

*Side event organized by the Strategic Planning, Oversight and Results Division; the Gender, Poverty and Social Policy Division; and the Macroeconomic and Governance Division*

## **Launch of *Economic Report on Africa 2021: Addressing Poverty and Vulnerability in Africa during the COVID-19 Pandemic***

### **Background**

The disruptions caused by the coronavirus disease (COVID-19) pandemic pushed an estimated 55 million Africans into extreme poverty in 2020 and reversed more than two decades of poverty reduction in Africa. Non-poor people whose level of consumption was at \$1.90–\$2.09 a day (0–10 per cent above the poverty line) fell into poverty because of the pandemic, since even a small amount of consumption volatility could push them below the poverty threshold. Poor people with few assets, limited access to credit, informal employment and low wages were particularly severely hit by containment measures introduced during the pandemic.

*Economic Report on Africa 2021* contains an analysis of the causes and consequences of the increase in poverty during the pandemic. It also provides a framework for the analysis of poverty caused by other shocks and of vulnerability to future shocks such as climate change. The report provides national estimates of people who are vulnerable to falling into poverty in various country clusters. The vulnerability-poverty-resilience framework set out in the report provides insights into microlevel factors associated with moving into and out of poverty and why some households remain poor for a prolonged period. Such insights can be used in guiding the formulation of evidence-based policies.

A major contribution of the report is its emphasis on the centrality of risk and vulnerability to shocks in the design of poverty-reduction strategies in Africa.

The key messages of the report are that poverty in Africa is highly dynamic, that poor people move into and out of poverty because of volatile consumption, and that their inability to manage risks increases their vulnerability.

### **Objective**

The purpose of the launch event is to share the key findings of *Economic Report on Africa 2021* in terms of addressing poverty and vulnerability during the COVID-19 pandemic. Policymakers and other stakeholders will receive evidence-based information on measures to address people's vulnerability to falling into poverty because of the pandemic and future shocks and how to hedge against risks to build forward better and resiliently.

### **Expected outcomes**

- A robust assessment of the effect of COVID-19 on social and economic development in Africa and how vulnerabilities can be addressed
- The identification of opportunities to recalibrate poverty-reduction strategies and the challenges that arise in doing so
- A concrete package of policy options and recommendations that can improve the resilience of African countries to shocks

### **Target audience**

- Officials from ministries of finance, economic planning and industry, and other policymakers

- Regional economic communities
- Academia
- Investors
- Civil society and the private sector

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