restrictions. Usually seen as a haven of stability in volatile West Africa, Senegal was rocked by a week of clashes between opposition supporters and police in early March. At least five people were killed in the unrest, sparked by the arrest of opposition leader Ousmane Sonko. But many argue that anger also boiled over because of deepening poverty in the nation of 16m people, especially among the young.

Senegal’s economy was growing before the pandemic, with its GDP increasing 5.3% in 2019, according to the International Monetary Fund (IMF). However, despite the IMF forecasting a recovery in 2021 after a slowdown in 2020, corruption restrictions have ravaged Senegal’s large informal sector, and growing numbers of people are struggling to make ends meet. About 40% of Senegalese people live in poverty, according to the World Bank.

Dembaye Moussa Dembele, a Senegalese economist, told AFP that he estimated about 2m people had fallen into poverty since the onset of the coronavirus crisis. The pandemic not only hit the hospitality and tourism industries, he said, but also slashed remittances which represent about 10% of the country’s GDP. Huge flooding in September in several areas, including in Dakar, also tipped many into poverty, Dembele said.

Senegal’s government responded to the pandemic by banning company layoffs, granting tax breaks to struggling firms, and distributing food. Still, the numbers of people who say they are struggling are stark. Senegal’s statistics agency said in September that 85% of households saw their incomes drop since in March 2020, for example. It also found that 36% of heads of household surveyed had stopped working, with about a third of that number pointing to the coronavirus crisis as the reason.

Yves Nzale, the coordinator of an association of jobless Senegalese graduates, said there was little hope for young people in the country. Senegal produces about 300,000 university graduates a year, he said, of whom about 100,000 manage to find jobs. “Young people feel abandoned,” he said. “It’s a situation of despair.”

Senegal adopted a strategy in 2012 to combat poverty in the country, which involves infrastructure development and promoting investments, among other things. However, Charles Robertson, the global chief economist at investment bank Renaissance Capital, said that the investment-led economic model had created growth, but not necessarily jobs. Robertson added that industrialisation usually brings jobs, but that Senegal is unlikely to become an industrial success story until it solves its low adult literacy rate of about 50%. (© AFP 18/3 2021)

### SOUTH AFRICA

**Pandemic Intensifies Corruption**

*Graft is hitting the Covid-19 fightback.*

The coronavirus pandemic intensified corruption in South Africa in 2020, exposing many loopholes in the country’s health sector, an anti-graft monitor said on March 25th. Corruption Watch said it had received 4,780 reports of graft in 2020, the second-highest tally since it was founded in 2012.

Although the pandemic discouraged people from making in-person reports, an average of 11 cases were received each day on-line, the Johannesburg-based organisation said. Maladministration, procurement corruption and fraud increased, with the “lucrative” health sector hardest hit.

South Africa struggled to find protective gear for its health workers and other essential equipment for fighting Covid – a scarcity that drove up black-market value. Politicians and those close to them exploited “already weak controls in procurement systems across all three spheres of government.” Corruption Watch said in its report, entitled *From Crisis to Action.* “Whilst many were aware of the weakness of both the public and private health facilities, Covid-19

### Sub-Saharan Africa – World Bank Analysis

Economic growth in Sub-Saharan Africa is estimated to have contracted by 2.0% in 2020, closer to the lower bound of the forecast in April 2020, and prospects for recovery are strengthening amid actions to contain new waves of the pandemic and speed up vaccine rollouts, according to the World Bank’s biannual economic analysis for the region.

The latest Africa’s Pulse, *The Future of Work in Africa: Emerging Trends in Digital Technology Adoption*, notes that a slower spread of the virus and lower Covid-19-related mortality, strong agricultural growth and a faster-than-expected recovery in commodity prices has helped many African economies weather the economic storm induced by the pandemic. The report notes that economic recovery hinges on countries deepening reforms that create jobs, encourage investment, and enhance competitiveness. The resurgence of the pandemic in late 2020 and limited additional fiscal support will pose an uphill battle for policy makers as they continue to work toward stronger growth and improved livelihoods for their people.

“African countries have made tremendous investments over the last year to keep their economies afloat and protect the lives and livelihoods of their people,” said Albert G. Zeufack, World Bank chief economist for Africa. “Ambitious reforms that support job creation, strengthen equitable growth, protect the vulnerable and contribute to environmental sustainability will be key to bolstering those efforts going forward toward a stronger recovery across the African continent.”

Growth in the region is forecast to rise between 2.3 and 3.4% in 2021, depending on the policies adopted by countries and the international community. A second wave of Covid-19 infections is partly dragging down the 2021 growth projections, with daily infections about 40% higher than during the first wave. While some countries had a significant drop in Covid-19 infections due to containment measures adopted by the government, other countries are facing an increase in infections. Real GDP growth for 2022 is estimated at 3.1%. For most countries in the region, activity will remain well below the pre-Covid-19 projections at the end of 2019, worsening the risks of long-lasting damage from the pandemic on people’s living standards.

In the Eastern and Southern Africa subregion, the growth contraction for 2020 is estimated at -3.0%, mostly driven by South Africa and Angola, the subregion’s largest economies. Excluding Angola and South Africa, economic activity in the subregion is projected to expand by 2.6% in 2021, and 4.0% in 2022.

Growth in the Western and Central Africa subregion contracted by 1.1% in 2020, less than projected in October 2020 partly due to a less severe contraction in Nigeria, the subregion’s largest economy, in the second half of the year. Real gross domestic product in the Western and Central Africa subregion is projected to grow 2.1% in 2021 and 3.0% in 2022.

The Pulse also notes that African countries can speed up their recovery by ramping up existing efforts to support the economy and people in the near term, especially women, youth and other vulnerable groups.

Reducing countries’ debt burdens will release resources for public investment, in areas such as education, health, and infrastructure. Investments in human capital will help lower the risk of long-lasting damage from the pandemic which may become apparent over the longer term, and can enhance competitiveness and productivity. The next twelve months will be a critical period for leveraging the African Continental Free Trade Area in order to deepen African countries’ integration into regional and global value chains. The report also notes that reforms that address digital infrastructure gaps and make the digital economy more inclusive - ensuring affordability but also building skills for all segments of society - are essential to improve connectivity, boost digital technology adoption, and generate more and better jobs for men and women. (worldbank.org 31/3)
laid bare just how vulnerable the sector truly is.”

Africa’s most industrialised economy was already struggling with a reputation for corruption before the onset of the pandemic, with numerous state officials accused or facing trial for presiding over wanton looting. Corruption Watch director David Lewis noted “with anger and sadness” that the corrupt exploited the pandemic at the expense of lives, and demanded tougher controls.

South Africa is the worst virus-hit country on the continent. (© AFP 25/3 2021)

**Party Funding Law**

A new law forcing parties to disclose financial donations they receive came into effect in South Africa on April 1st, in a closely-followed step to foster transparency and curb corruption. Since the first democratic elections in 1994, politicians and parties have had carte blanche to collect money from anyone, with little scrutiny. Now they have to reveal any gifts of Rand 100,000 ($6,730) and more, while smaller annual donations from a single source will be capped annually. Donations from foreign governments, agencies or individuals are also prohibited. Parties and givers will have to disclose donations to the election organiser, the Independent Electoral Commission. Violation of the law is punishable by a fine or jail of of up to five years.

Daming allegations of corruption and politicians using public office to further agendas of their benefactors have become mainstream politics. The magnitude of that has been highlighted in countless testimonies before anti-graft investigators probing state looting since 2018. Political leaders, too, have been tainted by the obscure sources of funds. (© AFP 1/4 2021)

**WORLD BANK**

**New Grants and Loans**

**Angola:** The WB has approved a US $700m Development Policy Operation (DPO) in support of the government’s efforts to bolster financial and social inclusion and strengthen the country’s macro-financial and institutional environment for increased private-sector led growth. It provides much-needed financing in support of the government’s response to the Covid-19 pandemic and its socioeconomic impacts. In addition, the operation supports the government’s structural reform agenda, which has become even more urgent as a result of the pandemic, and which will create the conditions for a stronger economic recovery in the years to come.

The operation is organised around two pillars, each including several policy areas. Pillar 1, strengthening the macro-financial and institutional environment, includes a focus on strengthening debt and natural resource management for fiscal sustainability; strengthening financial sector resilience; strengthening management and commercial viability of state-owned enterprises; supporting pricing and subsidy reform for financial sustainability and effective service provision; and levelling the playing field for private investment. Pillar 2, protecting the poor and vulnerable, focuses on protecting the poor and vulnerable from shocks and increasing access to finance. (worldbank.org 16/3)

**DR Congo:** The WB has approved financing by the International Development Association (IDA) of $500m for the Kinshasa Multisector Development and Urban Resilience Project, known as Kin Eldena (Sustainable and Resilient Kinshasa). The financing includes a credit and a grant each in the amount of $250m. Kin Eldena will benefit the most vulnerable urban populations in Kinshasa by improving the provision of water and increasing the resilience of the electricity network, including the use of renewable energy in Kinshasa. More than 2m people, 51% of whom are women, will benefit directly from improved services, such as household water connections, reduced exposure to flooding, and green urban spaces in the neighbourhoods of Kisensso, Ndjili, Matelete and Lemba. Gender inequality will be addressed in all project components through activities aimed at enhancing women’s socioeconomic conditions and reducing gender-based violence.

The project will also support improved urban planning and revenue generation, which, in turn, will contribute to improved services and governance. Moreover, through investments in infrastructure maintenance and social inclusion activities and expanding access to skills training, the project aims to improve the financial resources of vulnerable individuals while boosting growth and productivity in priority sectors. (worldbank.org 31/3)

**Djibouti:** The WB has approved $15m in additional IDA financing. It is aimed at restoring the resources allocated to Djibouti’s emergency response to the Covid-19 pandemic and scale up the Integrated Cash Transfer and Human Capital Project, notably through the extension of cash transfers to about 2,500 households in urban areas and the financing of inclusion activities related to human capital development with a focus on the early years. The cash transfers financed by the new funds will be part of the National Programme for Solidarity and Family (PNSF), the government’s flagship safety nets programme implemented by the Ministry of Social Affairs and Solidarity. (worldbank.org 31/3)

**Ghana:** The WB on March 30th approved $100m Ghana Productive Safety Net Project 2 (GPSNP 2) which will support government to expand and strengthen its social safety net programme. The project will directly benefit over 1.6m people in the country and help to improve the incomes and productivity of the poor and vulnerable.

The coronavirus pandemic and accompanying global economic crisis has served as a major setback to Ghana’s prospects for further reductions in poverty. The project will benefit the poorest households in all regions by: providing cash transfers to 350,000 households through the Livelihood Empowerment Against Poverty (LEAP) cash transfer; reaching 60,000 beneficiaries through the Labour-Intensive Public Works (LIPW) programme; and supporting 35,000 beneficiaries through productive inclusion activities to enhance the income-generating potential of the poor and vulnerable.

GPSNP 2 will extend coverage into urban communities to help tackle pockets of high poverty and vulnerability that exist in these communities. It will also scale up the provision of information, communication, and engagement services to safety net programme beneficiaries in relation to education, health, financial well-being, gender, and social inclusion. (worldbank.org 30/3)

**Guinea:** The government and the WB have signed an agreement on financing the Commercial Agriculture Development Project in Guinea (PDACG) to the tune of $100m. The project comprises two phases of four components each, including the development of commercial farming, which will be effective in Conakry, the capital, then in the northern mining areas of Boké-Kamsar and on the axis of Kindia-Conakry. It will contribute to the creation of important agricultural and agro-industrial infrastructure for the country, in particular rural roads, wholesale market, logistics platforms, slaughterhouses and warehouses.

The first phase of the project will focus on supporting the revival of the agricultural sector hit by the Covid-19 crisis, and relaunching Guinea’s resilience to future shocks by putting in place a solid system for food safety. The project aims to create 24,000 jobs for young people and women, against agricultural value chains, before increasing by 145,000 the number of farmers and rural households who will benefit from business opportunities in agricultural value chains, including...