

# GEEP

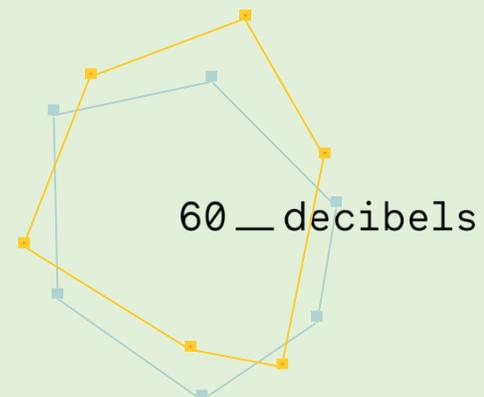
GOVERNMENT ENTERPRISE AND EMPOWERMENT PROGRAMME

TRADER  
MONI MARKET  
MONI FARMER  
MONI



## Government Enterprise Empowerment Programme

### Investigating the Effects of COVID-19



May, 2021



# Background

Covid 19 was declared a global pandemic on 11<sup>th</sup> march 2020 after spreading through Asia, Europe, North America and finally Africa and Latin America. The first case was recorded in Nigeria in February 2020, which led to the implementation of lockdown by the federal and state governments between March – June 2020 to curb the spread of the virus.

The lockdown which included closing all borders and many non-essential businesses grounded economic activities in the country and led to a 23% decrease in GDP and a 9% point increase in poverty rate (Andam, Edeh, Oboh, Pauw and Thurlow, 2020). The sudden onset of the pandemic and the scale of policy responses imposed significant economic costs on Nigeria's population, but the nature of the impacts on businesses at the bottom of the economic pyramid remains unclear.

In order to get a full picture of the impacts of Covid 19 in the MSME space in Nigeria and possible interventions, Bill and Melinda Gates foundation in conjunction with Rockefeller Philanthropy Advisors and Government Enterprise Empowerment Program (GEEP) commissioned 60 decibels to conduct a survey on GEEP beneficiaries across the six geopolitical zones of the country.

The Covid 19 impact assessment survey was rolled out in a series of 18 rounds of outbound phone surveys/interviews over 36 weeks (one round every two weeks) from August 2020 to May 2021. The interviews were conducted in English, Hausa, Igbo, Yoruba and Pidgin by trained 60 decibels Nigerian researchers.

11,000+ beneficiaries across GEEP's loan products, were interviewed in the survey. This report features the top insights from the 18 rounds of the survey and the implications for GEEP.



## CONTENT

- 01 / [Headline Insights](#)
- 02 / [What Impact is COVID 19 Having on GEEP Clients?](#)
- 03 / [How are GEEP Clients Responding to the Pandemic?](#)
- 04 / [Who is GEEP Reaching?](#)
- 05 / [More Insights](#)
- 06 / [Implications and Key Questions](#)



# Headline Insights

The impact of COVID-19 has been significant on GEEP clients, many of whom live in poverty. This percentage has held steady across rounds with 54% of respondents being female.

**Impact on Income:** The severity of the impact on households' income decreased in the past round from the peak we saw in round 10. While in round 10 almost three-fourths of customers reported a 'very much' decreased income, by round 18, this proportion decreased to 58%. Customers who experienced 'slightly decreased' income increased slightly to three in ten.

**Impact on Business:** Closures due to COVID-19 have steadily declined since round 1. In August 2020, two-thirds of businesses reported being affected by closures, while in May 2021, this declined to 4%. However, fewer customers have been reported by two-thirds GEEP clients in April, increasing from a low of 50% in early January.

**Coping Mechanisms:** Respondents have been employing the same three main coping mechanisms since the start of data collection, namely, using their savings, reducing investments, or borrowing, with the usage of savings remaining higher than 90% since late November and reaching almost 100% in round 18. Those who reduced household or business investments also recently peaked to a high of 56%. Borrowing has remained at similar levels since the beginning of data collection.

## 77%

live in poverty, versus the national average of 73%

- > GEEP's business model is inclusive, reaching a customer base slightly lower-income than the Nigerian average

## 80%+

respondents are still reporting an income decrease since the beginning of the pandemic

- > 10% of respondents were able to find new income sources to manage the period

## 72%

of GEEP customers say they are "very concerned" about COVID-19

- > main causes of concern include ability to work/earn an income (80%) and the economy (19%)

## 67%

reported 'very much decreased' savings

- > For those who sold assets, the most common ones were land, animal and electronic goods.

## Respondent voices:

The primary concern of COVID - 19





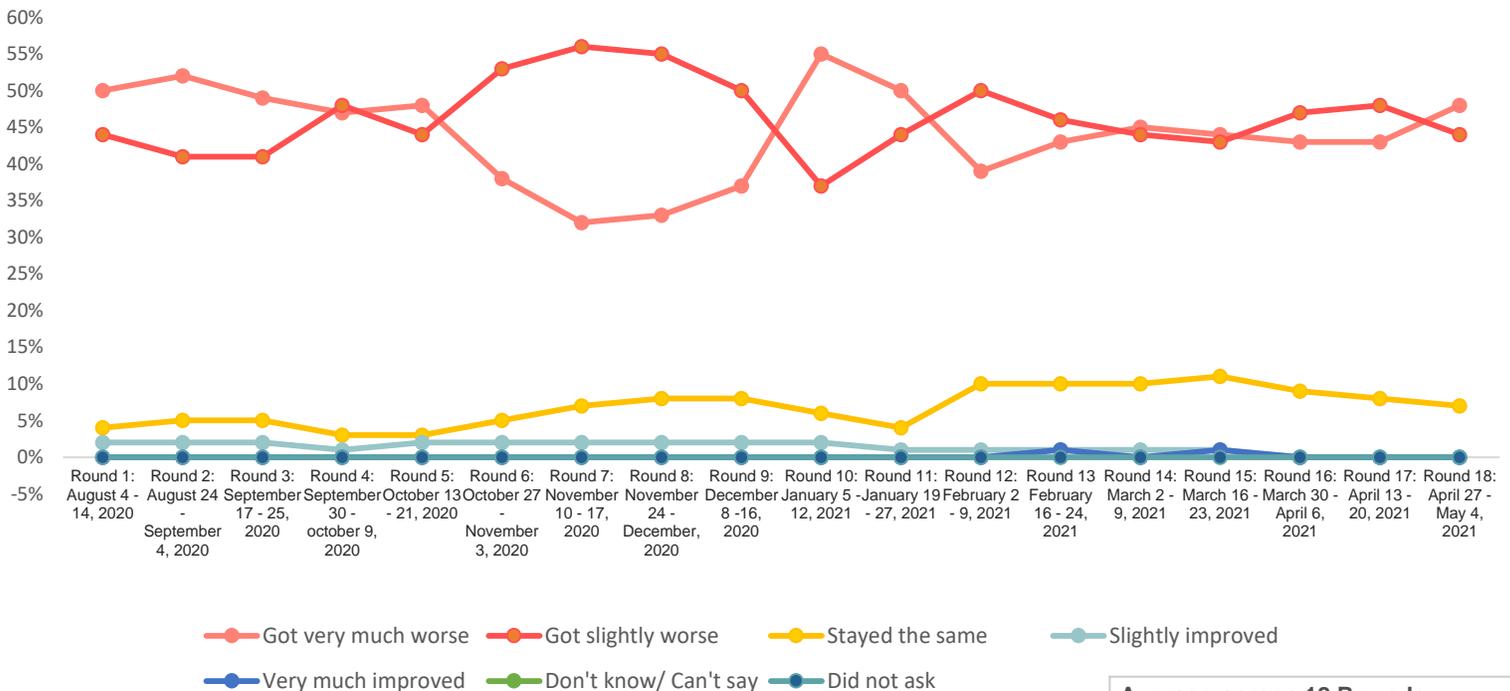
# What Impact is COVID-19 Having on GEEP Clients?

## Impact on Overall Financial Situation

> Households' overall financial situation has not significantly improved since the beginning of data collection. Almost all (92%) customers in round 18 report a worsened financial situation since the start of COVID-19. The severity of the impact on customers' finances has worsened somewhat in the last round: slightly fewer customers have been able to report 'slightly worse' compared to 'very much worse' financial conditions, returning to a trend that was not reported since early January.

### Impact on Overall Household Financial Situation, by Rounds

**Q:** So far, overall, has the financial situation of your family changed since the start of COVID-19 in March 2020? Has it: (n = 11,156)



Average across 18 Rounds	
Got very much worse	44%
Got slightly worse	47%
Stayed the same	7%
Slightly improved	1%
Very much improved	0%
Did not ask	0%

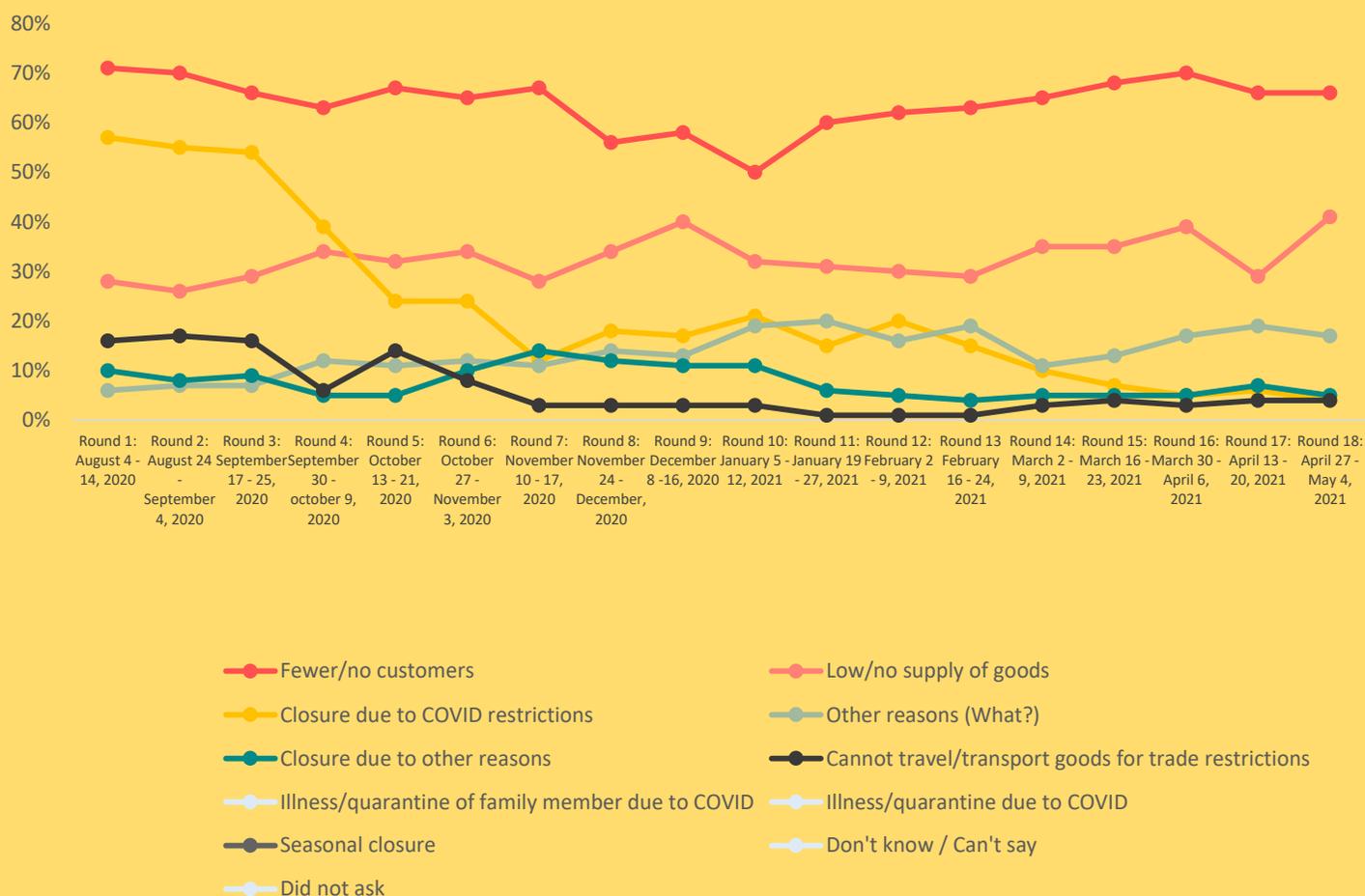


## Impact on Business

- > Fewer customers, supply issues, and closures due to COVID-19 restrictions are the top impacts reported by 64%, 33%, and 22% of customers respectively. Only 5% have been able to switch their main source of income entirely, suggesting a poor level of job mobility

### Change in Business, by Rounds

Q: Has your income from your business this month been impacted by any of the following?  
(n=10,647)



Average across 18 Rounds	
Fewer/no customers	64%
Low/no supply of goods	33%
Closure due to COVID restrictions	22%
Other reasons (What?)	13%
Closure due to other reasons	8%
Cannot travel/transport goods for trade restrictions	5%
Seasonal closure	4%



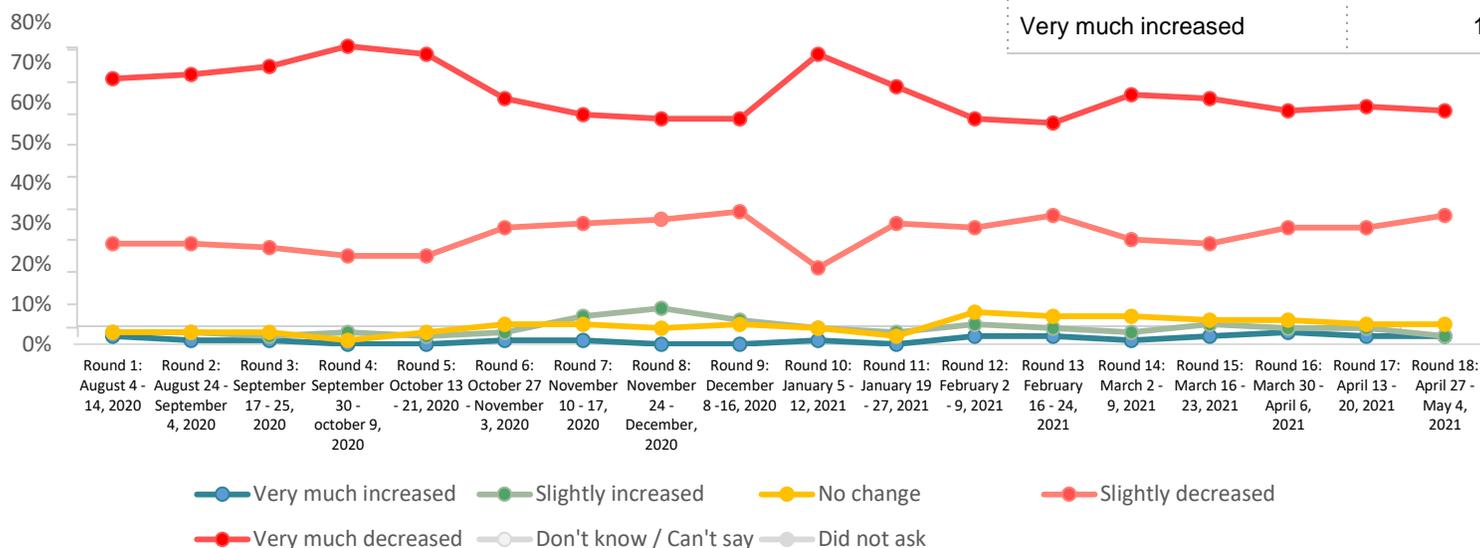
# Impact on Income

➤ 89% experienced a *decline in income*. 5% reported an increase

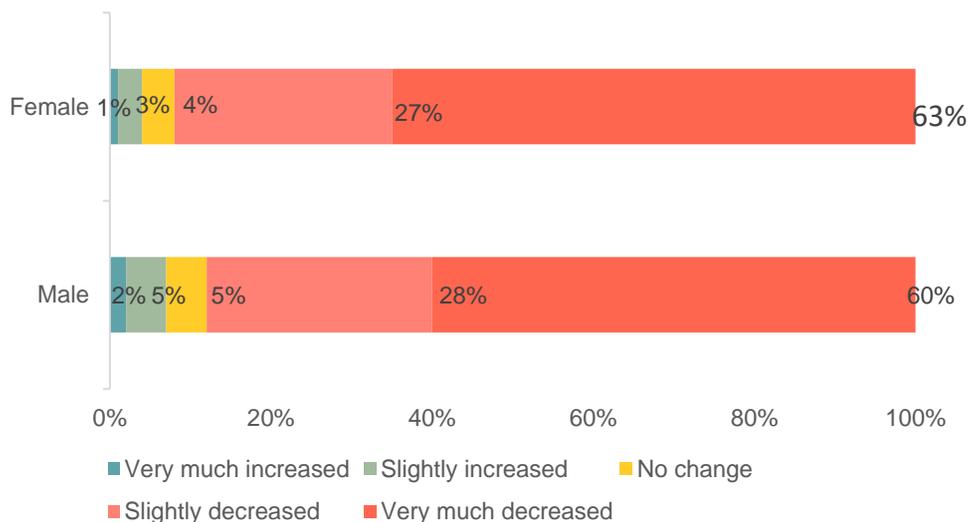
## Change in Income, by Rounds

Q: Has your income changed since the lockdown in March 2020?  
(n = 11,156)

Average across 18 Rounds	
Very much decreased	62%
Slightly decreased	27%
No change	5%
Slightly increased	4%
Very much increased	1%



## Impact on income by gender



> Women seems to be more affected with 63% saying their income “very much decreased”

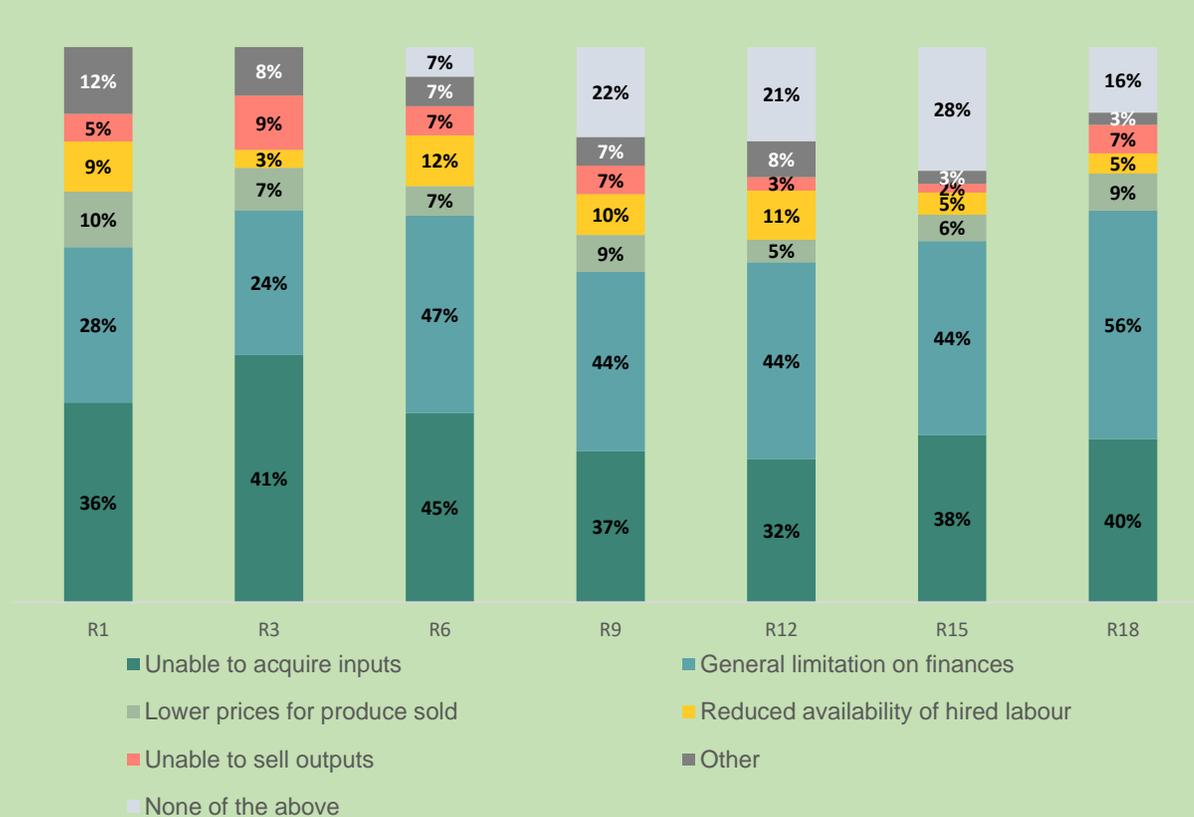


# Impact on Farming

- Roughly 1 in 3 respondents are primarily farmers. Among this group, the top impacts were lack of financing and lack of access to inputs.

## Current Impacts on Farming, by Rounds

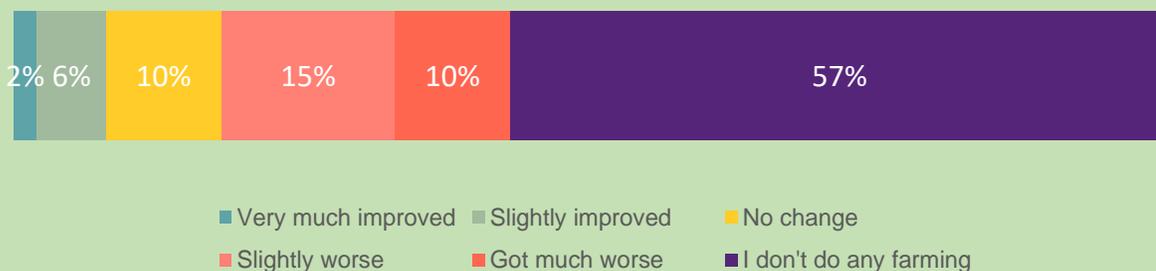
Q: Has there been any impact from COVID-19 on your farming or animals in the last 30 days? (asked to 43% of respondents with farming practices)  
(n = 3,337)

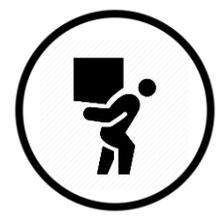


- 25% reported that their farming practice got worse, while 10% reported no change

## Change in farming practice

Q: Has your farming practice changed since March 2020?  
(n = 9,934)



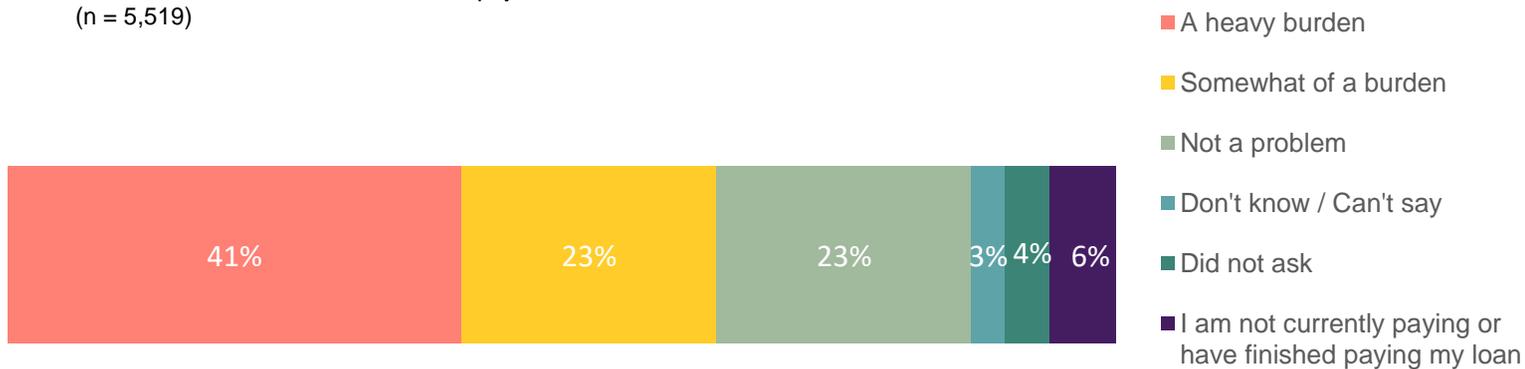


## Impact on Loan Repayment

- Overall, 41% report that GEEP repayments are a "heavy burden" at the time of interview, with 23% saying they're "somewhat of a burden." There is a *strong correlation between burden and gender, where women are much more likely to say the loan is a burden compared to men. Also, 41% of customers cite their repayment as a "heavy burden" in round 18, compared to a high of 60% in round 4.*

### Burden of GEEP repayment

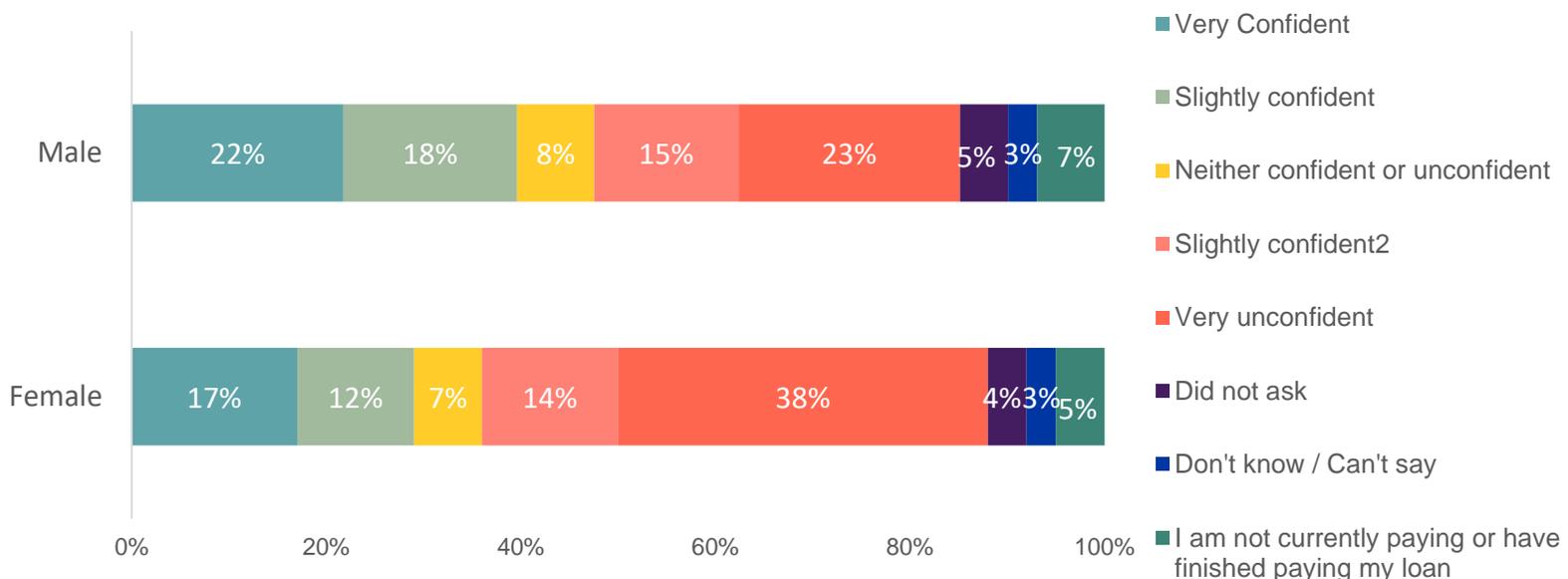
Q: How burdensome are the GEEP repayments at the moment?  
(n = 5,519)



- Overall, 34% say they're confident in making next month's payment, while 45% report low levels of confidence. *Men appear more confident than women. Those reporting no-confidence increased to 37% in round 18 after a decrease to 23% in round 17*

### Confidence in repayment ability by gender

Q: How confident would you say you are in your ability to make repayments as you normally would for the next month?  
(n = 5,531)



## RESPONDENT VOICES

“My business as a whole is affected by the pandemic, I cannot meet up with my income because every thing is costly and no customers..... I don't make profit the way I use to make before COVID 19.....so the business is not moving well.”



“Nothing is moving in my business, my business has been so bad since the beginning of this Corona, customers are not patronising like they used to.”

“Things are getting worst everyday. We are not getting money to eat. Everything is too costly. Market have not been moving like it used to be. No sales, no money. We are just trying to survive with the way things are in the country.”



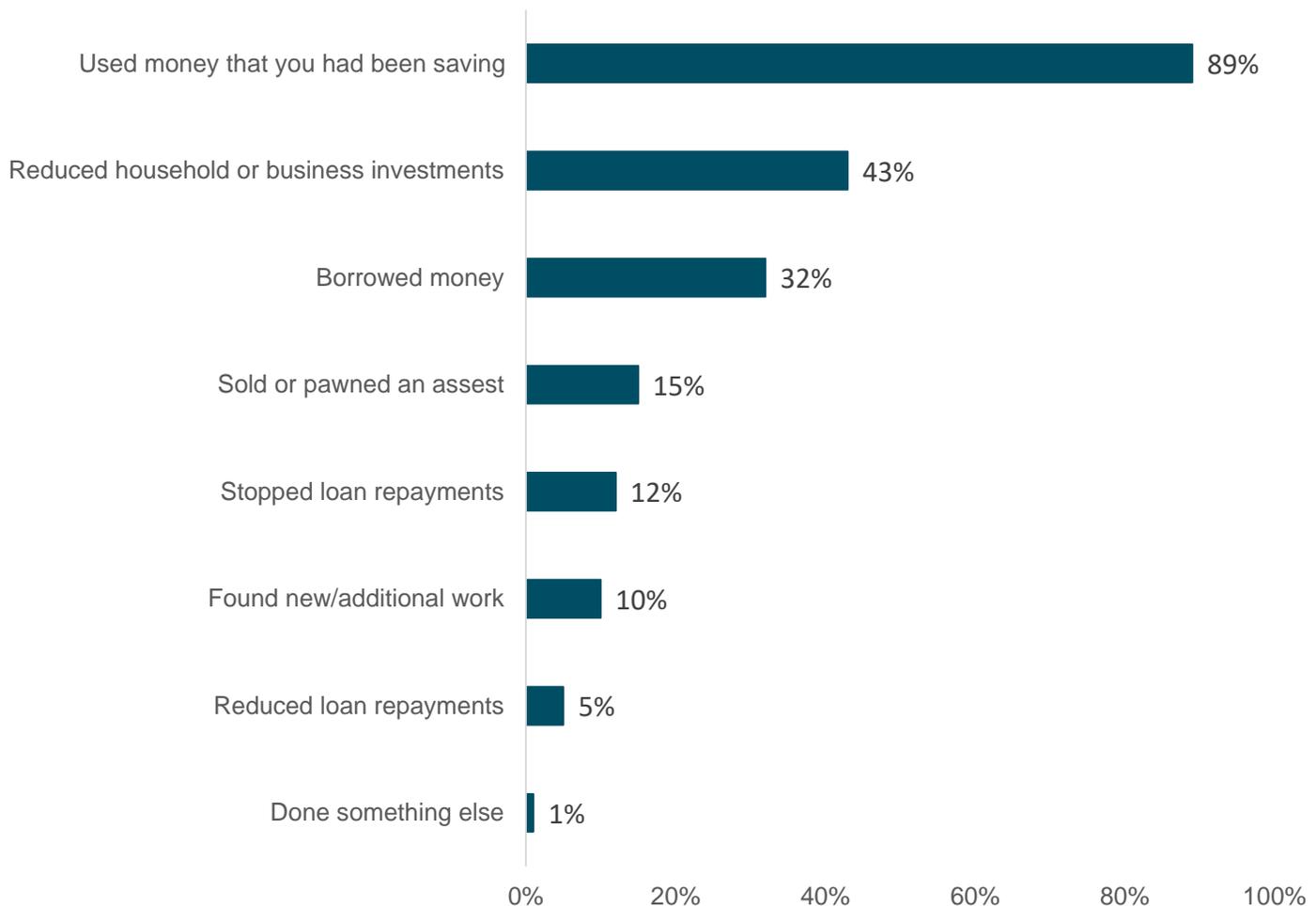
# How Are GEEP Clients Responding to the Pandemic?

## Use of Coping Mechanism

- > *Using savings and reducing investments* are the most common coping mechanisms reported by 89% and 43% of customers respectively. 32% have *borrowed money* as a way to cope with COVID-19.

### Coping Mechanism

**Q:** As a way to cope with the COVID-19 situation, have you had to do any of the following? Have you:  
(n = 10,762)



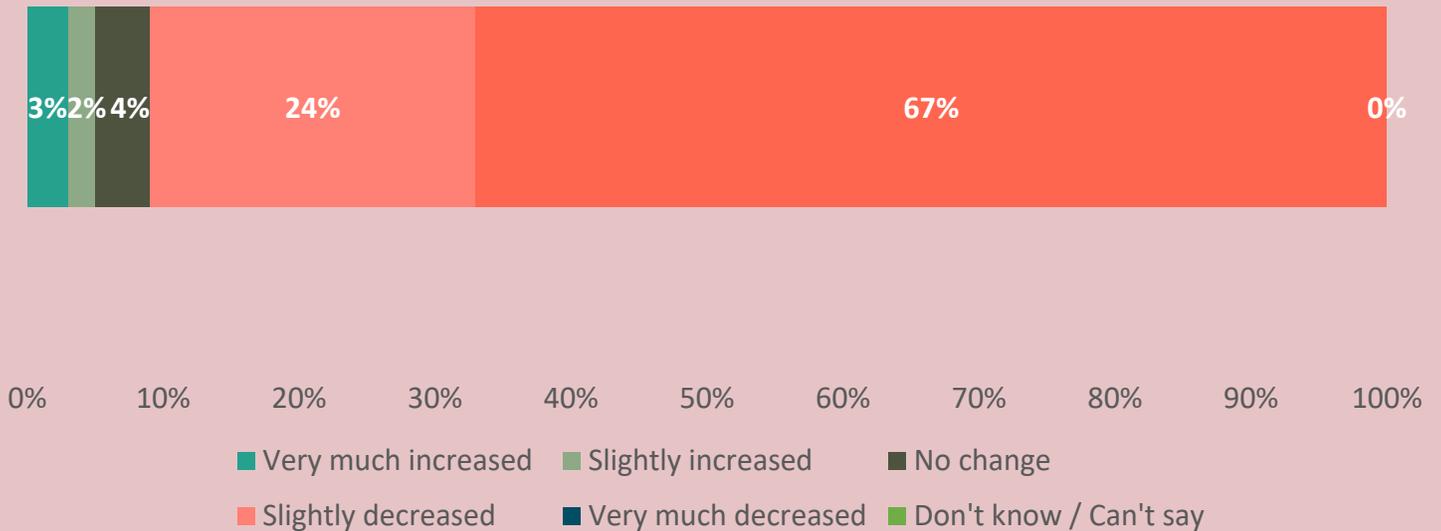


# Impact on Savings

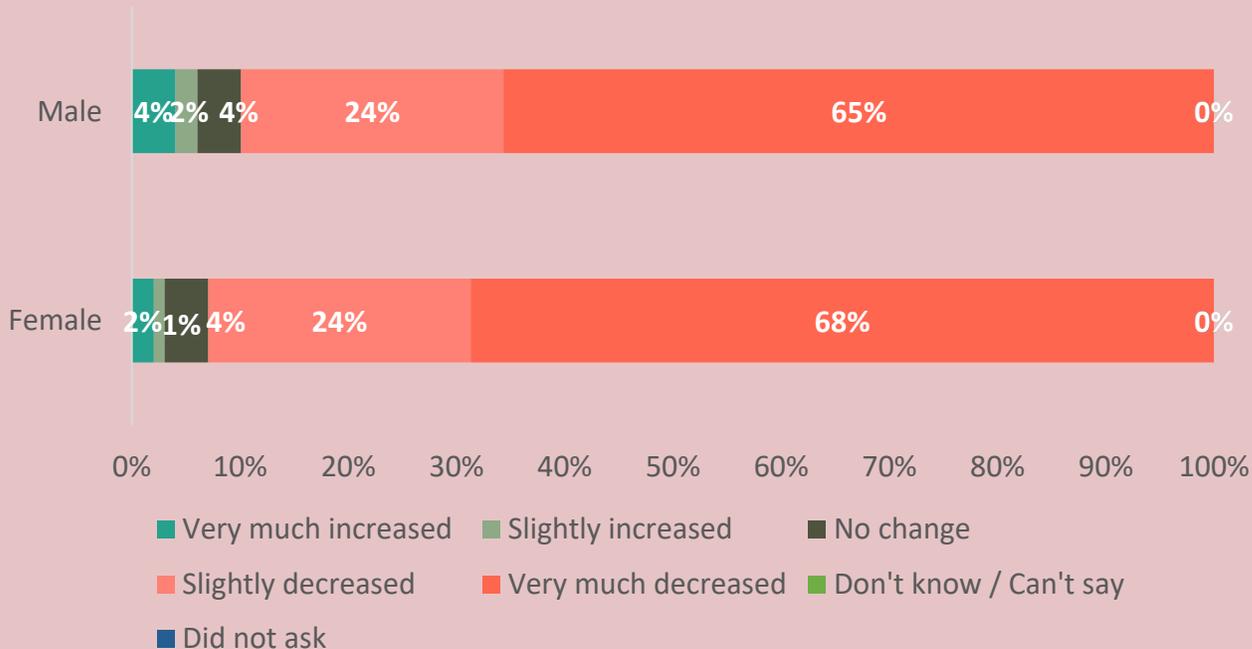
- 91% report a *decline in savings*, those who reported "very much decreased" savings *decreased from a high of 75% in round 10 to 67% in round 18*. Also 64% of MarketMoni customers vs. 66% of TraderMoni customers said their savings "very much decreased".

## Impact on savings

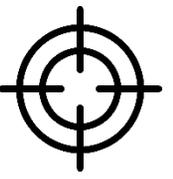
Q: Compared to before the start of COVID-19 in March 2020, has your savings level changed?  
(n = 11,156)



## Savings by Gender



**68%** female reported "Very much decreased" savings.

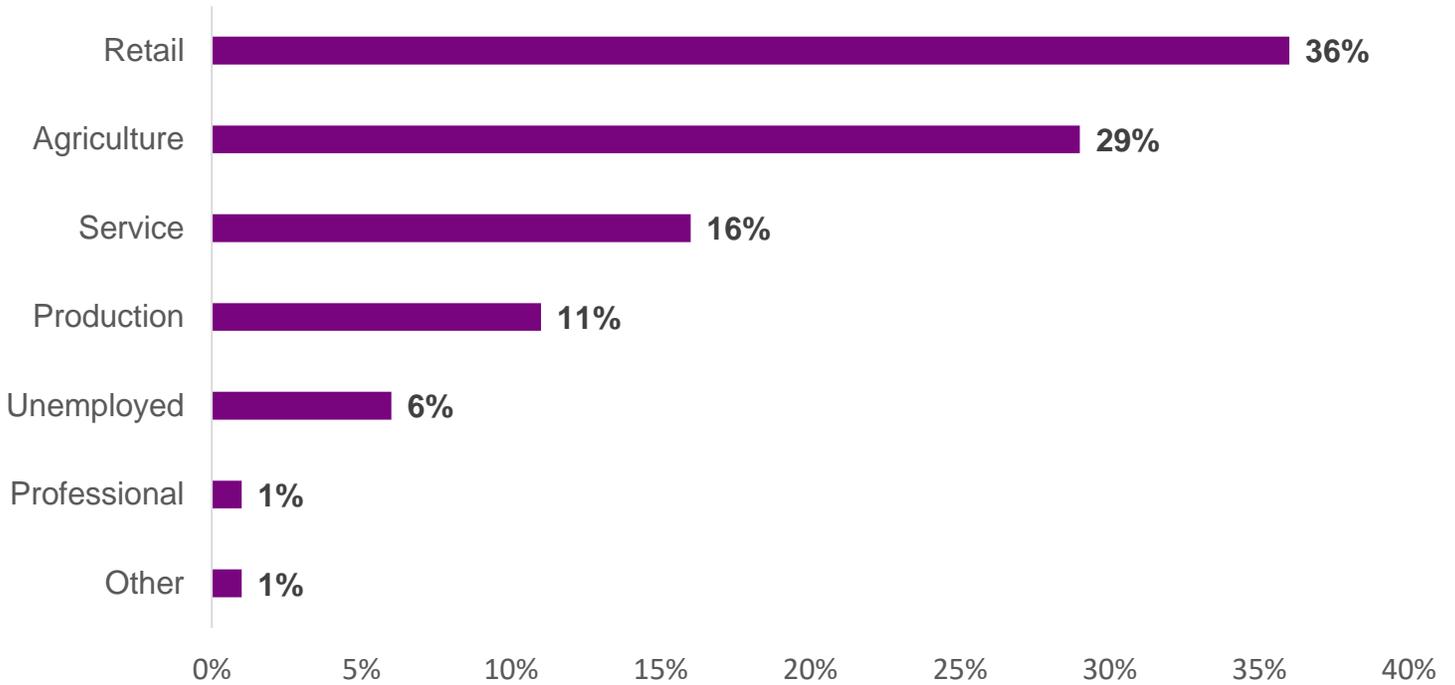


# Who Is GEEP Reaching?

## Employment Sector

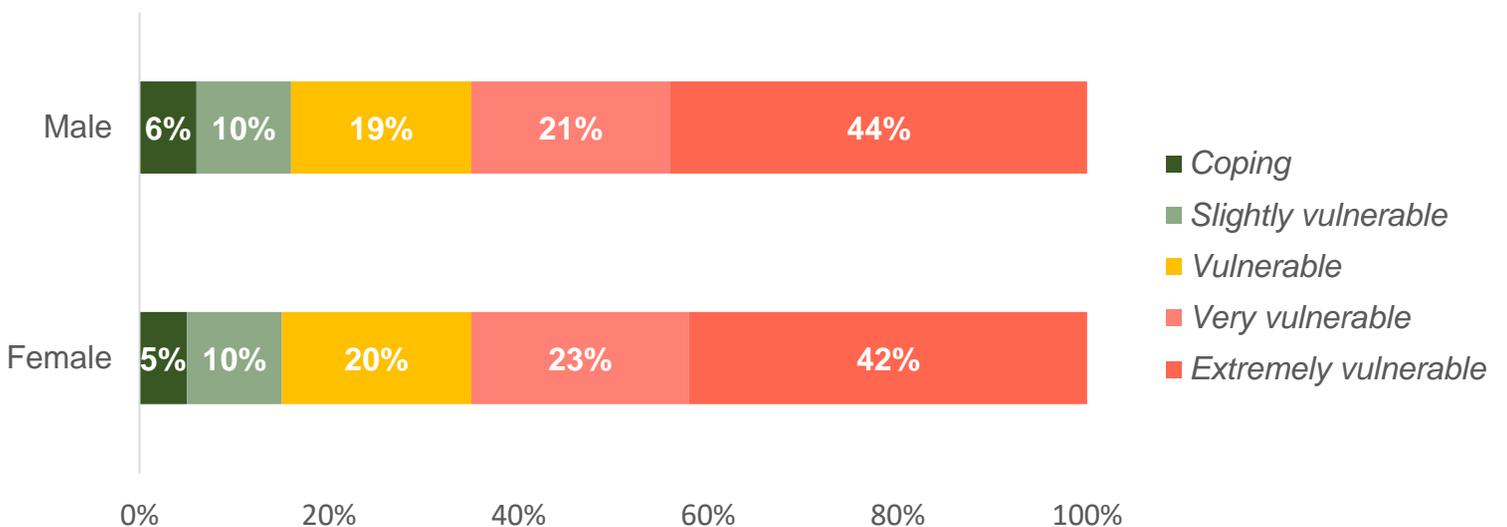
➤ Two top sectors: *Retail* (36%) and *Agriculture* (29%)

Q: As a way to cope with the COVID-19 situation, have you had to do any of the following? Have you:  
(n = 10,762)



## Vulnerability Level

➤ GEEP is serving a vulnerable population. Overall, 65% of respondents are vulnerable, of which **43%** "extremely vulnerable."



# More Insights From GEEP Customers



- Here we are looking at more insights from 11,000+ GEEP beneficiaries that participated in the survey

COVID – 19  
Concern

**72%**

of GEEP clients say they are *"very concerned"* about COVID-19

Impact on Food  
Consumption

**63%**

reported a decrease in food consumption since the beginning of the pandemic

Hunger Frequency

**83%**

go hungry more often than they used to before COVID - 19

Request For  
Support from  
GEEP

**34%**

requested a business loan, while 53% requested for a cash handout for personal or business use

Borrowed  
Money

**32%**

borrowed money to cope with the pandemic

Ability To Pay  
Salaries

**78%**

of respondents were able to pay salaries in round 18

Unemployment

**6%**

of GEEP beneficiaries said they were unemployed





# Implications & Key Questions

Implications	Key Questions
<p>Despite easing following the holiday period, the overall financial situation of households has been dire. In the last round of data collection, over 90% reported a “worse” situation since the pandemic’s start</p>	<p>What can be done to improve financial situations?</p>
<p>With some variability across rounds, most active GEEP clients found repayments to be a burden to some extent, with roughly a quarter saying it was not a problem</p>	<p>How can GEEP restructure repayment to make it easier for beneficiaries?</p>
<p>Since the commencement of data collection, clients have relied heavily on savings, and other short-term relief such as borrowing and reducing their investments to weather the pandemic.</p>	<p>How can we encourage a better savings culture in our beneficiaries?</p>
<p>Given the various issues farmers faced in prior rounds, the retail and agriculture sectors were particularly hit by demand and supply issues.</p>	<p>What can we do to improve the supply chain and alleviate the demand-supply imbalance?</p>
<p>Notwithstanding a small improvement in the unemployment rate, the inability to earn remains a source of concern. Overall, the outlook is bleak, with a larger proportion of women remaining unemployed.</p>	<p>How can we reduce the high unemployment rate especially amongst GEEP female beneficiaries?</p>