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联合国粮食及农业组织 Food and Agriculture Organization of the United Nations Organisation des Nations Unies pour l'alimentation et l'agriculture Продовольственная и сельскохозяйственная организация Объединенных Наций Organización de las Naciones Unidas para la Alimentación y la Agricultura منظمة الأغذية والزراعة للأمم المتحدة

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COVID-19 impact and response in the Near East and North Africa

Executive Summary

The crisis has impacted agrifood systems through complex pathways, and these impacts are likely to change over time and affect multiple elements and dimensions. By many measures, NENA countries have succeeded in keeping food supply chains alive and mitigating the risk of a food crisis. This note presents insights and learning thus far about the economic and social impact of the COVID-19 crisis on agrifood systems, food security and nutrition in the region, noting that the pandemic is still ongoing and its long term impacts remain to be seen.

Suggested action by the Regional Conference

1. The Regional Conference is invited to urge Members to:

   a) take note of initial findings on the impacts of COVID-19 on NENA agrifood systems; and
   b) continue monitoring the diverse impacts of the pandemic on agrifood systems, food security and nutrition to mitigate and minimize adverse medium to long term consequences in an effort to build back better.

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I. Introduction

1. As the COVID-19 pandemic approaches its two-year mark, its effects on the global economy remain unprecedented and highly uncertain. Governments in the Near East and North Africa[1] (NENA) region are still contending with the presence and spread of coronavirus, its variants, and vaccination rollout, balancing measures to protect public health protection with economic stimulus and recovery. As of 1 November 2021, there have been 9 075 737 confirmed cases of COVID-19 across the NENA region, including 147 747 deaths.[2]

2. The containment measures put in place to limit the spread of coronavirus triggered an economic challenge with far-reaching consequences on livelihoods, poverty and food security that are still unfolding as the health crisis persists while risk of further disruptions remains. The great lockdown period from March to about July 2020 was the most disruptive for the global economy and corresponds to the sharpest economic contraction in modern history; all NENA countries experienced an unprecedented economic downturn that has reduced incomes especially in vulnerable sectors like tourism, services and informal activities, with negative impacts on access to food. FAO estimated that between 720 and 811 million people faced hunger in 2020 globally, an increase of about 118 million since 2019 (considering the mid-range, 768 million) and predominantly from Africa and Asia. The United Nations Economic and Social Commission for West Asia (UN-ESCWA) is projecting the number of poor in 14 Arab countries to rise from between 101.4 and 102.4 million in 2019 to 114.9-120.9 million in 2020 and 116.3-120.4 million in 2021.

3. While most NENA countries are seeing their Gross Domestic Production (GDPs) rebound in 2021, the recession has weakened their macroeconomic positions and the fiscal space to fund socio-economic responses is squeezed. Many NENA countries faced both COVID-19 and oil price shocks, with oil prices at times collapsing (particularly between February and April 2020) and remaining vulnerable to low global demand. The recovery is therefore uneven, vulnerable to the continuing spread of coronavirus and speed of vaccination and remains highly uncertain but will likely stretch beyond 2022.

4. The crisis has impacted agrifood systems through complex pathways, and these impacts are likely to change over time and affect multiple elements and dimensions. By many measures, NENA countries have succeeded in keeping food supply chains alive and mitigating the risk of a food crisis. Lockdown measures have resulted in major disruptions to supply chains, although it was less pronounced in the NENA region. Global and local food availability and prices have remained relatively stable, and local production and value chains have been more resilient than other sectors of the economy. Nonetheless, many COVID-19 disruptions occurred that can potentially impact agricultural productivity, value added as well as food and nutrition security. These include reduced input availability and access, higher transaction costs along the supply chain, economic downturn leading to lower purchasing power and lower demand in local markets, interruptions to international trade affecting producers who rely on export markets, changing consumption patterns coupled with sedentary lifestyles and unhealthy diets, and, in the region's more fragile countries, harmful coping mechanisms that weaken household diet diversity and food intake. These challenges will be most felt by small-scale producers and family farmers, agrifood small and medium enterprises (SMEs), rural women and youth in the region's major producing countries, and signals vulnerabilities and calls for greater resilience across the agrifood sector.

5. This note presents insights and learning thus far about the economic and social impact of the COVID-19 crisis on agrifood systems, food security and nutrition in the region, through a narrative

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[1] The Near East and North Africa region refers to 18 countries and Palestine as per http://www.fao.org/neareast/countries/en/. Note: The information contained in the report is based on different sources. In most cases, it refers to the region defined by FAO as the 'Near East and North Africa' (NENA). Other sources refer to the 'Arab Region', which includes all the countries of the NENA region + Somalia, Djibouti and the Comoros. In the text, reference is made systematically to the country grouping to which the information refers.

[2] https://COVID19.who.int/.

around certain key impacts of the crisis with an important caveat being the pandemic is still ongoing. FAO is in a continuous process of monitoring and assessing the impacts of COVID-19 on agrifood systems in countries of the region; resources were put in place at the outset of the crisis to lead assessment activities, in most cases in partnership with the Rome-based UN Agencies, UN Country Teams, and other international organizations, and in full coordination with national authorities. These efforts also rely upon information and experience sharing of our member countries in the NENA region while drawing on all available information and data from other sources.

II. COVID-19 impacts in NENA Countries

6. The economic and social disruptions caused by the COVID-19 pandemic have impacted all aspects of food security. It has contributed towards increased food insecurity, poverty and added fragility to livelihoods and food supply chains. Food insecurity is particularly visible through complex pathways, such as loss of incomes and food safety challenges in addition to volatility in food availability.

7. The impacts of the COVID-19 crisis on the ability of agrifood systems to deliver food security and healthy diets for all can be summarized into disruptions affecting supply and demand of agricultural and food products. On the supply side, COVID-19 has created labour shortages caused by internal movement restrictions, lack of, or restrictions on, migrant workers, while illness or infection with the virus can raise costs or affect productivity of agriculture, processing and food distribution activities. Moreover, there are logistical disruptions around the movement, storage, and control of food products, posing delays and risks especially to perishable goods; and finally, COVID-19 has compounded the many challenges to agriculture and agrifood systems in countries with pre-existing economic and humanitarian crises and instability.

8. On the demand side, the economic crisis triggered by COVID-19 containment measures has led to a slowdown in global and regional growth with implications for incomes and consumer spending; a major shift in consumers' food purchasing modalities has occurred such as lower restaurant traffic, increased e-commerce deliveries, and rise in home consumption; and food consumption patterns may change in terms of an increase in both staple foods and ready-to-eat food that can be stored. Likewise, loss of incomes and rising prices have an impact on consumption and nutrition. Poor households are likely to reduce the number of their meals and shift spending away from foods with high micronutrient content to less nutrient-rich foods that are often high in salt, sugar or fats.

9. Governments responded swiftly and primarily to allay risks of shock to agrifood supply chains, then as the crisis deepened and transformed into an economic crisis, risks to the broader food security and nutrition status. A key objective was to keep agrifood production, distribution and trade alive. This meant exempting agrifood sector actors and activities from the containment measures imposed on the rest of the economy, and facilitating the sector by allowing operations to continue and allowing people and products to move amidst the restrictions, keeping in balance with measures to protect public health.

10. Policy responses can largely be categorized as consumer-oriented, producer-oriented, and trade and economy-wide-oriented. Consumer-oriented policy responses aimed to maintain consumption levels and secure access to food for the poor and vulnerable, the fear being that acute and chronic food insecurity are expected to rise. In NENA, 70 percent of countries used cash transfers as a measure to support consumption, other policy responses being price controls, food assistance and food stocks.[3] Producer-oriented policy responses aimed at keeping supply chain production and distribution alive, such as the exemption measures, as well as credit and financial support utilized by over 70 percent of NENA countries and other policies to facilitate transportation, markets and commercialization. Finally, policy responses oriented to the whole economy include lockdown measures themselves, as well as the creation of inter-ministerial units and/or technical committees to

[3] For more details, see "Policy responses to the COVID-19 crisis in the Near East and North Africa – keeping food and agriculture systems alive: A review based on the FAO Food and Agriculture Policy Decision Analysis (FAPDA) database". https://doi.org/10.4060/cb3874en

monitor and anticipate crisis impacts domestically and internationally with regard to global food trade.[4]

11. The swift response and commitment of governments to facilitate the agrifood sector during the early stages of the pandemic and avoid restrictive or distortionary measures, global agrifood systems and trade have thus far withstood the shocks, and a food availability crisis averted. NENA countries remain highly exposed to the uncertainty and risk of disruption in global food supply chains due to being net food importers. That said, the immediate concern is no longer on food availability but on food access due to income loss and economic recession.

12. While global food commodity prices fell overall in the early months of the pandemic, they were on the rise for about 12 months since June 2020. Localized price increases for certain food commodities affected some countries, including many of the NENA region, which are heavily dependent on food imports. Most NENA countries have price support schemes, thus such increases are absorbed by the government rather than consumers. The FAO Food Price Index fell briefly in June 2021 for the first time in 12 months, before resuming an upward trend through November 2021.

13. The COVID-19 crisis has likely aggravated the nutrition situation and exacerbated interrelated economic, food and health shocks, although the situation is still opaque and data scarce. The major drivers of malnutrition in the region include conflicts, economic shocks, climate shocks and inadequate dietary intake influenced by poor knowledge about good nutrition and poor habits, as well as convenience and affordability of non-nutrient dense foods.

14. Pre-COVID-19, more than half of the region's population was unable to afford healthy diets. Since COVID-19, this affordability gap has probably widened. Loss of employment and livelihoods has eroded household purchasing power, pushing some to change their food choices in a way inconsistent with diverse, healthy diets. COVID-19 also disrupted nutrition programmes, such as school feeding programmes, as well as immunization schedules, treatment of child wasting, and other healthcare services, that likely aggravate the already acute malnutrition levels in conflict-affected countries. Whereas agrifood systems have continued functioning, the efforts made to maintain food consumption and supply chains have perhaps given less attention to the overall food environment and the individual-level factors affecting consumer choice and diets. This is a critical link between agrifood systems and their food security and nutrition outcomes, which has been tremendously affected by the pandemic through disruptions in food demand, in particular the shifts in purchasing modalities and changes in consumption patterns.

III. COVID-19 impacts within the agrifood system

15. Agrifood systems in NENA have faced disruption to supply and demand of agricultural and food products and are continuing to withstand the effects of the COVID-19 health and economic crisis. Within regional agrifood systems, the actors and all production, processing and distribution activities have shown resilience throughout the pandemic and thus helped avoid a major food crisis. Country monitoring reports from March 2020 to date validate this, but point to challenges that can potentially impact agricultural productivity, value added as well as food and nutrition security.

16. Nonetheless the inherent vulnerabilities in NENA agrifood systems that existed pre-COVID remain and have been further exposed during the pandemic. The region's predominantly small-scale systems provide over 80 percent of the region's agricultural production and the farming families owning about 85 percent of agricultural land holdings. Women represent up to 45 percent of agriculture labour, and 40 percent of the region's population are living and working in rural areas where the poor are predominantly located. Agrifood SMEs are labour-intensive and poorly integrated (horizontally and vertically) along value chains with weak infrastructure and remarkably low rates of value addition. A major proportion of food distribution and value addition is informal and traditional, even in middle-income and urban centres, with poor food safety management and lacking food quality standards. Against this backdrop, actors have managed to keep agrifood systems alive during the COVID-19 crisis but there is presumably a socio-economic cost and need to cope.

[4] Ibid.

Small-scale Producers

17. Small-scale producers were deeply affected by COVID-19 disruptions, and more specifically by the containment measures that took place during the lockdown from March to July 2020,[5] despite the majority being exempted from them. Rapid assessments and case studies from across the region have shown that movement restrictions or delays were a major problem for producers themselves, as well as the inputs markets, labour market and output markets they interact with. Lower incomes are widely reported as a result of these disruptions, partly due to rapid fluctuations in prices due to demand shocks in local and export markets. However, a major culprit is the higher cost of production and higher transaction costs from searching for alternative inputs, labour, output markets, or adapting business models to new COVID-19-induced conditions.

18. In Palestine, FAO and partners have been surveying a panel of key informants on a weekly basis since late March 2020 to draw live insights and gauge COVID-19 impacts. Some consistent findings are: lower market demand and challenges for smallholders to sell their products; disrupted informal credit systems and much less access to finance; lack of inputs such as chemicals, seedlings, spare parts, feed, etc., or at much higher prices than pre-COVID levels when available.[6] The Palestine Economic Policy Research Institute anticipates losses in the agriculture and livestock sector between 5.1 to 6.2 percent in 2020, and the Palestinian Central Bureau of Statistics predicts losses in agriculture, forestry and fishing of about USD 200 million as compared with a baseline scenario of no pandemic for 2020. In the Sudan, COVID-19 has compounded the challenges of natural and protracted socioeconomic crises. Agrifood system actors report the challenges posed by movement restrictions and serious shortages of fuel, agricultural inputs, machinery and spare parts. Furthermore, animal health control and support services have been significantly scaled back due to movement restrictions.[7] In Egypt, producers reported an average 14 percent increase in daily wages of farm labourers.[8] Farmers surveyed in Egypt perceived high uncertainty and potential for lower income, an interesting reminder of smallholder farmers' risk aversion and how their perception about risks might influence production decisions, regardless of the actual pandemic impacts realized.

19. There is much more to be learned and understood about how COVID-19 impacted the cost structure for smallholder farmers, including whether it led to food loss, and how farming families coped with the loss. Some reports share anecdotes of selling off assets to cover losses, and presumably also a change in consumption. There is also concern that interruptions to production practices and input use could eventually impact productivity.

Agrifood Small- and Medium-Size Enterprises (SMEs)

20. Agrifood SMEs faced many of the same issues as small-scale producers, in terms of movement restrictions disrupting the flow of labour, inputs and products, and higher search and transaction costs spent to overcome these issues, the result being an erosion of profits.

21. The case of agrifood SMEs in Iraq is illustrative of the challenges and impacts posed by COVID-19 on business operations and continuity. As shown in Box 1, the study found that the food and agriculture sector is doing slightly better than other sectors of the economy, although business has not yet fully returned to normal pre-COVID levels. Agrifood SMEs faced decreased sales and thus lower incomes, along with difficulty accessing production inputs as well as labour due to illness and movement restrictions. This combined with delays in logistics and transport which have driven up transaction costs particularly at the outset of the pandemic.

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[5] All NENA countries have enacted lockdown measures. From March to July 2020, all countries were over 60 on the stringency index: https://ourworldindata.org/grapher/COVID-stringency-index?tab=chart&country=LBN~DZA~LBY~MRT~BHR~MAR~OMN~PSE~EGY~QAT~SAU~SDN~SYR~TUN~ARE~IRQ~YEM~JOR~KWT

[6] Source: National agrifood systems and COVID-19 in Palestine. Available from http://www.fao.org/2019-ncov/resources/country-profiles/en/

[7] Source: National agrifood systems and COVID-19 in the Sudan. Available from http://www.fao.org/2019-ncov/resources/country-profiles/en/

[8] Source: Rapid Assessment of The Impact of COVID-19 on Agriculture, Food and Nutrition Security. Available from https://storymaps.arcgis.com/stories/a41efb8a4d8d40f1adabb5216e9b9451

22. COVID-19 has highlighted the need for more resilient and efficient agricultural value chains. The case of artichokes in Egypt and Tunisia[9] illustrates the vulnerability of value chains lacking postharvest infrastructure and processing facilities. Artichokes are mainly grown for export to Italy, Spain and the United States, and clusters of small-to-medium scale producers were left without alternative local markets, nor capacity to store or transform into higher-value frozen or packaged products when COVID-19 induced a negative demand shock in May 2020 that coincided with their harvest and export window. Producers in Tunisia experienced a 15-20 percent reduction in revenues, which was likely to impact preparation and productivity in the coming seasons. Artichokes are nonetheless an exported product; traditional and informal marketing systems for locally produced and consumed products are the most vulnerable, less integrated and adapted to changing business environments, and many of these communities are often unregistered and cannot benefit from state support.

Box 1: **Study on Impact of COVID-19 on agrifood SMEs in Iraq**

FAO with the International Trade Centre (ITC) and the International Organization for Migration (IOM) conducted a panel survey of 210 food and agriculture SMEs (out of a total 851 SMEs across all sectors) to assess the impact of COVID-19 on their operations, employees and incomes over the course of 2020 and 2021. The panel survey was conducted in rounds to capture the situation in February 2020 pre-COVID-19 and in May, September and December 2020, and June 2021. Key findings reported over this period by agrifood SMEs pertain to:

- *Revenue*: Average monthly revenue of respondents dropped by 57 percent during the February to May 2020 period, and remain down 18 percent as of May 2021;
- *Employment*: SMEs coped by releasing employees, full-time employees dropped by 22 percent between February and May 2020, and at May 2021 were still 7 percent below pre-COVID-19 level; and
- *Continuity*: 19 percent of businesses claimed a risk of permanent business shutdown due to COVID-19 in June 2021, as compared with 38 percent in June 2020.

Whereas the situation for agrifood SMEs has improved relative to the lockdown period at the outset of the pandemic, the findings reflect protracted challenges as a result of COVID-19 as the pandemic continues. As compared with May 2020, more agrifood SMEs claim that some clients are not paying bills (38 percent in May 2021 versus 26 percent in May 2020), 29 percent claim to have reduced investments in May 2021 (versus 12 percent one year prior), and more claim to be increasing market efforts, needing leniency in meeting financial responsibilities, and needed to source from new suppliers.

In turn, a greater proportion of the agrifood SMEs surveyed are requesting government support in the form of financial programmes such as low interest credit or credit guarantees, support to self-employed and employment programmes.

Source: Panel Study IV: Impact of COVID-19 on SMEs in Iraq (available here). Results from previous survey rounds can be accessed here.

Fisheries and Aquaculture sub-sector

23. Fisheries and aquaculture were one of the hardest hit sub-sectors during the pandemic, impacted at every stage of the supply chain, from production to processing, transport and marketing. There were dramatic changes in the modes of production, retail and consumption of fishery products, and by extension in demand, supply and prices.

24. The Maghreb countries' regional fishery and aquaculture sectors experienced a significant decline in activity. In studies across four countries, nearly a quarter of respondents estimated their

[9] IFPRI and FAO Tunisia

decline in income by 20 to 40 percent caused by lower production. On the supply side, fishing at sea was limited due to physical distancing requirements. Over a third predicted a financial loss of between 40 and 60 percent for 2020.[10] On the demand side, the sector experienced major disruptions in local and international demand due to the closure of restaurants and hotels, as well as lower household incomes. There are indications of a shift in consumption patterns; survey respondents in North Africa indicated that marine products are a luxury and non-essential, a signal that it might be one of the last sub-sectors to recover from COVID-19 impacts.

25. In the Gulf countries, the supply, demand and trade of fish and seafood products have been more stable. The experience of the Behar platform in Oman, the first online platform to buy fish from the central wholesale fish market in Al Fulaij, has been exemplary in leveraging digital innovations to keep supply chains alive while meeting COVID-19 containment measures.

Agrifood Trade

26. Global food trade is a major area of concern for NENA countries as it is so deeply intertwined with regional food security and nutrition, both in terms of reliance on imported commodities and income from high-value exports. Almost two years into the pandemic, global agrifood value chains have been remarkably resilient, thanks to the efforts of governments and stakeholders to keep markets open and trade flowing smoothly, on the back of ample food supplies and stable cereal markets. Some cases of trade-restricting measures occurred in the region and among key trading partners, but these were few and short-lived. Localized trade disruptions, largely due to logistical issues, did not have a lasting effect on global supply chains. As such, agrifood trade is characterized by a sudden drop in trade volume from March to May 2020, followed by a sharp v-shaped recovery.

27. Despite this continuity, the region remains intrinsically vulnerable and exposed to global food trade shocks in the medium-term and for as long as COVID-19 continues driving market uncertainty. The NENA region has the highest food import dependency per capita, and the region saw its total food import bill increase in 2020 relative to 2019 in real terms. In the meantime, with stable food availability, including stable primary production in most countries, the major concern is around food access in a prolonged recession as well as some longer-term shifts in global demand and supply for food commodities.

Digital Innovation

28. The COVID-19 pandemic has undoubtedly disrupted digital innovation in the agrifood sector but created an opportunity for accelerating digital transformation. A global study by the Global System for Mobile Communications (GSMA) explored the uptake of digital tools among smallholder farmers during COVID-19, finding that demand for digital tools has indeed increased and particularly for three types of tools.[11] First, demand for digital advisory services has increased as social distancing and movement restrictions prevented traditional extension and advisory practices. New tools have emerged, and many existing ones adapted by adding COVID-19-related modules. The latter was the case for *El Mufeed* and *Ma' Al Muzare'*[12] applications in Egypt and Jordan, respectively, developed through FAO's Digital Service Portfolio. Second, demand for digital financial services has increased, and the role of governments can be highlighted as key to boosting financial inclusion. Finally, the surge of agri-e-commerce platforms driven by consumer demand, but many tools are addressing market linkages for smallholder farmers as well as input supply.

29. In many ways, the private sector is driving digitalization of agriculture, but the public sector has a key role to play in facilitating and ensuring this transformation leads to greater efficiency, equity and sustainability in line with broader food systems transformation goals. This role includes

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[10] Source: Impact de la crise COVID-19 sur les secteurs de la pêche et de l'aquaculture dans quatre pays du Maghreb, http://www.fao.org/3/cb2991fr/cb2991fr.pdf

[11] Source: GSMA 2021. COVID-19: Accelerating the Use of Digital Agriculture

[12] *El Mufeed* and *Ma' Al Muzare'* belong to FAO's Digital Service Portfolio (DSP), a flagship web application located on FAO's Google Cloud infrastructure. that brings extension and advisory services, including key messages about COVID-19, to agrifood sector actors in Egypt, Jordan, Rwanda, Senegal and the United Republic of Tanzania.

identifying clear targets for the digital transformation of the agrifood sector through e-agriculture strategies, improving the efficiency of digital public services for the agrifood sector and working to create an enabling ecosystem for investment and research.[13]

IV. Gender

30. As with most other shocks and crises, the COVID-19 pandemic is not gender-neutral. All studies conducted in the past year show that the socioeconomic impacts of the pandemic have been particularly severe for women and girls in the NENA region, risking to further exacerbate existing gender inequalities. The most evident gender-differentiated impacts are described hereunder.

31. Women's already disproportionate share of unpaid domestic and care work has increased, including responsibilities for food security and nutrition as a result of school closures and other containment measures implemented to curb the spread of the pandemic. This is problematic, as unpaid care work is a major limitation to women's participation in the labour market, which in the NENA region is the lowest in the world (estimated at 20 percent in 2019, ILO). According to The United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), women in the Arab region perform nearly five times as much unpaid care work as men.

32. The COVID-19 pandemic's impact on decent employment and entrepreneurial opportunities has hit women workers and entrepreneurs harder as their economic activity tends to be concentrated in informal and consumer-facing sectors. In 2019, an estimated 62 percent of women employed were working informally, in unregistered jobs generally lacking basic social or legal protection, and 33 percent of them were working as contributing family workers (therefore without being paid).[14] NENA women are over-represented in the two most vulnerable categories of informal employment: the agriculture sector and domestic workforce. According to some of the surveys conducted (e.g. United Nations Industrial Development Organization [UNIDO]), women and youth-led businesses, including agri-businesses, showed less resilience against the crisis, mainly due to their limited access to financial services, which makes it more difficult for women to leverage loans to sustain their business in economic contraction. The disruptions within agrifood systems led to the loss of many typically female agricultural jobs, such as daily or seasonal labourers or market vendors.

33. Women are more vulnerable to food insecurity and malnutrition. FAO and CARE have conducted Rapid Gender Analysis in Iraq and Sudan, finding that income and livelihoods and food security and nutrition are the areas of life most impacted by COVID-19. Many households coped by reducing the quantity and/or quality of food consumed, often prioritizing "working men" over women. The prevalence of severe and moderate food insecurity among the respondents, based on the Food Insecurity Experience Scale (FIES) data collected through the survey, is higher among women in both countries, particularly in Sudan. The gap is consistent through all age cohorts and for female-headed households. In many countries during the pandemic there has been a substantial reduction in the coverage for essential nutrition services targeting children and pregnant women (according to the World Food Programme).

34. Girls face greater risk of overturning educational attainment. Drop-out rates among girls are higher, as they may take on extra care responsibilities instead of going to school or engaging in home-schooling. Also, girls face disproportionate difficulties in accessing ICT-based learning due to their overall lower levels of digital inclusion, particularly in rural areas. According to the International Telecommunication Union,[15] men's internet penetration rate in NENA is 58.5 percent compared with only 44.2 percent for women, and this gap has been growing. As a result of households' economic distress and food insecurity, girls may also face an increased risk of forced or early marriage.

V. Social protection response

[13] Bahn, Rachel A.; Juergenliemk, Armine; Zurayk, Rami; Debroux, Laurent; Broka, Sandra; Mohtar, Rabi. 2021. Digital Revitalization of the Agrifood Sector in Mashreq. Focus on Iraq, Jordan, and Lebanon. Washington, DC: World Bank.
[14] Data available from https://www.ilo.org/infostories/en-GB/Stories/Employment/barriers-women#women-preference
[15] ITU (2019), Measuring Digital Development. Facts and Figures 2019, https://www.itu.int/en/ITU-D/Statistics/Documents/facts/FactsFigures2019.pdf.

35. The need for expanding and innovating social protection was evident from the very outset of the pandemic as COVID-19 containment measures interrupted livelihoods for millions of people dependent on tenuous wage incomes in consumer-facing industries like tourism, food service, domestic work, etc. COVID-19 has exposed the critical coverage gaps among large numbers of self-employed and wage workers especially in agriculture, who risk spreading the virus in case of sickness as there is no coverage, and risk falling into poverty due to economic slowdown. Informality makes the situation more complex; 68.6 percent of all employment in the Arab States is informal, and this figure is 67.3 percent in North Africa. Agrifood sector workers, including migrant workers, were especially vulnerable to COVID-19 confinement measures given their lack of social protection and informal status. Overall, an estimated 8.3 million additional people in the Arab region could fall into poverty due to the economic impacts of COVID-19.

36. All NENA countries had formally announced various social protection measures to cope with the COVID-19 impacts, which span social assistance, social insurance and labour markets programmes and interventions to support special populations such as refugees and internally displaced populations (IDPs) as well as migrant workers.[16] The measures were built upon existing social protection systems through either vertical or horizontal expansion.

37. Notably, the expansion of social protection came with innovation. Some key innovation processes or tools used by NENA countries include online services for social security contributions (in Algeria, Jordan and Tunisia); automation of digital payments (Jordan – National Aid Fund); proxies (Algeria, Morocco); and improving access to payment points including in rural areas (Algeria, Egypt, Morocco, Syria, Tunisia and Yemen); extension of registries through new or existing online platforms (Egypt, Iran, Jordan, Morocco and Syria), call lines, texts and WhatsApp (Kuwait and Morocco); and using phone-based interviews for needs assessments.

38. Despite the relative success of rapidly and broadly expanded social protection measures, many critical gaps exist starting with limited fiscal space to fund the extension of coverage. Many UN agencies and donors have stepped in to fund this. At this stage, even if countries are undertaking serious reforms to extend coverage to informal workers, the responses remain short-term. Furthermore, the quality of benefits is limited, in that they do not cover all the needed benefits or face high inflation in several countries. Limited adapted social protection response to specific marginalized groups such as women, refugees and IDPs, and difficulties remain in reaching the non-registered or in reaching individuals in remote areas and informal workers due to limited registries, information points, and the digital divide. As such, the impact of expanded social protection on poverty reduction and marginalized or vulnerable groups is as yet unknown.

39. The pandemic has highlighted the need to reach universal coverage of social protection in the NENA countries through a number of means, such as investing in social safety nets (cash transfers) for ensuring food security and nutrition, which has proven to be an efficient and feasible means to extend coverage; reforming social protection schemes and enhancing social dialogues to ensure access to agrifood system workers and investing in digitalization to improve access and targeting of marginalized groups and informal workers, especially in rural and remote areas, and to enhance the cost efficiency and responsiveness of social protection schemes. The role of social protection can be exploited for economic inclusion as a stimulus package to build back better for a more inclusive and sustainable food system.

VI. Summary and conclusion

40. Thanks to government commitments and initiatives to facilitate agrifood sector activity and avoid restrictive or distortionary measures, global agr-food systems and trade have thus far withstood the economic shocks triggered by the pandemic and averted a food security crisis. The NENA region, however, has a huge dependence on imported food thus making it vulnerable to any supply shocks in the global food markets.

[16] Source: Social protection responses to the COVID-19 crisis in the MENA/Arab States region http://www.fao.org/social-protection/resources/resources-detail/en/c/1305111/

41. The primary concern during the protracted health crisis has thus been on food access due to income loss and prolonged economic recession. The lockdown period of March to July 2020 has thus far been the most disruptive in terms of the actors and activities within agrifood systems. However, the impacts on food security and nutrition are yet to be fully experienced and evaluated.

42. Great efforts were made to protect vulnerable populations by extending social protection measures, including by innovating and expanding novel measures. The reach and sufficiency of these measures to protect the poor and vulnerable are yet to be evaluated, and major challenges will remain as the pandemic and recovery from its economic consequences prolong. The socioeconomic impacts of COVID-19 have been particularly severe for women and girls in the NENA region, risking to further exacerbate gender inequalities. Notably, less is known specifically about women's livelihoods in the agrifood sector and calls for better mainstreaming gender as part of the COVID-19 Response and Recovery Programme and efforts.

43. Agrifood systems in the NENA region have remained largely functional and demonstrated a certain resilience, but vulnerabilities were further exposed and the producers, intermediaries and even consumers have shouldered the burden of the many disruptions that took place. The agrifood sector was exempted from the major containment measures that effectively shut down most areas of the economy; nonetheless the search and transaction costs, and efforts to adapt business models, find new or alternative markets. Particularly perishable foods have come at a cost absorbed by actors within the agrifood systems.

44. This calls for greater investment in local agrifood systems, to make them more productive and efficient, based on science and evidence, and by using adequate innovations and technologies, with better quality and food safety, less food loss and waste, greener, and to generate value to sustain incomes and employment for youth and women. Particular attention should be paid to labour saving innovations for women. Moreover, the region's countries need to develop appropriate trade policies, both for imports and exports, in order to use trade as an enabler for food security. These policies should, in particular, be designed to mitigate any supply shocks in international markets, to ensure continued availability of safe and healthy food.

45. The long-term impact of COVID-19 on agrifood systems and the livelihoods of populations will take some time and resources to be assessed properly.