Food and Agriculture Organization of the United Nations

SUSTAINABLE DEVELOPMENT GOALS

Coping with the Post-COVID-19 Economic Recession

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SUSTAINABLE DEVELOPMENT GOALS

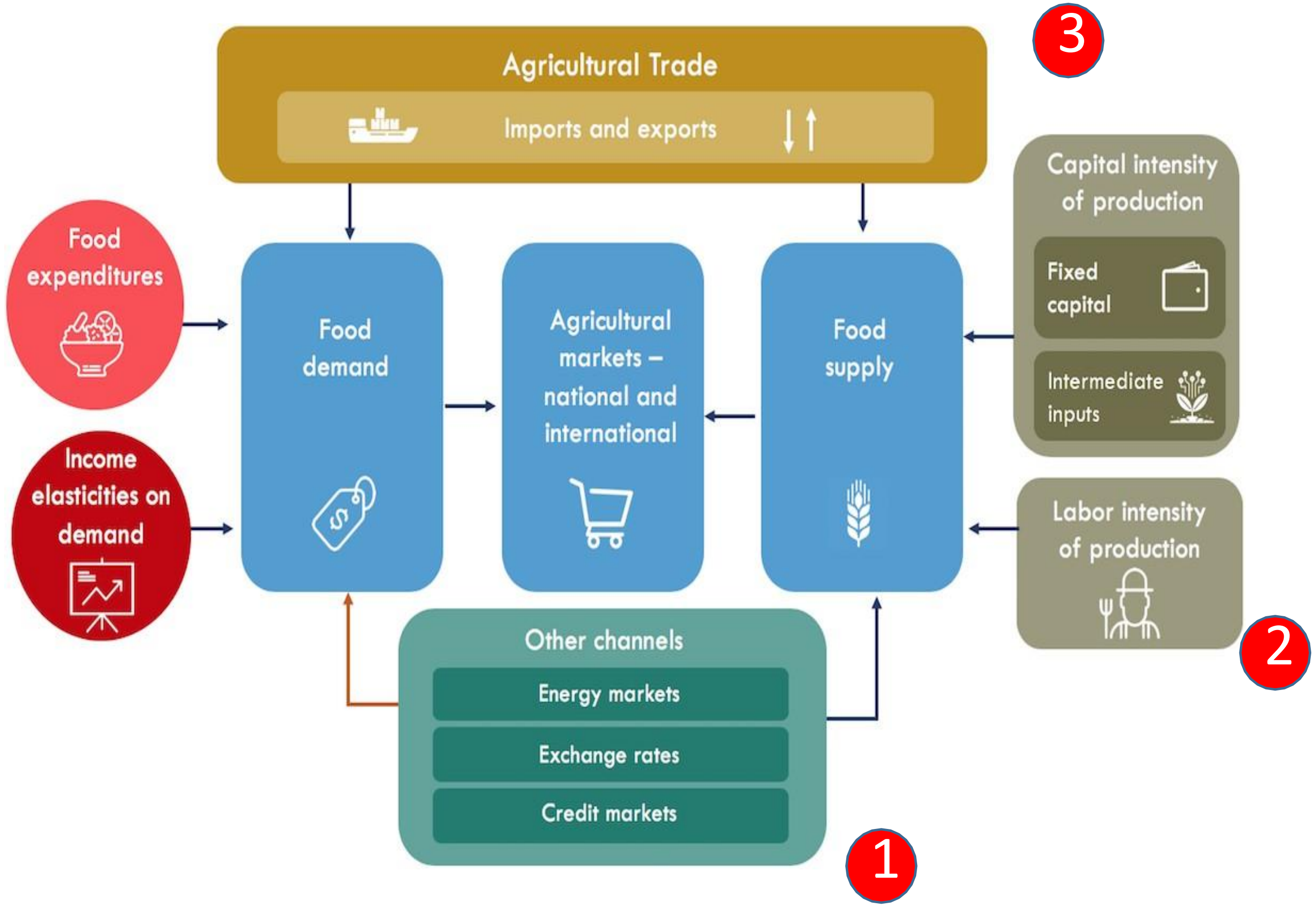
First phase of COVID-19

Containment

Food Systems Transformation

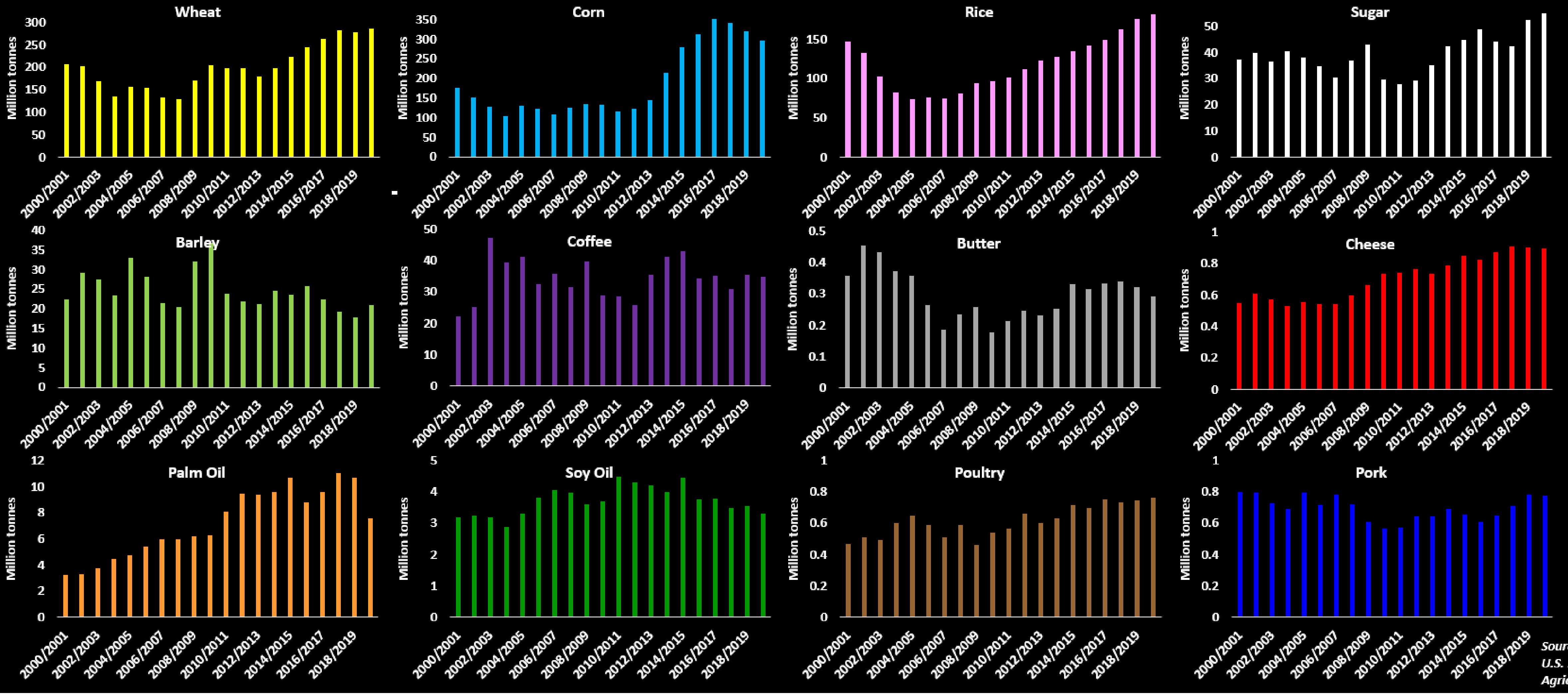
The basic channels of transmission

- Logistics – health and lockdown
- 1 Macro policies
- 2 Health policies - lockdown
- 3 Trade policies
- 4 Economic recession



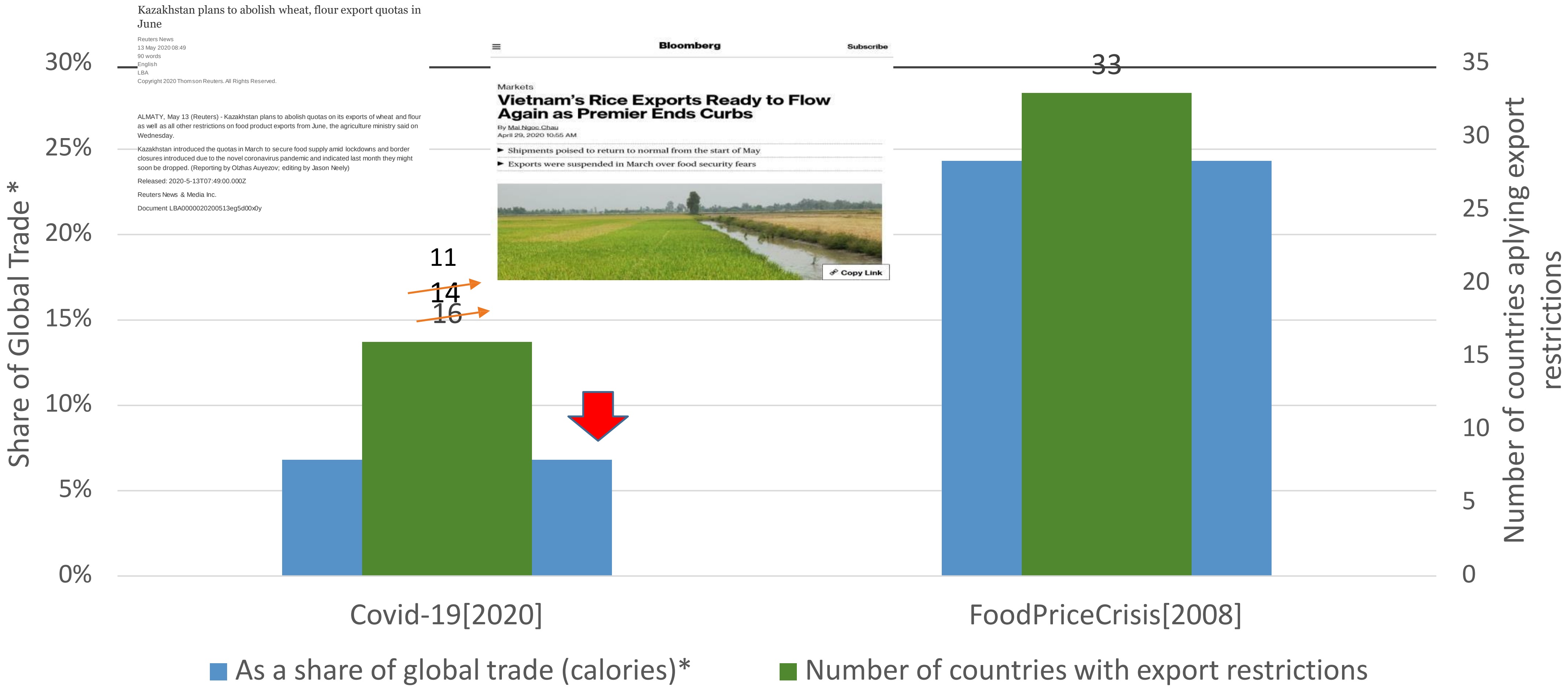
Source: Schmidhuber, Pound and Qiao, 2020. http://www.fao.org/3/ca8430en/ca8430en.pdf

Global stocks of food staples



Source: U.S. Dept of Agriculture

Then and now: food export restrictions during two crisis



Note: * global trade is defined on non-intra EU trade flows, and for unprocessed food products and excluding sugar.

Source: Laborde (2020), IFPRI

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Second phase

Consequences

Food Systems Transformation

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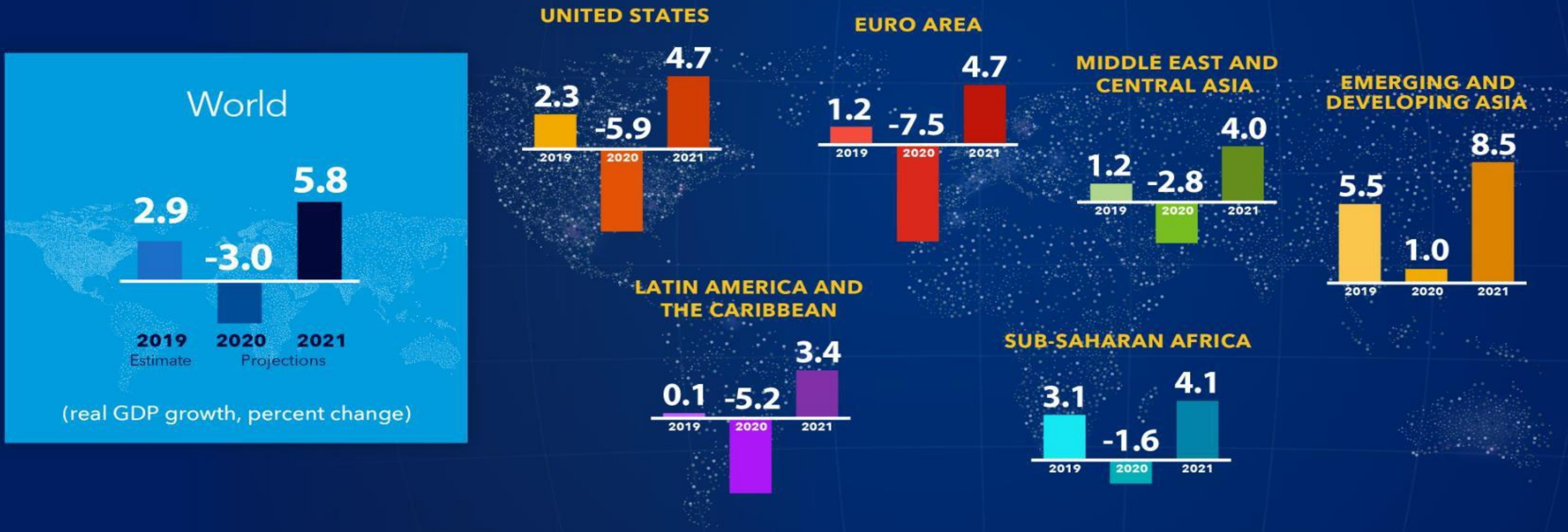
Latest World Economic Outlook growth projections

(percent change)



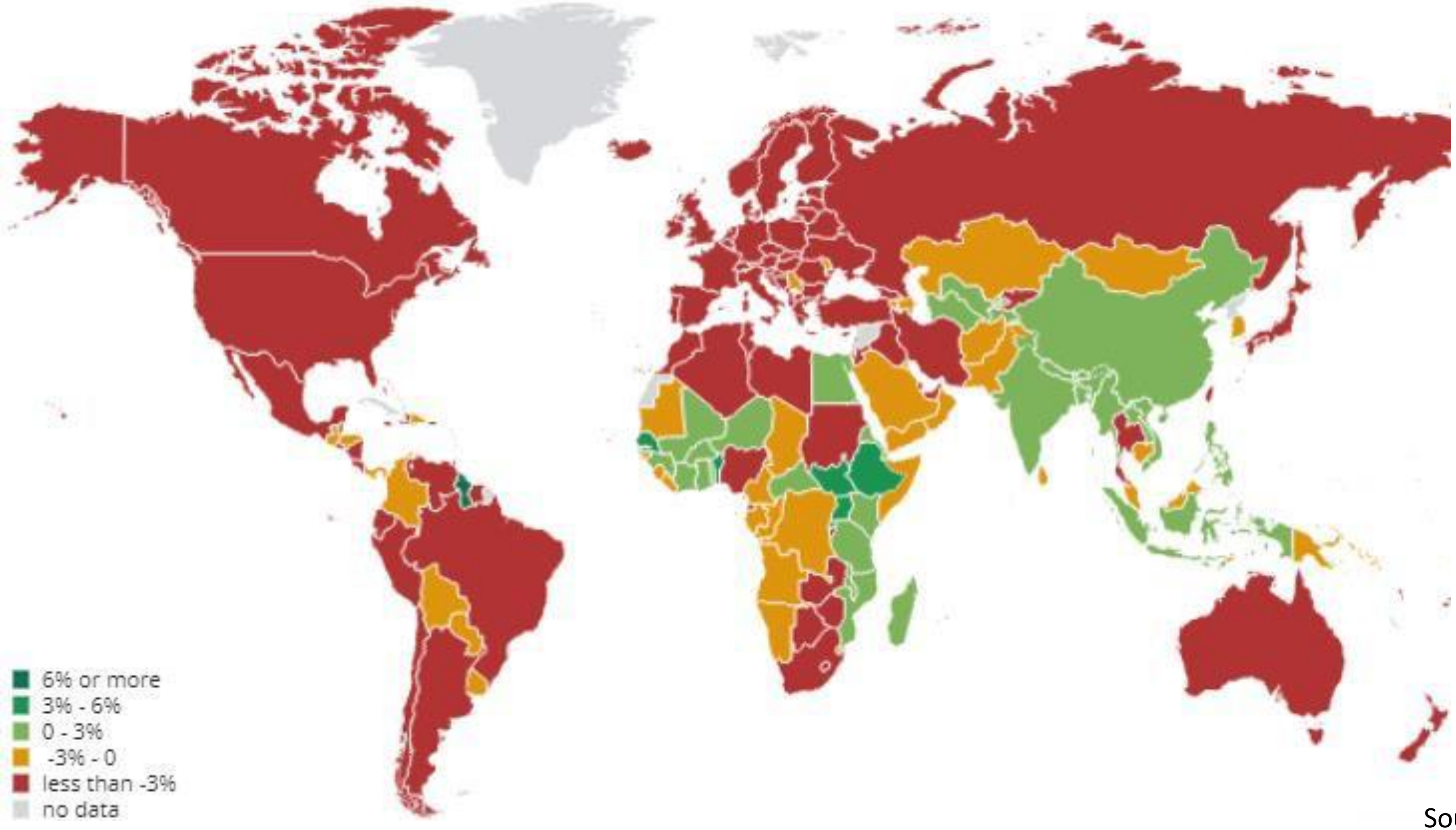
Source: IMF, *World Economic Outlook*, April 2020.

Note: Order of bars for each group indicates (left to right): 2019, 2020 projections, and 2021 projections.

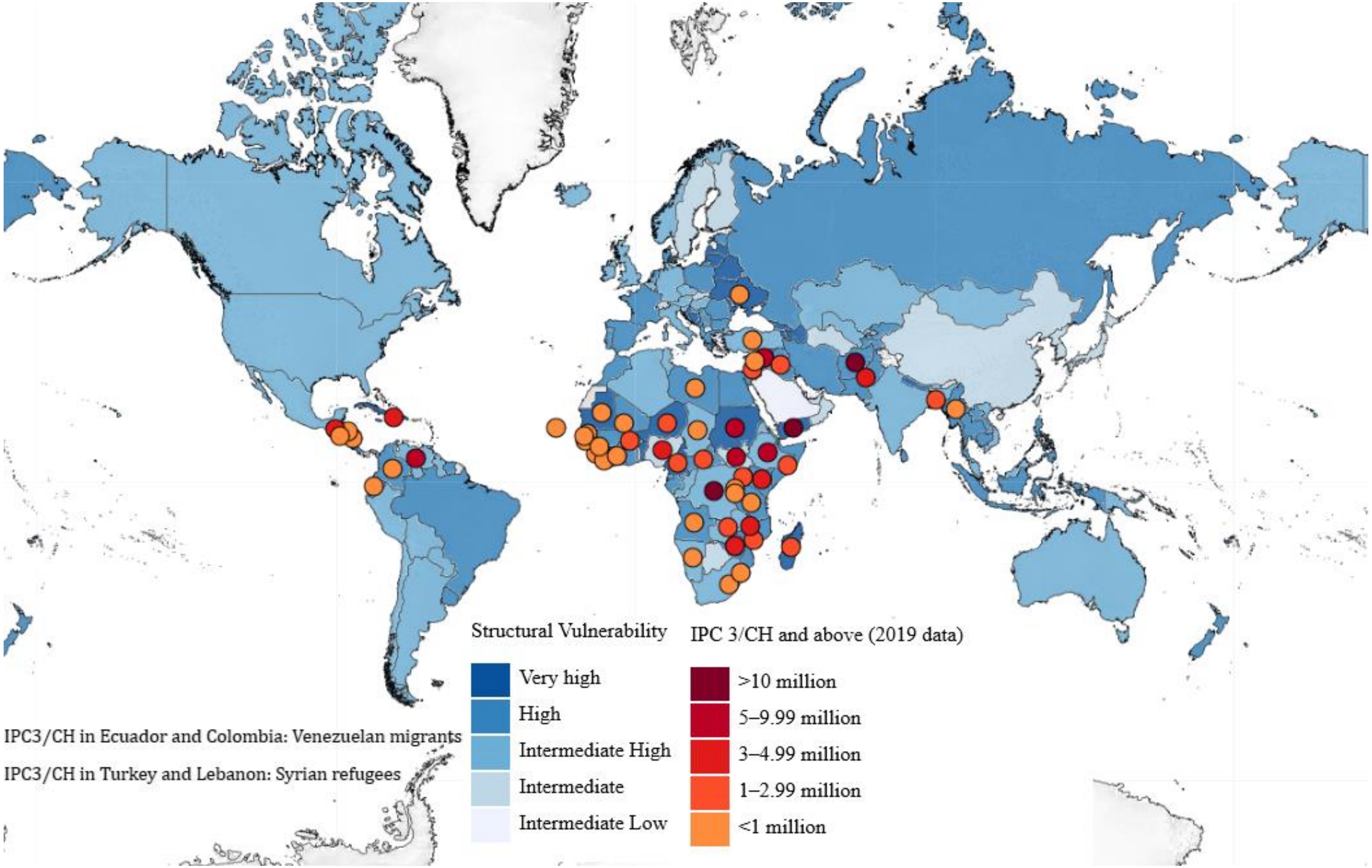
IMF.org/social

Real GDP Growth

Annual percent change

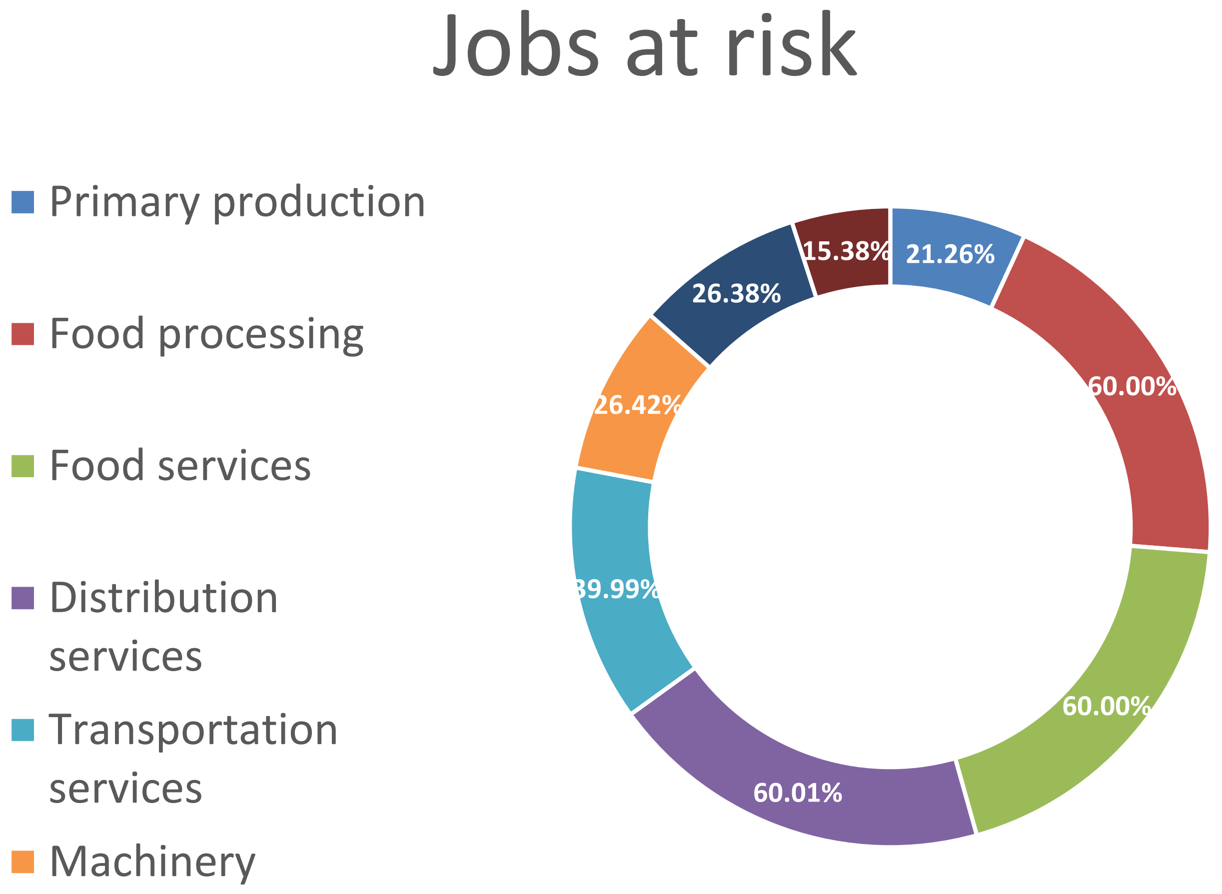


Source: IMF- Outlook


Structural Vulnerability
Very high
High
Intermediate High
Intermediate
Intermediate Low
IPC 3/CH and above (2019 data)
>10 million
5–9.99 million
3–4.99 million
1–2.99 million
<1 million
IPC3/CH in Ecuador and Colombia: Venezuelan migrants
IPC3/CH in Turkey and Lebanon: Syrian refugees

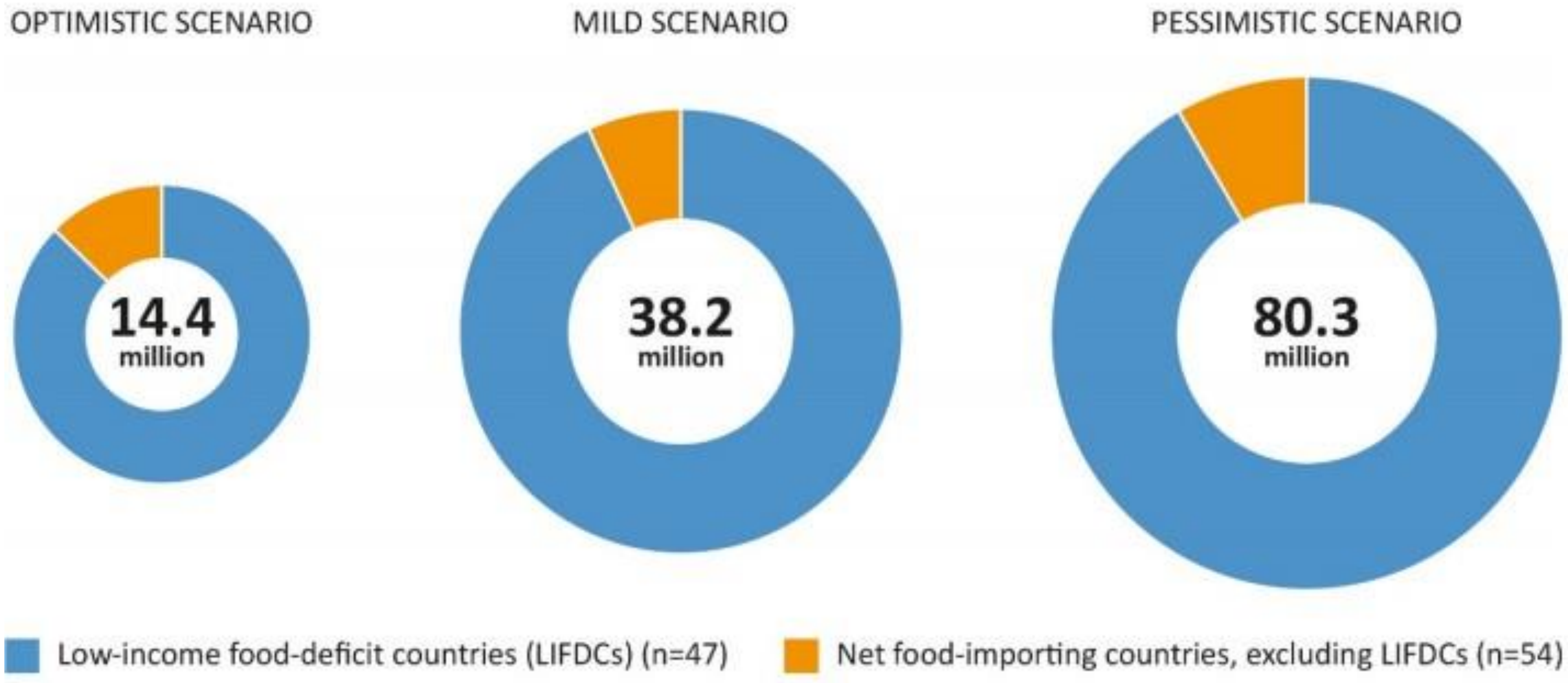
Jobs at risk

Where in value chain	Jobs	Livelihoods
Primary production	716.77	2,023.80
Food processing	200.73	484.54
Food services	168.97	339.44
Distribution services	96.34	241.48
Transportation services	41.61	101.05
Machinery	6.51	13.18
Inputs	4.89	11.06
R&D	0.13	0.29
Total	**1,280.93**	**3,214.84**
Total at risk COVID 19	**451.64**	**1,090.89**



*Source: FAO/IFPRI unpublished estimates, based on ILO 2020 – ILO extrapolation scenario. Not annualized. Jobs represent formal employment; livelihoods cover a broad array of self-employed, informal, migrant and seasonal labor.

FIGURE 2 | Rising undernourishment in net food-importing countries, as a result of the three hypothetical GDP growth reduction scenarios (millions of people)



Source: Authors' own elaboration, based on the methodology, data and analysis described in Conti, Cafiero and Sánchez (2020) (see https://doi.org/10.4060/ca8815en).

Highest Valued Exports

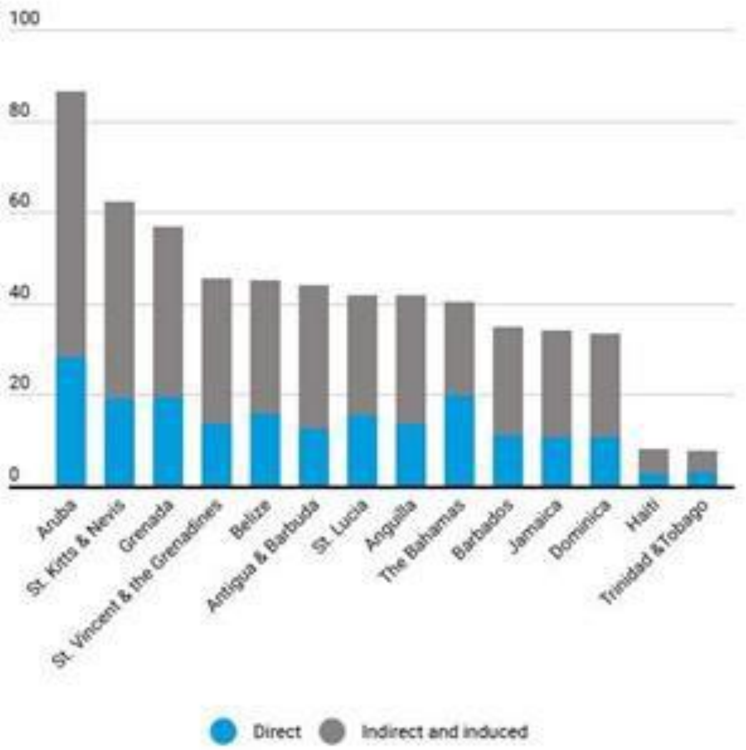
	Tourism (% GDP)	External Debt (% GDP)	Reserves (no of months of imports)	Estimated Fall in GDP (%)	Financial Assistance Needed (million USD)
Maldives	66	48	2	17%	1,150
Seychelles	66	198	3	16%	153
St. Kitts and Nevis	63	20	6	16%	92
Grenada	56	59	4	14%	137
Vanuatu	48	46	10	12%	81
Cabo Verde	46	89	5	12%	131
St. Vincent and the Grenadines	46	38	4	12%	60
Antigua and Barbuda	45	34	3	11%	243
St. Lucia	43	35	3	11%	250
Palau	43	31	na	11%	31
Bahamas, The	40	194	3	10%	846
Fiji	40	17	3	10%	343
Dominica	38	55	5	10%	28
Barbados	36	29	3	9%	369
Jamaica	35	108	5	9%	775
Sao Tome and Principe	27	59	3	7%	25
Mauritius	24	72	5	6%	540
Samoa	23	51	4	6%	48
Tonga	21	41	8	5%	12
Kiribati	19	8	na	5%	1
Solomon Islands	13	29	9	3%	23
Comoros	10	17	7	3%	19
Marshall Islands	9	52	na	2%	5
Micronesia, Fed. Sts.	8	29	5	2%	6
Trinidad and Tobago	8	30	9	2%	135
Tuvalu	6	45	na	2%	1
Timor-Leste	3	7	7	1%	20
Nauru	1	22	na	0%	0
TOTAL SIDS	29	72	6	7%	5,523

Source: UNCTAD based on data from UNCTADStat, WTTC, World Bank, IMF and national statistics. Aggregates figures are GDP weighted averages. SIDS are defined according to the UNCTAD classification.
• Created with Datawrapper

Lower tourism

The collapse in tourism is hurting many Caribbean countries.

(The Caribbean: tourism contribution, percent of GDP)

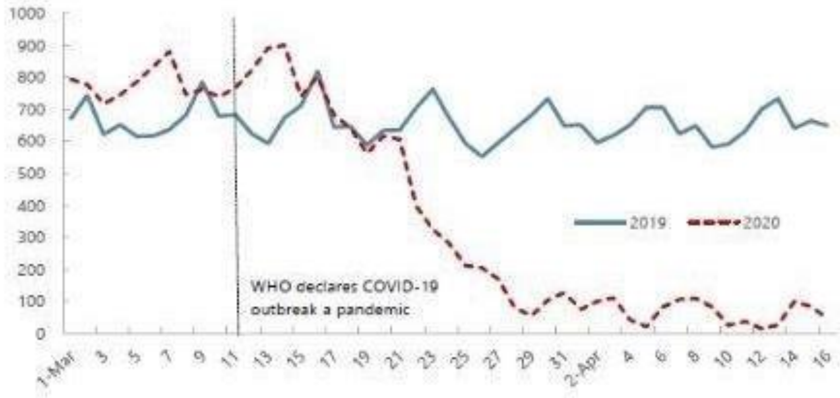


Source: World Travel and Tourism Council

Tourism shock

Daily inbound flights to the Caribbean have diminished following border closures and travel restrictions.

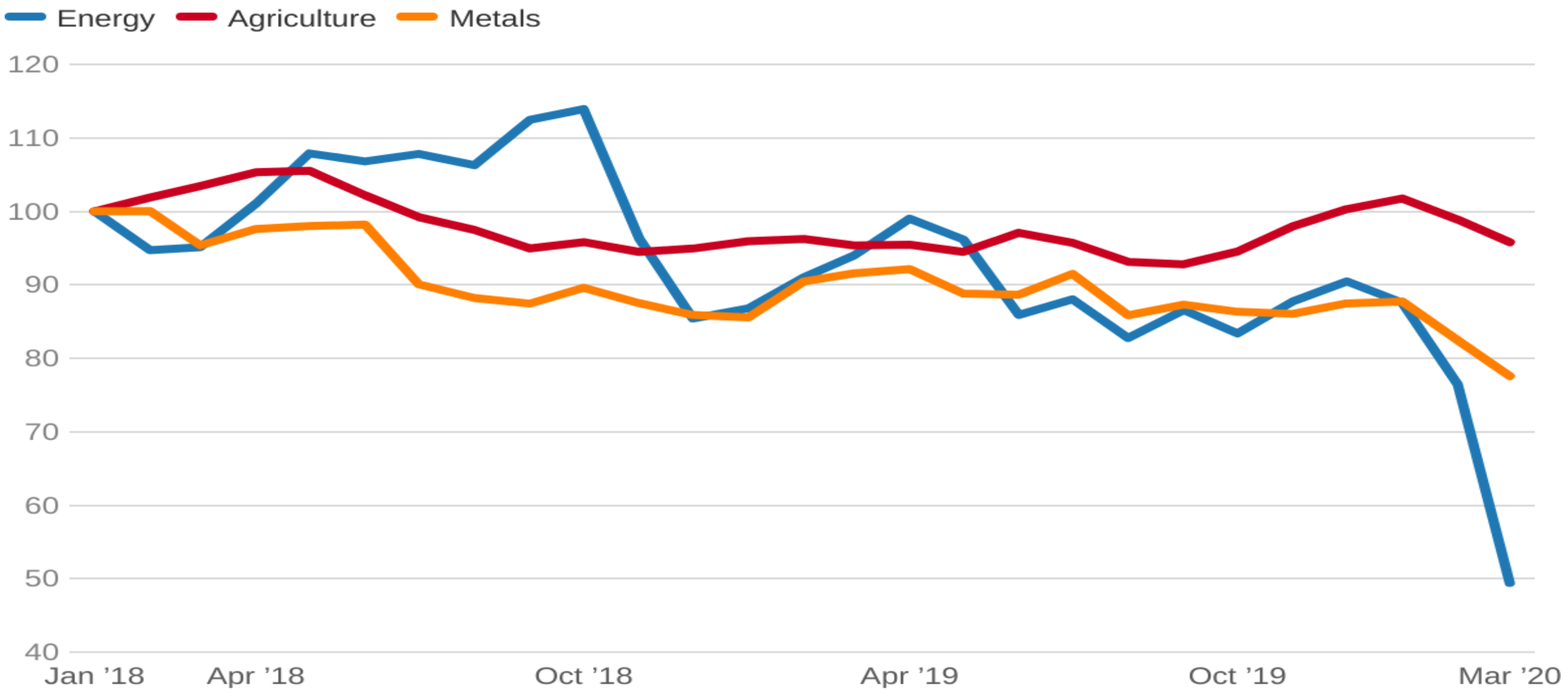
(Number of daily inbound flights)



Source: Flightradar24; and IMF staff calculations.

As the coronavirus pandemic worsened, commodity prices fell

Index US$ (Jan 2018 = 100)

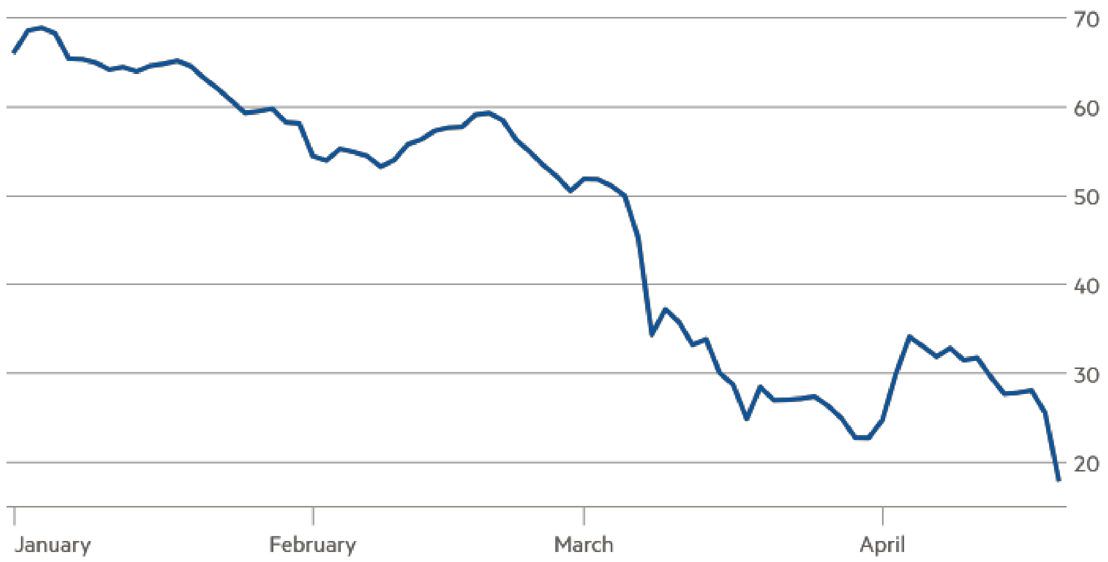


Last observation is March 2020

Source: World Bank • Embed this chart

Weak demand sends oil tumbling

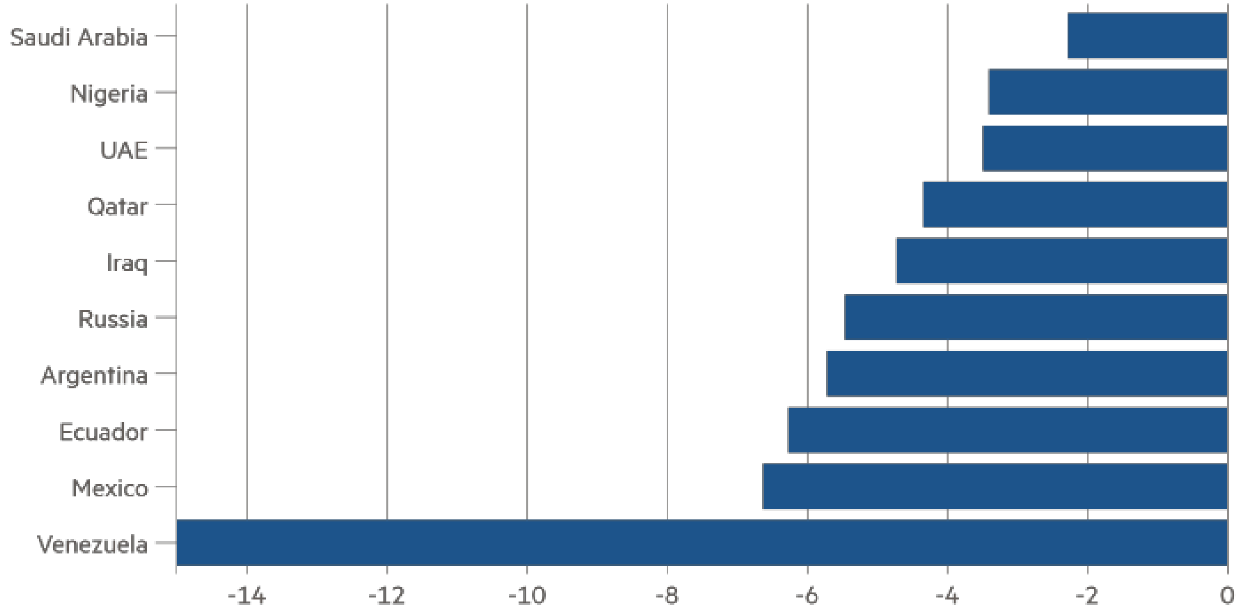
Brent crude ($ per barrel)



Source: Refinitiv

Oil-dependent economies face sharp GDP contraction

2020 forecast (GDP change, %)



Source: IMF

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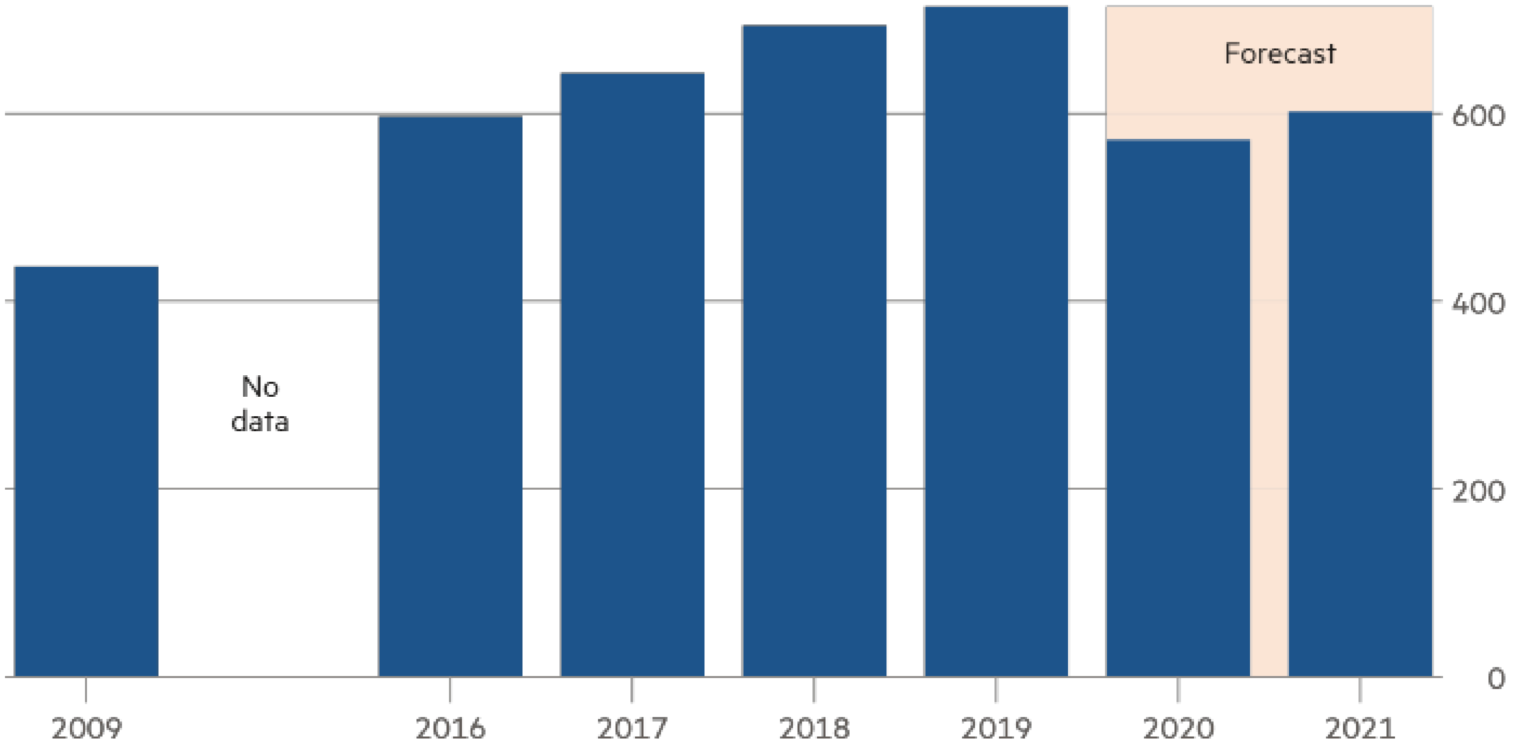
World remittance flows

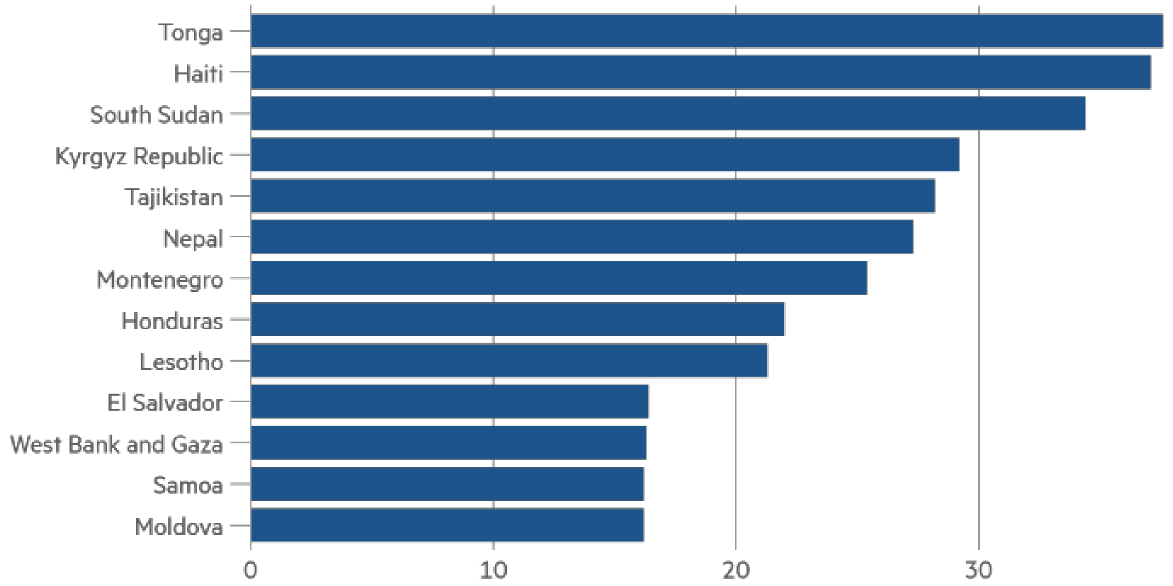
$bn



Source: World Bank

Biggest recipients of remittances

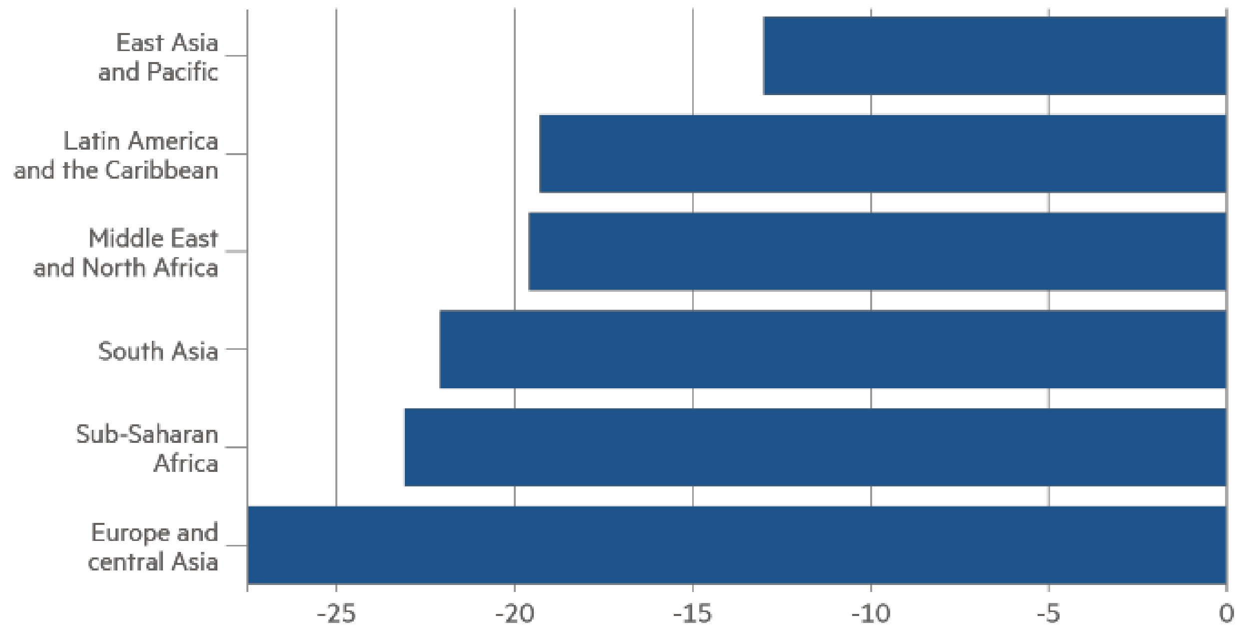
% of GDP, 2019



Source: World Bank

Change in remittances flows by recipient region

2020, year-on-year projection (%)



Source: World Bank

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What to do?

Health-food-development trilogy

Food Systems Transformation

Meet immediate needs of vulnerable populations: Urgent increases in food availability from smallholder farmer food production

Provide productivity-enhancing safety nets

Reduce post-harvest crop losses and improve food stocks along the value chain

Remove artificial constrains to domestic trade throughout the food chain in order to link smallholder farmers to markets

Address basic energy needs of smallholders and rural households

Meet immediate needs of vulnerable populations: Issues on trade and tax policies

Adjustments to trade and tax policies

Encourage better functioning food markets through improved regional political and economic integration and better functioning for trade in food

Immediately review trade and taxation policy options and their likely impacts

Avoid generalized subsidies for food consumers

Reduce restrictions on use of stocks

Improve efficiency of trade facilitation

Use limited strategic grain reserves

Minimize use of export restrictions

Reduce import tariffs and other restrictions

Temporarily reduce VAT and other taxes

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THANK YOU

Food Systems Transformation