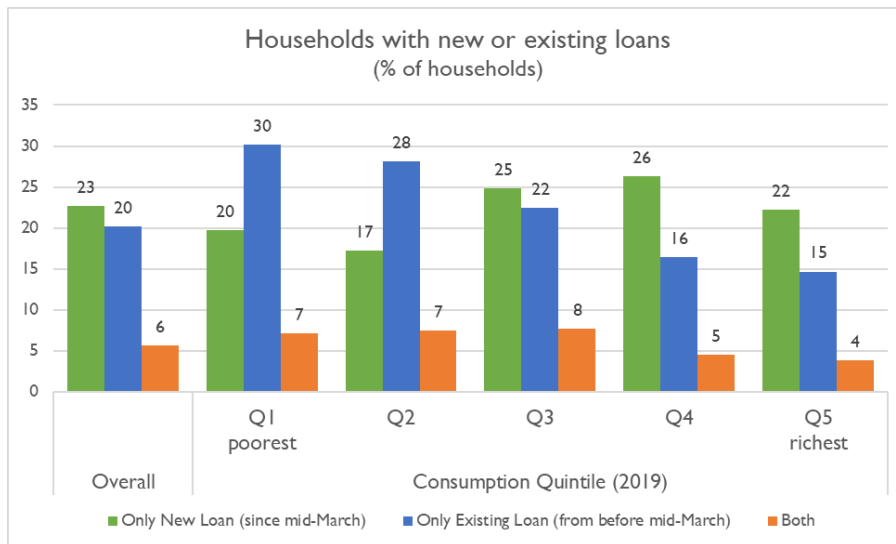




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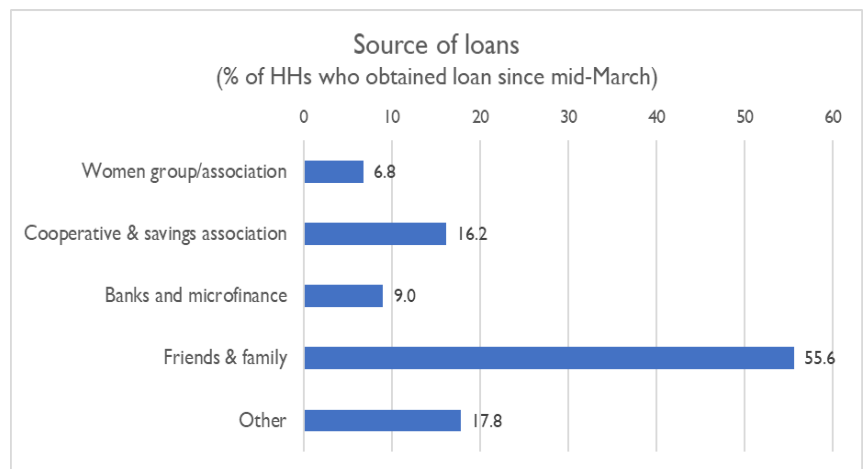
The pandemic continues to affect the livelihoods of Nigerian households and many have had to take out loans to meet their current obligations. About 1 in 4 households were already indebted prior to the pandemic while nearly one third have taken out new loans since the onset of the pandemic. Poorer households were more likely than richer households to have loans taken before the start of the pandemic that they were

still repaying. However, the opposite occurs with new loans, with households in the higher quintiles being more likely to have taken new loans than poorer households. This shows that the pandemic has impacted the finances (and livelihoods) of households across the whole income distribution, and not only the most vulnerable.



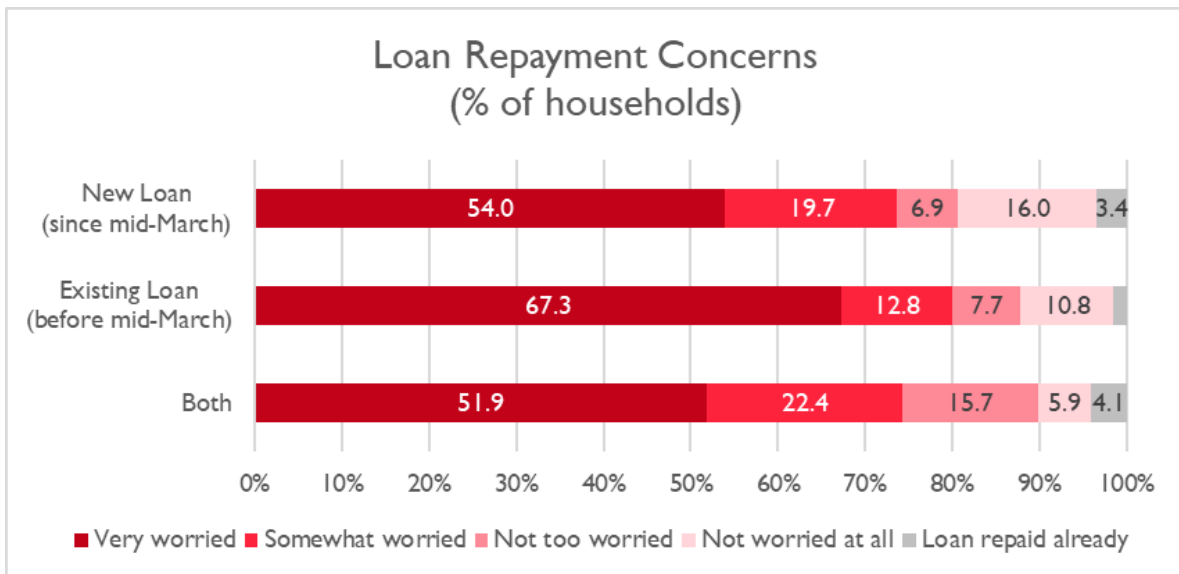
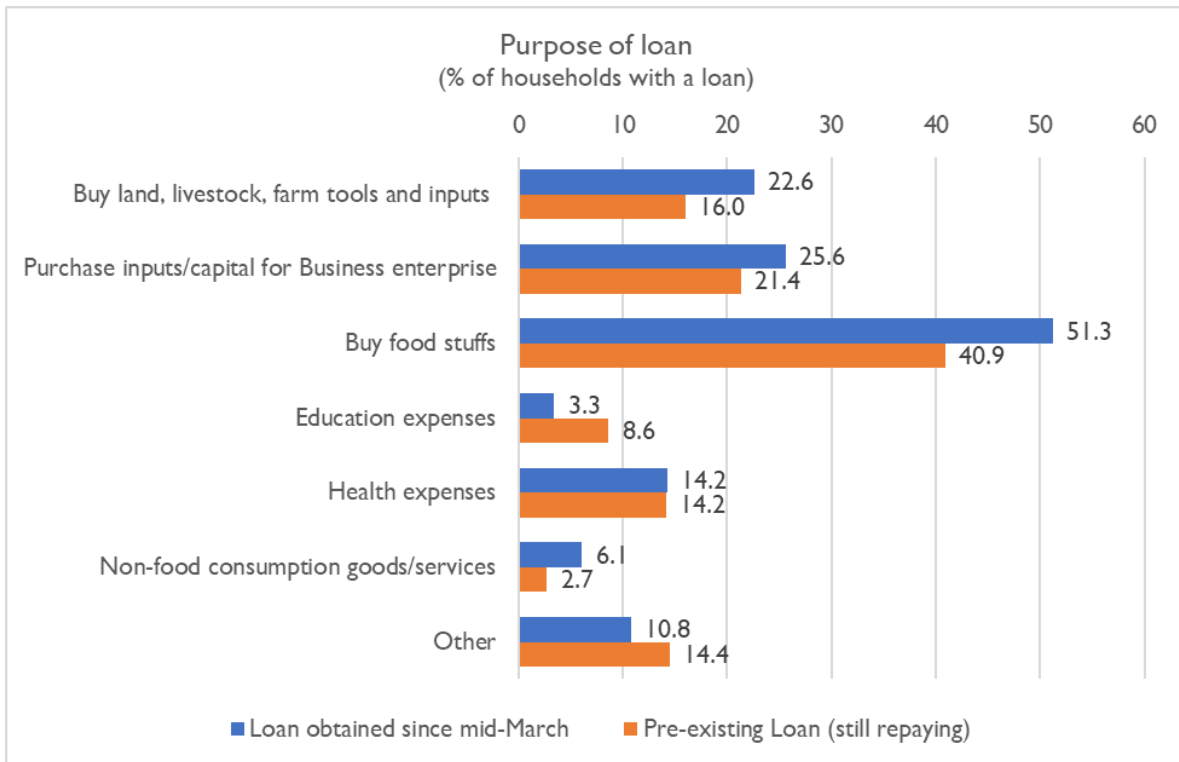
Loans taken since mid-March have been predominately informal in nature, with over 55% being obtained from friends or relatives. Loans obtained from more formal sources were far less frequent with only 9% of respondents reporting loans obtained from banks and microfinance institutions and 16% from cooperative and savings associations. This could reflect barriers faced by Nigerian households to obtain formal loans in the face of a crisis and that many households instead must turn to friends and relatives for loans.

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Just as with loans taken before the pandemic, new loans were primarily used to pay for food items and, farm and non-farm business inputs. However, there are also some important differences in the purposes for which loans were taken before and after the start of the pandemic. About 51% of households that obtained loans after the pandemic began used these loans for purchasing food, compared with 41% of households with existing loans, indicating that loans taken since the start of the pandemic were used more to sustain households' basic needs. There was no difference in the share of loans

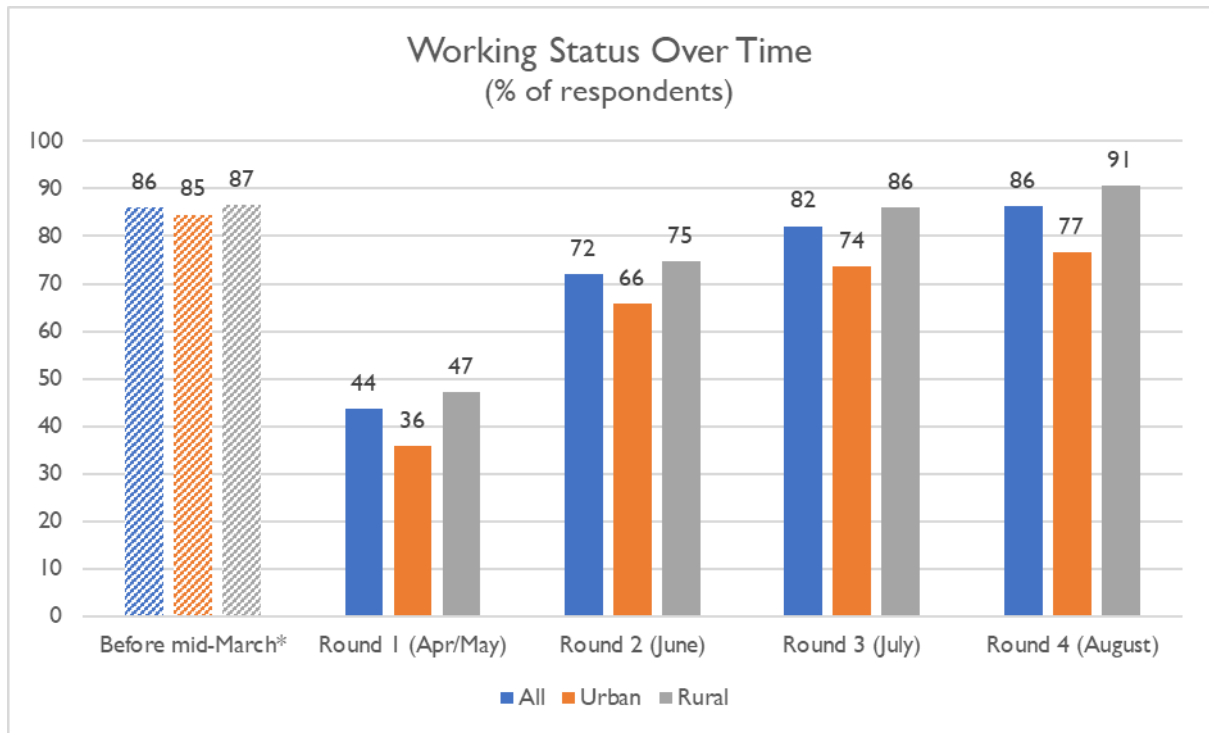
taken to pay for health expenses comparing loans taken before and after the pandemic, but the share of loans being used for education expenses was substantially reduced, either due to the timing of the survey (at the end of the school year) or due to most schools being closed as part of the mitigation efforts by the government. A substantial share of households with both new and existing loans are concerned about repayment, with more than 70% of households reporting that they are either very worried or somewhat worried about being able to repay their loans.



EMPLOYMENT AND LIVELIHOODS

The share of people who are working has continued to creep back up to pre-crisis levels. This trend demonstrates that the government’s loosening of the restrictions has enabled Nigerians to return to work. The share of respondents working has steadily recovered since June for both rural and urban areas, though the recovery has been larger in rural than urban areas. While the share of respondents who are working

slightly exceeds pre-pandemic levels in rural areas, it continues to lag in urban areas where 77% of respondents were working last week compared to 85% prior to the pandemic. This larger increase in rural levels can be attributed to the seasonality of agriculture, a sector which has experienced the largest recovery in the share of respondents returning to work.

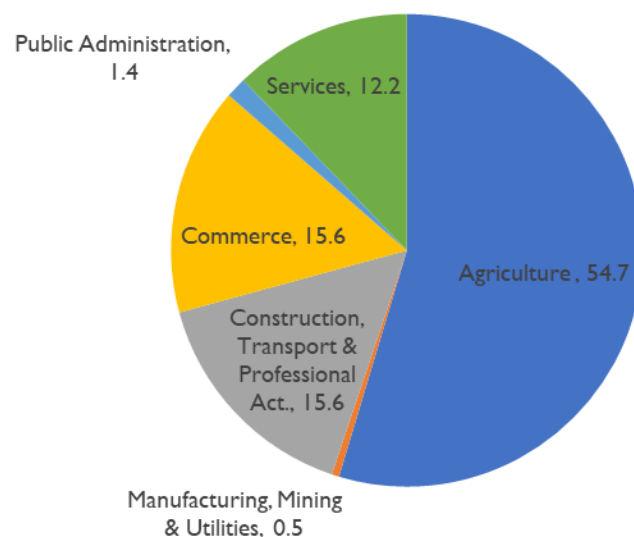


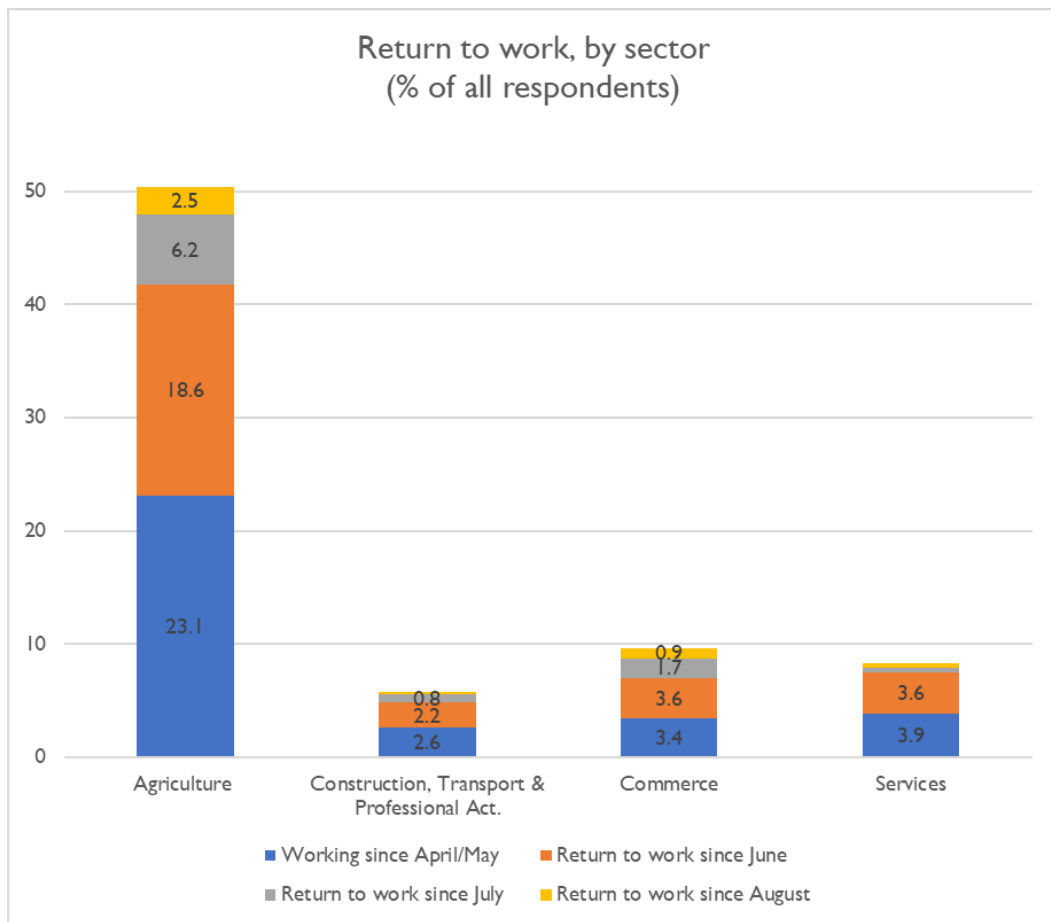
Note: In the figure it is assumed that all those who were working at baseline were also working before mid-March. Thus, the shares of respondents working shown for the before-mid-March period represent upper bounds. Temporary absences were not incorporated.

Even though the overall share of respondents who are working is back to pre-pandemic levels, there continues to be some evidence of people moving in and out of work. Only 34% of respondents have been working continuously since April/May, while 60% have experienced periods without work and 6% have not worked at all since the start of the pandemic. This indicates that there continues to be instability in the job market.

Over 17% of all respondents have started and stopped working at some point since mid-March. Most of the respondents that have been in-and-out of work since mid-March have been engaged in agriculture (56%), followed by, commerce (15.6%), construction, transport and professional activities (15.6%), and services (12.2%).

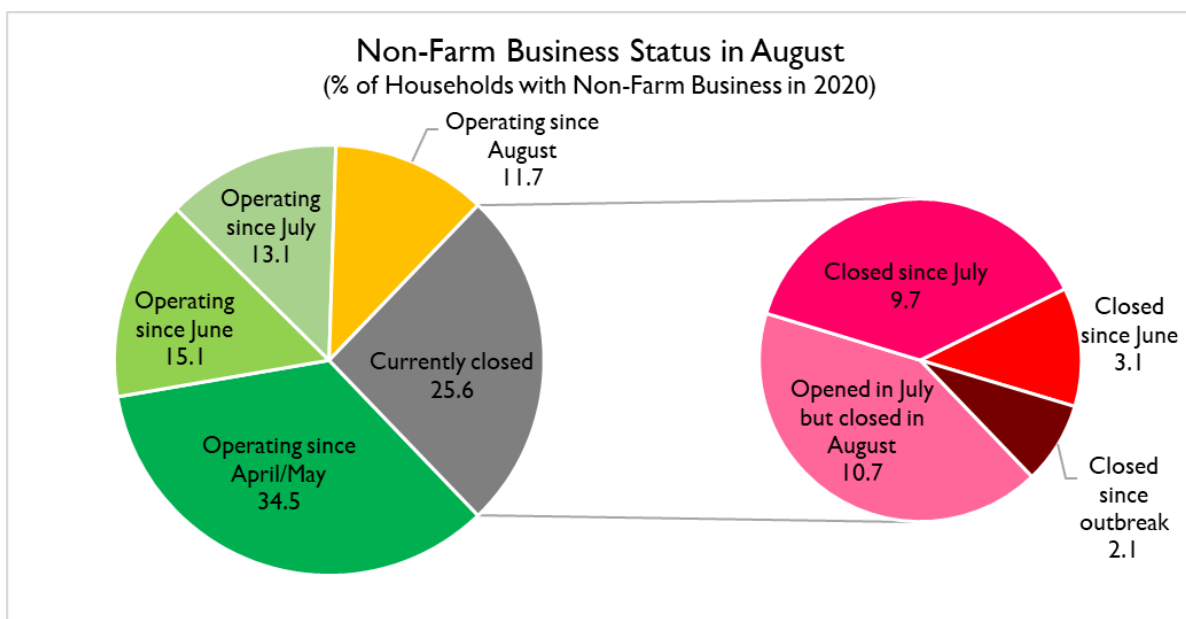
In-and-out of work since April/May, by Sector
(% of respondents in-and-out of work)





The recovery has been different across economic sectors. The service sector had almost fully recovered by June, while commerce has had a slower recovery. Agriculture shows the highest increase of people returning to work in July and August, mostly due to the agricultural season with the beginning of the harvesting season. Despite the fact that many non-farm family businesses have reopened since the start of the crisis, some of these businesses closed again between July and August.

By August, about 35% of households who operated a non-farm business since the beginning of 2020 have remained in operation since April/May, down from 40% during July. About 13% restarted operations in July, while 12% started operations after July. As of August 2020, almost 26% of households have businesses that are currently closed, and this number is up from 23% in July.

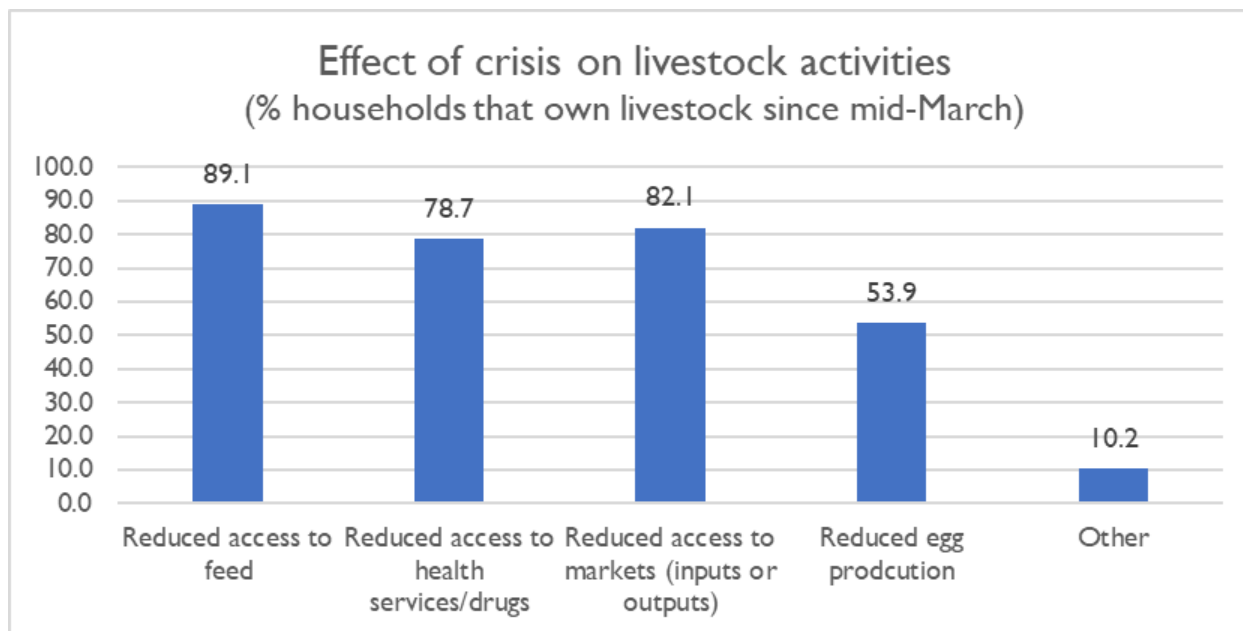




LIVESTOCK

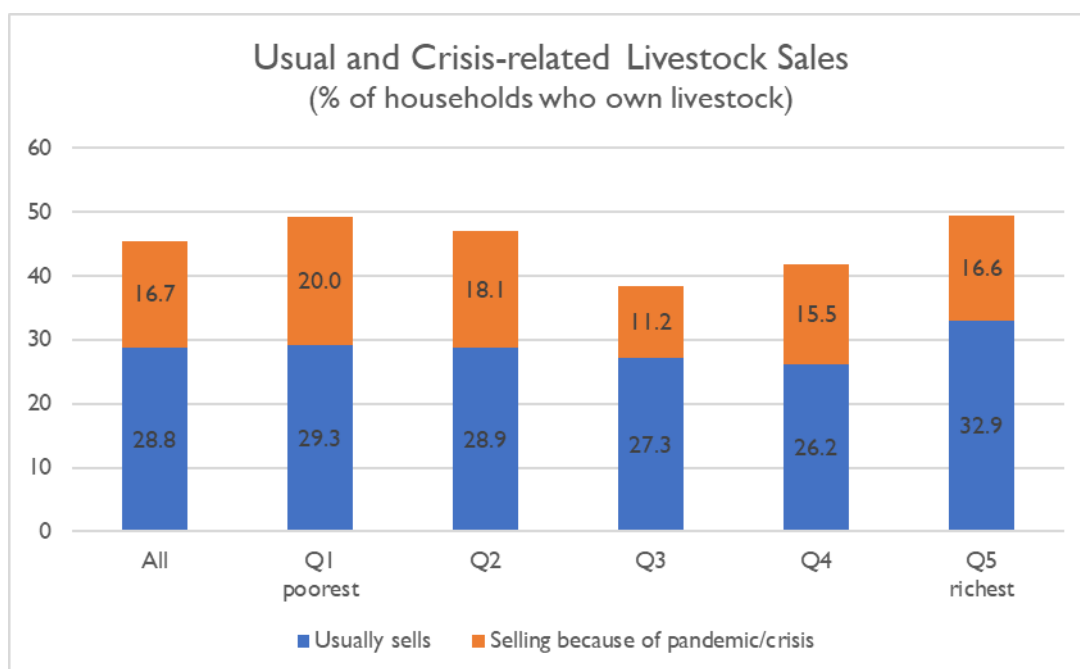
Livestock is an important sector of the Nigerian economy with over 54% of households reporting to have kept livestock since mid-March. This sector has not been immune from the COVID-19 crisis with nearly 36% of livestock owning households reporting being

adversely affected by the pandemic. The livestock production activities that have suffered from the coronavirus crisis include access to feed (89% of affected households), access to healthcare/drugs (79%), and access to input/output markets (82%).



The pandemic also led to an increase in the sale of livestock for some households that might otherwise not have been inclined to sell in the absence of the pandemic indicating that households are shifting to sale of livestock as a coping mechanism in the face of COVID-19 crisis. Overall, almost 29% of livestock owning households reported that they usually sell their live-

stock. However, the pandemic resulted in an additional 17% of households reporting the need to sell their livestock as a result of the hardships imposed by the pandemic. This shift to livestock sales as a result of the coronavirus crisis was more prevalent among poorer households.

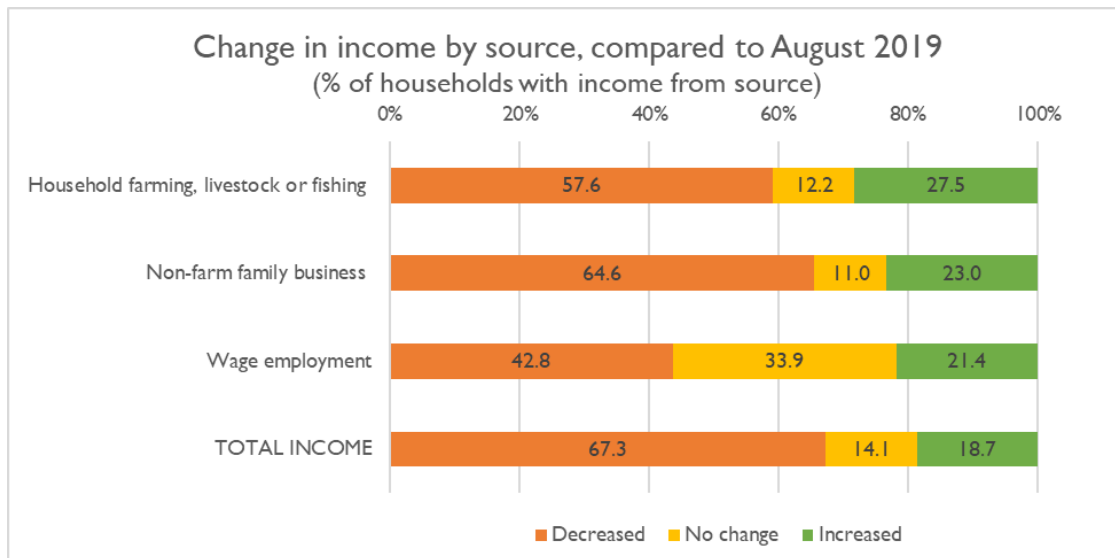




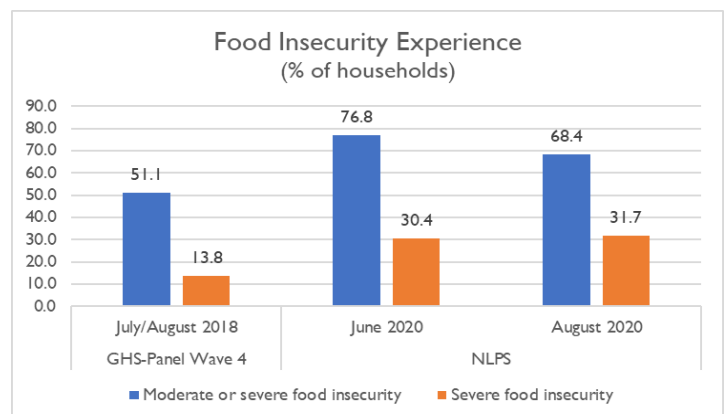
INCOME CHANGES AND FOOD SECURITY

Across the three main income generating activities (wages, agriculture, and non-farm enterprises), a significant percentage of households report a decrease in income compared to one year ago. Over 67% of households reported that their total income decreased compared to the same period one year ago in August 2019,

and this decrease was evident across the three main sources of income. However, the share of households experiencing a decline in income was highest for non-farm family business activities at 65% of households, compared to 58% for agriculture (household farming, livestock or fishing), and 43% for wage employment.



The food security situation in Nigeria remains precarious, even as the lockdown restrictions continue to be loosened. The share of households experiencing moderate or severe food insecurity remained high at 68% in August 2020. Experience of both moderate and severe food insecurity are more prevalent than that reported in July/August 2018 during the first visit of the GHS-Panel.



Data Notes: The Nigeria COVID-19 National Longitudinal Phone Survey (COVID-19 NLPS) 2020 Fourth Round was implemented by the National Bureau of Statistics (NBS) in August 2020. This survey is part of a World Bank global effort to support countries in their data collection efforts to monitor the impacts of COVID-19. World Bank teams from the Development Data Group and the Poverty and Equity Global Practice provided technical support. This survey is the fourth of a planned 12 rounds of the COVID-19 NLPS of households in Nigeria. 1,881 households from the baseline were contacted and 1,789 households, fully interviewed. These same households will be contacted in subsequent rounds of the COVID-19 NLPS. The data are representative at the national level and survey weights were calculated to adjust for non-response and under coverage.



For further details on the data, visit <http://www.worldbank.org/lsmc-covid19> & <https://www.worldbank.org/en/country/nigeria/brief/monitoring-covid-19-impact-on-nigerian-households>

For further details on COVID-19 in Nigeria, visit <https://nigeria-coronavirus-response-data-hub-nbs-nigeria.hub.arcgis.com/>

For details on the survey, contact **Biyi Fafunmi** (biyifafunmi@nigerianstat.gov.ng) and **Tunde Adebisi** (tundeadebisi@nigerianstat.gov.ng)