents' associations. The evaluation, based on the number of substitute and community teachers from the statistical directories of primary and university education, shows a gap in terms of vacancies estimated at XAF 3.3 billion for 39,000 substitute and community teachers. Moreover, the disruption of



education activities throughout the country could increase school dropout rates, already estimated at 17.9 percent for the primary cycle and at 65.6 percent for the first secondary cycle. The interruption of these classes will have serious consequences on future human capital with effects such as incompetence and low productivity.

Regarding population movements, following recurrent terrorist attacks in the Lake Chad Basin for the past five years, the Lac province now hosts nearly 299,000 displaced people, including 236,000 Internally Displaced People (IDPs). Movement restrictions, being part of the response to the pandemic, affect humanitarian and development partners' capacity to access vulnerable people in order to implement their projects and programmes, despite efforts to ensure continuity of vital assistance. Chad remains highly dependent on international aid, notably to meet urgent needs of mobile populations who are most vulnerable in the country. However, beyond the immediate response to the health crisis, funds to respond to long-term humanitarian and socio-economic impacts are extremely limited.

As for migrations, Chad is a country of departure, transit and destination for migrant workers in Eastern, Central and Western Africa, motivated by economic reasons. Restrictive measures taken by Chadian authorities had a direct impact on the reduction of migration flows in northern Chad. According to the International Organization for Migrations (IOM), the average number of travelers observed daily in Faya and Zouarke had been increasing since December 2019. However, between February and May 2020, this trend went down 58 percent, going from 831 to 337 daily travelers. The easing of certain restriction measures, such as inter-city movements, led to a spike in influx: a94 per cent increase from April-May to June 2020. The decline of cash transfers is another important economic consequence of the COVID-19 pandemic. These cash transfers, which provide an important financial support role for numerous households in Chad, including in rural areas, have suffered from the health crisis.

Furthermore, the estimated number of people in need is 5.9 million (after the revision of the humanitarian response plan due to COVID-19) compared to the 4.6 million first identified at the end of 2019, representing a 28 per cent increase.

Economic impact of barrier measures

Measures taken by the Chadian Government led to the closure of markets and the interruption of most commercial activities. Only those involved in food and medicine sales were not affected by these measures. Revenue loss for the month of April 2020 is estimated at XAF 74.6 billion. The profit that should have been generated from these revenues is estimated at XAF 22.4 billion -30 percent of revenues.

Monthly losses related to the closure of economic businesses such as hotels, restaurants and bars in the city of N'Djamena are estimated at XAF 6.2 billion. This loss is divided between different branches -restaurants, hotels, barbecue joints, bars, cafés and cabarets - for a total loss estimated at XAF 42.6 billion.

Evaluation of gaps in the hotel, restaurant and bar sector

With regard to the tourism and transport sector, the suspension of flights led to a significant loss of profit in terms of tourist tax: XAF 10,000 per ticket and XAF 2,500 per night in a hotel. As soon as the first COVID-19 case was reported on 19 March, the level of tax mobilization diminished drastically, going from 60 million in March to less than 5 million in April. Air transport suffered from it, with 108 monthly flights to Chad operated by six companies simply cancelled. This directly impacted the national company Tchadia Airlines. The monthly losses related to urban transport are estimated at XAF 760.5 million. As for inter-city transport, monthly losses are estimated at XAF 633 million.

Another factor which exacerbates the crisis and which could worsen the impact of the pandemic is a fragile operational response efficiency, a lack of stability in the health sector and a weak social protection system. All this reflects to a certain extent the overall governance structure and the regulatory frameworks in place in the country.



It is clear that anti-COVID-19 measures have had a negative impact on most activities. However, some sectors have rather benefited from these measures. One example is the Refining Company of N'Djamena (Refining of Djermaya) which, faced with overproduction, exported oil products to Cameroon for the first time. The national sugar company of Chad (CST) increased its domestic sales which had been impacted by fraudulent sugar imports. The national cotton company (Cotontchad) sold its vegetal oil on the local market, whereas telecommunication companies increased their revenues during confinement and teleworking.

Response to socio-economic impacts of COVID-19

Chadian authorities decided to take measures to mitigate the impacts related to the COVID-19 crisis, as announced by the President, Marshall Idriss Deby Itno, during <u>his second speech to the nation about the pandemic, on 14 April</u>. "It is in this perspective that I have decided to take a series of concrete and realistic measures to assist populations and support economic actors, in an effort to alleviate the burden of this crisis which is just beginning".

From a social point of view, Government measures include, among others, food assistance to vulnerable households, with the replenishment of stocks of the National Office of Food Security (ONASA) and the support of humanitarian organizations to deliver this assistance. In order to guarantee the availability of basic commodities at reasonable prices, the Government has decided to involve economic operators and banks in trying out new solutions. The proposition of a National Fund of Solidarity and Support for vulnerable populations is being explored in order to expand and reinforce social safety nets across the country. The Government also decided to cover water bills for six months, and electricity bills for three months, for households all over the country.

Partners in Chad were themselves active in face of these difficulties. <u>The United Nations System in Chad donated around</u> <u>XAF 5 billion to the anti-COVID-19 national contingency plan</u>. The UN also supported the Government, through the Ministry of Public Health and National Solidarity, by strengthening the capacities of community workers in the city of N'Djamena on their knowledge of the pandemic and awareness-raising of the populations. Health personnel were also trained on patient care related to COVID-19. Personal protective equipment, handwashing stations and communication material were donated to the Ministry of Public Health. Other humanitarian organizations also provided support to the Government, the humanitarian response plan was adjusted, reoriented and revised as necessary to include immediate response activities for people affected by the crisis and to support their resilience facing these new shocks.

From an economic point of view, the Government decided to reduce by 50 percent the contribution to the trading tax for all operators, as well as contributions to the general withholding tax across the country until the end of 2020. Moreover, all financial spot checks and all general accounting checks were suspended for three months, starting in April 2020.

In addition to these decisions aimed at buffering the impacts of to the pandemic, anti-COVID-19 measures were eased: shops reopened on 20 May, inter-city transport resumed on 21 June, and schools, universities and places of worship reopened on 25 June. Commercial flights were authorized again on 1 August. The easing in restrictions has allowed for social life and economic activities to resume.



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