



IMPACT OF THE COVID-19 PANDEMIC

IMPLICATIONS AND WAY FORWARD

ASIA AND THE PACIFIC

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ABBREVIATIONS AND ACRONYMS

ACRF	ASEAN Comprehensive Recovery Framework
ADB	Asian Development Bank
APFP	Asia Pacific Farmers Programme
APR	Asia and the Pacific region
ASEAN	Association of Southeast Asian Nations
FAO	Food and Agriculture Organization of the United Nations
FO	farmers' organization
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
NIA	National Implementing Agency
NFO	national federated farmers' organization
OECD	Organisation for Economic Co-operation and Development
RPSF	Rural Poor Stimulus Facility
UNICEF	United Nations Children's Fund
WFP	World Food Programme

EXECUTIVE SUMMARY

Since the declaration of the COVID-19 pandemic on 11 March 2020, governments and citizens around the globe have been struggling to reduce, mitigate and avert the health and economic impacts of the disease and ensuing lockdowns. In the Asia and the Pacific region (APR), agriculture accounts for a large share of gross domestic product (GDP) and provides for the livelihoods of more than 266 million workers. Restrictions on mobility, the closure of markets and trade, and disruptions of supply chains have decreased family farmers' incomes and amplified existing vulnerabilities across food systems in the region – thus making healthy food less accessible and less affordable. Ignoring the emergency and recovery needs of those employed in the agricultural sector could lead to substantial food insecurity and increase rates of hunger, malnutrition and poverty.

Various assessments of the impact of COVID-19 on the different agrifood systems in the region shed light on common challenges and emerging opportunities. These challenges include difficulties in securing inputs and accessing credit, labour shortages, urban-rural migration, disruptions in transportation services for food supply, as well as disruption in regional and global trade. Beyond the short-term production problems, there exist long-term structural constraints affecting the agricultural sector, including: (i) declining labour supply; (ii) a deteriorating resource base; (iii) poor logistics infrastructure; (iv) high cost of nutritious food; and (v) dependence on concentrated distribution points. These underlying problems will have to be addressed through COVID-19 recovery policies, to help build the resilience of the sector to future shocks.

More importantly, disruptions in agriculture supply chains appear to have a greater impact on vulnerable households, including smallholder farmers, women, youth and informal workers, who are more likely than formal workers to lose their jobs. The implications of lower economic activity and increasing unemployment among these groups are intensifying inequality and social unrest. Access to decent work and digital technology also remains a challenge in the region.

While governments have adopted different approaches to tackle the pandemic, the majority of the solutions focused on social protection initiatives (i.e. cash and asset transfers, including food) and fiscal and monetary measures, to minimize the short-term economic impacts and inject liquidity into the economy. Although most of the interventions proved helpful, issues related to programmes' targeting, implementation and sustainability remain. Red tape affected governments' capacity to release aid funds quickly, while the overall lack of coordination brought about inefficiency, targeting issues and delays. Further, the surge of public spending generates concerns regarding the sustainability of social protection schemes and governments' capacity to cover health-related interventions. Thus, governments should rethink spending and fiscal policy to adjust for deficits in health budgets while committing to better targeting interventions and increasing the efficient allocation of public resources. This calls for government interventions that restore social safety nets and redistributive measures to better protect the most vulnerable. In addition, investments in digital technologies and infrastructure, digital literacy and affordable internet access could prove instrumental in ensuring the agility and transformation of agrifood systems and food value chains, and in helping to sustain livelihoods and increase job opportunities.

Meanwhile, IFAD has been quick to respond to the impacts of the COVID-19 pandemic in the region through a range of measures and responses. It provided immediate recovery support by: (i) establishing a rapid-response Rural Poor Stimulus Facility (RPSF) to address the

immediate challenges faced by small-scale farmers; (ii) repurposing ongoing investments; and (iii) providing policy and knowledge support. Through the RPSF, APR countries have thus far received US\$13.9 million to assist farmers by improving their access to inputs, markets, funds and digital services. Further, through the partial repurposing of ongoing project initiatives and related financing, about US\$31 million of financing over 41 individual projects in 15 countries was diverted to sustain poor people in rural areas against the threats posed by the pandemic. The creation of the RPSF has also facilitated and strengthened policy dialogue and knowledge support. In APR, 12 initiatives spanning 16 countries are currently ongoing. Since farmers' organizations (FOs) are an effective channel for reaching farmers, IFAD has designed a specific initiative to channel the recovery efforts through them. The "Assuring Resiliency of Family Farmers amidst COVID-19" (ARISE-Farmers) project within the Asia-Pacific Farmers Programme (APFP) allows farmers and FO members to receive technical and financial support and to be actively engaged in the policy dialogue with authorities.

Finally, beyond the existing challenges, the pandemic is providing a unique opportunity to rebuild better: to rethink economic development and the role of the public and private sectors on the way forward. In the short term the focus is on tackling and limiting damage, while long-term solutions must encompass tools capable of sustaining social protection outcomes while enhancing food security and innovating farming practices through digital solutions. The adoption of digital technologies would trigger reform of the agricultural sector and accelerate economic recovery. A digital transformation would also help connect farmers to markets and attract a young workforce. Nevertheless, recovery efforts must be aligned with commitments to reduce greenhouse gas emissions and temperature increases. Thus, the priority should be to adopt nature-based solutions that protect the environment, sustain the provision of ecosystem services and enhance resilience to climate change. Financial services must also be rethought to favour an inclusive and climate-responsive recovery. In addressing the above issues, there is scope for greater international cooperation across development agencies, which are currently demonstrating heterogeneous and variable approaches to food system governance and rural development.



INTRODUCTION

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The ongoing COVID-19 pandemic is affecting all economies around the world significantly and is expected to leave lasting scars in several regions. Yet the economic consequences and impacts on livelihoods are not distributed equally, and the human suffering is more acute in low-income countries, where limited technical and fiscal capacity hinder efforts to overcome the damage that the health and economic shocks have caused.

Across the Asia and the Pacific region (APR), the severity of the shock has not been uniform. The intensity of the disruptions caused by the pandemic – and the spillover effects from the global recession – have influenced the differential impact across economies in the region and amplified domestic challenges (World Bank, 2021). The worst-affected economies are those that introduced extended lockdowns and experienced large domestic outbreaks (i.e. the Philippines) or domestic policy uncertainty (i.e. Malaysia, Thailand, Timor-Leste), and those relying extensively on tourism and travel (i.e. Fiji, Thailand, Palau, Vanuatu) (ibid.). Pacific islands were hit particularly hard due to the halt and subsequent economic damage to the tourism industry. Currently, the tourism sector in the Pacific accounts for a large share of gross domestic product (GDP) (e.g. 30 per cent in Samoa, 39 per cent in Fiji and 45 per cent in Vanuatu) and provides employment for a significant proportion of the population, thus contributing to sustaining the livelihoods of rural households who provide produce to restaurants and resorts (Robins et al., 2020).

According to the Organisation for Economic Co-operation and Development (OECD, 2021), the economies of the Association of Southeast Asian Nations (ASEAN) saw an average decline in GDP of 3.4 per cent in 2020. Other countries in the region have shown different growth patterns. For instance, in China and Viet Nam – which restricted new infections to a low rate – GDP is estimated to have expanded by 1.8 per cent and 2.6 per cent, respectively – benefiting from an early end to the lockdown phase at the beginning of 2020 and from increasing foreign demand and targeted policy support. In contrast, India (-9.9 per cent) and the Philippines (-9.0 per cent) have registered a sharp fall in real GDP. Beyond its impact on GDP, the pandemic has contributed to a sharp rise in unemployment and poverty across the region, affecting the lives and the livelihoods of millions of people, hence threatening the progress made thus far towards eliminating poverty by 2030.

The economic impact of COVID-19 on the region has intersected with existing social vulnerabilities and environmental exposures. Pre-existing environmental issues of freshwater availability, climate change, extreme climate events and the loss of land – now coupled with the impacts of COVID-19 – are putting increasing pressure on agricultural production, food systems and value chains in the region (Robins et al., 2020; World Bank, 2021).

While global economic growth was already slowing down before the onset of the pandemic, the crisis has exacerbated some of the causes of the downturn, such as: underinvestment and slow productivity growth; high levels of public and private debt; rising inequality; and emerging obstacles to trade and the functioning of the multilateral trading system. Thus, the strength of the recovery will rely crucially on public finance and the capacity of governments to invest in sustainable, productivity-enhancing infrastructure and skills, and to reverse the long-term trend towards widening inequality (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020, p. 14).

This brings in several challenges that must be faced cooperatively worldwide. First, the health hazard posed by the virus should be suppressed as rapidly and decisively as possible. Second, governments must safeguard the livelihoods and needs of vulnerable groups such as poor people, minorities and elderly persons. Third, governments and International Financial Institutions must join forces and collaborate to prevent the public health emergency turning into a harsh financial crisis affecting public finances, businesses and households. And, finally, the ongoing pandemic offers an opportunity to build the world back better: with resilient health systems, global institutions and economies that are being transformed on the basis of sustainable and inclusive development (Sachs et al., 2020, p. 454). All this indicates that a renewed commitment to multilateralism and the Sustainable Development Goals is crucial if we are to build capacity in the developing world and provide the global public goods to overcome shared challenges such as climate change, food security and health risks, including possible future epidemics (World Bank, 2021).

TABLE 1: Real GDP growth in South-East Asia, China and India 2019-2021 (per cent)

	2019	2020	2021
ASEAN-5			
Indonesia	5.0	-2.4	4.0
Malaysia	4.3	-5.2	7.0
Philippines	6.0	-9.0	5.9
Thailand	2.4	-6.4	4.5
Viet Nam	7.0	2.6	7.0
Brunei Darussalam and Singapore			
Brunei Darussalam	3.9	1.8	3.1
Singapore	0.7	-5.5	5.0
CLM countries			
Cambodia	7.1	-2.9	5.4
Lao People's Democratic Republic	6.1	0.6	5.0
Myanmar	6.8	1.7	5.0
China and India			
China	6.1	1.8	8.0
India	4.2	-9.9	7.9
Average of ASEAN-10*	4.7	-3.4	5.1
Average of emerging Asia	5.4	-1.7	7.4

Source: Data from the OECD Development Centre, as at 5 January 2021 (OECD, 2021).

Note: * Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.



THE IMPACT OF THE COVID-19 CRISIS ON AGRICULTURE FOOD SYSTEMS IN ASIA AND THE PACIFIC

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Overview

The COVID-19 pandemic has affected all countries across APR in diverse ways and to different extents, exposing and amplifying existing vulnerabilities in the food systems and value chains in the region. Agriculture is the largest economic sector in the region, providing livelihoods to more than 266 million workers, accounting for 37 per cent of employment and contributing up to 33 per cent of GDP in some countries¹ (Kim et al., 2020). Therefore, examining the impact of the pandemic on this sector is crucial for securing the livelihoods of rural people in the region and preventing a food crisis in countries that are already experiencing food and nutrition security challenges. Disruptions from the COVID-19 response affect entire food systems from production, transportation and marketing, to distribution and consumption (ICIMOD, 2020). Assessments of the impact of COVID-19 on the different agrifood systems in the region have shed light on common challenges and emerging opportunities. These challenges include difficulties in securing inputs and accessing credit, shortages of labour, disruptions in transportation services for food and supply deliveries and sales channels, as well as interruptions in regional and global trade.

1. The average contribution of the agricultural sector to GDP is 13 per cent – estimated based on the figures provided in the Asian Development Bank’s “Asian Development Outlook 2020”, released in April 2020. This dataset shows the growth rates of value added in agriculture at constant prices and its corresponding share in 2017 at current prices. The agriculture sector comprises agricultural crops, livestock, poultry, fisheries and forestry.

COVID-19 and agricultural value chains: Evidence of supply-side impacts across APR

The COVID-19 pandemic has had a significant impact on the agrifood sector across economies in APR, in terms of both food supply and demand (ILO, 2020a). The measures adopted by governments across the region to contain the pandemic may have put a strain on the capacity of the agriculture sector to continue meeting demand and providing incomes and livelihoods for the millions of agricultural workers and producers in the region. The imposition of movement restrictions, curfews and social distancing rules has impacted long and transitional supply chains – including small and medium-sized enterprises in the food sector – prevailing in Asia (Mogues, 2020). The high reliance of those businesses on workers for processing, transport and storage activities has left them struggling to cope with the losses. Labour shortages have had more of an impact on the harvesting of high-value commodities, such as fruits and vegetables, which are more labour-intensive than cereals (ibid.). As a result, what has been observed in countries such as **India** is an urban-rural migration phenomenon triggered by the loss of job opportunities in the informal urban sector. This has left many people with no other option than returning to their rural homes.

Moreover, access to farm inputs, such as seeds, fertilizers and crop protection products, became challenging. Disruptions to production and distribution, combined with panic buying and adverse weather conditions, led to a significant increase in the price of staple foods such as rice and wheat in some of the developing economies in the region (Kim et al., 2020). For instance, in the **Lao People's Democratic Republic** and **Thailand** retail prices of rice increased on average by 20 per cent in January to April 2020 compared to the same period in 2019. Prices in **India**, **Pakistan** and **Sri Lanka** also rose by between 10 per cent and 20 per cent (ibid.).

Severe outbreaks of the virus and nationwide lockdowns in South Asia, particularly in **Bangladesh and India**, contributed to reducing agricultural output (World Bank, 2021). In **India**, the COVID-19 pandemic has had a negative impact on agricultural production, sales, prices and farmers' income, thereby disrupting food systems and livelihoods (Kaicker et al., 2020). In addition, a recent report from Schmidhuber et al. (2020) also indicated a sizeable reduction in Indian exports of fruits and vegetables.

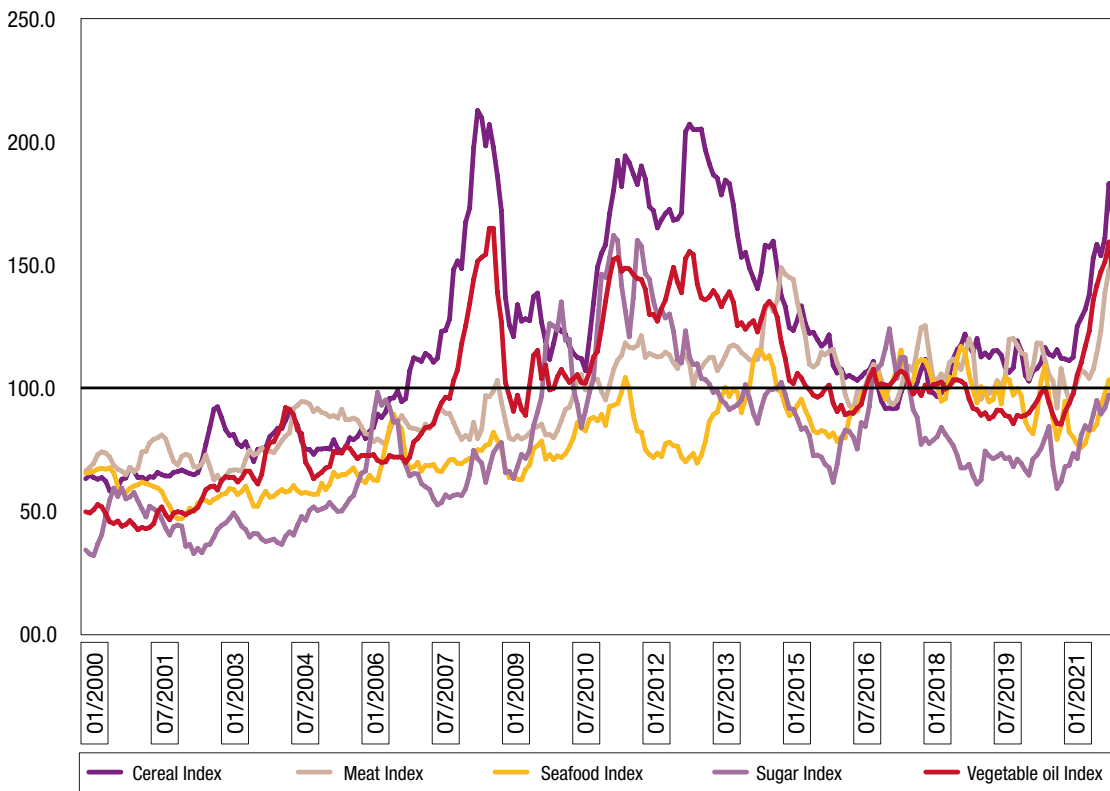
Nevertheless, the analysis carried out by Varshney et al. (2021) on the impact of COVID-19 on market prices and quantities traded suggests that although short-term disruptions existed, agricultural markets were relatively resilient. An analysis of agriculture prices from March to May 2020 by the Tata-Cornell Institute (2020) found that cereal prices remained stable relative to the year before and across weeks following the lockdown. India's cereal-centric policies, which resulted in huge stockpiles of grains across the country, could have partly accounted for that.

In contrast, the retail prices of non-cereal foods (e.g. pulses, vegetables and eggs) exhibited a consistent increase across the cities included in the study, and did not stabilize after more than a month following the lockdown. This increase in price can be linked to an increase in the demand for pulses due to panic buying and disruptions to the supply chain. As Kaicker et al. (2020) highlight, the effect of the pandemic on agriculture prices in India was relatively short-lived; it changed over time, and its effects varied by commodity and by region. Overall, the agriculture sector in India did not suffer as much as the rest of the economy from the impacts of COVID-19, and it is even projected to grow between 2020 and 2021, while the rest of the economy is expected to shrink (Ministry of Statistics and Programme Implementation, 2021).

In **China**, despite some food logistics challenges caused by restrictions on movement and transportation, the disruptions have not been severe (Swinnen & McDermott, 2020). The restrictions, however, did affect the poultry industry more by: (i) creating challenges in the distribution of inputs such as feed, which led to some firms experiencing shortages;

(ii) increasing difficulties in product delivery; and (iii) creating labour shortages (ibid.). While the economic impact on the agriculture sector and supply chains varies by country, agricultural production and trade in the region as a whole and internationally has proven resilient (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020). The food price index from the International Monetary Fund, which includes prices for cereals, vegetable, oils, meat, seafood and vegetables, has held steady throughout July 2020 and is only recently experiencing a surge² (see figure 1).

FIGURE 1: Food price index 2000-2021



Source: International Monetary Fund primary commodity price system – data retrieved in September 2021.

2. The recent surge in commodity prices is due to multiple factors, including increasing energy costs, disruption to the supply chain – from transportation to production – and increasing inflationary pressure on the global economy, among others.

Across the **Pacific region**, the implications of COVID-19 for the agriculture sector and food systems are diverse. Food system value chains range from: (i) fragmented and complicated, such as those between the highlands of Papua New Guinea and the urban markets; to (ii) local value chains among smallholders and communities relying on trading perishable foods; and (iii) short low-value chains, prone to production and consumption shocks, as in the Philippines. Despite these differences, the Australian Centre for International Agricultural Research found common impacts among all countries under review³ (Robins et al., 2020). Key issues relate to declining food access and demand, disrupted agricultural supply chains, growing food and employment insecurity and reduced timely access to agricultural supplies. More specifically, in the **Philippines** the disruptions in food supply chains were due to farmers lacking access to inputs and credit, and workers being affected by the lockdown and quarantine measures (FAO, 2021b).

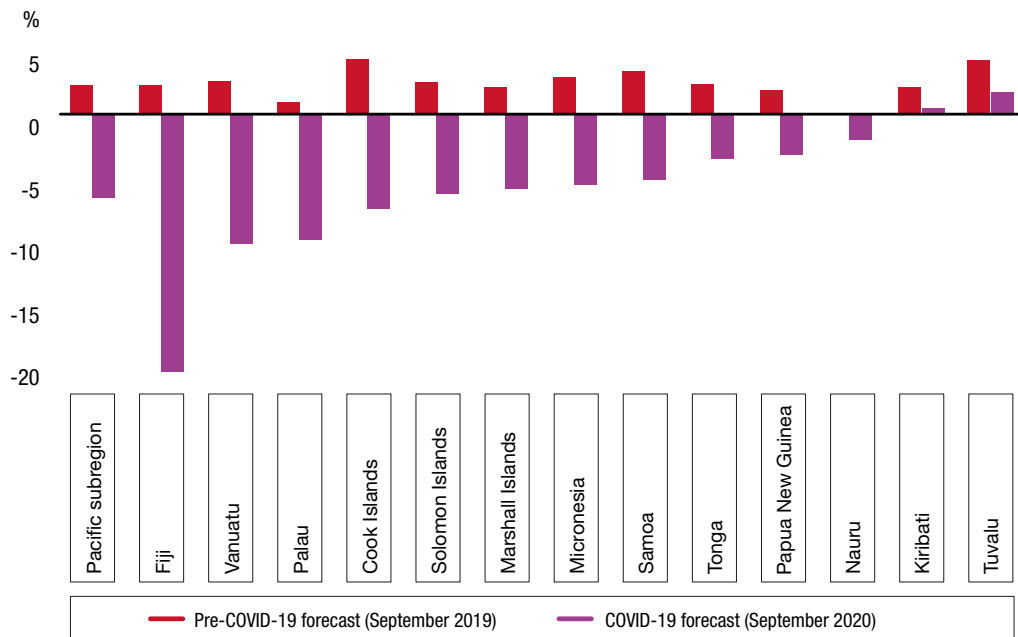
Aside from the short-term production problems in the agriculture sector, the rapid assessment conducted by the Food and Agriculture Organization of the United Nations (FAO) (ibid.) revealed long-term structural constraints affecting the sector, including: (i) declining labour supply; (ii) a deteriorating resource base; (iii) poor logistics infrastructure; (iv) high cost of nutritious food; and (v) dependence on concentrated distribution points. These underlying problems in the sector will have to be addressed through COVID-19 recovery policies, to help build the resilience of the sector to future shocks.

Meanwhile, stringent government responses to the threat of COVID-19 accelerated the economic impact even in those countries that did not experience a major outbreak of the virus during the first wave – for instance, **Myanmar** (Boughton et al., 2021). Similarly, Pacific islands have experienced a limited spread of the virus, thanks to governments' rapid response to close borders, limit domestic travel and impose curfews and physical distancing measures (Robins et al., 2020). However, these measures inevitably led to a drop in tourism, which in turn negatively impacted farmers' incomes. Hence, these countermeasures contributed to disrupt service provision on small and medium-sized islands, reduced the demand for exports from large islands and impacted smallholder farmers in terms of input availability and access (ibid.). Moreover, in some countries in the Pacific, such as the **Solomon Islands**, the influx of urban migrants returning to the countryside increased population pressures on rural settings and on agriculture and fisheries stocks to meet the increased demand (ibid.).

In **Papua New Guinea**, the pandemic compounded the stress in food systems that was already apparent due to African swine fever and pests (i.e. fall armyworm), thereby disrupting the supply of imported foods (e.g. rice) and of domestically produced foods (mainly sugar, eggs, poultry, pork-based products and canned tuna) (Kim et al., 2020). These impacts may undermine food supply and nutrition for rural households, which comprise 80 per cent of the population (ibid.). While rural food systems were able to cope with the increasing demand in the short term, the circumstances cause concern for the long-term stability of food systems – particularly in the event of continuous lockdowns and persistent financial stress, which might lead to a lengthy journey towards recovery for households and agrifood businesses. At macroeconomic level, the slowdown in major economic activity and transactions is expected to lead to a substantial reduction in real GDP growth, as indicated earlier in table 1 and in figure 2 below.

3. Including Indonesia, Papua New Guinea, the Philippines, Timor-Leste and Pacific island countries.

FIGURE 2: Impact of COVID-19 on full-year 2020 GDP growth forecast in the Pacific



Source: Pacific Economic Monitor, December 2020. Asian Development Bank.



IMPLICATIONS FOR SMALLHOLDER AGRICULTURE AND FOOD AND NUTRITION SECURITY IN THE REGION

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Muhammad S. Arif,
Muhammed Zain

Overview

The consequences of COVID-19 for food systems are different for different communities that depend on agriculture across the region. The impacts are disproportionately borne by people from specific social and economic backgrounds, particularly women and young girls. In places that are already facing severe pressures due to climate change, COVID-19 poses a looming threat that could push the most vulnerable into chronic poverty, reversing the progress made thus far. Worst is the projected impact on the food and nutrition security of poor people, who spend a larger share of their income on food (Swinen & McDermott, 2020).

The disruptions to agriculture supply chains appear to have a greater impact on vulnerable households, including smallholder farmers and informal workers, who are more likely than formal workers to lose their jobs (Kim et al., 2020). Further, both women and youth face a higher likelihood of job losses. Besides, women have a higher burden of care than men, and account for the majority of informal workers (World Bank, 2021).

Even before the onset of the COVID-19 pandemic, youth in APR faced numerous challenges in accessing decent work – with unemployment rates in 2019 of 13.8 per cent for youth and 3 per cent for adults (ILO and ADB, 2020). The implications of lower economic activity and increasing unemployment among these groups are intensifying inequality and social unrest in the short term. This requires government intervention to restore social safety nets and redistributive measures aimed at providing more effective protection for the most vulnerable.

Disproportionate impact on the rural poor and vulnerable populations in the region

The pandemic has caused a substantial setback to the results achieved in terms of poverty reduction during the 21st century. The impacts of the crisis on the rural poor and vulnerable have been particularly worrisome, especially in countries such as **Bangladesh** that saw the number of “new poor” rising during the pandemic. According to a study by the Brac Institute of Governance and Development (2021), government-imposed lockdowns amplified poverty among vulnerable people in Bangladesh. About 23 per cent of those who were living close to the poverty line are now classified as “new poor”. While the majority of those who had lost their livelihoods at the height of the pandemic retained or returned to their pre-COVID occupation, income levels remained significantly lower than the pre-COVID scenario (ibid.).

A similar pattern was observed in **Myanmar**, where results from the COVID-19 Rural-Urban Food Security Survey showed how the pandemic reduced incomes by about one third during the first wave of the pandemic. Despite an initial recovery, incomes fell further during the second wave and have not yet recovered to pre-COVID levels (Boughton et al., 2021).

In **Viet Nam**, the early government response – including strict social distancing, tracing and quarantine measures – helped reduce the scale of the damage to the economy. However, it did not prevent vulnerable groups (i.e. migrants, informal workers, ethnic minority groups, women and poor people) from being disproportionately affected by the pandemic (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020). The resulting stagnation in the agricultural product market affected several types of rural households, especially those producing less essential goods such as flowers and seafood. Other households, whose members were engaged in non-farming activities or had migrated to the city for work, were also affected by the restrictions on movement (NARDT, 2020). Currently, more than two thirds of the population of Viet Nam live in rural areas, and several of their family members migrate and work part-time jobs in the city, hence their livelihoods are mostly unstable. A survey by the Institute of Policy and Strategy for Agriculture and Rural Development on the impacts of COVID-19 – covering 1,300 rural households across 12 provinces – showed that: (i) 35 per cent of agricultural households reported an impact on their farming activities; (ii) 83 per cent of households with members working in the informal sector reported severe impacts on their jobs; and (iii) 75 per cent of households whose members worked in enterprises reported adverse impacts through reduced income, job loss or suspension (ibid.). The impact of falling income on rural households’ expenditure is particularly significant. The majority of farmer and rural households have few or no savings, and they were spending most of their salaries to cover basic needs even prior to the COVID-19 pandemic (ibid.).

Workers in the informal sector in these countries are at particular risk. Due to their limited access to social protection and low wages, they are required to perform multiple jobs to sustain incomes (Kim et al., 2020). The income of informal workers in the region – a high proportion of whom are women – is estimated to have fallen by 22 per cent in the first months of the pandemic, causing relative poverty rates for this group to rise from 22 per cent to 36 per cent (ILO, 2020b).

As indicated by Rozelle et al. (2020), a recent study conducted by the Rural Education Action Programme at Stanford University showed that **China**’s rural population – the majority of whom are migrant workers in urban and industrial centres – faced significant economic and social impacts due to the restrictions preventing them from returning to work. Job losses affected the livelihoods of rural communities, and the loss of income forced them to reduce spending on food, education and (non-COVID-related) health care (ibid.). As also indicated by Liu et al. (2021), where the capacity of rural farm households for coping with risk is low – as in poverty-stricken areas of China – the impact of COVID-19 is greater. The vulnerability of rural

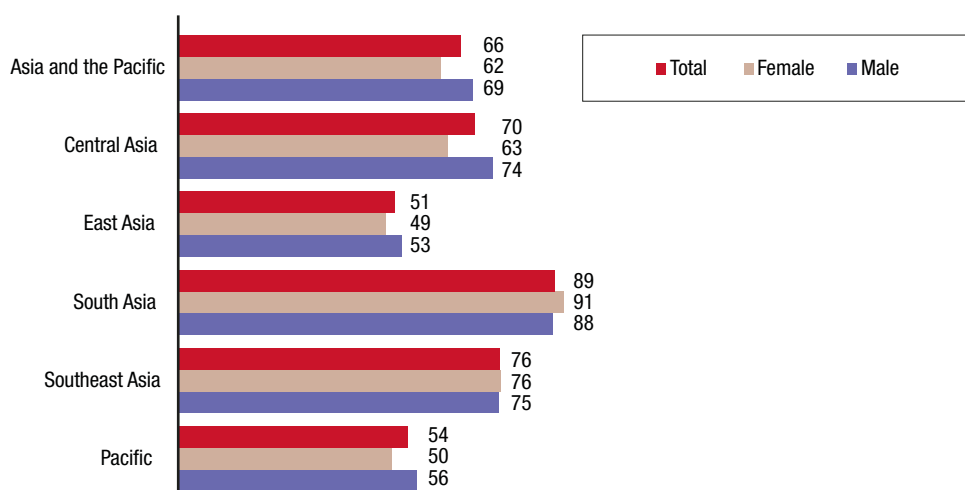
households to multidimensional poverty⁴ is exacerbated because of the pandemic. However, there is a varied impact across different dimensions of poverty, with the largest impact being on households' vulnerability to health deprivation. Movement restrictions imposed to curb the spread of the virus made it difficult for farmers in rural areas to seek health treatment outside their areas. In addition, medical facilities lacked the resources to treat diseases other than COVID-19 during the spread of the virus (ibid.).

Similarly, in the **Pacific**, the economic and social disruptions of the pandemic are predominantly affecting poor and vulnerable groups, whose resilience to shocks is low (Kim, et al. 2020). Poverty, social exclusion and vulnerability were evident in the Pacific even before the pandemic, with about one in four Pacific islanders living below the national poverty line in 2018 (Pacific Islands Forum Secretariat, 2018).

Another vulnerable group hit hard by the pandemic were households dependent on remittances. The top five countries with the highest remittance inflows in 2019 are all in APR⁵ (Kim, et al. 2020). According to the World Bank, since the start of the pandemic there has been a 20 per cent decline in remittance inflows to low- and middle-income countries, with the biggest decline occurring in Central and South Asia (as also cited in Kim et al., 2020). In the **Philippines** and **Pacific islands**, the fall in remittances compounded the impact on other economic activities (IMF, 2020).

In **Myanmar**, government-imposed restrictions due to COVID-19 led to falling exports and lost revenues from tourism and international remittances, bringing about significant harm to the economy (Diao & Wang, 2020). Approximately 4 million Myanmar migrants work internationally, and the loss in income induced by lockdowns – both domestically and in neighbouring countries – is expected to have a significant impact on low-income households that rely on remittances (ibid.).

FIGURE 3: Informal employment in both agriculture and non-agricultural activities (percentage of total employment, latest available year)



Source: as cited in Kim et al. (2020); from International Labour Organization data (2020).

4. Multidimensional poverty comprises five dimensions: material, income, health, employment and industrial development.

5. These are India, China, the Philippines, Pakistan and Bangladesh.

Demand-side impacts of the pandemic: Food and nutritional security at risk

As mentioned above, lockdowns and restrictions imposed by governments triggered a general slowdown on the supply side of national and international food chains. Considerable repercussions have also been felt on the demand side, with impacts on food security, food consumption and nutrition due to job losses, reduced working hours and falling incomes (Kim et al., 2020). A rapid assessment across nine countries in APR⁶ highlighted that while the COVID-19 pandemic began as a health crisis, one of its most serious impacts is increased food insecurity and poverty for vulnerable households (World Vision International, 2020). The crisis prompted a reduction in food consumption, placing poorer households at risk of hunger and malnutrition (Kim et al., 2020). Even worse, the crisis and related income loss is prompting a change in dietary habits, with households consuming more basic foods and staples as a replacement for more expensive nutrient-rich foods (Pacific Islands Forum Secretariat, 2018). Moreover, most micronutrient-rich foods such as vegetables, fruits, fish and milk are highly perishable. This makes them exceptionally vulnerable to disruptions in food supply chains and contributes to increasing prices (Kim et al., 2020). The result is low dietary diversity, with families consuming less meat and dairy, placing growing children and pregnant women at higher risk of micronutrient deficiencies. In a joint statement, FAO, UNICEF, WFP and WHO (2020) highlighted that already prior to the pandemic about 10.5 million children under 5 years of age were suffering from wasting, 78 million were stunted, and 17 million were overweight. The worrying negative trends registered during the pandemic may well exacerbate this situation.

In **Indonesia**, the contraction of both the formal and informal job markets has affected rural livelihoods and reduced welfare (Robins et al., 2020). In terms of food security, the country is already showing a change in diets and food expenditure patterns, alarmingly heading towards higher consumption of instant foods and snacks of poor nutritional quality. Vulnerable households have responded to the crisis by shifting their food consumption to cheap carbohydrates, suggesting possible detrimental effects on nutrition (ibid.). A similar situation is noted in the **Pacific**, where malnutrition and dietary risks have been prevalent. While in the last decade nutritional deficiencies have been decreasing in the region as a whole, in some countries (i.e. Kiribati, Solomon Islands and Vanuatu) their incidence remains high compared to global averages (ibid.). The potential changes in diets observed in many countries due to the pandemic may exacerbate these pre-existing conditions.

Moreover, border closures and export restrictions have contributed to reducing the availability and affordability of certain foods in several countries in the Pacific – which are highly dependent on food imports (Kim et al., 2020). In East Asia and the Pacific, for instance, cereal consumption is solely dependent on imports (ibid.). In terms of rice, South-East Asian countries are net exporters (Thailand and Viet Nam being the largest), with Malaysia, Indonesia and the Philippines relying on Vietnamese exports. Therefore, trade restrictions such as Viet Nam's rice export ban are going to have a negative effect on food security in many countries across APR (World Bank, 2020a).

Gender-differentiated impacts of the crisis

COVID-19 is affecting women and men differently, both in terms of access to health care and economic impacts. In APR, 60 per cent of women reported facing more barriers to seeing a doctor as a result of the pandemic (UN Women, 2020, p. 2). Similarly, gender norms affect the roles and responsibilities of women, men, girls and boys in terms of division of labour

6. Bangladesh, Cambodia, India, Indonesia, Myanmar, Mongolia, Nepal, Philippines and Sri Lanka.

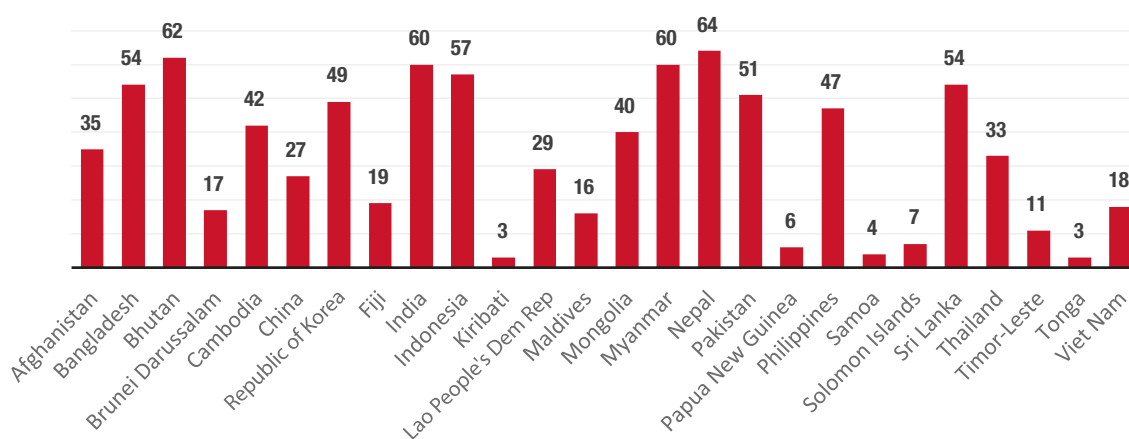
(paid or unpaid), but also access to and control over resources (CARE, 2020). As a result, women typically earn less and hold less secure jobs than men. With the slowdown of the economy, women are exposed increasingly to layoffs and loss of livelihoods. As also indicated by UN Women (2020), incomes of women working in the informal sector have declined dramatically. During the first month of the pandemic, informal workers in APR lost an average of 22 per cent of their income.

Even when formally employed, women remain vulnerable, as the chances of having formal contractual work arrangements are lower and adequate social security is lacking (Park & Inocencio 2020a). In fact, more women than men reported a decrease in time working in formal employment (55 per cent for women and 35 per cent for men) (UN Women, 2020). Regrettably, data show that in South Asia the female poverty rate is expected to increase from a projected 10 per cent before COVID-19 to 13 per cent in 2021 (Park & Inocencio, 2020a). Women and girls in already poverty-ridden areas are also at higher risk of COVID-19 transmission and fatalities. As government restrictions on movement increase, these precarious living conditions deteriorate further (CARE, 2020).

Throughout the Pacific, the COVID-19 crisis has amplified pre-existing gender inequalities and reduced economic participation of women (United Nations, 2020a). Unequal access to productive resources, markets and institutions hinders the vital contributions of women to agriculture and rural livelihoods and the productive potential of women in the Indo-Pacific region. For instance, Samoan women play multiple roles, such as providing support to both family and the community and running small-scale businesses to generate income, while others are engaged in subsistence farming and marketing at roadsides or in the local markets (United Nations, 2020b). Despite these vital contributions of women to the local economy, there are persisting gender inequalities that are at risk of being amplified if not addressed through COVID-19 response policies (FAO, 2020).

COVID-19 has also been exacerbating an education crisis for girls. The most direct impacts come from school closures. Recently, the United Nations Children’s Fund (UNICEF, 2020) estimated that 20 per cent of girls across APR – close to 40 million – have been unable to access distance learning during the pandemic. During the lockdown, girls are delegated with more housework and income-earning responsibilities at home, which not only leaves them less time to study but also puts them at higher risk of sexual exploitation and abuse. Similarly, Save the Children (2020) reports an additional 61,000 girls in East Asia and the Pacific and 191,000 in South Asia that are at risk of child marriage. An additional 118,000 girls are at risk of adolescent

FIGURE 4: Duration of school closures in APR (weeks)

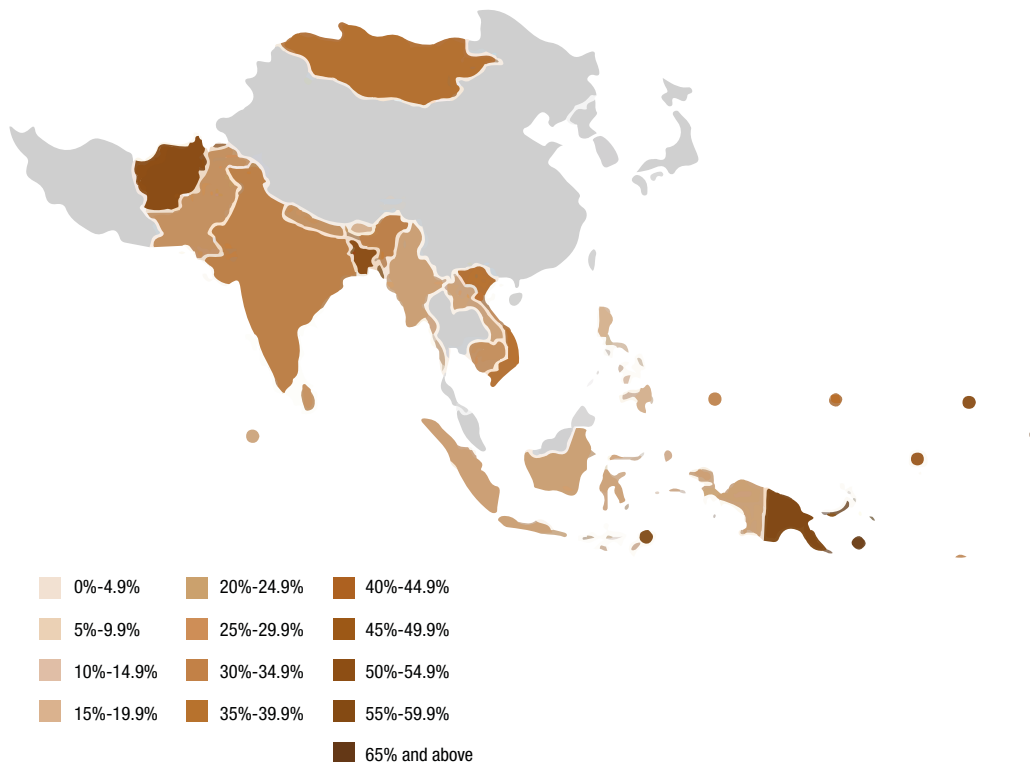


Source: Own elaboration from data included in UNICEF (2020).

pregnancy within the next year alone – as a direct effect of the pandemic. Further, families suffering from unemployment tend to reduce their spending on education, consequently reducing educational opportunities even when schools reopen (World Bank, 2020b).

Regrettably, the incidence of gender-based violence has increased during the pandemic. In a recent study, the United Nations Populations Fund (UNFPA, 2021b) indicated a high rate of violence against women and girls, especially in the Pacific area (see figure 5). Traditional approaches to measure domestic violence, such as surveys, are very limited due to social distancing and lockdowns. A joint analysis by UNFPA and UN Women, in collaboration with the analytics company Quilt.AI, turned to online engagement and looked into website searches in eight APR countries from September 2019 to November 2020. Online searches related to physical violence rose by 47 per cent in Malaysia, 55 per cent in Nepal and 63 per cent in the Philippines. Help-seeking searches also increased. Among the countries listed, the top three positions are occupied by Malaysia (70 per cent), Nepal (47 per cent), and Thailand and Singapore (29 per cent) (UNFPA, 2021a). It is reasonable to presume that such statistics are not fully capturing the true scale of the problem. Still today, there are cultural values hindering women from seeking help. By reporting incidents to the authorities, many would bear additional shame and stigma from family and the public, especially in acquaintance societies (Chakraborty et al., 2018). Moreover, while the pandemic has exposed pre-existing inequalities along gender and other lines, the scarcity of disaggregated data by sex, age, race and other indicators further limits the capacity to analyse gender dynamics. According to UN Women (2020), only 37 per cent of COVID-19 cases across the world had been disaggregated by both sex and age as at July 2020.

FIGURE 5: Women who have experienced physical and/or sexual violence by an intimate partner in the last 12 months



Source: UNFPA (2021b).

The growing digital divide

The COVID-19 crisis has exposed the vulnerabilities linked to a lack of digital access and has indicated how relevant digital technologies are in ensuring the agility of agrifood systems and food value chains (United Nations, 2020c). However, the pandemic has not affected all sectors equally. Firms using innovative technologies, such as online retail and food delivery with contactless delivery options, have not witnessed the same impact as those lacking the same digital infrastructure (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020; Park & Inocencio, 2020b).

This leads to an unequal impact of COVID-19 on jobs, hitting the most vulnerable individuals and communities hardest. Informal workers are at particular risk, and a large proportion of them work in vulnerable sectors such as agriculture, manufacturing and transportation. These sectors typically feature low skills, low productivity and low capital investment, and are subject to a higher risk of job loss (Park & Inocencio, 2020b). Estimates from the International Labour Organization (ILO, 2018) indicate that 1.3 billion people work informally in APR — representing 65 per cent of the world's informal employment.

Before the onset of the pandemic, **Viet Nam** and **Thailand** had installed critical digital infrastructure, allowing effective use of digital technologies in combating cluster outbreaks and sharing reliable information quickly (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020). Indeed, digital connectivity can help maintain livelihoods, as public information and delivery services can be accessed online (including through social media) (ibid.). However, affordable and widely available access to information and communication technology remains a significant barrier to the use of computers and the internet. In South-East Asia alone, around 55 per cent of the population do not have access to the internet, and the price of access is highest in those countries least able to afford it (Park & Inocencio, 2020b). Investment in digital infrastructure, digital literacy and affordable internet access – as well as the legal and regulatory frameworks for the digital economy – is crucial to bridge the gap and facilitate a digital transformation (ibid.).



GOVERNMENT RESPONSES

©IFAD/Todd M. Henry

Overview

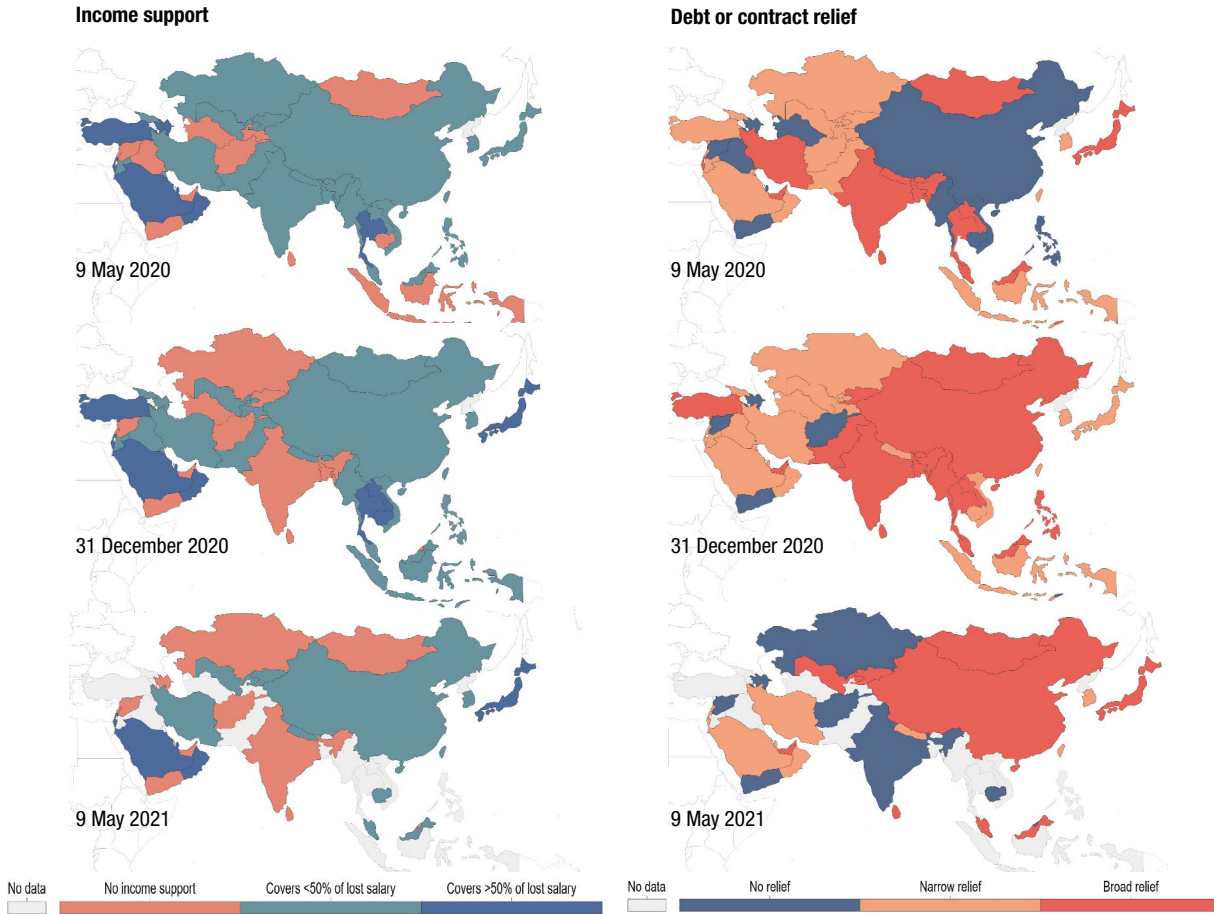
Governments have adopted different approaches to tackle the pandemic, with the majority of the measures trying to strengthen social protection (cash and asset transfers, including food) or provide resources in support of poor people and low-income workers (ICIMOD, 2020, p. 4). Several governments have also adopted fiscal and monetary measures to minimize short-term economic impacts and to inject liquidity into financial systems. Solutions have included concessional lending schemes to sustain the economy and to lessen delays on payments. This involved forbearance of taxes, rent and utility payments and deadlines for loan payments – to make liquidity available and to provide flexibility for debtors (ibid.). Further, table 2 (below) provides a summary of the scope and budget allocation of some of the emergency relief plans adopted in APR countries, while figure 6 presents an intertemporal comparison of government spending for income support and debt relief plans in the region.

TABLE 2: Emergency relief interventions by country

Country	Budget (US\$ million)	Scope
Afghanistan	15	COVID-19 containment
Bangladesh	29	COVID-19 preparedness and response
	588	Salary support to garment and other export industries
India	22,600	Essential food items, health facilities, fuel, and direct cash support to poor and elderly people
	1.8% of GDP	Increase liquidity in the financial sector
Indonesia	43,000	Tax relief scheme and liquidity support
Malaysia	486	Relief and job reskilling package
Nepal	29	COVID-19 response
Pakistan	7,000	Relief package
	600	Support to small and medium-sized enterprises and tax refund
Viet Nam	2,690	Support package for vulnerable people

Source: Own elaboration from data presented in ICIMOD (2020); ILO and ADB (2020); NARDT (2020); OECD (2020).

FIGURE 6: Comparison of income support and debt or contract relief⁷ during the COVID-19 pandemic, 9 May 2020 to 9 May 2021



Source: Own elaboration from data presented in Hale et al. (2021).

7. Debt or contract relief captures government measures that freeze financial obligations during the COVID-19 pandemic, such as suspending loan repayments, preventing the stopping of utility services, or banning evictions. This income support may not apply to workers in all sectors, and may vary at the subnational level.

Interventions

Government responses to mitigate the economic risks posed by the global pandemic aimed to **protect jobs** and create **safety nets** to avoid business closures, insolvency and unemployment. For instance, in **Malaysia** the government created a US\$450 million (MYR 2 billion) fund dedicated to reskilling and upskilling jobs for 200,000 youth and unemployed workers, to enhance employability (ILO and ADB, 2020, p. 25). Similarly, the Government of **Indonesia** implemented a new training programme just before the crisis (i.e. the Pre-employment Card *Kartu Pra-Kerja* Programme). This was later revised and adapted to support laid-off workers, informal workers and micro- and small-business owners across the heavily impacted tourism sector. The support package includes financial incentives to participate in pre-employment, on-the-job training and offline training courses, to promote job reskilling (ibid.).

A slightly different approach was taken in the **Republic of Korea** and in **India**, where government interventions also aimed to foster job creation and placement by adapting public employment programmes and by offering immediate work opportunities to unemployed young women and men. The scheme used in the Republic of Korea triggered a rapid mobilization of community-based voluntary or subsidized placements, to help youth maintain an attachment to productive activities and support communities during the pandemic. Work readiness was supported through skills interventions and helped provide jobs to more than 550,000 young adults and low-income earners. Specific youth-targeted measures, such as content development and big data management, thrived to create 50,000 high-tech jobs and 50,000 internships for young adults (ibid.). In India, the Mahatma Gandhi National Rural Employment Guarantee Scheme has helped reduce rural unemployment and sustain livelihoods despite the rapid spread of the virus in recent months. Forty million Indians relied on the programme in June for subsistence, thus recording the largest ever enrolment (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020, p. 47).

Other government interventions have provided financial support to businesses and families through **tax deferrals**, **liquidity support** and **cash transfer** programmes. For instance, the National Economic Recovery Programme in **Indonesia** provides tax breaks for industries, capital injections into state-owned enterprises, and liquidity support for the banking industry of an estimated US\$43 billion (Mehta et al., 2020, p. 22). Similarly, in **Malaysia** the government is providing students with a relief package to defer loan repayments, and included a one-off payment of MYR 200 (US\$48) to post-secondary students (ILO and ADB, 2020, p. 25). **China** has introduced significant measures to sustain the economic recovery and to support small and medium-sized enterprises by waiving or delaying their social security contributions and deferring land use rents and property tax.

Other sectors, including retail, food, transport and tourism, are being provisionally subsidized through specific funds (ICIMOD, 2020, pp. 4–5). **China's** central bank now provides targeted credit support for companies that actively participate in controlling the pandemic, such as those in the health care sector. In **India**, the central bank has introduced measures to increase liquidity and to enable access to credit for the pharmaceutical, construction and tourism industries. The financial stimulus is projected to amount to 1.8 per cent of the GDP of the financial sector (ibid.). In addition, the National Bank for Agriculture and Rural Development has guaranteed access to credit and new employment opportunities to small and marginal farmers (OECD, 2020). The Government of India has also provided a fiscal allocation of US\$22.6 billion for essential food items, health facilities, fuel, and direct cash support to poor and elderly people. Further, local governments in India have also adopted measures to sustain economic activities and support poor people. For instance, the Government of Kerala State has announced a relief package of US\$2.6 billion (2.5 per cent of state GDP), including broader measures for economic recovery and some direct transfers to poor households (ICIMOD, 2020, p. 4).

Evidence and issues: The case of Viet Nam

Some of the issues related to government responses have concerned: (i) targeting; (ii) implementation; and (iii) sustainability of programmes.

Targeting issues

A key constraint leading to targeting issues is that those eligible to receive relief packages were newly poor – people who had just lost their source of income – and government systems were not designed to capture or capable of capturing this aspect. A similar issue is that social protection programmes failed to serve certain types of families – for example, families of young workers – especially those with children – single mothers without savings, those living in rented accommodation or families with members suffering from serious illnesses (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020, p. 41). Other families were ineligible for and fully excluded from the support, especially rural households depending on farm income. A final contributing factor to ineffective targeting relates to the bureaucracy affecting applications for and the release of support funds. In **Viet Nam**, for instance, applications had to be certified at least twice – at both the sending and receiving location. Meanwhile, local governments had to advance payments using their own funds. A recent survey carried out in Viet Nam (NARDT, 2020) showed that the majority of households' coping methods are self-reliant, mainly comprising: (i) reducing spending; (ii) using savings; or (iii) asking relatives or friends for help.

Implementation issues

The strict procedures around the release of aid funds has also hindered the capacity of response plans to reach out and serve the most vulnerable people in a reasonable time frame. The layers of bureaucracy between government and recipients undermined the efficiency and effectiveness of government interventions and passed on the cost of requesting assistance to those in need.

In **Viet Nam**, a simulation exercise concluded that if the government relief package had been delivered in a timely manner (i.e. monthly cash transfers made in April and May 2020) and had reached all originally intended groups, the national income poverty rate⁸ would have been reduced to 17.2 per cent in April and 9.9 per cent in May 2020, as opposed to the simulated 26.7 per cent and 15.8 per cent, respectively. The expected impact of the programme on other households appears to be less pronounced. The simulated income poverty rates among rural and ethnic minority households in May 2020 were 14.1 per cent and 54.8 per cent, respectively, with government social protection support, as opposed to 21.6 per cent and 70.3 per cent, respectively, without it (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020, p. 41).

Another implementation issue arose from the decentralized execution approach, which led to inconsistent results. Too often, local governments were required to implement solutions and assist the local population using their own budget to cover costs. Thus, implementation was sporadic, and actual coverage of target groups did not meet expectations, making programme implementation and support unreliable and prone to interruptions (ibid.).

Finally, as indicated by Robins et al. (2020, p. 27), interventions appear to have suffered from an overall lack of coordination, which led to delays in implementation or targeting issues. Several interventions were not synchronized, and there were knowledge gaps in terms of the policies and programmes – at national and international level – currently being implemented. Instead of introducing several scattered initiatives, government responses should seek to better coordinate efforts that pursue common objectives.

8. The national poverty line is set at the constant purchasing parity price of US\$3.2 per day – commonly applied to lower-middle-income countries.

Sustainability issues

The massive injection of public finance resources to sustain livelihoods, and the consequent shrinking of government fiscal space, are causing concerns regarding the sustainability of social protection schemes and government spending capacity to cover health-related interventions. Since the onset of the crisis, the Government of Viet Nam has ensured access to COVID-related services to all. Several funding sources (i.e. central and local budgets, other local funds, and social health insurance) were used to fund the national response plan, including the costs of mandatory centralized quarantine, testing for all Vietnamese and foreign patients, and treatment for COVID-related illness for all Vietnamese patients (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020, p. 11).

Although, the response has been largely adequate, some issues regarding sustainability are becoming increasingly evident. For example, there are constraints affecting governments' ability to cover the increasing health-related expenses and concurrently to: (i) achieve universal health coverage, including universal population coverage of health insurance; and (ii) accommodate the rapidly ageing population and associated medical costs. In addition, fewer revenues from a reduction in social health insurance contributions may also have an impact on the availability of funds in the near future (ibid.).

For the future, governments should rethink spending and fiscal policy to adjust for deficits in health budgets and compensate for such shocks. A partial solution would be to better target interventions and increase the efficient allocation of public resources. As shown by the International Monetary Fund (IMF, 2020), fiscal support measures are effective in mitigating the economic cost of the pandemic, but also in reducing the number of infections – by about one third relative to the no-intervention baseline. Further, better-targeted interventions outperform untargeted measures, with the former reducing inequality in disposable income and preserving a higher share of consumption of GDP for unskilled workers. When compared with untargeted transfers, targeted transfers raise GDP by 3 percentage points and lower the debt-to-GDP ratio by 6 percentage points.

In the context where governments exhaust public resources, possible solutions would require increasing borrowing. In turn, this would likely lead to price inflation, a deficit in the balance of payments, and increasing volatility of exchange rates. Such changes affect the competitiveness of all tradables, including food and agricultural products. Fluctuations in exchange rates will, therefore, affect both the quantity and price of foods available to domestic consumers, and the latter may trigger endogenous policy changes (Schmidhuberet al., 2020). Thus, given the general trend of decreasing real GDP in many countries, additional debt resources will likely come from domestic institutions and in national currency.

Therefore, concerns would hinge on the debt-to-GDP ratio, the balance of payments, and the handling of currency devaluation. Developing countries with a convertible currency and an open capital account could experience capital outflows and a sharp depreciation of the national currency, if government support requires acquiring foreign assets.⁹ To avoid any major issues, each country needs to have access to sufficient quantities of foreign exchange for essential imports – at a time when exports, remittances and foreign direct investment are depressed by the crisis. Thus, a primary solution can be found in long-term official foreign borrowing at preferential rates – such as that provided by the International Financial Institutions (World Bank, 2021).

9. Conversely, those countries with a partially closed capital account and a non-convertible currency have an advantage over countries with more liberalized exchange rate regimes.



IFAD'S RESPONSE AND ITS SUPPORT TO BROADER RECOVERY EFFORTS

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Overview

IFAD has been quick to respond to the impacts of the COVID-19 pandemic in the region through a range of measures and initiatives in support of a broader recovery effort. Its responses can be categorized as: (i) short-term responses; (ii) emergency relief responses; (iii) medium-term responses; (iv) capacity-building responses; and (v) long-term strategic responses.

In 2020 and 2021, IFAD provided immediate recovery support by: (i) establishing a rapid-response Rural Poor Stimulus Facility (RPSF) to address the immediate challenges faced by small-scale farmers; (ii) repurposing ongoing investments; and (iii) providing policy and knowledge support. The escalating pandemic has changed the context in which IFAD will operate in the coming years, necessitating a stronger focus on fragility, shocks, resilience and adaptive approaches to facilitate sustainable rural transformation.

Emergency relief response through the RPSF

IFAD's COVID-19 response is largely being channelled through the RPSF, which was introduced with the aim of reducing the impact of the COVID-19 pandemic. The initiative is in line with the United Nations socio-economic response framework and complements IFAD's broader COVID-19 response efforts. The goal of the RPSF is to accelerate the recovery of poor and vulnerable rural people from the COVID-19 crisis. Planned interventions under the RPSF fall under four main pillars, intended to:

- Provide inputs and basic assets for the production of crops, livestock and fisheries
- Facilitate access to markets to support small-scale farmers to sell their products in conditions where market functions are restricted
- Target funds for rural financial services to ensure sufficient liquidity and to ease repayment requirements so as to maintain services, markets and jobs
- Promote the use of digital services to deliver key information on production, weather, finance and markets.

Of the US\$89.1 million available in the RPSF, IFAD has so far approved US\$75.3 million in financing for 55 single-country and 8 multi-country projects, benefiting approximately 4 million people. About 39 per cent of this financing has gone to low-income countries, and 46 per cent to fragile and conflict-affected countries. Of the US\$75.3 million approved, US\$33.2 million (44 per cent) has been allocated to meet farmers' urgent input needs for the upcoming planting seasons, US\$19.3 million (26 per cent) has been earmarked for improving market access, including storage and transport, and US\$7.4 million (10 per cent) for rural finance. US\$15.4 million (20 per cent) has been allocated for digital services. US\$13.9 million (18 per cent of the total financing) is directed to assist farmers in APR (IFAD, 2021).

A recent example of RPSF activities in APR is provided by the new project in the Pacific region, including Fiji, Kiribati, Samoa, the Solomon Islands, Tonga and Vanuatu. The initiative will facilitate farmers' access to inputs and equipment, provide training for small enterprises and establish digital platforms for marketing, data collection and information dissemination. It is worth mentioning that several organizations are joining forces in the initiative. The project will see the active collaboration of the Government of Australia, the ILO, the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Food Programme (WFP). The project will also benefit from US\$1.5 million in cofinancing from the multi-partner United Nations COVID-19 Response and Recovery Fund. Additional information on RPSF activities in APR are provided in table A1 in annex I.

TABLE 3: Approved RPSF financing, by country income category and region (millions of US\$)

Country income classification		Region	
Low income	39.2 (52%)	Asia and the Pacific	13.9 (18%)
Lower-middle income	32.0 (42%)	East and Southern Africa	23.7 (31%)
Upper-middle income	4.1 (6%)	Latin America and the Caribbean	4.8 (7%)
Total	75.3 (100%)	Near East, North Africa and Europe	8.8 (12%)
		West and Central Africa	24.1 (32%)

Source: IFAD (2021).

TABLE 4: RPSF country allocation and disbursement in APR

RPSF first call					RPSF second call			
Country	Allocation (US\$)	Approval	Completion	Disbursed (US\$)	Allocation (US\$)	Approval	Completion	Disbursed (US\$)
Afghanistan	896,003	Jul-20	Dec-21	890,000	1,056,051			1,056,051
Bangladesh	915,363	Jul-20	Sep-24	915,000	1,078,000			TBD
Cambodia	537,922	Jul-20	Dec-21	538,020	634,008	Dec-20		634,000
Papua New Guinea	437,500	Aug-20		437,500	515,415			294,800
Myanmar	629,122	Oct-20	Dec-21	599,880	741,499			TBD
Nepal	543,207	Jul-20	Dec-21	543,000	640,237			336,487
Pakistan	1,067,685	Aug-20		1,068,000	1,258,400			TBD
Solomon Islands*	220,148				479,619	May-21	Oct-24	479,619
Kiribati*	200,000				435,725	May-21	Oct-24	435,725

Source: IFAD (2021).

Note: *For the regional envelope the money allocated may change.

Project repurposing

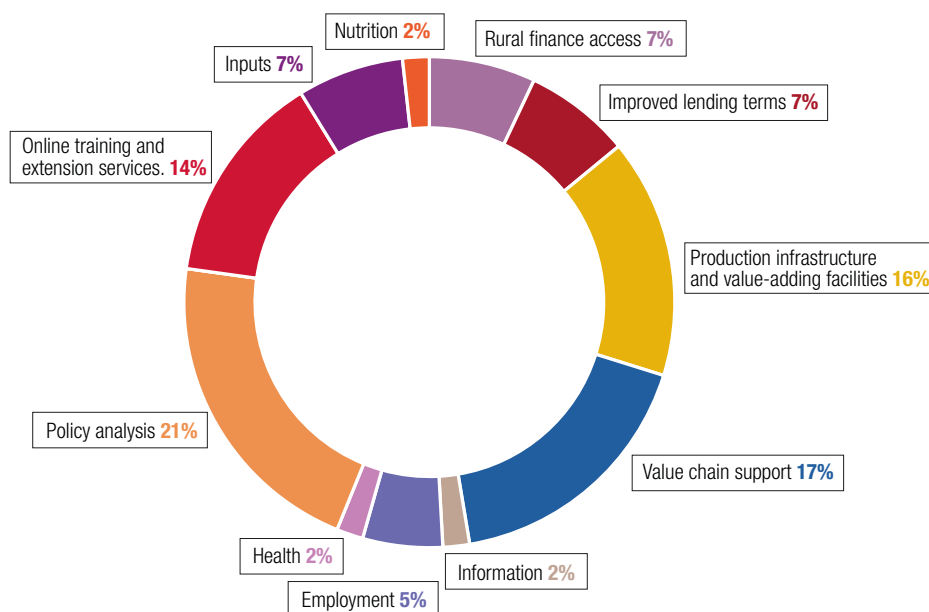
Another IFAD initiative to sustain the recovery effort is the partial repurposing of ongoing project initiatives and related financing. During 2020 and early 2021, large amounts of funding were diverted to activities to support poor people in rural areas against the immediate threats arising from the COVID-19 pandemic.

So far, IFAD has approved US\$179 million of repurposed funding for 58 projects across 36 countries. The majority of these funds are used to support access to inputs, markets and financial services. In APR, about US\$31 million of financing has been approved, or is pending approval, to repurpose activities in 41 individual projects in 15 countries. Figure 7 provides a consolidated summary of the type of activities financed through the project repurposing initiative in APR.

A noteworthy recent application is the National Poverty Graduation Programme in **Pakistan**. Through its programme, IFAD has provided an emergency relief response to the COVID-19 crisis by developing and disseminating information, education and communication materials on social distancing, use of face masks, correct hygiene and clean drinking water in rural communities in Punjab and Sindh (United Nations, 2020d). Training sessions were held on how to properly wear and use face masks, and on how women in communities could produce handmade face masks.

Another interesting example is the recent repurposing of US\$400,000 through the Post-Tsunami Sustainable Livelihoods Programme for the Coastal Communities of Tamil Nadu Project in **India**. This funding was used to establish a vulnerability reduction fund to provide much-needed capital to self-help federations and fishing groups.

Finally, through the Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (PROVATI3) programme in **Bangladesh**, about US\$1.8 million was repurposed in support of people living in extreme poverty. The funding is being used to sustain short-term emergency spending, and to enable job creation and livelihood schemes that would prevent beneficiaries from slipping back into poverty.

FIGURE 7: Project repurposing by activity in APR (per cent)

Source: Own elaboration.

Policy and knowledge support: Strategic partnerships and regional cooperation

The creation of the RPSF has also facilitated and strengthened policy dialogue and knowledge support among different stakeholders in response to COVID-19. IFAD continues to add initiatives and partnerships to the list of 46 countries already engaged. In APR, 12 initiatives spanning 16 countries are currently ongoing (more details are provided in table A2 of annex I).

A strong collaboration is being built with Precision Agriculture for Development (PAD) – a global non-profit organization that harnesses technology, data science and behavioural economics to provide targeted information to farmers in developing countries. Its aim is to improve rural households' incomes, food security and resilience to economic shocks. PAD offers farmers useful information customized to their geography, market and individual characteristics, setting up a two-way flow of information using SMS, interactive voice response and other digital mobile phone-based channels. These services allow PAD to deliver low-cost, customized advice to improve on-farm practices, input utilization, pest and disease management, climate and weather resilience, environmental sustainability and access to markets.

In the context of the COVID-19 pandemic, PAD received a grant from IFAD's RPSF to enable some 1.7 million small-scale farmers in Kenya, Nigeria and **Pakistan** to receive personalized agricultural advice through their mobile phone. At a time when traditional in-person extension services are – by necessity – being scaled back or paused, digital agricultural extension is clearly a very attractive option, especially in relation to IFAD's value for money and sustainability of results. IFAD's ambition for the future is to continue to work with PAD and other partners to scale up digital extension solutions, including value chain and weather-related advisory services. The preliminary results from this exciting partnership make a strong case for long-term investment in digital agricultural extension.

Another notable example comes through the RPSF project in the **Pacific region** (including Fiji, Samoa, the Solomon Islands, Tonga and Vanuatu). This coordinated effort with WFP aims to improve government data collection capacity, to better target and tailor support to small-scale producers affected by COVID-19. This is done through mobile vulnerability analysis and mapping, review of technical tools and engagement of a key informant group. A pilot study complements this initiative and seeks to harness data warehouse and information and communication technology platforms on food production, food insecurity and vulnerability, which can be crowdsourced to inform policymaking in real time.

Given the need to fine-tune support to the post-pandemic recovery phase, several studies are being planned in APR. For instance, in **India** and the **Philippines**, IFAD – in collaboration with FAO, WFP and UNICEF – is carrying out impact assessments of COVID-19 on rural livelihoods, agricultural market chains and food security in post-lockdown settings. Another interesting example comes from **Viet Nam**, where IFAD and the Asian Development Bank (ADB) joined forces to assist the Ministry of Agriculture and Rural Development to conduct a countrywide survey on the impacts of COVID-19 on small-scale farmers.

A collaboration of particular interest for IFAD is that with **farmers' organizations** (FOs). IFAD has a long history of working closely with FOs around the world and in strengthening their capacity. Clearly, starting from the premise that FOs are an effective channel for reaching farmers, the current pandemic has reinforced the need for stronger cooperation between IFAD and FOs to coordinate recovery efforts.

To this end, IFAD has designed “Assuring Resiliency of Family Farmers amidst COVID-19” (ARISE-Farmers) within the APFP. Eighty-two national federated farmers' organizations (NFOs), representing 43.5 million smallholders in 20 countries¹⁰ in APR, were supported by the APFP. The aim of the initiative is to sustain organizations' efforts to provide services to their members during this crucial time and prepare for a post-COVID world. Currently, most of these NFOs are engaging government agencies in a proactive dialogue to develop enabling policy for smallholders. They are also providing economic services to their members on production and marketing support along inclusive agrifood value chains (see table A3 in annex I for more detail on FO responses by country).

This initiative allows farmers across countries to have their voices heard; it is expected to contribute to mainstreaming key cross-cutting themes of nutrition, gender, youth and climate. It will do so by testing different instruments for inclusive targeting, by identifying development opportunities for women and youth, and by introducing and applying climate-smart technologies or crop varieties among smallholders and their organizations. At the same time, ARISE-Farmers will enable strategic partnerships for financing, knowledge, advocacy and global influence. To this end, FOs will be supported to build partnerships with donor agencies, government, national, subregional and regional bodies and the private sector, and by promoting their increased cofinancing in development efforts.

10. Bangladesh, Cambodia, China, Fiji, India, Indonesia, Lao People's Democratic Republic, Myanmar, Mongolia, Nepal, Pakistan, Papua New Guinea, Philippines, Samoa, Sri Lanka, Solomon Islands, Timor-Leste, Tonga, Vanuatu and Viet Nam.



BUILDING BACK BETTER: WHAT DOES IT MEAN AND HOW COULD IT HAPPEN?

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Overview

The ongoing pandemic is putting increasing pressure on governments and citizens to cope with its effects and to find solutions to sustain livelihoods and incomes. At the same time, the crisis is providing a unique opportunity to rethink economic development and the role of the public and private sectors in the future. While the focus in the short term remains on tackling and limiting the damage, in the long term governments and civil society should rethink their mainstream approach to the recovery response and develop tools and solutions capable of sustaining social protection outcomes while enhancing food security and innovating farming practices. At the same time, efforts must be aligned with commitments to reduce greenhouse gas emissions and keep temperature increases below 1.5° C. This requires adopting solutions that could address key immediate and longer-term needs while simultaneously safeguarding the environment. This review allowed some of the key challenges ahead and some of the possible areas where innovative solutions could be introduced in the near future to be identified.

Challenges to overcome and opportunities to build back better

The global COVID-19 pandemic has made governments and the global community recognize both the fragilities of current economic systems and the great opportunities that lie ahead. Generally, it is accepted that reinstating the status quo prevailing before the pandemic is neither desirable nor sustainable. Transitioning back to a normal life requires making opportunistic decisions to seize opportunities likely to rebuild a brighter future. Although desirable in principle, the idea of transitioning to new standards and practices – by shifting the current production and consumption paradigm, and rethinking government interventions – presents practical challenges.

Nevertheless, governments and international organizations have put forward a vast number of approaches, tools and frameworks to restore a functioning economy and society. An important approach to recovery in the region is the ASEAN Comprehensive Recovery Framework (ACRF) and its annexed implementation plan, which was adopted at the 37th ASEAN Summit in November 2020.

The ACRF articulates ASEAN's response through different stages of recovery. It does so by focusing on key sectors and segments of society that are most affected by the pandemic, and by setting and identifying strategies and measures for a recovery that is aligned with sectoral and regional priorities. Overall, ASEAN's recovery efforts will focus on five broad strategies to take the region through the recovery process and its aftermath: (i) enhancing health systems; (ii) strengthening human security; (iii) maximizing the potential of intra-ASEAN market and broader economic integration; (iv) accelerating inclusive digital transformation; and (v) advancing towards a more sustainable and resilient future (ASEAN, 2020).

The ACRF also identifies a number of cross-cutting enabling factors to address the need to strengthen the region's competitiveness as a whole and to narrow the development gap within ASEAN: (i) policy responses and reforms; (ii) financing and resource mobilization; (iii) institutions and governance mechanisms; (iv) stakeholder engagement and partnership; and (v) effective monitoring (ibid.).

Food availability, food security and malnutrition

At the onset of the pandemic, most governments responded to the looming threats of food insecurity and malnutrition through food aid and cash transfer initiatives. While most responses were successful in the short term, future interventions will need to include supplies of food items and agricultural inputs, and financial support (ICIMOD, 2020, p. 15). Simultaneously, short-term responses should link up food production and social protection initiatives, while also monitoring food availability, access to inputs and prices (Robins et al., 2020, p. 16).

The above is particularly relevant given the dependence on **food imports** characterizing several Asian countries (except India, China and Bangladesh), which makes them vulnerable to surges in international food prices or supply chain failures (Robins et al., 2020, p. 19; Schmidhuber et al., 2020). In addition, international trade does not provide the most nutritious food. Although during the crisis international food chains have responded well and food distribution has not been affected, these value chains are transporting and selling ultra-processed food, which is easier to store but has low nutritional value. To ensure that value chains in the future will also provide good-quality food, governments should invest in developing local value chains and restrict international commerce to cash crops such as tea, coffee and cocoa. This would expand income opportunities for local farmers and increase the recognition and involvement of both youth and women in various economic sectors (Robins et

al., 2020, p. 28). Indeed, the increasing promotion of inclusive local food production has proven beneficial to overcome some of the issues mentioned above. An assessment of the Pacific islands has already shown the benefits brought about by the development of new ways of marketing through self-organizing food distribution systems and the emergence of e-commerce systems. However, it was also noted that the ability of local and national governments to identify blockages in supply chains is impeded by their inability to monitor local prices (ibid.).

Therefore, long-term solutions and opportunities rely on agricultural policy support, which may include minimum support prices for staple crops to sustain farmers' incomes and revitalize local economies (ICIMOD, 2020, p. 15). Governments should encourage food security activities in urban, peri-urban and rural settings (Robins et al., 2020, pp. 27-28). This also represents a major opportunity to transition to organic farming – although that may require greater regulatory and support effort from governments (ICIMOD, 2020, p. 16).

Lack of data and evidence-based decisions

The financial effort put in place by governments since the beginning of the pandemic may well represent the greatest stimulus to global economic growth seen in decades. While the immediate response diverted funds to aid key economic sectors and activities (i.e. related to health and food), the investment of future public resources should be directed to a larger number of sectors and enable the transition towards more equitable growth. Similarly, government initiatives should still maintain the focus and maximize the impact that public spending can leverage (World Bank, 2021). To do so, priority should be given to those sectors with great potential for job creation and productivity growth, but also to those ensuring sustainable and equitable economic growth, especially if investing in adaptation to climate change and sustainable energy production (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020, p. 25; Hughes & Sinha Roy, 2020).

Here, one of the key challenges relates to the **lack of solid data** to support public decision-making in emergency and post-emergency contexts. Significant gaps in location-specific data (i.e. nationwide or district-level data) are signalled as a major, widespread constraint to effective decision-making by politicians, bureaucrats, farmers, traders and donors. This further hinders the implementation of relief plans across the region (Robins et al., 2020, p. 21). An additional problem is foreseen in the **current capacity of governments** to react quickly. Typically, implementation of public investment programmes falls behind schedule for several reasons, including low implementation capacity, bureaucracy, cumbersome procedures, poor planning and other factors (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020, p. 29).

Some of the solutions, as also indicated by the ILO (2020b), may emerge with the establishment of social dialogue structures to guide the implementation of recovery measures. Through social dialogue, governments, workers and employers' organizations can forge strong consensus and broad-based support for a sustainable recovery that promotes decent work, resilient enterprises, conducive workplaces and environmental sustainability. Additionally, FAO (2021a) recommends fostering risk-informed policy- and decision-making to promote multi-hazard and cross-sectoral approaches for risk assessment, and to encourage a deeper understanding of socio-economic and environmental vulnerability within and across different sectors. The latter entails the integration of information across subsectors, cooperation between different levels of government, and the proactive engagement of civil society and the private sector. In agriculture, this may be obtained by using data and information acquired through field and remote sensing, machine learning, and biophysical and socio-economic analysis.

Social protection systems

COVID-19 has demonstrated the relevance of universal social protection systems and cash transfer programmes to reduce the immediate threat posed by the crisis, provide emergency relief and increase the resilience of food systems (Robins et al., 2020, p. 28). At the same time, the rapid response of governments showed that improvised programmes faced serious implementation issues. For instance, some of the initiatives put in place did not achieve the expected outcome or failed to serve the intended target group. On other occasions, programmes failed to guarantee the required level of assistance or the support provided was irregular over time. In substance, the overall assessment found insufficient capacity spread too thinly to meet the primary objective of such programmes. An example on this comes from a Vietnamese relief package of VND 62,000 billion (US\$2.6 million) to support vulnerable households and workers. A recent review of this initiative¹¹ showed that while the programme managed to reach traditional beneficiaries quickly, it failed to include non-traditional beneficiaries. In particular, support packages underserved or did not reach specific groups, including: (i) young workers; (ii) families with seriously ill members; and (iii) informal workers in rural and urban areas. Therefore, more work should be done to consolidate and restructure government policy and tools aiming to cover health expenses for the entire population (FAO, IFAD, ILO, UNDP, UNICEF, UNIDO, UN Women and WHO, 2020, p. 25).

Climate change and environment conservation

It is true that the pandemic has put pressure on some parts of the ecosystem, but at the same time the widespread suspension of travel and other activities has given relief to other parts (ICIMOD, 2020, p. 36). Nevertheless, the effects of climate change are usually compounded during crises, since agricultural production contributes to climate change, and climate change leads to greater impacts, especially on vulnerable people (Robins et al., 2020, pp. 19-20). Therefore, in rebuilding back better, governments should aim to promote nature-based solutions to protect the environment, sustain the provision of ecosystem services and enhance resilience to climate change. To this end, the financial landscape should be modified to provide financial services, packages and tools that favour an inclusive and climate-responsive recovery.

As indicated by the OECD (2020), investments in infrastructure can lead the way to recovery. Yet they should be made with the objective of promoting a zero-carbon economy, by offering sustainable development pathways for rural communities – especially those relying on extractive economic activities. This can be achieved by nurturing climate-conscious rural development – which safeguards biodiversity and ecosystems – and by transitioning away from fossil fuel-intensive infrastructure development. Beyond the environmental need for such actions, evidence suggests that investing in green infrastructure and climate action has great economic potential through multiplier effects (Mehta et al., 2020, p. 6).

Inter alia, there is scope to increase spending on renewable energy, green transport systems, sustainable construction and digital infrastructure (ICIMOD, 2020, p. 36). This should also include the restoration/conservation of agrobiodiversity in farming systems – where loss of diversity is high. Furthermore, there is room for improving the productivity and resilience of smallholder farming systems to climate change through ecological approaches. There are several nature-based solutions capable of preserving natural capital and enabling harmonious economic growth (Mehta et al., 2020, p. 9).

However, there are practical constraints to applying these measures, mainly caused by the current shortage of capital flows to meet the need of Asian countries for a green recovery.

11. Reports Nos. 70 and 89/BC-LDTBXH from the Ministry of Labour, War Invalid and Social Affairs on the implementation of Resolution No. 42/NQ-CP dated 9 April 2020 to support people made vulnerable by COVID-19.

As indicated by Mehta et al. (2020, p. 11), South-East Asia alone requires an estimated US\$3.1 trillion – or US\$210 billion annually from 2016 to 2030 – for climate change-adjusted infrastructure investments. The financing gap is estimated at US\$102 billion per year, and this gap is widening further, since government contributions to green growth have been diverted to meet emergency needs prompted by COVID-19 (e.g. Indonesia). The issue is further exacerbated by the risks and reluctance of investing in green projects.¹²

To this end, ad hoc measures can partly solve some of these bottlenecks. On the one hand, this can be done through catalytic financing mechanisms (providing the financial structuring expertise and concessional funds), which may help de-risk green projects and attract private sector investments. On the other hand, better project preparation, coordination and management can help leverage additional funds to tackle the challenges mentioned above (Mehta et al., 2020, p. 11).

IFAD's approach to tackling climate change during and after the pandemic may include several possible interventions. Similar to those indicated by Hughes and Sinha Roy (2020, p. 3), IFAD could focus its investments, capacity-building or policy reforms to support: (i) regional cooperation for more sustainable food supply chains; (ii) climate-friendly agricultural value chains and sustainable food supply management; and (iii) technical and vocational education projects which promote low-carbon industries and resilient livelihoods.

Digital tools

Digital technology can be of great support in the recovery phase. Establishing e-payment systems may help reduce red tape and increase programme outreach, efficiency and effectiveness while also enhancing women's empowerment (Hidrobo et al., 2020). Digital technology can be matched with similar platforms and information systems – for instance, a price-risk management system. Within the agriculture sector, such innovations can help consolidate data on land use and crop production, market arrival, traded stocks, delivery schedules and weather information for all actors along the value chain. This, in turn, would help stabilize supply chains while reducing the amount of government intervention and mitigating price risks for both farmers and consumers.

A similar recommendation is made by Kim et al. (2020), when they hint at the use of digital agriculture and Geographic Information System (GIS) technology. In particular, they advise on the use of e-tech in agriculture to accelerate progress towards agricultural technology-based farming and value chain development and automation. Agricultural technology (i.e. remote sensing and GIS-based land and soil management) can be used as a forecasting tool to organize planting/harvesting seasons and – as mentioned earlier – to support evidence-based decision-making processes. In APR, the shift towards digital and more competitive agriculture would require better alignment of public and private roles in the agrifood system. Further, to ensure an all-inclusive and equitable transition and transformation, policy reforms should promote fair labour, market transparency, digitized land use planning and management, and food quality control, so that even poor and smallholder farmers can benefit from the new business opportunities (ibid.).

In APR, the rapid penetration of mobile technology opens up opportunities for solutions such as e-commerce, agri-digital financial services, smart farming and other tools in production, processing, storage and transportation for farmers. At a rough estimate, by 2025 there will be 333 million new mobile internet users across APR, and 63 per cent of all mobile connections will be running on 5G networks by 2025 (GSMA, 2021).

It is against this background that in May 2020 Grow Asia, in partnership with the World Economic Forum and IFAD, convened a virtual round table with 95 leaders from the public and private sectors, donors, civil society and FOs operating in agriculture, to brainstorm a regional

12. New technologies are characterized by high capital and operating costs, higher construction risks, and lower expertise in managing and operating them.

response to COVID-19. This convening was the first step in encouraging collaboration between the public and private sectors and producers to develop solutions to the weaknesses that COVID-19 revealed about the ASEAN food system. From this process, four multistakeholder working groups emerged: (i) Rural Logistics; (ii) Mobile Money; (iii) Digital Marketing Platforms; and (iv) Digital Enabling Environment. The working groups contain partners from diverse sectors and are developing action plans that include – for each of the four solution areas – specific actions by the public sector, actions by the private sector, policy development, partnership possibilities, webinar-based targeted learning programmes and strategic initiatives (Grow Asia et al., 2020). Overall, these four digital areas should be regarded as low-hanging fruit in an effort to build back better.

BOX 1: Expanding market access with social media platforms in China

In 2020, the livestreaming industry, based on online retail platforms, contributed to sales totalling US\$148 billion in China, a 121.5 per cent increase compared to 2019. The sales approach existed long before the pandemic outbreak and aimed to display products in a vivid 3D setting. The rise of online retail and social media platforms such as Taobao and JD made livestreaming display possible. In April 2020, livestreaming to sell agricultural stocks started to emerge. First celebrities and bloggers, then local government officials engaged as well. The business model used for the private sector was then adopted by companies that wished to take on social responsibilities. Chinese agriculture is on a rather small scale, and lacks a complete value chain. Livestreaming helped consolidate fragmented functions such as selling and transportation. Partnerships between small household farmers, local governments, bloggers and platforms formed through this approach.

International cooperation, remittances and youth employment

The pandemic has triggered a rapid fall in foreign direct investment flows, and remittances have been severed as worker layoffs increased unemployment rates, while governments struggled to provide safety nets. Given the disproportionate contributions of migrants' incomes for sustaining livelihoods in their country of origin, there is a need for greater international understanding of the dynamics behind the remittances phenomenon. In addition, there is scope to establish a support mechanism for migrants to ensure that their employment opportunities and welfare are least disrupted (ICIMOD, 2020, p. 46).

In addressing the above, there is also room for greater international cooperation across development agencies, which are currently demonstrating heterogeneous and variable approaches to food system governance and rural development. One of the limiting factors to an effective, rapid and efficient response has been the lack of coordinated efforts in the quest for common objectives. As mentioned in Robins et al. (2020, p. 27), one reason may relate to the lack of knowledge on the policies and interventions – at national and international level – across which synergies could have been found. Yet recovery efforts should not be based exclusively on international aid, as key solutions ought to be found mainly by national and local governments.

Meanwhile, the ILO and ADB (2020, p. 23) suggest that governments adopt an integrated approach in pursuing employment and economic recovery, passing through the protection of young people's jobs. A comprehensive policy approach for the short and medium term should: (i) stimulate the economy and employment, including through countercyclical policies, demand-side interventions and financial support to specific sectors such as health; (ii) support enterprises and jobs; (iii) assist vulnerable individuals; (iv) protect workers in the workplace; and (v) incorporate social dialogue. At the same time, governments need to balance the inclusion of youth in the wider labour market and promote economic recovery through youth-targeted interventions. The latter can support young people and simultaneously maximize efficiency in the allocation of constrained fiscal resources.



WAY FORWARD AND CONCLUSIONS

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Moving a step closer to digital agriculture and e-commerce in an equitable way

The ongoing pandemic and economic crisis should be used as an opportunity to initiate long-sought-after agricultural market reforms. A shift towards digital agriculture and mechanization may accelerate the economic recovery and promote innovation in the agriculture sector – while also making it more competitive. Such reforms should also realign public and private sector roles in agricultural input supply, food safety, value chain infrastructure, and extension. At the same time, agricultural reforms should grant equitable support to smallholder farmers and low-income agricultural communities. There should be efforts to improve poor and smallholder farmers' access to affordable digital infrastructure, tools and training, marketing opportunities, value chain infrastructure, and engagement in small and medium-sized agriculture enterprises and other off-farm income-generation activities. Finally, to ensure that poor and smallholder farmers benefit from new business opportunities, policy reforms should facilitate access to credit (including digital financial services) and promote the use of e-commerce platforms, to link remote producers to markets while also sustaining decent work, market transparency, digitized land use planning and management, and food quality control.

Seizing the opportunity to gear up for a greener economy

In the medium term, governments should support those sectors with the greatest potential for a job-rich recovery and youth employment. Yet investments of public resources need to go further and foster greener growth. There is in fact significant potential to prioritize investments in climate mitigation and adaptation activities and technologies – such as renewable energy, energy efficiency, green building and infrastructure, public and clean transport, and sustainable agriculture – as well as low carbon intensity – such as the care economy and education. Future employment and skills development in the digital economy and the green economy can offer employment to young people and ensure a sustainable transition towards a greener growth path.

Boosting internal domestic demand

Priority should be given to investments that contribute to productivity growth and employment creation, especially for poorer segments of the population. Investing in climate change adaptation and production of renewable energy are examples of how to best use public funds to achieve long-term benefits. Investment in renewables is expected to stimulate domestic industries, boost local employment and reduce import requirements in the future. Developing communications and connectivity, and investing in education and training, will also bring down the cost of doing business and facilitate technological change, upgrading of jobs and reskilling.

In times of big crisis, big solutions are needed

Governments have to rethink – substantially – how policies, programmes and public investments could support families and businesses in the context of a weak global economy. Normal fiscal rules and parameters will need to be suspended to sustain the recovery. After all, governments are the only macroeconomic entities that can expand their balance sheets to sustain economic growth at a time of an unprecedented fall in economic output. Failing to do so would condemn millions of businesses and households to bankruptcy and impoverishment. Solutions may come in the form of cash transfer programmes – particularly for the most vulnerable segments of the population – or tax reduction and deferment schemes to alleviate the burden on businesses' cash flows. Similarly, government credit may help producers to remain solvent during a prolonged period of contracting global demand. This could be done by extending working capital credit to enable businesses to continue functioning during the downturn or via public purchasing programmes whereby governments acquire/store unsold production. All these tools and solutions – which have proven effective – should be revisited to respond better and more rapidly in an emergency context.

International trade should be weighed against national priorities

Countries must ensure they have access to sufficient quantities of foreign exchange to pay for essential imports at a time when exports, remittances and foreign direct investment are depressed by the crisis. In this case, long-term official foreign borrowing at preferential rates – such as that provided by the International Financial Institutions – is the preferred option, while commercial borrowing should be withheld as a last resort. In addition, taxes and temporary restraints on luxury imports and the promotion of domestically produced import substitutes are useful if a trade deficit emerges.

ANNEX I

Overview of approved RPSF activities in APR

TABLE A1: Summary of RPSF projects approved so far

Multi-country		
Asia and the Pacific: 20 countries ¹³ (stand-alone project implemented by the Asian Farmers' Association for Sustainable Rural Development, a federation of farmers' associations)	Pillar 1: ¹⁴ Provide agricultural inputs and support marketing through public-private-producer partnerships brokered or implemented by FOs.	US\$2.0 million
Pacific region: Fiji, Kiribati, Samoa, Solomon Islands, Tonga, Vanuatu (stand-alone project implemented through project management units of IFAD projects in each country)	Pillars 1, 2 and 4: Provide inputs, working capital for land preparation, equipment and training for production and post-harvest processing/storage. Also support COVID-19-compliant supply chains, and support governments to collect data on the impacts of COVID-19 on food security and vulnerability. Also facilitate the provision of business development services and other support for small enterprises. The project will establish dedicated COVID-19 platforms and dashboards to disseminate information on progress milestones, real-time outcome data and crowdsourced data on food production and consumption. It will also promote the development and scale-up of tested digital solutions for market linkages (including e-commerce platforms for small and medium-sized enterprises), agricultural advice and nutrition awareness.	US\$3.0 million (plus US\$6.5 million in cofinancing)
Country-level		
Afghanistan (a stand-alone project implemented by the project management unit of the IFAD-funded Community Livestock and Agriculture Project)	Pillars 1 and 2: Provide inputs and basic assets for production and additional support through veterinary field units, fodder banks and ongoing IFAD investments in dairy value chains.	US\$0.9 million
Bangladesh (implemented through the Smallholder Agricultural Competitiveness Project)	Pillar 1: Quick-impact provision of inputs and capacity-building support for high-value and nutrient-rich home vegetable gardening in coastal areas.	US\$2.0 million (plus US\$0.2 million in cofinancing)
Cambodia (implemented through the Agricultural Services Programme for Innovation, Resilience and Extension)	Pillars 1, 2 and 4: Provide inputs and e-training and accelerate the ongoing roll-out of a multi-purpose mobile phone application for small-scale producers.	US\$1.2 million
Nepal (stand-alone project, implemented by the Agriculture Development Bank Limited)	Pillars 3 and 4: Support local banks to expand their digital services and implement a new credit card and mobile phone application for money and information transfers and automated loan processing.	US\$1.2 million
Papua New Guinea (stand-alone project implemented by the Fresh Produce Development Agency and the Department of Agriculture and Livestock)	Pillars 1, 3 and 4: Provide free inputs at the farm gate, cover the 10 per cent contribution required to access a loan from the ongoing Market for Village Farmers Project, provide working capital to local transport operators to maintain their services, and facilitate access to a digital market-price platform.	US\$0.7 million

13. Bangladesh, Cambodia, China, Fiji, India, Indonesia, Lao People's Democratic Republic, Mongolia, Myanmar, Nepal, Pakistan, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Timor-Leste, Tonga, Vanuatu and Viet Nam.

14. The RPSF pillars are as follows: (i) provision of inputs and basic assets for production; (ii) facilitated access to markets; (iii) targeted funds to preserve services, markets and jobs for poor rural people; and (iv) delivery of agriculture-related information through digital services.

TABLE A2: Overview of initiatives on policy and analytical support

Country	Activities
Bangladesh	In collaboration with FAO, complete two rounds of rapid assessments on the impact of COVID-19 on the nationwide food and agriculture systems.
China	In collaboration with the United Nations country teams, conduct a rapid assessment of the socio-economic impact of COVID-19.
Fiji	Conduct an impact study in collaboration with the Technical Centre for Agricultural and Rural Cooperation (CTA) and the Pacific Islands Farmers Organization Network (PIFON).
India	In collaboration with FAO, assess the impact of COVID-19 in a post-lockdown setting.
Lao People's Democratic Republic	In collaboration with FAO and WFP, conduct a rapid assessment of the impact of COVID-19 on food security and livelihoods.
Myanmar	In collaboration with United Nations country teams, conduct a rapid assessment of the impact of COVID-19 on food security and livelihoods.
Papua New Guinea	IFAD is an active member of the national Food Security Cluster, supporting the coordination and planning of the national COVID-19 response. In cooperation with the International Food Policy Research Institute, it is cofinancing the development and publication of a food price bulletin.
Philippines	In collaboration with FAO, WFP and the United Nations Children's Fund, conduct a rapid assessment of the impact of COVID-19 on rural livelihoods, agricultural market chains and food security.
Samoa	Conduct a data-driven impact study in collaboration with CTA, PIFON, the Samoa Bureau of Statistics and FAO.
Tonga	Conduct a study to assess the vulnerability of food and seed supply for the target group of the Tonga Rural Innovation Project – Phase II.
Viet Nam	In collaboration with the ADB, assist the Institute for Policy and Strategy for Agriculture and Rural Development of the Ministry of Agriculture and Rural Development to conduct a countrywide survey on the impacts of COVID-19 on small-scale farmers.
Pacific Region (Fiji, Samoa, Solomon Islands, Tonga, Vanuatu)	Collaborate with WFP on mobile vulnerability analysis and mapping, through a review of technical tools and engagement of key informant groups to address the longer-term economic impacts of COVID-19. Also, in collaboration with CTA and the TraSeable Solutions company in Fiji, Samoa and the Solomon Islands, conduct a pilot study of an application for crowdsourcing data on the impact of COVID-19 on key commodities.

TABLE A3: Summary of FO initiatives in APR countries

Country	Activities
Bangladesh	<p data-bbox="555 416 1474 663">During lockdowns, farmers had adequate harvests but lacked the means to transport their produce to the market because of the quarantine. Thus, farmers could not sell perishable goods. Furthermore, the price ceiling imposed on agricultural products deteriorated farmer capacity to generate an income. In response, COAST Trust, the national implementing agency of the APFP in Bangladesh, implemented various activities in nine coastal districts. So far, COAST has distributed around US\$16,000 from its Disaster Mitigation Fund. It has also created videos that promote awareness on COVID-19, distributed leaflets and conducted follow-ups during home visit to farmers. In addition, employees were provided with guidance and support through regular video conferences.</p> <p data-bbox="555 678 1474 925">Market access is another major challenge that farmers have long been facing. In some areas of the country, they have no better option than to sell their produce to traders who go directly to their farms. These traders dictate the price, which is usually very low. As a result, farmers do not earn enough to finance their next production. In response, Kendrio Krishok Moitree (KKM), one of the NFOs in the national platform, initiated activities that link farmers to the market. KKM also provides information to farmers such as the government initiative that gives subsidies to farms and provides production loans. KKM deemed it crucial to support its members especially at a time when farmers could not sell their vegetables; thus, the organization bought the produce and distributed it as relief goods.</p>
Cambodia	<p data-bbox="555 943 1474 1122">Farmer and Nature Net (FNN) demonstrates proactive measures to respond to the challenges, needs and opportunities presented by COVID-19 to cooperative members. It provides support such as food processing and storage at the community and agri-cooperative level. FNN also allocated some reserve or emergency funds to support cooperatives to stock and distribute food relief to community members, paying them a guaranteed price to ease the members' burden. FNN also supports farmer producer groups by providing processing facilities and packaging, and linking them to the market.</p> <p data-bbox="555 1137 1474 1328">To help Cambodian farmers during this time, AFOSP partner FOs conducted the following activities: (i) provided community-level agricultural cooperatives with food processing and storage facilities; (ii) allocated reserve or emergency funds to support cooperatives that are capable of stocking and distributing food relief to community members with stable/guaranteed prices; (iii) supported farmer producer groups to maximize their production to achieve food stability; (iv) supported agri-cooperatives by linking their products to the market; and (v) provided support for food relief.</p>
China	<p data-bbox="555 1346 1474 1648">Amid the pandemic, AMI, the APFP joint National Implementing Agency (NIA) in China, implemented initiatives to help farmers respond to the challenges brought about by the pandemic. Good practices of farmers' cooperatives in their participation to combat the effects of COVID-19 were shared through public media platforms. Information about agricultural product supply was also posted. More than 16,000 products, including vegetables, fruits, livestock and aquatic products, were collected from farmers' cooperatives from over 20 provinces. Furthermore, AMI conducted a series of online classes with the theme "how to deal with agricultural products in the face of emergencies". It invited agricultural product e-commerce experts, fresh channel business executives and representatives of cooperatives to share their expertise and to carry out interactive exchanges with the representatives of farmers' cooperatives.</p> <p data-bbox="555 1664 1474 1841">AMI also launched the "Fight against COVID-19 to help farmers" campaign. Online platforms gathered production and marketing information on different agricultural products, including the quantity, price, place of origin and producers' information. More than 10 cooperative leaders from Shaanxi province, Mizhi county, Yunnan province and Yuanyang county participated in the farmers' live broadcast, thereby sharing and promoting their local agricultural products. Logistical support was also provided to farmers in affected areas, to bring their produce to the market.</p>

<p>India</p>	<p>SEWA, the national implementing agency of the APFP in India, continues its efforts to connect with as many members as possible to hear their day-to-day challenges, offer them moral support and, wherever possible, appeal to the local state and the national government to find a solution to these challenges.</p> <p>SEWA is conducting information dissemination campaigns and drawing, story-telling, song-writing and slogan contests for children and adults, to increase awareness about COVID-19 symptoms and prevention, circulating them through social media platforms. It is also working on establishing a telemedicine platform, to facilitate easy, affordable and reliable access to health care advisory for informal workers.</p> <p>SEWA has established a value supply chain for small farmer producers to aggregate their produce at the village level, to then be transported by SEWA to the city. These vegetables are then sold in the urban areas through the RUDI and Kamala kiosks, as well as by SEWA's urban street vendors – thereby ensuring income security for both smallholder farmers and street vendors. To ensure sustainable operation for its member-owned social enterprises (i.e. RUDI and Kamala), SEWA has established RUDI-Kamala kiosks and contactless delivery in urban gated housing communities, where local residents can order groceries, dry snacks and bakery products through WhatsApp and pay through mobile wallets.</p> <p>SEWA is also working on implementing several long-term activities for the economic rehabilitation of its members. For example, it is working to restructure supply chains of SEWA-associated enterprises to ensure minimal disruptions to the supply chain in the future, make the processes more efficient, and introduce additional technology where necessary. In addition, it is rebuilding livelihoods for informal sector workers by focusing on vocational and technical training, upgrading of skills and building of new skills for members across different occupations, including knowledge of financial inclusion and the use of digital wallets.</p> <p>SEWA is creating a Livelihood Recovery Fund to establish an integrated financing framework for members of rural communities in need of short-term cash. The innovative financing mechanism will be a fund that aims to provide immediate support in the event of a calamity by helping farmers recover and stabilize their income.</p> <p>On preventive health, mental health and wellness, SEWA has already launched two wellness centres that provide comprehensive primary care coverage to members. The centres specifically focus on reducing the incidence of and managing non-communicable diseases (diabetes, hypertension, hypercholesterolemia, thyroid disorders) by promoting healthy lifestyle practices.</p> <p>Finally, SEWA will establish Community Learning Business Resource Centres as unique, holistic, community-based enterprises that use information and communication technology to design and implement pioneering services for innovation and empowerment – especially for illiterate people and youth.</p>
<p>Lao People's Democratic Republic</p>	<p>To tackle the economic impact of the pandemic, the Lao Farmers' Network (LFN) assists the most vulnerable members by distributing protective materials (e.g. masks, disinfectant), food packs or cash aid. It also purchases and stores members' products, connects members to buyers/traders through social media, and develops electronic and virtual training materials for its members.</p> <p>In its elaboration of medium- to longer-term recovery strategies, the LFN has suggested several action plans. A strong plea was made to encourage the government to purchase vegetables from FOs and distribute them for free to communities affected by COVID-19. This will help farmers recover their production cost. Second, recommendations were made to build cooling facilities to extend the shelf-life of vegetables, so that farmers can sell them later when the markets re-open.</p>

<p>Myanmar</p>	<p>During the pandemic, AFFM provided its members with basic food packs consisting of rice, oil and dal, and soap to help them through this crisis. It also distributed leaflets containing information on how to avoid contracting COVID-19 to its members. Further, AFFM keeps productive in providing good agricultural practice training and business planning. To help farmers further, AFFM came up with an idea to develop a marketing/enterprise initiative in collaboration with its parent organization, CTUM. This enables AFFM to contribute to addressing the unstable market conditions that its FO members are facing, while helping reduce poverty among its members.</p>
<p>Nepal</p>	<p>To mitigate the effects of COVID-19, the National Land Rights Forum (NLRF) worked with the local government to loosen the restrictions on the agriculture sector during the harvest season. It also provided food support to seven districts in Nepal.</p> <p>The NLRF is working directly with local governments to provide help to at least 10,000 vulnerable families in areas where the impact of the pandemic is severe. The support will include: (i) provision of immediate economic relief (food and hygiene items) to most vulnerable families involved in agricultural activities; (ii) provision of seeds and fertilizers to farmers so that they can plant their crops on time; and (iii) coordinating with the government for marketing of the agriculture sector, ensuring that all safety precautions are observed.</p> <p>The National Peasants' Coalition has issued a press release to demand support programmes targeting peasants, farmers and agricultural workers. The All Nepal Peasant Federation (ANPFa) also released a statement to draw the attention of the government to providing immediate relief and support programmes to compensate farmers, ease the supply of food and feed/fodder, and facilitate the sale of vegetables, eggs, milk and other agricultural produce. This resulted in the Government of Nepal declaring a 25 per cent subsidy on the charges for milk transportation during the lockdown. Despite the lockdown restrictions, the ANPFa worked closely with all three tiers of the government (i.e. federal, provincial and local) and helped connect peasants and other people with them.</p> <p>Meanwhile, NACCFL and other FOs also made their voice heard through a press statement that encouraged farmers to practise safety measures for the prevention and control of COVID-19. The organization also facilitated selling of agricultural products locally, and post-harvest processing of vegetables and other produce.</p>
<p>Pacific region (Cook Islands, New Caledonia, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Vanuatu)</p>	<p>PIFON, the implementing agency of the APFP in the Pacific islands, devised a survey to identify what COVID-19's current impacts were for farmers and FOs, and what impacts they expected in the future.</p> <p>Within farms/organizations, many are emphasizing effective forms of communication, particularly through social media, and exploring digital online platforms, including virtual training materials to assist employees. Increasing the supply of seedlings and planting material is an important focus, particularly to meet the growing demand from those who are now unemployed, on reduced hours and/or looking to establish backyard gardens.</p> <p>FOs are strengthening their networks through increased engagement on social media and radio, particularly in rural communities where the internet is difficult to access, such as in the Solomon Islands. There is much focus on identifying the most vulnerable members and re-strategizing to address food security and improve livelihoods. FOs have produced effective solutions specific to their response to COVID-19. In the Cook Islands, local produce originally targeted for the tourism market is sold domestically to especially vulnerable community members such as young families. FOs are also reaching out to government and development agencies for funding support for freight flights urgently needed to assist with exports and imports. Additional support and greater investment are needed in agriculture to improve food security and livelihoods, in addition to intermediary relief efforts, such as waiving of taxes, subsidies on planting material and suspension of loan repayments.</p> <p>FOs in the Pacific islands are currently working together, alongside their funding partners, including PIFON, Ministries of Agriculture, Chambers of Commerce and commercial banks, to further provide relevant assistance to their members. In Papua New Guinea, the government has allocated land to an FO to help displaced workers.</p>

Pakistan

To mitigate the effects of the pandemic on FOs in the country, the Crofter Foundation, the NIA of the APFP in Pakistan, has conducted several activities. First, it conducted an online awareness campaign for farmers on how they can stay safe during the pandemic. The organization is continuously coordinating with FOs to find out if any member needs support about health facilities or medical emergencies.

The NIA in Pakistan also raised funds to purchase food packs for distribution to needy families. In collaboration with the Pakistan Kissan Rabita Committee and other organizations, it provided basic food items to farmworkers, daily wagers and other marginalized communities in Pakistan. These food packets contain basic needs such as food (wheat flour, rice, cooking oil, spices, dry milk, sugar, pulses) and hygiene and cleaning products (soap, detergent powder etc.) to help them get through the lockdown.

Flower farmers were hit hard, since all functions have been cancelled, and hotels and restaurants have closed, leaving their products unsold. To help these farmers, the NIA put them in contact with the government relief fund.

The Crofter Foundation also facilitated transportation to help the farmers bring their products to market. Moreover, the organization also asked the authorities to allow shops and workshops related to the sale, purchase and repair of agricultural machinery to open because it was the wheat harvesting season at the time of lockdown. The farmers need the machinery to be able to harvest wheat and other crops. Finally, the Crofter Foundation also distributed leaflets about COVID-19 which contained information on how the government could respond to the public and how the public could find a better way to fight the pandemic. The leaflet is available in English and Urdu online, and the Urdu version was also printed out for distribution.

Philippines

Initially, NFOs focused on providing information about preventing COVID-19 and on government guidelines for food production and logistics. They are now concentrating on linking producers with institutional and commercial buyers in the cities who are running out of supplies for relief food packs.

The National Confederation of Small Farmers and Fishers Organizations (PAKISAMA), the NIA, is also working with other civil society organizations and farmers' networks to advocate for: (i) support for food producers (farmers, fishers, farmworkers, including those in processing and logistics) on the front line of the food supply chain; (ii) enhanced health services for farmers who are vulnerable to COVID-19 due to their advanced age; (iii) local governments to source directly from farmers for the fresh food relief packs that they are distributing to people who lost their daily wage jobs due to the lockdown; and (iv) easy passage through lockdown security checkpoints for fresh food produce from farms to urban centres. The NIA is also developing communication materials to be published on social media platforms on those advocacy points. The NIA and other NFOs are also linking with groups that buy fresh produce for distribution to local government units or to fresh markets.

PAKISAMA continues to participate in the networks to influence policy concerning the pandemic. It is also increasing its capacity in social media and other technological platforms. The neediest among the population were given US\$100 as support, and PAKISAMA is helping farmers access it. Seeds are also distributed to farmers. Cooperatives to help the farmers are also being organized. The organization also initiated a farmers' market where vegetables, fruits and other products from the indigenous community in Daraitan, Rizal, are sold to consumers in Metro Manila.

<p>Sri Lanka</p>	<p>The Movement for Land and Agricultural Reform (MONLAR), the NIA for the APFP in Sri Lanka, together with the Lanka Farmers' Forum (LFF), has acted to support affected communities.</p> <p>Despite its limited resources, MONLAR provided emergency support to most vulnerable families of the LFF platform and of other communities. Essential food packs were distributed to 1,109 families and 206 plantation families in 8 provinces.</p> <p>Further, some LFF district farmer forums intervened in providing agricultural extension services during the lockdown, as all government institutions were closed and farmers were helpless without proper advisory services on fertilizer and pest management. The LFF Anuradhapura district forum president and farmers' leaders provided information on ecological methods of cultivation and pest management where required.</p> <p>MONLAR has also been able to gather financial support from partners to support LFF members to revitalize their agriculture after COVID-19. It plans to initiate COVID-19 awareness-building programmes for farmers with the assistance of medical professionals. The LFF will also distribute face masks to its farmer members, giving them basic protection support as they grow food.</p>
<p>Thailand</p>	<p>The Assembly of the Poor, the AFOSP-APFP NIA in Thailand, distributed free cloth masks to its members. It encourages travel/tourism-oriented markets to sell to local people and promotes direct selling to urban consumers. The organization plans to increase production of quick-growing food as an answer to food hoarding and scarcity.</p>
<p>Viet Nam</p>	<p>The Viet Nam Farmers' Union has donated money to the national budget, and members have donated blood to patients in need. It has also distributed food packages (consisting of sugar, rice milk and noodles) and medical supplies (face masks and hand sanitizer) to farmers. The organization is also cooperating with enterprises to connect farmers to supermarkets. There are also lots of donations made to provide food support; they are directed to rural areas where there are more people in need of support.</p>

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