



Jordan Food Security Update

Implications of COVID19

May 2020



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Executive Summary

With the COVID-19 in Jordan under control, the government of Jordan has managed the response proactively and to mitigate potential immediate impacts on the availability of food to the population. Food security among vulnerable Jordanian households has remained largely stable as yet with 15% of households showing a poor or borderline Food Consumption Score (FCS) in 2020 compared to 16% in 2018.

Nevertheless the extent of the damage to key components of the food supply chain is still not completely quantified. Also, the pandemic still ongoing globally and in the region, Jordan will have to remain attentive to multiple risks that could have adverse effects on the national food security.

While the government has been active to ensure on a short-term basis adequate food availability and access through support of well-functioning food supply chains, key risks remain.

Globally, markets for food staples are well supplied and aggregate international prices have been generally stable to date, with increases in global wheat and rice prices. However, this relative stability in food trade could be disrupted and therefore needs to be addressed through close monitoring and active involvement in ensuring the stability of food trade.

While Jordan has instituted price controls, food consumer price indices indicated slight increases in certain items including vegetables, legumes and meat over the course of the lockdown. Jordan needs to continue to monitor its food prices for consumers and pay particular attention to food availability and financial accessibility for the most vulnerable, including poor Jordanian households (who lost their income sources) and a large population of refugees.

At the regional level, conflict, combined now with the vulnerability to COVID-19, is restricting cross-border trade and also maintaining the status of refugees (Syrian and other) as the most vulnerable populations to food insecurity.

At the national level, the macro economic impact of COVID19 has been somewhat alleviated through the recent cooperation with the IMF, ensuring that the emergency health and economic needs of Jordan do not affect Jordan's balance of payments. It may be important to assess to what degree this assistance includes support to key links in the food supply chain, the food system, of Jordan.

At the micro level this agriculture season seems to have been essentially normal even if there were some instances of delayed field operations due to movement restrictions. Moving ahead, and as restrictions are being lowered, it will be important to ensure a close link between health interventions and food security-related interventions, including with respect to the health of laborers and rural populations. A "one-health" approach is advocated to provide all the sectoral linkages that ensure that health interventions include, among others, the maintenance of the internal food supply chains, a choice to consumers for healthy diets, and a maintenance of the important component of food safety (including veterinary services) in all its complexity and inter-agency responsibilities.

The full impact of the COVID-19 pandemic on Jordan's food supply is still to be assessed, especially with respect to the growing seasons of 2021 to 2022. While emergency interventions are already being defined, a full recovery will entail a more in-depth analysis of the issues, opportunities and vulnerabilities of Jordan's food supply through a dynamic private sector, a supportive public sector, and a social net to ensure that "no one is left behind". Many efforts internally and with external supporters are being implemented in Jordan to ensure progress on these three fronts.

Policy recommendations

1. While Romania – Jordan’s major source of wheat – banned and then reversed the decision on wheat exports outside EU, and with Russia reaching newly established import limits, and with global wheat prices increasing over the past two months, the government is encouraged to look beyond current strategic wheat stocks, which are estimated to be at 632,000 tons covering around 8 months of consumption, and to plan for the medium term accounting both for further price increases and possible further trade disruptions. Urgent measures needed include underwriting trade finance with local banks that are limiting credit cycles and overdrafts for importers, and increasing interest rates for grain importers supplying the Ministry of Industry, Trade and Supply, and setting aside liquid US Dollars basket for strategic imports for the medium term.
2. Government mandated strategic stock for rice and maize is set around 7,000 tons and 25,000 tons, enough for one month of consumption. Given that the US is a major import source and stock abundance, Jordan can benefit from in-kind assistance from the US. While rice and maize are imported by the private sector, government advocacy and direct participation in increasing the strategic stock during the pandemic will help secure supply and stabilize prices in local market.
3. With the FAO Sugar Price Index and Meat Price Index in major decline, Jordan has a window of opportunity to purchase raw sugar and frozen bovine and sheep meat to cover its needs in the short term. Imports of raw sugar for instance should be prioritized by the government encouraging private sector importers with trade facilitation and advocacy in finding alternative sources for imports if needed, as the major origin countries that Jordan imports from – UAE and KSA – are prioritizing local food security and food availability. With meat processing in the US and Brazil being affected by COVID-19 spread in processing plants, heightened food safety measures should be taken while prioritizing alternative import origins to satisfy local market needs of meat.
4. Being almost self-sufficient in high value crops, Jordan has exported up to 814,000 tons of fruits and vegetables per year worth around \$1 Billion. Given that some countries are having difficulties to export their goods due to COVID, together with its excellent health score in terms of virus prevention and mitigation, Jordan should work on enhancing food safety and quality in order to benefit from new market opportunities, in particular in the Gulf countries
5. Digitization has shown its potential in ensuring the continuity of doing business and trade in the food markets. It is in the interest of all farmers to be registered in the MoA database in order to access specific services and information in a more rapid and structure manner through digital processes. This would contribute to formalizing and modernizing the rural sector and food systems. The government should invest in digitization of the agriculture sector and explore areas of innovation at the local level, encouraging startups and solutions for the agriculture and food sector.
6. While the government is providing debt payment postponement and insurance for farmers, it is necessary to properly assess the losses incurred by farmers from the lockdown, increased cost of labor, input, storage and transportation. The government needs to prioritize the sustainability of small scale farming in tandem with economic recovery of the agriculture sector and the wider economy.
7. Given the risk of regional insecurity in neighboring countries, the government and aid agencies needs to preempt possible increased stress on food demand in Jordan associated with any displacement, in addition to closure of trade routes and loss of agriculture trade. Scenario and contingency planning with aid agencies needs to be prepared for a rapid response should an influx of refugees materialize.

8. While the government is monitoring local prices and commodity stocks in local markets to make export decisions, it is important to keep the balance between stabilizing prices, managing public expectations of food security, and encouraging exports in order to obtain foreign currency reserves. While maintaining Jordan's one billion dollar food export and expanding it is a priority, it should not come at the expense of local food security.
9. With limited fiscal and monetary space due to financial and economic pressures, the risk of a cash crunch is increasing affecting the ability of Jordan to sustain food imports as previous years. The government, together with the Central Bank of Jordan, need to prioritize cash funds for the food sector and set aside a cash emergency fund as a last resort in case of prolonged crisis and reduction of any expected and planned grants and loans.
10. While in Jordan as in other countries, most interventions in the agriculture/food systems are market-driven and better left to the private sector, it is clear that the above COVID-19 related impacts as well as select systemic issues in the Jordanian economy raise the possibility of directing targeted assistance to, for example, the formal and informal Small and Medium Enterprises (SMEs) that play a critical role in Jordan's food system. Their financing is often precarious in the best of cases (creating a situation of "missing middle") and may warrant emergency assistance in this crisis situation.
11. With poverty rates increasing and jobs lost (especially among informal and temporary workers), there is an urgent need to reduce declines in food accessibility caused by income loss or rising costs of food by scaling up temporary social protection programs. These safety net programs should be augmented with safe, direct and targeted food distribution, accompanied by advisories and messages on nutrition, social distancing and hygiene.
12. Access to updated and live market, production and stock reserve data remains a challenge, especially with curfews hindering government staff from reporting to work. Statistics should be prioritized as a key tool for the fight of the pandemic and food insecurity, and thus the government should prioritize open availability of data to help guide response.

Macro Drivers of Food Insecurity

13. **As of May 15, 2020, Jordan had 586 cumulative confirmed cases of COVID-19, including 9 deaths.** Figure 6 in the annex provides a trend of infections in Jordan. The government has taken strong measures to contain and mitigate the COVID-19 outbreak. Specifically, the measures include school closure (since March 15), commercial flights suspension and all points of entry closed (since March 17) and imposing a nationwide 24-hour curfew between March 21 and 24, 2020. Since April, Jordan started relaxing some of the restrictions with intermittent 24 to 48 hours curfew, and allowing progressively more vehicles on the roads through an even and odd systems. For some weeks now, most of the shops have been reopened with strict prevention measures. As of the end of Ramadan, many sectors, including public services, will be functioning almost at a normal level while still applying measures to avoid transmission risks.
14. **Jordan maintains a delicate equilibrium amidst an ever-changing regional context. Aside from growing pandemic incidence in neighboring countries (Saudi Arabia, Iraq, Palestine, Israel and Syria – see Figure 5 in Annex), Jordan is positioned at the epicenter of one of the most volatile regions in the world.** The government has consistently preserved its stability, drawing from its unique geopolitical positioning and socio-political resilience. The country has been highly exposed to exogenous shocks, particularly the spillovers from regional conflict (Syria, Iraq and Palestine), dependency on foreign aid and inflow of capital, and shifts in geopolitical relations, all of which have compounded the country's existing vulnerabilities. Regional insecurity and any subsequent displacement of refugees into Jordan coupled with the pandemic spread poses a risk on the food security of the country and stress on the food system.
15. **Jordan is susceptible to major macroeconomic challenges at the global and national level that pose a risk for food security in the short and medium term and could compound the socio-economic pressures already impacting Jordan.** Although global commodity prices offer an opportunity of stability (low oil prices coupled with stable food commodity prices), changes in global food trade coupled with challenges that may arise from changing government policies in exporting countries could affect bilateral trade and pose risks on food imports. Nationally, fiscal and monetary pressures on the government revenue will inhibit and limit social protection measures and subsidies, and the government response options to the pandemic.

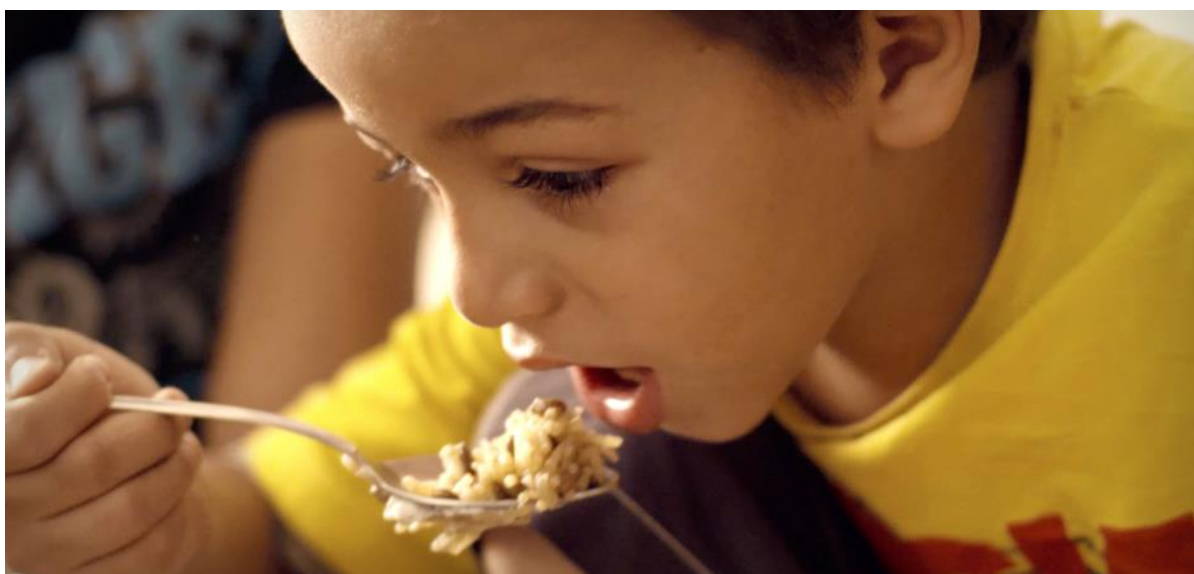


Photo: WFP/Mohammad Batah

GLOBAL COMMODITY PRICES

16. **Global markets for food staples are well supplied and aggregate international prices have been generally stable to date. The FAO Food Price Index (FFPI) averaged 165.5 points in April 2020, down 5.7 points (3.4 percent) from March and the lowest since January 2019.** The April decline marked the third consecutive monthly fall in the value of the index largely driven by several negative impacts on international food markets arising from the COVID-19 pandemic. Except the cereal sub-index, which declined only slightly, all the other sub-indices of the overall Index registered significant month-on-month declines in April, in particular the sugar and meat sub-indices, constituting a window for Jordan to increase imports on the short term in order to benefit from the price decrease. (See Figure 1 in the Annex: Monthly Food Price Indices)
17. **The FAO Cereal Price Index averaged nearly 164.0 points in April, down marginally from March but still up almost 2.4 percent year-on-year from 2019. Among major cereals, international prices of wheat and rice rose significantly in April, but a sharp drop in maize prices kept the overall value of the FAO Cereal Price Index close to its level in the previous month.** Wheat prices averaged 2.5 percent higher month-on-month, reflecting strong international demand amid reports of a quick fulfillment of the export quota from the Russian Federation, which was implemented in late March and is not expected to be adjustable until the end of the current marketing season on 30 June 2020. Increase in international rice prices (7.2 percent month-on-month) is driven by the imposition of temporary export restrictions and logistical bottlenecks in some suppliers, although increases were capped by the easing and eventual repeal of export limits, namely in Vietnam, towards the end of March. This volatility will be reflected in rice prices in Jordan as the country imports all if its rice consumption needs. By contrast, international maize prices registered a third consecutive month of decline, pushing down the overall value of the coarse grains index by 10 percent from the previous month.



A family shops for food at a supermarket in Madaba governorate in Jordan.

Photo: WFP/Mohammad Batah

18. **FAO's forecast for 2020 world wheat production points to an output of roughly 762.6 million tons, a comparable level to the 2019 production which, if materialized, would be the second highest on record.** Smaller harvests are expected in the European Union, North Africa, Ukraine and the United States of America. But even though this decline is compensated by production rebounds foreseen in Australia Kazakhstan, Russian Federation and several countries in Asia, given the growing tendency to curb exports and that several countries in Middle East and North Africa are likely to increase their wheat purchases due to fears of a new food crisis, Jordan will face competition sourcing its wheat needs over the medium term. This risk of competition for wheat sourcing will add pressure to raise wheat prices intended for export to the region and will put pressure on the government budget to compensate for the price increase as the government continues its subsidy of the wheat value chain.

GLOBAL TRADE

19. **Overall trade has declined substantially because of the global economic slowdown, which has thrown the container movements in disarray, creating a global shortage of containers and especially refrigerated equipment for agriculture and food.** Overall shipping capacity is down 50% but trade in essential goods, including food, is continuing at all ports without any major hindrance with all major ports open and functioning. The level of efficiency is reduced due social distancing. The social distancing measures and health checks are causing delays, but ports and sea freight remain operational. Carriers are generally charging surcharges 3 to 4 times regular containers for refrigerated containers for agricultural produce and food.
20. **Global air freight capacity has improved somewhat, but remains constrained to and from South and East Asia, and some places in Africa (e.g., South Africa, Ghana). Middle East, Brazil and Europe also face some constraints.** The biggest impact of air capacity is on high value agricultural trade, despite high demand and prices for some of these products in countries affected by labor shortages to harvest horticultural crops (e.g., Europe). Some countries are particularly hard hit by reduced availability of air freight and customer demand in destination countries, while exports from West Africa and MENA countries are affected by shortage of reefer equipment. Meanwhile, regional truck freight has been significantly hampered since the Syrian conflict began in 2011. COVID-19 imposed further border restrictions, further health check requirements and quarantine, and increased transportation costs and transit times.
21. **Trade finance is expected to be disrupted with a greater need for US dollar liquidity to keep critical supply chains working.** Commodity traders are leaning towards direct and cash transfers as trade finance conditions worsen as credit facilities dry, even though global interest rates have decreased and central banks are pumping liquidity in major markets lead by the US and EU.
22. **Restrictive trade policies and domestic support also remain a source of risk to commodity prices. Despite the continuing restrictions on export by some countries (mainly Central Asian wheat producers and limited restrictions on rice in East Asia) because of concerns about domestic availability of food supplies, most food commodity prices have remained stable as the markets are well-supplied.** Among notable policy developments, the first is the removal of restrictions on rice exports by Vietnam. The export quota put in place in March was removed, with an immediate effect of easing world rice prices. Various countries like Australia, Canada, and New Zealand – major food sources for Jordan – committed to eliminate applied tariffs for essential goods including agricultural products, refrain from imposing export prohibitions or restrictions on essential goods including agricultural products and expedite the movement of such essential goods through sea and airports.

23. **Various major food supplying countries have so far announced restrictions of various kinds.** Russia and others in the Eurasian Economic Union banned the export of selected food products outside the EAEU. Russia and Ukraine announced limits to the volumes of wheat exports. Kazakhstan, in addition to EAEU ban, banned exports of additional food products including introducing export quotas for wheat (200,000 tons a month) and all types of wheat flour (70,000 tons a month) for all countries, including the EAEU members. Thailand restricted export of eggs. Syria put export restrictions on eggs, cheese, yoghurt, processed cereal and beans, while Egypt has banned pulses until June 28, 2020. Turkey has only restricted lemons export until August 31, 2020.

BILATERAL FOOD TRADE

24. **Jordan is almost self-sufficient in high value crops (mainly vegetables), but highly dependent on imports of staple foods, where the country imports around \$4 Billion worth of food and agriculture products and has a cereal import dependency ration of around 90%.** With diversified sources, Jordan has flexibility to withstand limited trade disruptions. (See Figure 3 in the Annex: Key Commodity Imports by Source) Nevertheless, in some food commodities, such as legumes, bovine meat, wheat and sugar, trade restrictions and export difficulties are arising and could have impact on local prices in the short and medium terms.
25. **Whilst on April 8, the Ministry of Industry, Trade and Supply decided to stop exporting food in order to ensure sufficient stock levels, a week later, it was then decided to re-allow the export of vegetables and fruits of all kinds and cancel the previous decision.** Exports of imported goods are prohibited in order to safeguard Jordan food stocks, and generally, foods produced locally need to have adequate stock before export is granted. Generally, the Government is being proactive to encourage safe exports. Exports of agricultural and food products is expanding such as sheep exports which just recently resumed. For example, since the beginning of Ramadan, the Mafraq Agriculture Directorate has exported 22 thousand sheep to Gulf countries, and all consignments were quarantined in special quarries for a period of 21 days to ensure the requirements of public health and safety. Nevertheless the case of exporting sheep at a time when meat prices were increasing in local markets is a striking example of the needed balance between prioritizing export and maintaining food security.
26. **To comply with health measures, some Jordanian traders have encountered difficulties with exports.** Various producers have reported that containers are regularly exported to Gulf countries although with additional challenges as truck drivers need to quarantine or cross loading needs to be organized at the border. Modalities for back to back shipments in the Al-Omari region are being prepared to reduce driver interaction that may cause the spread of COVID. Also, export shipments were cancelled during the full lockdown period in March and April, sometimes leaving producers with unsold goods. With the reactivation of exports, there are still challenges such as expensive air freight costs and there are many countries who will no longer accept imported goods, European countries which are still in lockdown.
27. **The Ministry of Agriculture is accelerating the use of digital solutions to ease challenges arising from the restriction of movement and ensuing breakdown of some government services.** MoA announced on April 17 the launch of an online application for import and export licenses through the Ministry's website, in line with Government measures to protect the health of citizens during the COVID-19 crisis and out of the Ministry's keenness to facilitate and simplify the procedures for providing services for exporters, importers and all transit orders. The Ministry pointed out that this measure intends to protect citizens by reducing gatherings, speeding up work and reducing the load on merchants. Licenses are issued on the very same day for requests received electronically via the Ministry's website.

FISCAL PRESSURE

28. **Jordan's economy growth is projected to contract significantly to 3.5 percent of GDP in 2020, after growing around 2 percent in 2019. The economic contraction will have an impact on the food system in Jordan.** The COVID-19 pandemic poses immediate significant downside risks to Jordan's economic recovery. Given Jordan's already elevated debt levels, policy responses are constrained by limited fiscal space and a COVID-19-induced sharp drop in capital flows to Jordan as its main source of foreign direct investment from Arabian Gulf countries dwindles due to lower income from oil. This could constrain the government's ability to further scale its social safety nets, stimulate demand, and provide subsidy and support to food producers. While IMF's \$3 billion extended arrangement under the Extended Fund Facility and \$396 Million in emergency assistance to Jordan will ensure that the emergency health and economic needs do not affect Jordan's balance of payments, the food system may still require assistance. Over the medium-term, growth revival, and the pace of job creation as Jordan goes out of lockdown will have an implication on food demand of consumers and will determine the extensiveness of fiscal interventions and pressure on state budget.
29. **Amid already weak economic performance, the slowdown in major export and regional markets, reduced international travel and foreign inflows, and disruption in services sector as social distancing measures are rigorously enforced, in addition to declined government revenues from taxation, will only add to the fiscal pressures.** The overall fiscal deficit (incl. grants and use of cash) of the central government stood at 4.7 percent of GDP in 2019, wider by 1.3 and 1.6 percent of GDP compared to 2018 and the 2019 budget, respectively. On the flip side, decline in global oil prices would provide notable respite to the import bill, and to some extent limit deterioration in the current account. This leaves space for the government to maneuver on the short term to compensate for any limited increase in the food import bill.

Micro Drivers of Food Insecurity

30. **Jordan is prospected to have good harvest this year, with normal to better than normal levels of agricultural production due to above average rainfall. Yet with the disruption in logistics, rising import prices due to rising costs of trade finance, temporary movement restrictions and closure of some markets, poses a continued risk going forward especially if the Covid-19 crisis continues or if there is a new wave in few months.** Disruptions in supply chains are evident even in countries like Jordan that have declared food production and distribution activities as essential. Despite the stability in global markets, food security risks remain high at the country level. The primary sources of risk are income losses and breakdowns in domestic food supply chains.

FOOD AVAILABILITY

31. **Overall, food production on farms is almost at normal levels and most issues faced at the start of the ban, including movement restrictions of farmers and produce, higher transportation costs, and lower labor availability, have seen great improvement.** However, small farmers have suffered losses from the six week travel ban creating economic challenges that will have an effect on the short and medium term on both farmer household income and food prices.
32. **For enterprises linked to larger formal cooperatives and associations, food production has not been negatively impacted, as permits were quickly issued for them to produce and transport their products.** A total of 25,000 permits were granted to farmers who are now registered on the MoA database. However, some small and medium farms, nurseries and herders who are still part of the informal economy and not formally registered, had faced difficulties to receive travel permits during the six weeks ban. Many dairy farmers were not able to bring milk to the processors and lost income consequently.
33. **There were temporary disruptions in agriculture production which “affected many plant production operations, such as the ability to harvest and transport agricultural products from one place to another, secure seeds, supply fertilizers, land preparations, agriculture, etc.** The same applies to animal production, such as ensuring the needs of livestock, cows and poultry, from fodder and vaccines, or the ability to reach slaughterhouses at the appropriate time¹.” With limited access to farms, many trees, crops and animals were not properly attended to, some crops were not harvested in time and there were difficulties to reach markets. The reduced seasonal pest, pollination and pruning care on farms may have not only generated short-term losses but may effect next season’s harvest, especially for crops such as Olive². Simplified substitute techniques have been temporarily adopted on farms to avoid requiring too many workers at the same place. The effects of these will only be seen at harvest, which for some crops, are in 3-6 months.
34. **Based on interviews with farmers and producer associations, some farmers had reported an overproduction of selected crops such as potato, tomato, chicken and eggs.** At the same time, some of them reported a general increase in production costs due to higher costs of labor, transport and input supply costs. There were insufficient work permits provided to farms before the COVID crisis and the Syrian workers from Zaatar were not allowed to work in this period of time. There is expected to be an increase of Jordanian workers in agriculture.
35. **During the six week travel ban, access to input supplies was limited, causing a reduced ability to attend to crops, animals and trees as normally done.** Many input retailers are moving to online ordering systems with direct delivery to farms. These systems are however still cash based without credit facilities. Farmers and livestock keepers often use traditional phone means but the online systems are still in early stages and have potential to grow.

1 FAO Interview with Jordan Agriculture Engineer Association, May 9, 2020.

2 MercyCorps Rapid Assessment on Agriculture and Dairy Sectors in North Jordan in Response to COVID-19, May 2020

FOOD ACCESS

36. **All Jordan wholesale markets are operational, and hygiene measures including mask, glove use and social distancing are broadly adopted.** Before the recent Friday-only 24-hour curfews, the markets were particularly crowded with consumers buying produce. However, the Government and police have been controlling crowds. All supermarkets, malls, small markets and hypermarkets are open for the public and have an abundance of food and Ramadan necessities. Restaurants have recently opened for delivery only. Since April 22, in southern governorates of Jordan, life has returned to normal without any hindrance (Karak, Tafila, Ma'an and Aqaba).
37. **A recent UNHCR, UNICEF, WFP Multi-Sectoral Rapid Needs Assessment of vulnerable Jordanians and refugees (Syrian and other nationalities) has found that around a third (32%) of households reported that they did not have enough food to eat during the reported period.** A large share of this group (60%) was not receiving WFP assistance. In general, lack of money (83%), no food stocks (36%) and limitations on movement (17%) following the measures imposed by the government to combat COVID-19 were the main reasons for households suffering from food shortages. This is in line with the findings of a rapid COVID-19 impact assessment carried out by ILO which found that 95% of Syrian refugee households reported a decrease in their household income, compared to 90 percent of the Jordanian households. Overall, only 4 percent of the respondents reported to have worked during the lockdown. According to another Rapid Assessment carried out by Care International among refugees in Azraq camp, 50% of the respondents reported a shortage in essential food items such as vegetables, fruits, meats and chicken³.
38. **The highest reports of not having enough to eat came from the non-Syrian refugees and migrant households (37%) out of which 88% did not receive WFP's food assistance.** Syrian households reported lower incidence rates of not having enough to eat, which can also be attributed to a higher coverage of this group by WFP assistance (85%). As such, WFP beneficiary households seem to be less affected by the income and food security shocks brought about by COVID-19.
39. **Around 34% of vulnerable Jordanian households reported not having enough food to eat,**



A Syrian refugee family in Zaatari refugee camp.

Photo: WFP/Mohammad Batah

³ Care.2020. Rapid Needs Assessment. Impact of COVID-19 on vulnerable populations in Jordan. Urban areas and Azraq camp. Available [here](#).

likely a result of loss of income. Findings from the assessment show that 40% of households across population groups have no food stocks. This percentage is higher among vulnerable Jordanians with almost half of households (48%) indicating no food stocks. Around 60% of households reported some food stocks, which most of them (85%) estimated would last one week or less.

40. **At household level it is known that 41% of WFP beneficiaries in camps and 67% of beneficiaries in communities report that COVID-19 has affected their ability to access food, mainly through loss of employment, exacerbated in the communities by a reduced access to local markets.** Interestingly, this figure has decreased over time for households in camps (to 41% at the second round of beneficiary contact monitoring) hinting to less pressure on household food security which may be attributed to an effective humanitarian response in the camps, though, access to food remains a concern for 64% of households in the communities in April 2020. Assessment results reveal that 36% of households in communities were not able to access markets with the majority reporting travel restriction as the main reason. After initial closure, most WFP-contracted shops in the communities were open again in April 2020.

FOOD PRICE TRENDS

41. **Data for February and March 2020 from the Department of Statistics showed increases of the food consumer price index, despite government effort to enforce a price ceiling on some commodities and fight any possible stock hoarding and monopoly.** Price increases were recorded in meats and poultry, sugar, legumes, fruits and vegetables, beverages, dairy and eggs, while cereals remained stable as the government continues to subsidize bread. (See Figure 2) Availability and access to updated and live data remains a challenge and will hinder policy making and proactive response to any rising risks in food insecurity.
42. **Findings from the rapid needs assessment indicate that 55% of refugee households in the communities experienced increases in food prices over the reported period.** (See Figures 7 and 8 in Annex) WFP price monitoring in the camps shows that prices for many fresh foods such as fruits, vegetables and eggs have increased in both Azraq and Zaatari camp during April while the prices for staples have remained largely stable thus far. But COVID-19 has put significant stress on vulnerable Jordanian and refugee households (Syrian and non-Syrian) alike. One of the most significant impacts of the pandemic and the curfew has been a limited supply of essential goods, including food, due to slowed down imports.

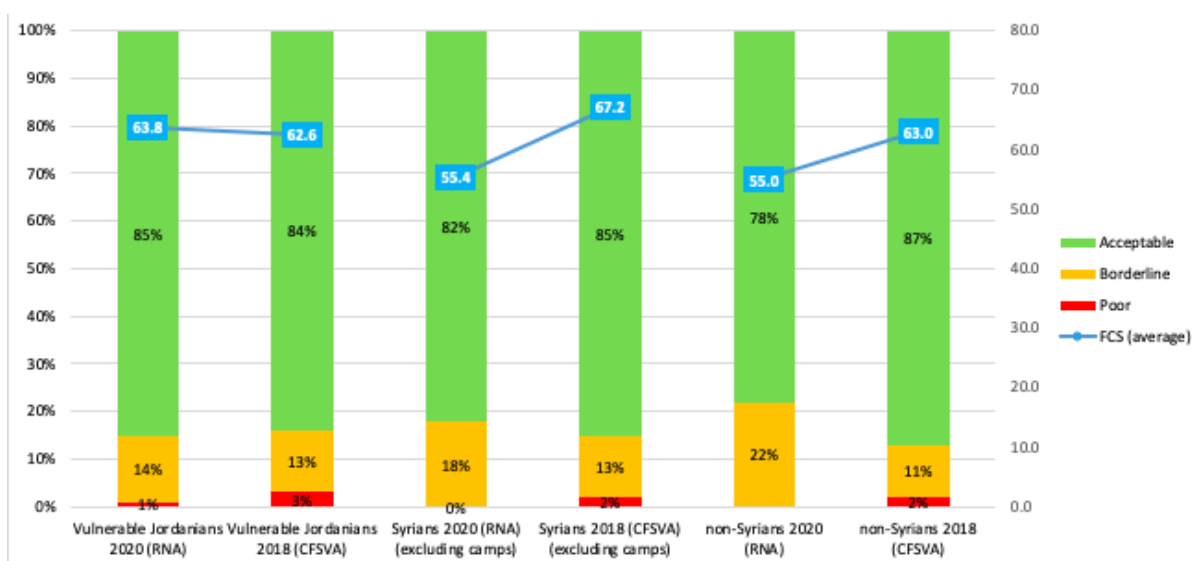


A Syrian refugee man in Zaatari refugee camp shops for food at one of WFP's contracted supermarkets in the camp.

Photo: WFP

HOUSEHOLD FOOD CONSUMPTION

43. **Food security among vulnerable Jordanian households has remained largely stable as yet with 15% of households showing a poor or borderline Food Consumption Score FCS in 2020 compared to 16% in 2018.** This is likely attributable to the emergency cash assistance provided by the Ministry of Social Development in coordination with the National Aid Fund (NAF) to around 100,000 vulnerable Jordanian households, in addition to its regular caseload under the social assistance program Takaful. Assistance is provided through e-cards that enable the families of the targeted groups to purchase food and non-food supplies for up to 100 dinars/month for up to six months from the markets of the military and civil service consumer corporation in different regions of Jordan.
44. **Deterioration in household food security was noted among the non-Syrian refugee population.** An additional 9 percent of non-Syrian households showed poor or borderline food consumption now (April 2020) as compared to pre-crisis levels (2018)⁴. Non-Syrians refugees displayed the lowest average FCS across population groups. Coverage of this population with WFP food assistance remains low, exposing vulnerable households to the repercussions of food security and income shocks.



Graph 1: Household Food Security Trends Analysis—Jordanians and Refugees
(Food Consumption Score (FCS))

45. **Food insecurity also increased among Syrian refugees living in host communities, albeit to a lesser degree.** A growing proportion of households with a poor or borderline food consumption, from 15% in 2018 and 16% in 2019 (Food Security Outcome Monitoring, FSOM⁵) to 18% in April 2020, reflects increasing vulnerability⁶. Syrian household classified as “extremely vulnerable” experienced the most pronounced food security losses as 9% of households moved from an acceptable to a borderline food consumption (compared to 2% among households classified as “vulnerable”). What is noteworthy, the average FCS dropped by 13 percentage points, from 63 in 2018 to 55 in April 2020.

4 It must be noted here that a comparison over time is only indicative as the 2018's CFSVA and the 2020 RNA followed different sampling parameters (confidence level, margin of error, and level of representativeness).

5 WFP. 2019. Food Security Outcome Monitoring (FSOM), Quarter 3, 2019. Available at: <https://www.wfp.org/publications/food-security-outcome-monitoring-q3-2019>. Note that quarterly FSOM looks mainly at the food security trends of WFP beneficiaries whereas Needs Assessments are considering the wider population.

6 As mentioned above, a comparison over time is only indicative as the 2018's CFSVA and the 2020 RNA followed different sampling parameters (confidence level, margin of error, and level of representativeness).

Key Lessons

GOVERNMENT MEASURES

46. **On 30 April, the Government of Jordan moved to ease the lockdown and re-open the economy after having the pandemic under control.** The Government's decision was not only influenced by the low numbers which were considered to be encouraging, but also out of concern for the country's ailing economy which was affected by the crisis that dampened its thriving tourism sector. As of 3 May, most sectors were allowed to resume work gradually, but schools, universities, gyms, public gatherings, church and mosque sermons remain banned, and a curfew after 6 pm remains in place as well as a curfew on Fridays. Citizens are allowed to use their vehicles from 8 am to 6 pm every other day as of Wednesday, April 29. Citizens can use their vehicles inside the governorates; only permit holders can move from one governorate to another. Movement between governorates still requires an explicit permit. Workers who need to commute between governorates can have their employers apply on their behalf.
47. **In order to ensure smooth operations in the agriculture sector, the Ministry of Agriculture had launched a website mechanism for providing traffic and mobility permits to farmers.** This is a mechanism to grant travel permits to farm owners (or their representatives) and owners of agricultural businesses. This was established to organize the transport of agricultural products, as well as to regulate the central markets of vegetables and fruits. All in all, the travel permit system helps to maintain the food supply chain operational whilst safeguarding the health of people and encouraged the registration of farmers on their systems.
48. **The Ministry of Agriculture announced that debt payments for the month of April (of existing loans) were postponed without penalty for one month.** Additionally, on May 4, the Agricultural Credit Corporation with advocacy from the Ministry of Agriculture opened the application process for interest-free loans previously announced in March. MoA has allocated JD 10 million fund for farmers for interest-free loans intended to help the damage caused by the March windstorms. This is particularly timely given that COVID followed the March storms. The five year loans will have a first two year grace period. Farmers are called on to register their damages with the MoA in order to apply for loans. Early response from farmers indicate apprehension to the new loan mechanism and fear additional loan will add to pre-existing indebtedness.
49. **MoA has re-activated the pre-existent Agricultural Risk Fund together with the Cooperative Solidarity (Takaful) Program.** Not directly related to COVID yet timely as a measure to support farmers, the risk fund will be expanded to compensate for a number of natural agricultural risks, not only frost but also climate change and other risks. Furthermore, as part of this, MoA is preparing the appropriate procedures and mechanisms to launch a Cooperative Takaful program in connection with insurance companies which will increase mutual cooperation between farmers. Farmers would voluntarily register for the program and they would get compensation in case they had damage to their farms. The fund would contribute 50% of the annual premium for farmers.
50. **The Government has further facilitated the export of locally produced agriculture goods as well as sheep.** In April, the MoA has established a new online system for issuing import and export licenses, and the turnaround time is only one day. They are carefully monitoring what goods can be exported based on adequate domestic supply. Following discussions between the Hashemite Kingdom of Jordan and the Kingdom of Saudi Arabia, to facilitate the flow of goods between the two countries, it was agreed to expedite the granting and renewal of visas for truck drivers between the two countries at the borders and improve quarantine procedures.
51. **The Ministry of Trade, Industry and Supply is very active in controlling and monitoring consumer prices to ensure that the people of Jordan are not obliged to pay high prices for food.** Together with MoA, adequate supply of fruits and vegetables was maintained, with 64% of produce headed to the Amman Central Market, 18% to Irbid Central Market, 5% to Zarqa Central Market, 10% to the Arda Market, and 2% to the Salt Market.

GLOBAL

52. **Globally, governments are adapting different policies to mitigate the impact of the COVID-19 pandemic on food security. Some countries are intervening in food markets through subsidies, price ceilings, and strategic food reserves.** For example, Niger, Burkina Faso and Comoros have put price ceilings and other types of price controls on essential food items. Niger and Philippines have introduced new subsidies for cereals, while Madagascar is purchasing perishable products directly from farmers. Sudan, Malawi, and Tanzania are focusing on strategic food reserves purchases. Peru is directly transferring agricultural subsidy to vulnerable farm families while Paraguay is extending credit line to support the food and agro-industry.
53. **Some countries are already developing fast projects to address challenges in the agriculture value chain. For example Bangladesh is working on mitigating COVID-19 induced supply chain shocks producer organizations.** The Missing Middle Initiative (MMI) is an innovative flagship of Global Agriculture and Food Security Program (GAFSP) for more directly supporting Producer Organizations (POs). Under this Initiative, MMI-Bangladesh project supports 55 POs in eight districts in the country targeting 10,000 small-scale farmers, 50 percent of whom are women. In response to the COVID-19 shutdown, the MMI POs in Bangladesh with technical support from the Food and Agriculture Organization (FAO) launched COVID-19 Emergency Response on April 4 to mitigate the pandemic's impact on local agriculture supply chains. 57 Virtual Call Centers (VCCs) have been established across the country. Volunteer VCC operators collect relevant information about daily agriculture input requirements and type of produce for selling in the market from PO members via mobile phones. The VCC operators then use hired rickshaw vans to pick-up and deliver aggregated inputs and produce. This has resulted in stopping multiple transactions by PO members and reducing the risk of COVID-19 transmission. The VCC operators maintain records of transactions and share information daily using a digital social platform. Over the past three weeks the COVID-19 Emergency Response has enabled more than 2000 farmers to: (a) aggregate and sell produce to buyers including private companies; and (b) purchase essential agriculture inputs and services both from public and private sector. The PO members are using mobile money (BKash or MobiCash) to avoid paper currency transactions as these are potential vectors for spreading COVID-19. Data shows that the prices of produce received by PO members have been on average higher in the VCC approach.
54. **Sri Lanka is doubling down on digitization to tackle challenges of COVID-19 on food security through e-commerce.** Prior to COVID-19, several of the larger supermarket chains had online purchasing / home delivery systems, though this represented only a very small (<5%) of their trade, and furthermore, purchases of produce from supermarkets nationwide only makes up 20 percent of all food purchases which is typically from open markets or small stores. The imposition of the curfew led to a massive increase in the demand for online/home delivery services which far exceeded the capacity of existing systems. The online demand for essential commodities remains high. The capacity of systems has been improved, plus numerous semi-formal systems have emerged (e.g., via WhatsApp, SMS and phone ordering).

Action Points

WORLD BANK

55. **The World Bank approved a \$20 million project to help Jordan face the health impacts of the COVID-19 outbreak. The new COVID-19 Emergency Response project will support the Ministry of Health's efforts in preventing, detecting and responding to the threat posed by the pandemic and strengthen public health preparedness.** The project aims to help prevent and contain the spread of COVID-19 in Jordan by providing support to enhance case detection, testing, recording and reporting, as well as contact tracing, risk assessment and clinical care management, enabling the Ministry of Health to implement the National Preparedness and Response Plan over the next two years and will complement the support already provided by development, humanitarian and private sector partners.
56. **This fast-track assistance package falls under the US\$ 6 billion COVID-19 Strategic Preparedness and Response Program approved by the World Bank Group's Board of Executive Directors on April 2, to strengthen the responses of developing countries to the pandemic.** Over the next 15 months, the World Bank aims to support countries with \$160 billion in financial support to help countries protect the poor and vulnerable, support businesses, and bolster economic recovery, including \$50 billion of new IDA resources in grants or highly concessional terms.
57. **Globally, the World Bank is restructuring existing projects, activating use of emergency components of existing projects (CERCs) and triggering of Catastrophe Deferred Drawdowns (CAT DDOs) specifically to assist countries to tackle implications of COVID-19 on food security.** For example in Bangladesh, the World Bank repurposed its agricultural projects to provide food and grants transfer, subsidized inputs and support the animal health for the country. In Cameroon, two options being considered: (i) accelerate implementation of existing operations and possibly modify/ scale up to support SMEs and improve food security, and (ii) activate the CERC of the Livestock Development Project and reallocate funds.

WFP

58. **WFP will sustain its critical monthly cash assistance to support refugees' access to food** and continue to transfer US\$ 14 million per month to the 500,000 most vulnerable refugees of various nationalities it assists. At the same time, WFP will establish a home delivery system for food assistance for those unable to access markets due to disability, chronic illness or lockdown measures. WFP will also advocate to temporarily expand its cash assistance to additional refugees unable to meet their food needs as a result of COVID-19 and monitor the effects of market price variations to potentially adapt its assistance level.
59. **In support of national social protection efforts, WFP will continue its technical assistance to the National Aid Fund (NAF) to support the reform and expansion of its cash assistance to the most vulnerable Jordanians.** Areas of WFP support include enrollment of families in the assistance programme, digitalization and automation of transfer payments and complaints and feedback mechanisms. In addition, WFP will also endeavor to contribute financially to the Emergency Cash Assistance programme launched by NAF in the wake of COVID-19 to support 200,000 families who have lost income sources.
60. **WFP will continue to monitor trends related to market access and functionality as well as food prices** across the Kingdom as well as in refugee camps. In particular, WFP will establish a remote monitoring system to collect monthly data on household food security, access to markets, market prices for key food commodities, and market functionality.

FAO

61. **FAO, UNDP and WFP are formulating a joint programme to support economic and social recovery from COVID-19 impacts on vulnerable Jordanians and refugees and fostering social cohesion, linking rural to urban areas through sustainable food system.** The programme has four main integrated pillars, all supported through conditional cash transfer related to community based savings and loans mechanisms.

62. **FAO is also restructuring an EU funded project to facilitate access to immediate and temporary incomes through conditional cash transfer with the objective to cover immediate needs, facilitate to access loans and develop community managed contingency funds for risk management.** FAO is also exploring investing with the Ministry of Agriculture and the National Agricultural Research Center in developing a digital service portfolio with applications including Crop calendar and weather, Risk management, AgriMarketplace, Farmer to Farmer and to Expert forum, and water management. Digitalization will facilitate the transition of thousands of farmers from the informal to the formal economy and access numerous opportunities for social and economic services.

IFAD

63. **IFAD is reallocating SDR 110 000 from the unallocated category of Rural Economic Growth and Employment Project (REGEP) in Jordan.** The funds will be used to support the provision of production inputs like seeds, fertilizers, pesticides, packages harvesting and processing equipment and the delivery costs for these inputs, and establish marketing networks and smart applications for distance learning for Farmer Field Schools (FFS) and Savings and Credit Groups (SCGs) in the project area. The reallocated budget is expected to benefit 1650 family members organized into 110 FFSs already established by the project.
64. **IFAD is reallocating \$1.5 million Dollar from Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS) grant allocated to Jordan.** The funds would be intended to meet the pressing needs of the poor and extreme poor of both host communities and Syrian refugees in Small Ruminants Investment and Graduating Households in Transition Project (SIGHT) targeted governorates. The special grant will be used to provide food assistance to 11500 poor and extreme Jordanian and 4250 Syrian refugees' families and provide transport support for movement of inputs and produce in rural areas operating on the basis of COVID-19 safety protocols issued by the government. The provision of transport and logistics support will be used for small ruminant holders particularly the breeding partner, for the distribution of green fodders, grains, vaccines, drugs, minerals block, vitamins and will cover operational cost of MOA for safety materials, fuels and logistics facilities in line with logistical safety procedure adopted by local government regarding the Covid-19.
65. **IFAD is exploring the use e-wallet and JoMoPay to money transfer method to beneficiaries in its projects. IFAD is still in negotiations with Jordan Payment and Clearing Company (JoPACC) to develop a partnership proposal to promote digital technology for the agriculture sector.** This will be critical for the provision technical advice on horticulture and livestock production to smallholders as well as to render small and micro loan and related services to small farmers and other active players in the value chain through digital payment and related services.

Annex

Figure 1: Monthly Food Price Indices (2002 - 2004=100)

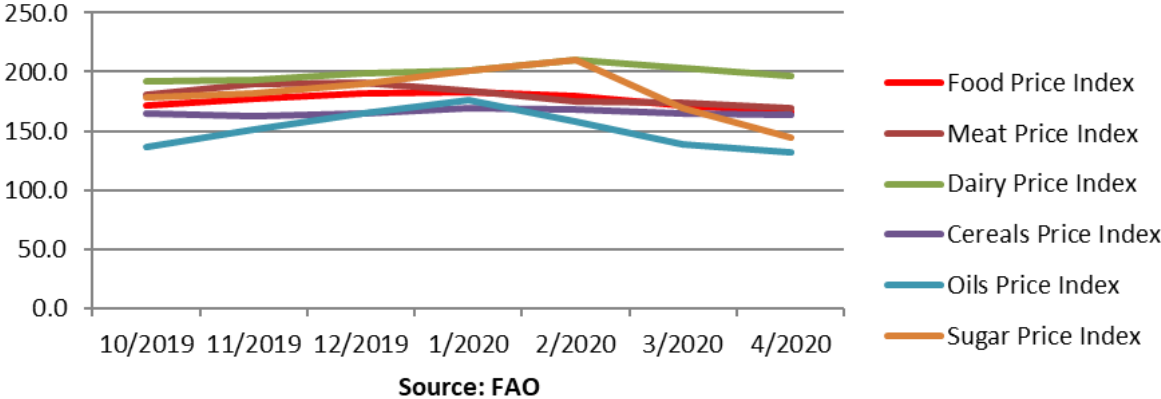


Figure 2: Monthly Food Consumer Price Index

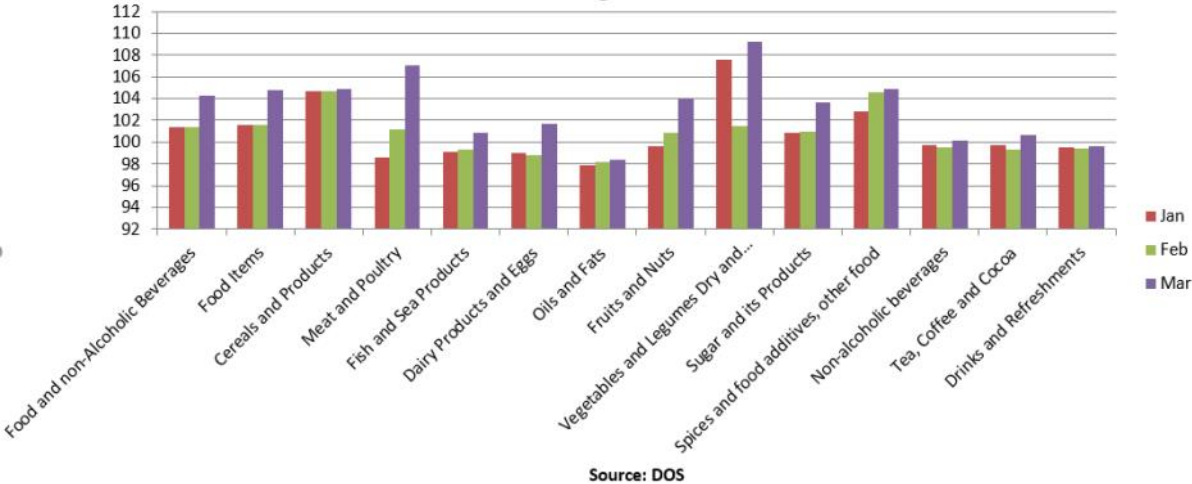


Figure 3: Key commodity imports by source

	\$US Million	India	USA	Australia	Canada	Russia	Ukraine	Romania	Argentina	Turkey	Egypt	UAE	KSA	Brazil
Wheat	347		Light Green	Light Green	Light Green	Dark Red	Dark Red	Yellow	Light Green					
Sugar	167	Dark Red										Dark Red	Dark Red	Yellow
Soybean	142		Light Green						Light Green					
Sheep Meat	140			Light Green					Light Green					
Bovine Meat	137	Light Green	Dark Red	Light Green										Yellow
Cheese	125		Light Green								Yellow			
Barley	124			Light Green		Dark Red	Dark Red	Yellow	Light Green					
Milk	106			Light Green	Light Green				Light Green	Light Green	Yellow		Yellow	
Poultry Meat	97.4		Yellow				Yellow	Light Green		Light Green				Yellow
Legume	63.2	Dark Red	Light Green			Yellow					Dark Red			
Rice	15	Dark Red	Light Green	Light Green							Yellow			

■ No trade restrictions
■ Limited trade restrictions or export delays
■ Export ban or major delays

Figure 4: Mapping of Risks and Their Likely Impact on Food Security in Jordan

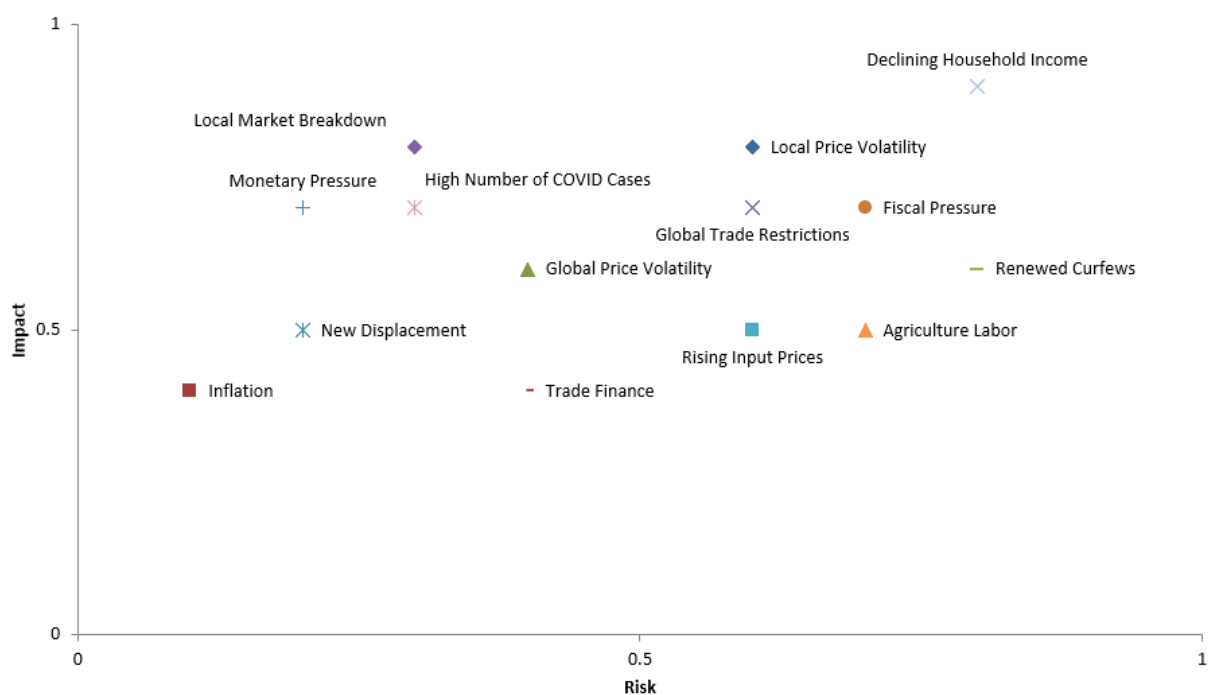


Figure 5: National and Regional COVID-19 Incidence



Figure 6: National COVID-19 Spread and Government Actions

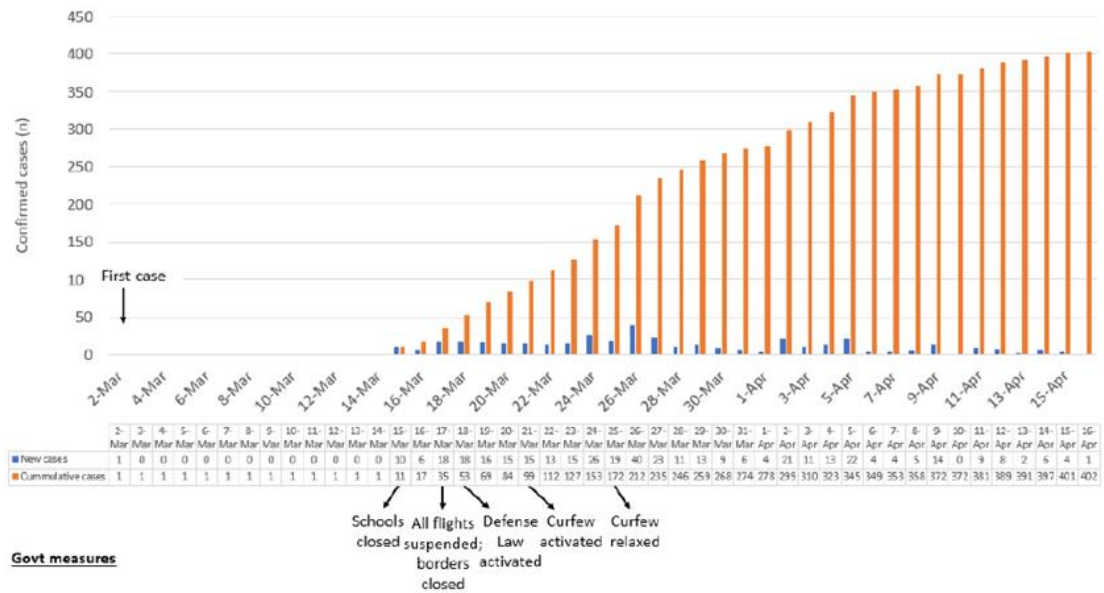


Figure 7: Azraq Camp Food Prices

Food Group/Item	Size Unit	Apr	1M	2M	3M
Cereals, grains, roots and tubers					
Bulgur	1.00 Kg	0.59	-28%	1%	-30%
Pasta (Macaroni)	0.30 Kg	0.28	17%	10%	20%
Potatoes	1.00 Kg	0.67	48%	33%	49%
Rice	1.00 Kg	1.05	-9%	-2%	-16%
Wheat Flour	1.00 Kg	0.35	-27%	-38%	-27%
Condiments/ Spices					
Salt	0.75 Kg	0.13	0%	0%	0%
Fruits					
Apples	1.00 Kg	1.17	0%	14%	2%
Legumes/nuts					
Lentils	1.00 Kg	0.85	-2%	18%	-5%
Meat, fish and eggs					
Eggs	2.00 Kg	2.47	0%	12%	0%
Tuna	0.19 Kg	0.83	0%	5%	0%
Whole Chicken	1.00 Kg	1.84	-3%	23%	-3%
Milk and Dairy Products					
Milk Powder	0.80 Kg	2.90	26%	28%	29%
Spread Cheese	8.00 Pcs	0.39	24%	-21%	24%
Oil/Fat/Butter					
Vegetable Oil	1.80 L	1.77	3%	4%	3%
Sugar or Sweet					
Sugar	1.00 Kg	0.60	13%	-8%	21%
Vegetables and leaves					
Cucumber	1.00 Kg	0.52	4%	-11%	4%
Dark greens	1.00 Bunch	0.15	0%	0%	0%
Onions	1.00 Kg	0.62	24%	15%	24%
Tomatoes	1.00 Kg	0.57	43%	44%	43%

Figure 8: Azraq Camp Food Prices

Food Group/Item	Size Unit	Apr	1M	2M	3M
Cereals, grains, roots and tubers					
Bulgur	1.00 Kg	0.55	-22%	-5%	-27%
Pasta (Macaroni)	0.30 Kg	0.25	9%	-22%	47%
Potatoes	1.00 Kg	0.59	34%	36%	31%
Rice	1.00 Kg	1.08	9%	9%	9%
Wheat Flour	1.00 Kg	0.47	3%	-17%	57%
Condiments/ Spices					
Salt	0.75 Kg	0.16	-6%	-3%	55%
Fruits					
Apples	1.00 Kg	0.99	-23%	-1%	-15%
Legumes/nuts					
Lentils	1.00 Kg	0.88	0%	2%	17%
Meat, fish and eggs					
Eggs	2.00 Kg	2.45	-1%	23%	-2%
Tuna	0.19 Kg	0.92	12%	8%	15%
Whole Chicken	1.00 Kg	1.94	10%	22%	11%
Milk and Dairy Products					
Milk Powder	0.80 Kg	3.34	78%	47%	68%
Spread Cheese	8.00 Pcs	0.41	9%	-4%	41%
Oil/Fat/Butter					
Vegetable Oil	1.80 L	1.51	-7%	-7%	-8%
Sugar or Sweet					
Sugar	1.00 Kg	0.65	26%	-8%	29%
Vegetables and leaves					
Cucumber	1.00 Kg	0.36	-28%	-34%	-28%
Dark greens	1.00 Bunch	0.15	22%	0%	0%
Onions	1.00 Kg	0.59	29%	17%	37%
Tomatoes	1.00 Kg	0.49	15%	46%	23%

