



# Economic inclusion and social protection to reduce poverty Pro-poor COVID-19 responses for an inclusive post-pandemic economic recovery

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## The issue

The COVID-19 pandemic is directly and indirectly impacting well-being and health around the globe. Illness and containment measures are compounding the social and economic disadvantages of the most vulnerable in society. These social and economic impacts stand to cause devastating setbacks to efforts to achieve the 2030 Agenda for Sustainable Development. Pervasive inequalities between rural and urban inhabitants, rich and poor, women and men will exacerbate these effects. People in areas impacted by severe climate change, conflict, forced displacement and migration will be even more vulnerable.

The socio-economic impacts of the COVID-19 pandemic add urgency to the call to eradicate poverty, particularly in rural areas. Considering that approximately 80 percent of the 734 million extreme poor live in rural areas and that approximately 70 percent of the SDG targets relate to rural areas, achieving the 2030 Agenda requires greater focus on rural development. The World Bank now estimates that the COVID-19 crisis could push up to 100 million people into extreme poverty by the end of 2020 alone. Rural communities are less prepared and able to cope with the socio-economic consequences of the pandemic, and because of the interconnected nature of most rural spaces, this has significant implications for rural livelihoods, broader food systems and national food security.

Rural areas and rural inhabitants are an integral part of food supply chains in production, processing, trade and transport and are directly impacted by demand shocks and any restrictions on the movement of labour or transport of goods. Most rural inhabitants, particularly the rural poor, rely on diversified sources of income to survive, including agricultural wage labour and non-agricultural activities. Economic activity in rural areas, particularly for women and youth, is primarily informal.

The rural poor typically have little or no access to formal insurance, credit or risk management mechanisms, including social protection. They face difficulties in accessing liquidity, exacerbated by a reduction in income from casual labour and reduced access to informal markets. The informal agricultural sector is mostly excluded from COVID-19 assistance through formal traditional financial mechanisms.

Income shocks negatively affect the food security and nutrition of not only the poorest, but also the newly vulnerable and the millions of people living under insecure forms of land tenure, whose livelihoods are threatened by internal displacement and lockdown measures. Without an effective social protection response, many households may be forced to adopt coping measures with negative long-term consequences, including reduced dietary diversity or number of meals, the sale of assets, pulling children out of school and increased child labour. Curtailing education risks limiting the development of skills that young people need to get decent jobs in future.

## Budget

USD 170 million

## Time frame

2020–2023 (three years)

## SDGs



## Related FAO policy notes on COVID-19

- ▶ COVID-19 and rural poverty: Supporting and protecting the rural poor in times of pandemic
- ▶ Addressing inequality in times of COVID-19
- ▶ Social Protection and COVID-19 response in rural areas



Rural women bear a disproportionate burden in the COVID-19 crisis, not just as agricultural producers, processors and traders affected by deeply rooted gender discriminatory social norms and economic practices, but also as carers for out-of-school children and the sick, due to reduced health services in rural areas. They are also subject to a rise in gender-based violence.

Other vulnerable groups include youth, children, the elderly, people with disabilities, indigenous people and other marginalized groups. The COVID-19 pandemic has also significantly affected migrants, including refugees and internally displaced people, casual labourers and seasonal migrants, all of whom are exposed to high risk of infection. Informal small-scale producers and micro- and small-enterprises along the agrifood system are exposed to high risk as well, as they play a central role in maintaining food and agricultural product supplies.

The post-pandemic economic reset is a unique opportunity to address global and national inequalities among and within countries, as well as to strengthen regional integration. Economic recovery programmes that do not address these inequalities and place emphasis on pro-poor recovery plans run the risk of reinforcing inequalities in future.

## The action

A broad array of development actors - including the United Nations, resource partners, international financial institutions, regional economic bodies and the private sector - must urgently join forces and secure adequate funds to ensure developing countries stem the worst effects of this health, social and economic crisis. If unchecked, COVID-19 will have lasting consequences for agriculture, food security and nutrition and national and regional food systems, as well as for broader socioeconomic development.

In the spirit of the 2030 Agenda for Sustainable Development and its key principle of 'leaving no one behind', emergency, short- and long-term recovery policies and plans need to prioritize support for the most vulnerable. Experience has shown that non-targeted responses tend to deepen existing inequalities by benefiting the better off and urban populations.

The programme aims to stimulate timely planning and promotion of an inclusive process of socio-economic recovery in developing countries. It supports countries to put in place recovery policies, programs and tools and to consider differentiated needs and adequately address the constraints that the rural poor face to contain and respond to both direct and indirect impact of COVID-19 and accompanying containment measures. The need to maintain food system operations uninterrupted during COVID-19 underlines rural-urban interdependency. Social and economic recovery will depend on understanding the productive and economic relevance of rural territories and the vital links connecting agriculture, ecosystems, natural capital and environmental services. The programme provides an opportunity to build back better, by strengthening policy measures and programme support through a territorial approach to build resilience among the rural poor by increasing through increasing the sustainability of their livelihoods.

Expanded social protection is the most immediately needed measure. In both the immediate and longer term, protecting and supporting livelihoods requires the combination of social protection interventions to protect income, provide liquidity, prevent negative coping strategies and facilitate economic inclusion, with measures to support environmentally sustainable production and access to employment, including the provision of innovative public employment programmes, and strengthen the agrifood system focusing on particularly vulnerable populations.

Rural livelihoods need immediate support through policies and programmes that promote and protect employment and keep food systems and the rural economy moving, particularly those segments driven by small, informal producers, service providers and downstream value chain actors. In the medium- to long-term recovery process, the programme focuses on expanding social protection; building rural women's economic empowerment; strengthening the livelihoods of informal entrepreneurs and rural workers, including facilitating a transition to formality in the rural economy; ensuring safe and regular migration pathways, including for seasonal migrants working in agrifood systems; strengthening producers' organizations and improving small-scale producers' access to productive resources.

The programme promotes participatory mechanisms and capacity building for better territorial governance, as well as knowledge generation and exchanges and learning across countries and regions through south-south cooperation and the establishment of policy dialogue and farmer organizations' knowledge exchange platforms.



## Expected results

### 1 Social protection will be expanded to:

- ▶ Better reach women, children, informal workers, migrants and other underserved groups.
- ▶ Integrate rural areas into risk-informed and shock-responsive social-protection components, linked with early warning, conflict-sensitive programming and climate adaptation.
- ▶ Strengthen linkages with economic inclusion processes at territorial level, including productive and climate-smart interventions, secured access to and management of natural resources, financial inclusion and advisory services and business development in the rural areas.
- ▶ Scale up nutrition-sensitive social protection, ensuring prevention of malnutrition and food insecurity.

### 2 The sustainable economic inclusion of small-scale producers will be strengthened through:

- ▶ Enhanced, inclusive access to (a) extension and market-oriented, gender-sensitive advisory services and inclusive rural finance; (b) land, forest and water resources and inclusion in natural resources management programmes; and (c) innovative and diversified market channels, by promoting shorter value chains, public purchase and food banks, e-commerce and compliance with food standards and trade requirements.
- ▶ Strengthened institutional capacity to facilitate innovation processes and coordination mechanisms, including multistakeholder dialogue, among territorial institutions.
- ▶ The facilitation of greater long-term resilience and adaptive capacity for forest and farm producers, fisherfolk, pastoralists and their organizations.
- ▶ Increased government capacity to design and implement comprehensive small-scale producer recovery strategies, programmes and territorial development initiatives.
- ▶ Reduced dependency on child labour through the provision of social protection and alternatives for children of legal working age to ensure minimal food value chain disruption.
- ▶ BAROMETRO monitoring of the impact of COVID-19 on small-scale producers and farmers and the implementation of public and civil society response.

### 3 Rural women's economic empowerment will be strengthened by:

- ▶ Measures to safeguard rural women's economic activities and productive employment in agrifood value chains and to enhance rural women's access to resources and services, jobs, financial services and market participation, with particular attention to women-run agribusinesses and the promotion of inclusive value chains.
- ▶ Empowering rural women and their organizations to engage in the design and implementation of COVID-19 response measures.
- ▶ Efforts to ensure that women small-scale producers gain equitable access to land, productive resources, inputs and services for the next production season.
- ▶ Programmes to protect rural women and girls from gender-based violence.

### 4 Informal rural workers and entrepreneurs will be protected and empowered through:

- ▶ The design and roll out of training on agrifood systems, value addition, online marketing, business resilience, innovation and green job skills.
- ▶ The facilitation of access to advisory services for agripreneurs, in addition to rural finance measures, including recovery grants, soft loans and insurance, to maintain or learn skills.





- ▶ Connecting startups to the private sector, incubation services, lucrative markets and virtual marketplaces, as well as labour intermediation mechanisms adapted to rural settings, enabling easier access to information on job opportunities.
  - ▶ Strengthened organizational capacity and coordination between the public sector, micro-, small- and medium-sized enterprises, producers and workers' organizations implement and guarantee COVID-19 preventive and protective measures.
- 5 Protection and empowerment of migrant workers will be enhanced by:**
- ▶ Generating knowledge and raising awareness on the socio-economic impact of COVID-19 on migrants in agrifood systems.
  - ▶ Advocating the inclusion of migrant workers and their families in COVID-19 response actions.
  - ▶ The creation of subsector-specific guidance tools, in addition to national policy and technical support, on the inclusion and protection of migrants in the COVID-19 response, the reintegration of migrants in rural areas and support for remittance-dependent households.
  - ▶ Strengthened dialogues and partnerships to coordinate responses to challenges faced by migrants.

## Partnerships

Partners will include *Appui au Développement Autonome* (ADA) Microfinance; the African Union; the AgriCord Alliance; the Association of Southeast Asian Nations; Care USA; the Centre for International Environmental Law; the Community of Latin American and Caribbean States; the Inter-Agency Network for Youth Development; the Intergovernmental Authority on Development; the International Food Policy Research Institute; the International Fund for Agricultural Development; the International Institute for Environment and Development; the International Labour Organization; the International Organization for Migration; the International Union for the Conservation of Nature; the Panafrikan Farmers' Organization; the Rabobank Foundation; the Royal Tropical Institute; *Sistema de Integración Centro Americana*; the United Nations Capital Development Fund; the United Nations Children's Fund; the United Nations Decade of Family Farming; the United Nations Industrial Development Organization; the World Bank; the World Food Programme; and UN Women.

## Programme links

The programme is part of FAO's comprehensive COVID-19 response package and builds on FAO policy to address rural poverty, inequality, social protection, migrant workers, informal workers, gender, forest sector, smallholder producer capacity and access to markets, fisheries and aquaculture food systems, the livestock sector and extension and advisory services. The programme is aligned with FAO's Hand-in-Hand Initiative on the eradication of poverty and ending hunger in all its forms, the Global Action Programme on Food Security and Nutrition in Small Island Developing States and the United Nations Decade of Family Farming and its Global Action Plan.

The programme builds on numerous FAO Flexible Multi-partner Mechanism (FMM) subprogrammes and is aligned with FAO's social protection interventions, supported by the Sustainable Development Goal Fund, Global Network Against Food Crises, FAO's COVID-19 Humanitarian Appeal and FAO's contribution to the Social Protection Inter-Agency Board. It links with the the European Union-FAO Forest Law Enforcement, Governance and Trade programme, the Forest and Farm Facility and the Reducing Emissions from Deforestation and Forest Degradation (REDD+) programme. It further links to FAO's migration projects and coordinated response actions under the United Nations Network on Migration and builds on the FAO Integrated Country Approach to boost decent jobs for youth in agrifood systems, the Green Jobs for Youth initiative and the joint FAO/UNIDO Opportunities for Youth in Africa programme. Lastly, it links with the joint United Nations programme to accelerate rural women's economic empowerment and the Multi-partner Programme Support Mechanism on Gender Equality and Women's Empowerment in Agriculture, Food Security and Nutrition.



## Regional and country focus

**The regional contexts described here are subject to change in line with the results of ongoing country assessments and dialogues with Governments and partner organizations. The countries listed may therefore change.**

In **Africa**, the key priorities are strengthening rural institutions and smallholder producer organizations, expanding rural social protection systems in the immediate and longer term, and rural women's economic empowerment. Measures that include youth and women, including informal workers and migrants, among the most vulnerable groups will be supported, in particular, as well actions to prevent child labour in support of the African Union Agenda 2063. The proposed target countries in Africa include Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, the Central African Republic, Chad, Comoros, Côte d'Ivoire, the Democratic Republic of the Congo, Eswatini, Ethiopia, the Gambia, Guinea-Bissau, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritius, Niger, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Togo, Uganda, Zambia and Zimbabwe.

In **Asia and the Pacific**, the programme will work to strengthen smallholder resilience to climate, economic and biological risks; improve rural households income and livelihood diversification within diversifying economies; manage rural-urban and reverse migration; develop small-scale enterprises, expand social protection and safety nets; invest in digital technology access by smallholders and women; abolish child labour; strengthen rural women's empowerment; and protect migrants in Afghanistan, Bangladesh, India, Indonesia, the Lao People's Democratic Republic, Myanmar, Mongolia, Nepal, the Pacific Islands, Papua New Guinea, Pakistan, the Philippines, Thailand, Timor Leste and Viet Nam.

In **Europe and Central Asia**, the priorities for COVID-19 response include strengthening local food production, extension and advisory services, digitalization, migration and social protection, with a focus on youth and women's empowerment, within the framework of territorial development. The programme aims to focus on the poorest countries in the region, including Albania, Armenia, Bosnia and Herzegovina, Kyrgyzstan, Moldova and Tajikistan.

In **Latin America and the Caribbean**, the programme will address the expansion of social protection, the empowerment of rural women, the protection of informal rural workers and migrants and the strengthening of rural institutions and producers' organizations, in particular, forest and farm producers' organizations in Bolivia, Colombia, the Dominican Republic, the Eastern Caribbean, Guatemala, Ecuador, El Salvador, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Paraguay and Peru.

In the **Near East and North Africa**, the programme will address the expansion of social protection, the strengthening of rural institutions and producers' organizations, and the protection of informal rural workers and migrants in Algeria, Egypt, Iraq, Jordan, Lebanon, Mauritania, Morocco, Palestine, Sudan, the Syrian Arab Republic, Tunisia and Yemen.

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