

# Jordan Food Security Update

## Implications of COVID-19



July-August 2020

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# I. Executive Summary

While the government in Jordan maintained its efforts to keep COVID-19 pandemic spread under control, the pressure on food security has increased in Jordan as COVID-19 spillover effects expose structural challenges in the economy. Among Jordanians, 53 percent are vulnerable to food insecurity— corresponding to around 3 million individuals— and around 3 percent (219 186 Jordanians) of households are food insecure. Among all governorates, rural governorates are most susceptible to food insecurity, with Al-Tafilah by far the most food insecure region with 20 percent of households being food insecure.

With an economy already in crisis, COVID-19 has pushed 17 percent of Jordanians to permanently lost their jobs with unemployment skyrocketing to 26 percent in 2020. This is leading Jordanian households to adopt livelihood-coping strategies to adapt to food insecurity. Up to 42 percent of households are resorting to harmful livelihood coping strategies (crisis or emergency level) to address essential needs, compromising future household coping and productive capacities. While the vast majority among Jordanian households show an acceptable food consumption (96 percent), the economic impact of the COVID-19 pandemic has forced households to economize with food, with 55 percent of household using consumption-based coping strategies (as compared to 34 percent in 2014).

The food insecurity extends to the refugee community, as Jordan hosts one of the highest numbers of refugees globally. Data from July/August 2020 show that 21 percent of refugee households in host communities are food insecure, corresponding to 131 613 individuals<sup>1</sup>. These households have extreme food consumption gaps or rely on potentially irreversible coping strategies that will compromise future household productivity. Another 67 percent of households are vulnerable to food insecurity, equivalent to 417 293 individuals. Only 12 percent are food secure.

The Jordanian economy continues to be under stress from the unfolding implications of COVID-19. While the Jordanian government has introduced exceptional measures to protect formal sector workers, temporarily suspending some clauses of the Labor Law and introducing measures to prevent layoffs in the formal private sector, COVID-19 continued adding immense pressure on the jobs market during the second quarter of 2020. The formal sector constitutes around 56 percent of employment sector, including both public (34 percent) and formal private sector (22 percent). This leaves 44 percent of employees who work in the informal sector – and which includes most of labor in agriculture –left exposed to the shutdowns and economic crisis without any labor protections.

The latitude of government intervention, including to stabilize food security, will only become more limited. The fiscal stress will not be relieved by any economic growth and any increased government revenue, as the Jordanian private sector takes a heavy toll as the whole economic cycle falters. While the economy is opening up, only half of private sector enterprises – with a majority working on the food and beverages industry – were confident that they would weather the economic crisis resulting from COVID-19 and resume profitability.

Food and agriculture import costs are rising as Jordan seeks alternative sources for specific commodities being restricted for export, such as rice and pulses. With Jordan being highly import dependent, and with exports of key staples such as corn, wheat, and rice being highly concentrated among top-50 countries most affected by COVID-19, Jordan's food supply will only grow more volatile as a new wave of COVID-19 unfolds.

“Building Back Better” (BBB) needs to start immediately for Jordan<sup>2</sup>. The government, development partners, private sector, NGOs and social enterprises need to come together to hack solutions for the implications of COVID-19 on food security at the local. BBB measures on high priority as COVID-19 unfolds in Jordan include trade diversification, digitization, and enabling social enterprises, which can create innovative approaches to value chain efficiency and inclusion, which are greatly needed to roll back the negative implications on Jordan's food security.

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<sup>1</sup> WFP mobile Vulnerability Assessment and Mapping (mVAM) July/August 2020.

# Policy Recommendations

A focused policy effort towards “Building Back Better” is much needed to be integrated into a national food security and nutrition strategy for Jordan. Targeting low hanging fruits in boosting the agro-sector production, integrating digitization and entrepreneurship into agriculture, and providing a solid ground for boosting agriculture exports will help Jordan to respond the food security challenges unfolding with COVID-19.

1. Maximizing the potential contributions of Jordan’s agri-food sector: Agro-food is a main source of income, employment and livelihoods for a large share of the population, especially in rural areas. The overall agri-food sector contributes to the livelihoods of about a quarter of the population in Jordan. The sector is labor- intensive and has a relatively strong long-term value-added elasticity of employment, which is much needed as unemployment grows. For every percentage point of growth in the value added of the agriculture sector, employment can increase by 0.36 percentage points while the corresponding employment increases for 31 industry and service sectors would be 0.30 and 0.20 percentage points<sup>3</sup>.

2. Agricultural transformation to boost entrepreneurship: Harnessing the power of digitization and mobilizing finance for young entrepreneurs in the agro-food sector is needed, both in rural and urban areas. The agri-food sector offers business opportunities to many small and medium investors. As agriculture is less capital intensive than many other sectors, it offers investment opportunities to small and medium scale entrepreneurs who may not be able to enter other sectors dominated by larger companies.

3. Supporting the agriculture export industry: Jordan has a significant comparative advantage for exporting high-value fresh products to premium markets and there is room to expand agricultural production. The Jordan Valley, with its exceptional climate at 300 meters below sea level, is uniquely suited for production and export of early season fruits and Jordan’s location, with close proximity to Arab, European and Russian markets, and year round climatic growing conditions allow Jordan to export to large nearby markets. Facilitating the adoption of quality and food safety standards and providing the necessary infrastructure (packaging facilities, cold stores and quality inspection labs) and diagnostic tools through digitization will help the Jordanian farmer increase their exports.

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<sup>2</sup> BBB is an approach to post-disaster recovery aimed at increasing the resilience of nations and communities to future disasters and shocks. The BBB approach integrates disaster risk reduction measures into the restoration of physical infrastructure, social systems and shelter, and the revitalization of livelihoods, economies and the environment. It was adopted by UN member states as one of four priorities in the Sendai Framework for disaster recovery, risk reduction and sustainable development.

<sup>3</sup> See <http://documents1.worldbank.org/curated/en/325551536597194695/pdf/Agricultural-Sector-Note-Jordan-and-Lebanon.pdf>

## II. Macro Drivers of Food Insecurity

### Global Commodity Prices

Global food prices continued to rise for the third consecutive month in August, after five months of decline between January and May 2020, led by vegetable oils, sugar and cereals. The FAO Food Price Index (FFPI) averaged 96.1 points in August 2020, up 1.8 points (2.0 percent) from July and 2.1 points (2.2 percent) higher than its level in the corresponding month last year. The August FFPI, the highest since February 2020, represented an increase for the third consecutive month. While a weaker U.S. dollar provided support to international prices of most agricultural commodities, in August the price increases were more pronounced for sugar and vegetable oils with cereal prices also increasing, though more modestly. By contrast, meat and dairy values kept steady near their July levels.

The FAO Cereal Price Index averaged 98.7 points in August, up 1.8 points (1.9 percent) from July and 6.5 points (7.0 percent) above its value in the corresponding month last year. Among the major cereals, barley, maize, and rice prices rose the most. Barley prices also picked up strength, increasing by 3.2 percent month-on-month, reflecting a faster pace in exports from Argentina to China. Concerns over production prospects in the US following recent crop damages in the US Midwest pushed maize prices up by a further 2.2 percent in August. International rice prices also rose, after two months of successive declines, underpinned by seasonally tight availabilities and increasing African demand. In wheat markets, export prices rose, albeit slightly, as lower production prospects in Europe and increased buying interest started to push up prices towards the end of the month.

The world cereal production in 2020 is estimated at around 25.0 million tonnes, while the expected global cereal output still stands at 2 765 million tonnes, an all-time high and 58 million tonnes above the 2019 production. The world coarse grains forecast, now pegged at 1 496 million tonnes, down 23.5 million tonnes from the previous report in July, a decline due to a 26.3 million tonnes downward revision to the maize production forecast in the United States of America (USA), where plantings, albeit still up year-on-year, are lower than earlier expectations and recent storm damage in the Midwest caused crop losses and impaired yield prospects.

Overall, however, cereal crop yields are still expected to recover from the previous year's low level and the country's output is forecast at 380 million tonnes, 10 percent higher than in 2019. Production forecasts were also lowered in the European Union (EU) and Ukraine, due to adverse weather that diminished yield prospects, and in Indonesia, where the historical production estimates as well as the 2020 forecast were revised downwards in line with recently released official statistics. These reductions more than offset upward revisions to the maize production forecasts in Argentina and Brazil, with both countries expecting record-high harvests. The forecast for global barley production in 2020 has been trimmed by 1.2 million tonnes, driven by lower yield prospects in the EU, and now stands at 154.2 million tonnes.

Global wheat production has been reduced by 1.4 million tonnes since July, which puts this year's output at 760.1 million tonnes, marginally below the good outturn of 2019. The recent decrease is mostly the result of cuts to production forecasts in Argentina, the EU and the USA by 1.3 million, 4.0 million, and 1.1 million tonnes, respectively, which outweighed upward revisions for Brazil, Canada, the Russian Federation, and Ukraine. By contrast, small area-based increases to July forecasts of rice production in Colombia, the Philippines and the USA compensated for more downbeat expectations of output in the Laos and Vietnam. As a result, global rice production in 2020 is still projected at an all-time high of 509 million tonnes (milled basis), up 1.7 percent from the 2019 reduced level.

The forecast for world cereal utilization in 2020/21 has been increased by 11.0 million tonnes since July, now amounting to 2 746 million tonnes, up 63.1 million tonnes (2.4 percent) from the 2019/20 level. The projected growth and upward revision this month mostly reflect a foreseen increase in total utilization of coarse grains, revised up by 8.4 million tonnes since July and now surpassing the 2019/20 level by 51.5 million tonnes (3.6 percent). An anticipated increase in feed use of coarse grains, especially maize, up 31.4 million tonnes (3.8 percent) from 2019/20 levels, is the biggest driver of the expected annual growth. However, the recovery of industrial use from last year's slump, now seen increasing by 16.4 million tonnes (4.2 percent), as ethanol demand regains ground, also contributes to the anticipated expansion.



# Global Trade

Global trade of major cereal commodities has not been largely affected by the COVID-19 pandemic. By end of August, the world trade in cereals in 2020/21 is estimated at 441.4 million tonnes, 6.3 million tonnes (1.6 percent) above the 2019/20 level. The forecast for world wheat trade in 2020/21 (July/June) has been raised to 181.5 million tonnes, marginally (0.3 percent) above the 2019/20 record level. The more robust wheat import demand in 2020/21 will likely be met by larger shipments from Australia and the Russian Federation, offsetting an anticipated cut in exports by the European Union. The forecast for world trade in coarse grains in 2020/21 (July/June) has been estimated at 201 million tonnes, likely pointing into a trade expansion of nearly 4.0 million tonnes (1.9 percent) from the 2019/20 level and marking a new record. On the other hand, ample exportable supplies and rekindling African demand are expected to sustain a 6 percent annual expansion in international rice trade going into 2021 to 47 million tonnes.

Nevertheless, as COVID-19 unravels, all food commodities value chains continue to be under risk from trade disruptions and price volatility. The World Bank has been monitoring the relationship between the number of COVID-19 cases and the control and resolution of food supply chain issues and challenges, particularly as more markets around the world enter the<sup>4</sup> recovery phase or second wave phase. Global trade has continued albeit some temporary shocks as trade restrictions have been lifted or reversed (see Figure 1), with demand picking up as countries started emerging from lockdowns post the initial first wave of COVID-19 from March to May 2020. Countries most affected by the COVID-19 pandemic are also top exporters of food products. A new World Bank database<sup>5</sup> shows that top 50 countries most affected by COVID-19, export on average 66 percent of the world's food supply. Their share of world exports goes from 38 percent in stimulant crops to more than 75 percent in vegetable and animal oils, fresh fruits, and meat (see Figure 1).

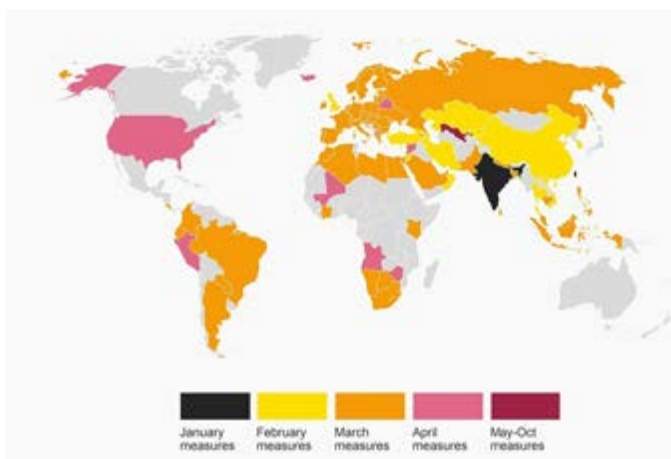


Figure 1: Agriculture and food export restrictions imposed due to COVID-19. 31 jurisdictions have imposed (?)<sub>49</sub> export controls since the beginning of 2020 (updated on 7 August 2020; Source: Global Trade Alert, European University Institute and the World Bank

Exports of key staples such as corn, wheat, and rice are highly concentrated among top-50 countries most affected by COVID-19. The European Union, Canada and Australia, (which are among the top-10 economies most affected by COVID-19) represent 91 percent of world exports of oats, 66.1 percent of rye, 62.6 percent of barley and 42.1 percent of wheat. The United States of America represents more than 70 percent in world exports of flour (75.9) and grain sorghum (77.1). Other large exporters of cereals include Thailand, representing 24 percent of world supply of rice; the Russian Federation, with shares of world exportst of wheat, rye and barely ranging between 14 and 21 percent; and Brazil, whose exports of corn represent 13.9 percent of total exports. The United States of America, the

European Union and China also represent more than 25 percent of global export supply of other food products such as meat, cheese, milk, and fish. Other affected countries such as Brazil, Ecuador, Malaysia and Indonesia also represent a significant share of world supply of respectively citrus fruit (48.7), bananas (30.4), and palm (cooking) oil (31.8).

<sup>4</sup> <https://voxeu.org/article/covid-19-and-food-protectionism>

<sup>5</sup> Espitia, A, N Rocha and M. Ruta (2020b), "Database on COVID-19 trade flows and policies", Washington DC: World Bank. See [https:// www.worldbank.org/en/data/interactive/2020/04/02/database-on-coronavirus-covid-19-trade-flows-and-policies](https://www.worldbank.org/en/data/interactive/2020/04/02/database-on-coronavirus-covid-19-trade-flows-and-policies)

## Economic and Fiscal Pressure

The Jordanian economy continues to be under stress from the unfolding implications of COVID-19. Jordan is forecasted to register higher unemployment rate, starting in the second quarter of 2020 and well into 2021 (up to around 26 percent). This will be the result of the effects of a strict lockdown on an already fragile economy, mainly based on tourism, informal labor – which together employ more than 52 percent of the Jordanian workforce – and small and medium-sized enterprise (SME) – which accounts for approximately 95 percent of private sector businesses<sup>6</sup>. Jordan’s travel and tourism sector – constituting around 13.8 percent of GDP in 2019 – saw a 56.5 percent drop in revenues in the month of March, rising up to an estimated 90 percent by August.

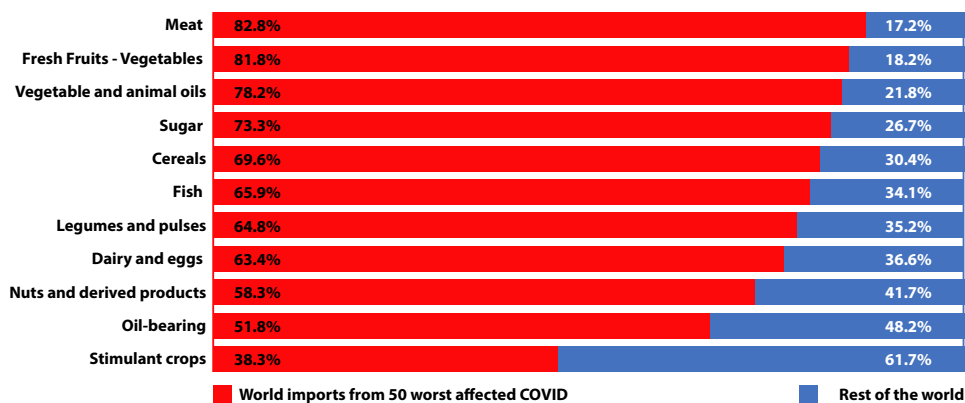


Figure 2. World imports from top-50 countries most affected by COVID-19 (Source: Espitia et al. (2020), “Database on COVID-19 trade flows and policies”)

As international travel remains constrained, the flow of new foreign reserves will be hampered as the tourism industry struggles to get back on track. Furthermore, Gulf Cooperation Council (GCC) countries experiencing similar weak prospects for growth during the second quarter of 2020 will cause lower foreign direct investment and reduced remittance flows (around USD3.7 billion per annum). These combined factors will weigh substantially on Jordan’s economic outlook and further strain public debt at USD42 billion—about ninety-seven percent of GDP, in addition to lowering government revenue, which decreased by USD849 million within the first four months of the year and is continued to slide, with lower prospects for the annual cash-in from taxation by December, increasing the likelihood of a higher-than- anticipated budget deficit for 2020.

In order to effectively combat the COVID-19 pandemic and continue funding the government, Jordan made major forays into the debt market. In July, Jordan raised USD1.75 billion from a double tranche eurobond at competitive rates to help the country cope with the economic fallout of the COVID-19 pandemic. A tranche of USD500 million at 4.95 percent over a 5- year maturity and another of USD1.25 billion at 5.85 percent over a 10-year maturity, were oversubscribed more than 6.25 times after attracting bids worth over USD6.25 billion. However, the government will use funds from the issuance to cover a USD1.25 billion eurobond maturing in October. It will also use some of the money raised to inject liquidity for the private sector by paying arrears accumulated by present and previous governments. The arrears relate to money owed to hospitals, pharmaceuticals, energy, and contractors.

This came after the IMF provided a USD396 million emergency loan in May and agreed to provide a four-year, USD1.3 billion loan program in March. The new loans will likely push the government’s debt-to-GDP ratio from around 96 percent (December 2019) to upwards of 110 percent. Going forward, this means that Jordan will need to allocate a greater portion of its budget toward servicing debt as opposed to investing in the growing knowledge economy, infrastructure projects, public services and sustainably responding to COVID-19 on the long term, although the new debt issuances and loan programs will allow the government to continue providing benefits to the unemployed and subsidies for basic goods over the coming year.<sup>1</sup>

<sup>6</sup> WFP RBC COVID-19 Monitoring Hub: <https://unwfp.maps.arcgis.com/apps/MapSeries/index.htmlappid=4182dd-9709ef4af883f418e6462dc89b>



The fiscal stress will not be relieved by any economic growth and any increased government revenue, as the Jordanian private sector takes a heavy toll as the whole economic cycle falters. A recent assessment by the International Labour Organization (ILO), the United Nations Development Programme (UNDP) and Fafo Institute for Labour and Social Research found that while the economy is opening up, only half of surveyed enterprises were confident that they would weather the economic crisis resulting from COVID-19 and resume profitability. Many faced difficulties even prior to the crisis with a quarter of enterprises indicating that they were losing money and almost half reporting that they were only breaking even. Few were prepared for the crisis with only 25 percent reporting to have had a business continuity plan in place at the time of the survey. All surveyed enterprises faced challenges in terms of cash flow, reduced demand and supply and the disruption of supply chains as a result of measures responding to COVID-19.

The assessment confirmed that the current crisis will have potentially a disastrous impact on workers and their livelihoods, with only 42 percent of businesses indicating that they can continue paying salaries to all workers for less than one month, and another 42 percent for less than three months under conditions prevailing at the time of the survey.

The impact of the crisis on micro and home-based businesses, mostly engaged in agri-food cottage and food and beverages (F&B) industries, has been particularly difficult. Many lack cash reserves, financial resources and assets as well as access to finance to respond to the crisis. A majority of businesses said direct financial support was the most essential support needed to cope with the situation at this stage, with 60 percent of micro-businesses and 43 percent of enterprises with more than 100 workers indicating the need for direct financial support. Many also indicated the need for wage subsidies. Government measures currently largely focus on formal SMEs, leaving all micro and home-based business without any government assistance.

## **Subsidies and Social Protection**

While the Jordanian government has introduced exceptional measures to protect formal sector workers, temporarily suspending some clauses of the Labor Law and introducing measures to prevent layoffs in the formal private sector, COVID -19 continued adding immense pressure on the jobs market during the second quarter of 2020. The formal sector constitutes around 56 percent of employment sector, including both public (34 percent) and formal private sector (22 percent). This leaves 44 percent of employees who work in the informal sector – and which includes most of labor in agriculture –left exposed to the shutdowns and economic crisis without any labor protections.

Current government measures mandate that all firms keep their workers, sets restrictions on wage cuts and provides some relief to firms. Firms operating in sectors that are still open can only reduce wages by up to 30 percent, provided workers agree, and wage cuts also apply to management. Firms in closed sectors and suffering from shutdowns can request permission to reduce wages up to 50 percent provided reduced wages are not below the minimum wage, while firms that cannot pay wages can request a temporary suspension of activities during which workers are put on temporary leave. The government has also temporarily suspended some clauses of the Social Security Law, enabling the formal private sector firms to stop contributing to the old age pensions program, reducing the contribution rate from 21.75 percent to 5.25 percent, rescheduling payment contributions into instalments to be paid until the end of 2023.

For public sector employees, the government has suspended all wage increases until 2021, while deducting 10 percent from salaries exceeding JOD 2 000 per month as a contribution to the Treasury. The education sector, which employs around 160 000 public sector teachers – by far the biggest public employer, continues to suffer from low wages that have driven repeated social unrest and teacher strikes. The suspension of schooling due to COVID–19 case increases will only add more uncertainty on the academic year and on the prospects of teachers receiving their salary increases as per agreement between the teachers union and government in 2019.

The GOJ has introduced an ambitious package of measures to protect poor and vulnerable households affected by the crisis. A Social Protection Response Committee (SPRC) has been set up headed by the Minister of Social Development, and includes the Director Generals of the National Aid Fund (NAF) and the Social Security Corporation (SSC), as well as a representative from the private sector and three large local NGOs - Jordan Red Crescent, Tkiyet Um Ali (TUA), and Jordan Hashemite Charity Organization (JHCO). The Committee announced a package of in-kind and cash support to a total of 350 000 poor and vulnerable households affected by COVID-19. In-kind support, financed by the SSC and the charity NGOs, is being provided to about 189 000 households in the form of food baskets - worth between JOD 25-50.

The National Aid Fund (NAF) distributed food parcels with a monetary value of between JOD 40 to JOD 50 to about 100 000 vulnerable families (around half a million individuals) that have elderly and casual workers. Electronic payment cards were distributed to 30 000 vulnerable families facing difficult living conditions to purchase food and non-food supplies totaling up to JOD 100 per month for to the next six months. Cards need to be used in the markets of the military and civil service consumer corporation.

The Social Security Corporation (SSC) is addressing social protection with a package of measures to compensate workers affected by the crisis. The package will include the payment of unemployment benefits to formal sector workers that: (i) have been put on temporary leave by firms that have partially or fully stopped operating, and (ii) have contributed to unemployment insurance for at least 12 months (down from the standard 36 months). Benefits will be paid from the unemployment insurance savings account. Employers will also contribute by paying 20 percent of the salary. The package also includes a monthly payment of Jordanian Dinars (JOD) 150 for informal employees, provided their employers keep them and make a one-time payment of JOD 140 and a contribution of JOD 50 to the monthly payment – the rest is paid by the unemployment insurance account. Finally, the package also includes some targeted support to workers who used to contribute to the SSC or are currently contributing to the voluntary scheme.

In 2021, the government is also launching a program to provide cash support to poor and vulnerable households affected by COVID-19 (called Takaful 3). NAF is already providing regular cash transfers (CTs) to 146 000 households: 45 000 households benefit from the Takaful cash transfer program (described below) and 101,000 benefit from NAF monthly cash transfer programs. The new program will add: (i) temporary (six month) CTs to 100 000 additional vulnerable households; and (ii) temporary (six month) benefit top-ups for existing NAF beneficiaries whose benefits are below a certain threshold.

The United States Agency for International Development (USAID), the U.K. Foreign, Commonwealth & Development Office, the Spanish Agency for International Development Cooperation (AECID), and the Jordan Ministry of Planning and International Cooperation have also signed an agreement to expand support for vulnerable Jordanians, particularly those severely impacted by economic strains resulting from the COVID-19 crisis. The U.S. Government formally committed an initial USD20 million and the UK Government committed 6.17 million dollars which will help support vulnerable families in Jordan affected by the COVID-19 pandemic. The Government of Spain signed on to become the third donor to this agreement. The multi-donor account will be managed by the Government of Jordan's National Aid Fund (NAF). The uncertainty of the COVID-19 epidemic has created growing demands on the NAF to expand emergency cash assistance, as well as allowances to cover transportation and electricity, for the most vulnerable segments of Jordanian society.

# Government Measures

The situation in Jordan remains under control, thanks to the measures implemented by the Government since the beginning of the crisis. The lockdown imposed in the whole country was lifted in the beginning of June, with movement between governorates restored. While Jordan maintained open controlled borders, schools and the main airports will only be opened in September for international travel. According to the COVID-19 Government Response Stringency Index, the government has substantially relaxed its measures since June (see Figure 3), an indicator of how Jordan has managed successfully to mitigate the spread of COVID-19 compared to other neighboring countries. (see figure 3)

The Government of Jordan maintains support to the agricultural sector, deemed one of the most “important and strategic” sectors for achieving economic, social and food security. The Government is working to turn the agricultural strategy, recently prepared by the Ministry of Agriculture, into an action plan and measures to enable the sector to overcome the ongoing difficulties, enhance the ability to compete, increase contribution to job creation, and the development of local communities. The Prime Minister highlighted the importance of the reactivation of the role the agricultural cooperatives and the agricultural pattern in production, with measures to protect the domestic agro-product, launch a pre-contracting mechanism to market products, and focus on food manufacturing, much needed to boost exports and decrease the trade deficit.

The Ministry of Agriculture has opened the door for purchase of local wheat and barley crops from citizens (seeds, ports, and forage) at preferential and subsidized prices, in a government effort to support farmers and in line with the Government’s policies aimed at encouraging farmers to increase the areas of cultivation for crops of barley and wheat. The government agreed to start the purchasing process for wheat and barley crops by the Ministry of Industry and Trade and in coordination with the Ministry of Agriculture and local cooperatives.

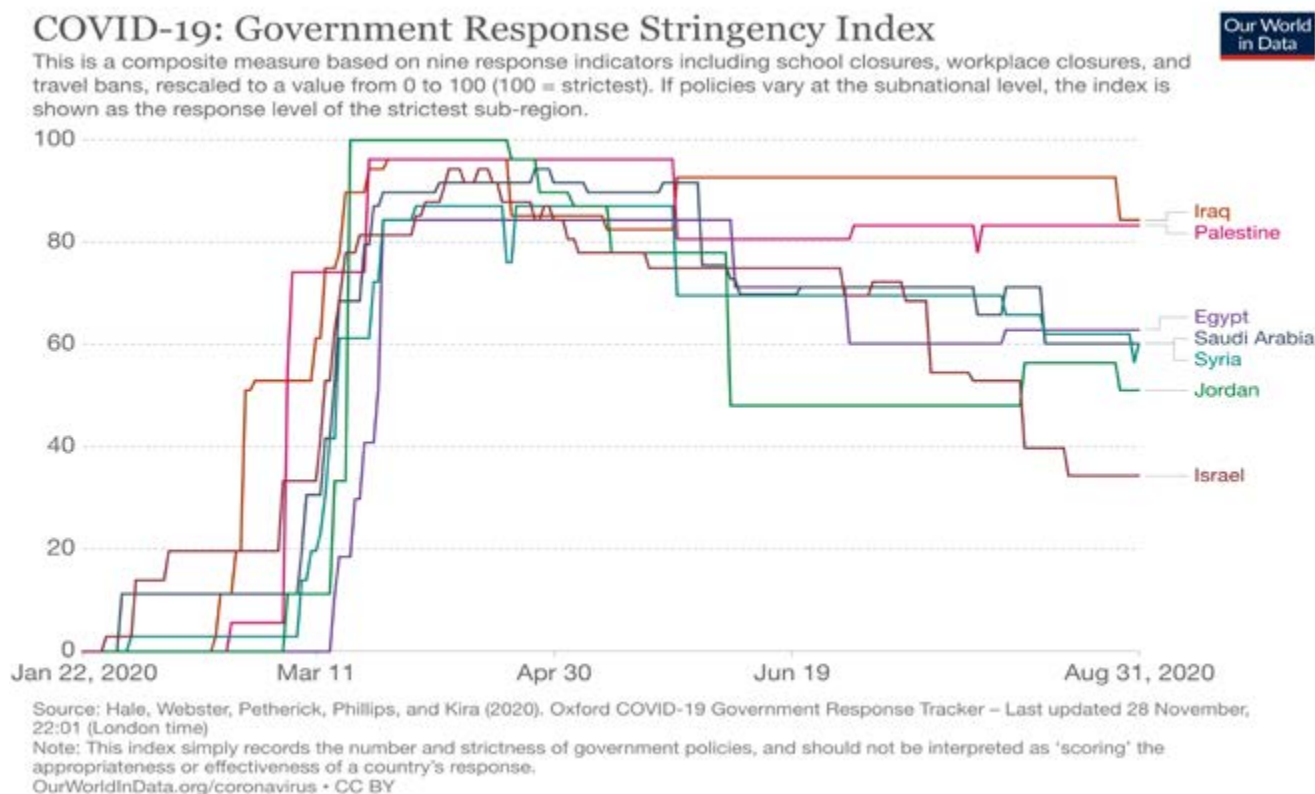


Figure 3: COVID-19 government response stringency index

## FIGURE 3: COVID-19 GOVERNMENT RESPONSE STRINGENCY INDEX

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## III. Microeconomic Drivers Of Food Insecurity

### FOOD AVAILABILITY

#### FOOD PRODUCTION

Harvesting of spring wheat, planted in February, started in June and concluded in early July. With the exception of Mafrq Governorate, where precipitation amounts in 2020 have been close to average, other agriculturally productive areas received well above-average rainfall amounts. Rains at times complicated planting, but provided ample soil moisture. Favourable rains contributed to expanding the area planted with wheat to 30 000 hectares (up from the 20 000 hectares in the previous year) but domestic cereal production remains negligible owing to geographic conditions. Cereal production in 2020 is forecast at an above-average level of 105 000 tonnes, five percent above the harvest gathered in 2019 and around five percent of imports.

On the other hand, production of vegetables and fruits, which has been economically more significant than cereal production has faced several challenges. In March 2020, many greenhouses and fruit trees in the Jordan Valley suffered damages caused by the gusty winds with a speed of up to 120 km per hour. With many farmers unable to repair damages, an above average heat wave that started in May and continued through the summer have increased drought conditions, with irrigation supply – already a major challenge in Jordan – unable to cope with demand, especially in the Jordan valley area.

According to the survey by FAO, 82.2 percent of the surveyed key stakeholders from different background reported experiencing significant decreases in the level of production of agriculture. The drop in production was driven by primarily two challenges hindering high quality/quantity crop production: 68.9 percent of producer reported inability from obtaining production inputs at the right time and place, followed by 31.1 percent reporting labour shortages. While vegetable markets are operational and unaffected by shutdowns, many stakeholders are reporting a surplus in the market due to lower demand during the COVID-19 lockdown and ensuing economic crisis that are putting pressure on household expenditure.

According to the study of the impact of the Corona pandemic on livestock during the ban period (18/3-25/5, 2020) conducted by Prof. Raed Ateyyat Mutah University and Prof. Mohammad Tabba' University of Jordan, the survey is reporting economic effects on the livestock sector. While a large majority of respondents (90.7 percent) did not report any negative impacts on livestock and the livelihoods of livestock farmers, a large majority of respondents (70 percent) reported a lack of adequate feed due to supply chain interruptions which added to production costs. Additionally, a large majority of respondents (95.7 percent) indicated that the closure of transport routes hindered the supply chain of meat, eggs and milk. This will have an impact on the productivity, continuity, and profitability of the sector during this crisis: it is likely to have a significant negative impact, including indebtedness and bankruptcy, as 60 percent of respondents expected their business not to return to its status before the pandemic in the coming months.

## FOOD IMPORTS AND EXPORTS

Even in years with above-average domestic production, over 97 percent of the domestic cereal food and feed requirements are satisfied through imports. Cereal import requirements in the 2020/21 marketing year (July/June) are forecasted at an average level of 2.7 million tonnes. Wheat and barley imports are usually sourced from the Black Sea region given lower freight costs compared to other origins. The Government maintains strategic stocks of cereals aiming at covering up to five months of domestic consumption. The expansion of the bulk carrier vessel off-loading and silo storage capabilities of the Port of Aqaba is in the process of completion. Silo storage capacity will be expanded from 100,000 to 200,000 tonnes. The country strives to become a re-exporting hub for cereals.

Food and agriculture exports have been affected by COVID-19. In the first quarter, exports remained within the range of last year's exports, slightly increasing compared to the same period in 2019. Exports suffered in April and May, with more than 35 percent decrease year on year, only to pick up again starting June. (see figure 4)

Domestically produced agricultural products considered to be in surplus, such as canned food, vegetable oil, tahini, meat, livestock, nuts and coffee, are allowed to be exported, assuming that sufficient stocks remain on the local market. The re-export of rice, sugar, pulses, fodder and wheat remain banned.

Food and agriculture imports decreased around 20 percent in April and have been picking up since May, increasing by around 60 percent in June year on year. India and Egypt, the main rice and pulses exporters to the country respectively, restricted exports in an effort to bolster their domestic availability. Pulses are currently being sourced from Turkey, but at a higher price, which could also explain the higher import bill in June. (see figure 4).

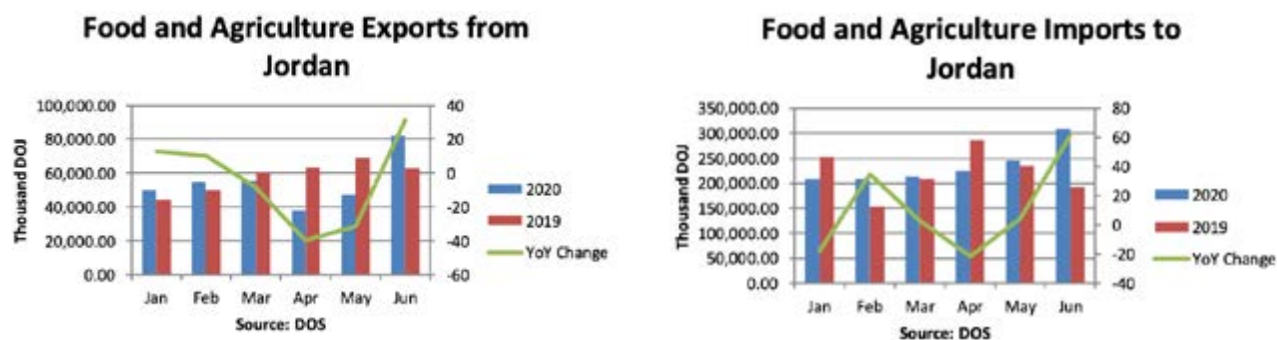


Figure 4: Food and Agriculture Exports from Jordan in 2019 and 2020

# FOOD ACCESS

## FOOD PRICE AND TRENDS<sup>7</sup>

In August 2020, consumer prices went down by 0.56 percent year-on-year<sup>8</sup>, but increased marginally by 0.1 percent from July 2020. Since March, a downward trend in headline and food inflation can be observed, which is driven mainly by low prices of fuel and electricity, and in general lower consumer demand due to reduced food expenditure in the wake of COVID-19. After recording a sharp increase due to panic buying at the onset of the COVID-19 pandemic in Jordan, food inflation gradually slowed down, reaching 0.1 percent in August compared to 5.2 percent in March 2020. (see Figure 6)

In August 2020, the average cost of a basket of 15 essential food commodities<sup>9</sup> was stable at JOD 29.49, showing a slight increase year-on-year (+0.4 percent) and a decrease from February 2020 (-3 percent). The average cost of the basket showed considerable variations across the governorates of Jordan. While in August the cost increased slightly in Al-Karak and Ajloun (by +2.0 percent and +1.9 percent respectively) from the previous month, Zarqa witnessed a significant decrease in the cost (by -9.7 percent).

The long-term food price trends show moderate to significant increases in the prices for fruits, eggs, and meat (of up to +44 percent for chicken) in August 2020 as compared to one year ago. While prices of cereals, legumes, dairy products and cooking oil witnessed slight variations within acceptable margins (between ±5 percent), prices of most vegetables displayed significant decreases over the course of one year (up to -30 percent for cucumbers). In August, prices of most food items remain unchanged from July 2020 except for vegetables which witnessed a considerable increase (of up to 12 percent for potatoes).

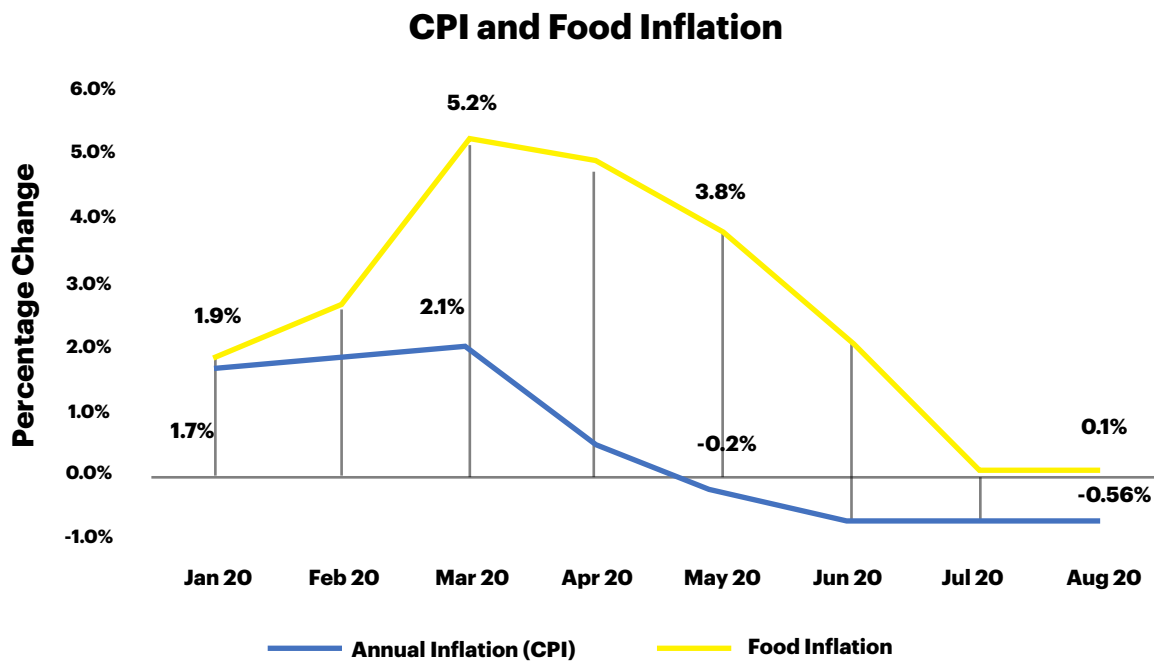


Figure 5: Consumer Price Index and Food Inflation in Jordan since the start of the pandemic

<sup>7</sup> Due to lag in reporting, local commodity prices are reported when made available.

<sup>8</sup> As measured by the Consumer Price Index (CPI), By Department of Statistics of Jordan, "0.56 percent the Average decrease of the General Consumer Price Index for August 2020", [http://dos.gov.jo/dos\\_home\\_a/main/archive/inflation/2020/CPI\\_Aug.pdf](http://dos.gov.jo/dos_home_a/main/archive/inflation/2020/CPI_Aug.pdf), accessed on 30 Sept 2020.

<sup>9</sup> Essential food commodities include 3.6 kg of bulgur, 1.14 kg of Picon cheese, 2.25 kg of cucumbers, 1.5 kg of eggs, 3.15 kg of lentils, 1.05 kg of chicken, 0.51 liter of vegetable oil, 3.6 kg of pita bread, 3.6 kg of rice, 60 g of salt, 450 g of sugar, 60 g of tuna, 1.2 kg of onions, 3 kg of potatoes, and 1.5 kg of tomatoes.



## LOCAL MARKET TRENDS

In Zaatari and Azraq refugee camps, the United Nations World Food Programme (WFP) conducts regular market price monitoring at its contracted shops to ensure consistent purchasing power of refugee households receiving food assistance through e-vouchers. Prices are monitored on a weekly basis for the cheapest available brands of selected essential food commodities.

In line with national market price trends, the combined cost of 15 essential food commodities in Zaatari and Azraq refugee camps displayed slight increases (by +4.4 percent and +1.0 percent respectively) in August 2020<sup>10</sup> from the preceding month. In general, prices in Azraq camp remain relatively higher compared to Zaatari camp but well below the national average.

Upward pressure on food prices mainly came from the increasing prices of the various vegetables included in the monitoring (by up to +52 percent for tomatoes) which is a result of the decreased supply of vegetables in the local market due – among other reasons – to high temperature which led to losses in the agricultural crops. While prices of some staple commodities<sup>11</sup> such as bulgur and lentils displayed a considerable decrease (-down 16 percent for bulgur in Azraq camp) from last month, they still show considerable long-term price increases. The kilogram cost for lentils is now 22-54 percent higher in the camps as compared to August 2019, which can be traced back to export restrictions imposed by India and Egypt, the main exporters of pulses to Jordan, which has led the government to source pulses from Turkey at a higher price.

The price of sugar followed a steady downward trend and is now 19 percent to 32 percent lower than six months ago. Prices for most protein-rich foods (meat, fish and eggs) continued to fluctuate during August, posting an increase of seven percent in both camps, except for chicken for which the price decreased by as much as 29 percent in Zaatari camp compared to a year ago.

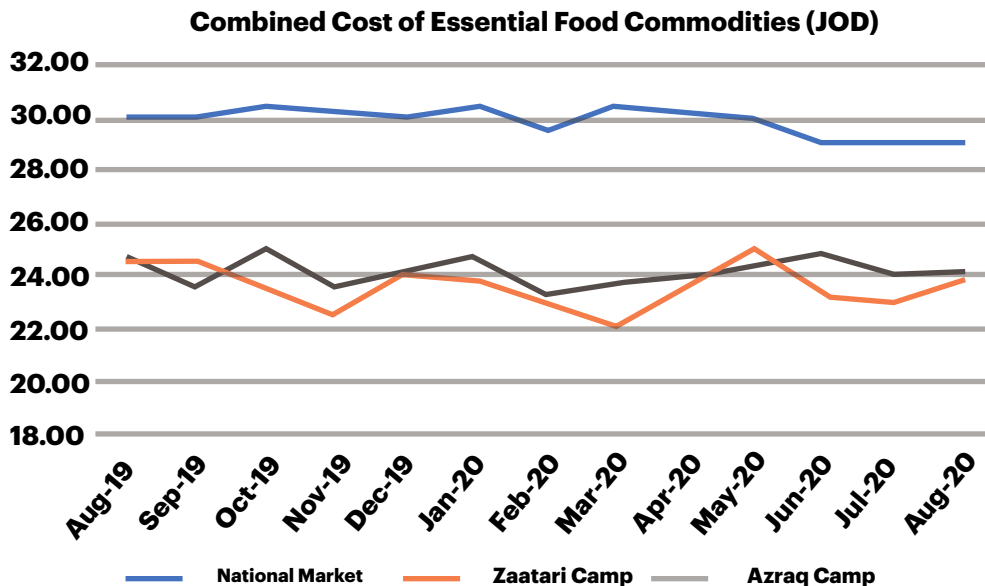


Figure 6: Food Security Index (CARI) mVAM Jul/Aug 2020

<sup>10</sup> WFP Jordan Camp Market price bulletins: <https://www.wfp.org/publications/wfp-jordan-market-price-bulletins>

<sup>11</sup> Staple commodities include bulgur, rice, sugar, vegetable oil and wheat flour.

## HOUSEHOLD FOOD CONSUMPTION, INCOME AND COPING STRATEGIES

Results from WFP’s remote food security monitoring (mVAM) indicate that in July/August 2020, 21 percent of refugee households in host communities were food insecure, corresponding to 131 613 individuals (according to the Food Security Index/CARI). These households have extreme food consumption gaps or rely on potentially irreversible coping strategies that will compromise future household productivity. Another 67 percent of households are vulnerable to food insecurity, equivalent to 417 293 individuals. Only 12 percent are food secure. The western governorates of Madaba and Al-Balqa, and the northern governorate of Mafrqa, which houses the 3rd largest contingent of refugees in Jordan, show the highest share of food insecure refugee households (30 percent, 27 percent, and 26 percent, respectively).

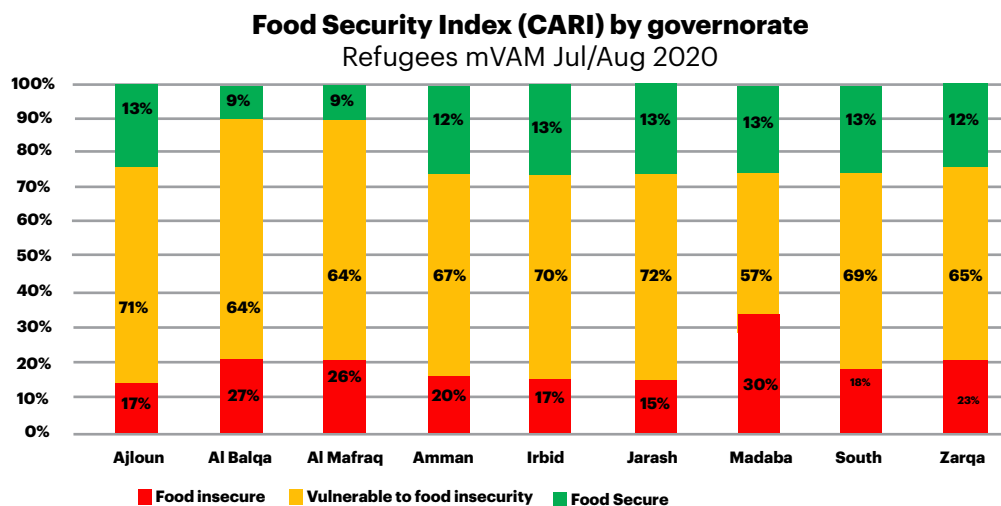


Figure 7: Food Security Index(CARI) by Governorate Refugees, mVam July/Aug 2020

In view of the economic pressure that the COVID-19 pandemic has put on refugees, WFP’s food assistance has served as a lifeline to many of these households. However, seeing how household expenditure on food has remained stable at around JOD 27 per capita,<sup>12</sup> households assisted by WFP receiving either JOD 15 or 23 per person still face an average food expenditure gap of between JOD 4 to JOD 12 per capita. While previously households relied on their own resources (e.g.informal income) and assistance (including WFP’s schoolfeeding programme) to fill this gap, widespread loss of income and assistance sources in the wake of the pandemic<sup>13</sup> is forcing households to adopt harmful coping strategies and/or take on debt to meet their additional food needs. In particular, the suspension of school meals (given schools have not been operational) has increased the financial burden on households and had led to a rise in the adoption of consumption-based coping strategies, such as adults limiting their food intake for children to eat<sup>14</sup>

As households have to prioritize their limited budget across competing needs, it is also likely, with their reduced ability to earn, households utilize part of their WFP entitlement to meet essential needs other than food, which were either previously covered by income/ other assistance or because such items have gained importance during the pandemic (e.g. hygiene items)<sup>15</sup> Clearly, redirecting resources destined to meet food needs comes at the expense of household food security. This situation has led to a deterioration in household food consumption with 20 percent of refugee households now showing insufficient food consumption (poor or borderline) compared to 14 percent in 2018<sup>16</sup>. These findings are a real so slightly worse than the results from April when, in the early stages of COVID-19, 19 percent of refugee households had insufficient food consumption<sup>17</sup>.

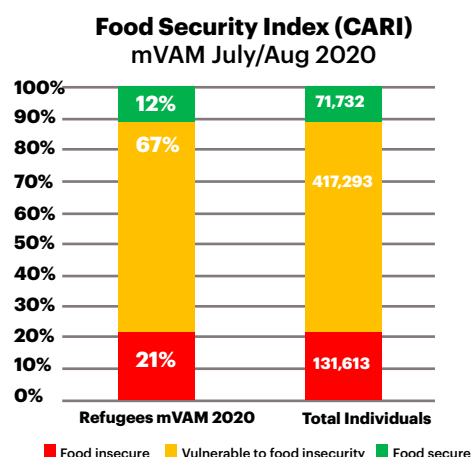


Figure 8: Food Security Index(CARI) mVam July/Aug 2020

<sup>12</sup>This finding is consistent as food demand of low-income households tends to be inelastic to shocks as they rely on essential basic food commodities since they cannot afford alternatives.

<sup>13</sup>Around half of the households interviewed during WFP’s COVID-19 Beneficiary Contact Monitoring (BCM) in June stated that the pandemic had negatively affected their ability to access food, chiefly through the loss of income and employment.

<sup>14</sup>World Vision Jordan Post COVID-19 Assessment July 2020.

Food consumption is disproportionately low among female-headed and small households (with 1-3 members). Insufficient diets of refugee households are characterized by a low intake of dairy products, protein-rich foods (meat, fish, eggs), and fruits.

Frequent adoption of negative coping strategies by refugee households indicates high pressure on household food security. A third of households (34 percent) have had to resort to emergency livelihood coping strategies to meet their essential needs, among female-headed households the share is even higher (39 percent).

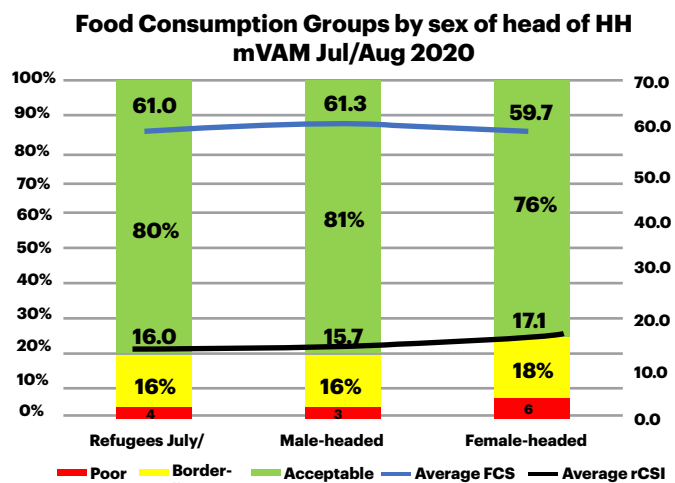


Figure 9: Food Consumption Groups by sex of head of HH mVAM Jul/Aug 2020

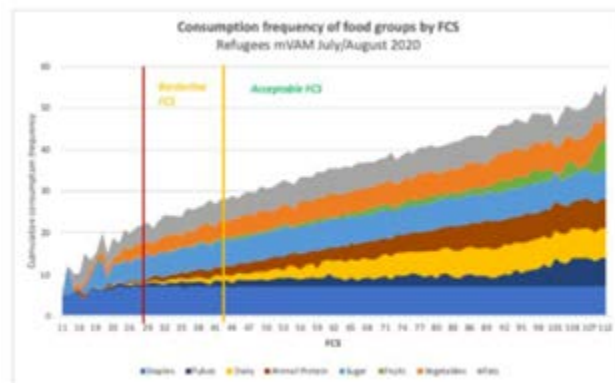


Figure 10: Consumption frequency of food groups by FCS Refugees

While refugees tend to accept socially degrading, exploitative, high risk or illegal temporary jobs (adopted by 19 percent of households), with COVID-19 these opportunities within the informal sector have also been shrinking. Some households have been forced to adopt emergency livelihood coping strategies that are particularly harmful for children such as sending children, mostly boys, under the age of 18 to work (adopted by 14 percent of households) and marrying off children, mostly girls, under the age of 18 (three percent). Female-headed households are more prone to withdraw children from school and send them to work while male-headed households are more likely to engage in high risk, exploitative, degrading or illegal work activities.

### Maximum coping behaviour (livelihood-based) mVAM Jul/Aug 2020

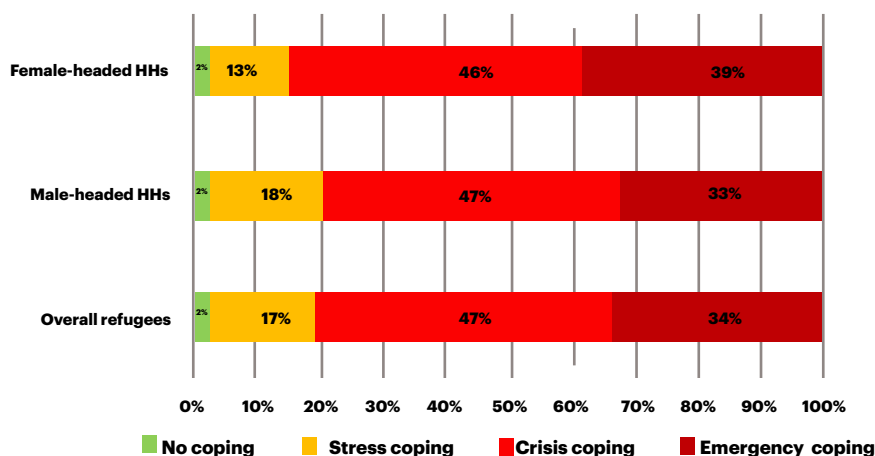


Figure 11: Maximum Coping behaviour ( livelihood-based) mVAM Jul/Aug 2020

<sup>15</sup> World Vision Jordan Post COVID-19 Assessment July 2020..

<sup>16</sup> Comprehensive Food Security and Vulnerability Assessment (CFSVA) 2018.

<sup>17</sup> Multi-sectoral Rapid Needs Assessment (RNA), conducted with UNHCR and UNICEF. Note that differences in sampling approaches for the three assessments (CFSVA, RNA, mVAM) do not allow for a rigorous trend analysis.

<sup>18</sup> Comprehensive Food Security and Vulnerability Assessment (CFSVA) 2018.

Only two percent of all refugee households do not resort to negative coping strategies, which represents a stark increase from pre-COVID-19 levels (16 percent in 2018)<sup>18</sup>. In addition, consumption-based coping strategies are frequently employed with almost one in six refugee households (59 percent) restricting consumption by adults for children to eat and more than half of all refugee households (57 percent) reducing the number of meals eaten which is now averaging only two meals per day. A continuation of the current situation with fewer opportunities for earning an income will force more households to adopt harmful and potentially irreversible coping strategies, push more households into food insecurity, and increase the reliance on external assistance as a primary source of income.

In July/August, 40 percent of refugee households reported not having access to the market during the past seven days, mainly due to a lack of financial resources for transportation and purchase of food items. Additionally, 36 percent of households reported price increases for some food commodities, which has negatively impacted their purchasing power. While market analysis shows that overall food inflation decreased from July to August and was 0.56 percent lower than one year ago, there are regional differences in food prices that may have affected refugee households in certain governorates. More than two thirds of interviewed households (68 percent) reported not having access to health services during the past 14 days.

Among Jordanians, three percent of households are food insecure amounting to 219 186 individuals; another 53 percent are vulnerable to food insecurity corresponding to 3 872 286 individuals (according to the Food Security Index/CARI). Among all governorates, Al-Tafilah is by far the most food insecure region with 20 percent of households being food insecure.

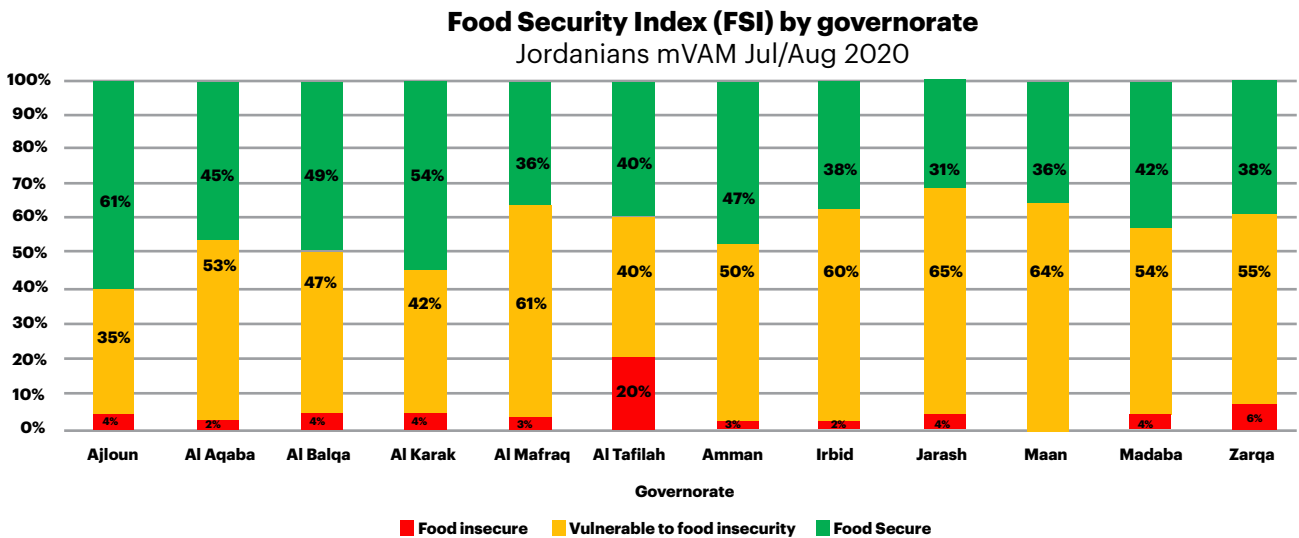


Figure 12: Food Security Index (FSI) by governorate Jordanians mVAM Jul/Aug 2020

Around six percent of interviewed households reported receiving assistance under one of the government’s social assistance programs, mostly from the National Aid Fund (NAF), Jordan’s largest social safety net entity. NAF provides monthly cash assistance to around 185 000 vulnerable Jordanian households. In addition, 250 000 households are assisted temporarily under the COVID-19 emergency response, many of them daily workers who lost their employment during the pandemic.

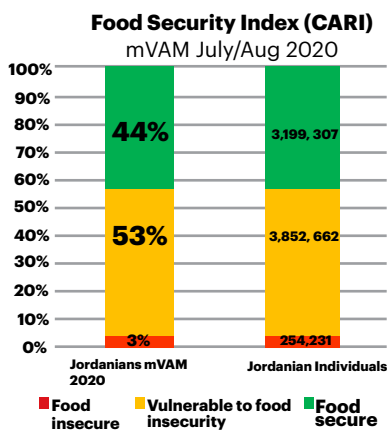


Figure 13: Food Security Index (CARI)

In the wake of COVID-19, 17 percent of Jordanians have permanently lost their jobs<sup>19</sup> with unemployment in Jordan skyrocketing to 23 percent in 2020<sup>20</sup>. Unemployment is significantly higher among females at around 28.6 percent as compared to men at 21.5 percent. As a result, households have been forced to adopt negative coping strategies to meet their essential needs.

<sup>19</sup> ILO, Impact of COVID-19 on Syrian refugees and host communities in Jordan and Lebanon, June 2020.

<sup>20</sup> WFP MENA, The Impact of COVID-19 on Food Security: Macroeconomics Section, September 2020.

<sup>21</sup> Department of Statistics (DoS), Household Expenditure and Income Survey (HEIS), 2014. Note that differences in sampling approaches for the assessments (HEIS and mVAM) do not allow for a rigorous trend analysis.

Frequent adoption of livelihood-coping strategies is one of the major drivers behind food insecurity. Up to 42 percent of households resort to harmful livelihood coping strategies (crisis or emergency level) to address essential needs, compromising future household coping and productive capacities. Among the most detrimental strategies adopted by Jordanian households are sending children, predominantly boys, under the age of 18 to work (adopted by three percent of households) and engaging in socially degrading, exploitative, high risk or illegal temporary jobs (five percent). In addition, more than one third of households (36 percent) reduce essential non-food expenditure such as health-related expenditure to meet competing needs such as food. These findings points to the negative effects of COVID-19 and the increasing pressure on household resources, primarily due to loss of employment/income. If this situation persists, asset depletion will push more households into food insecurity.

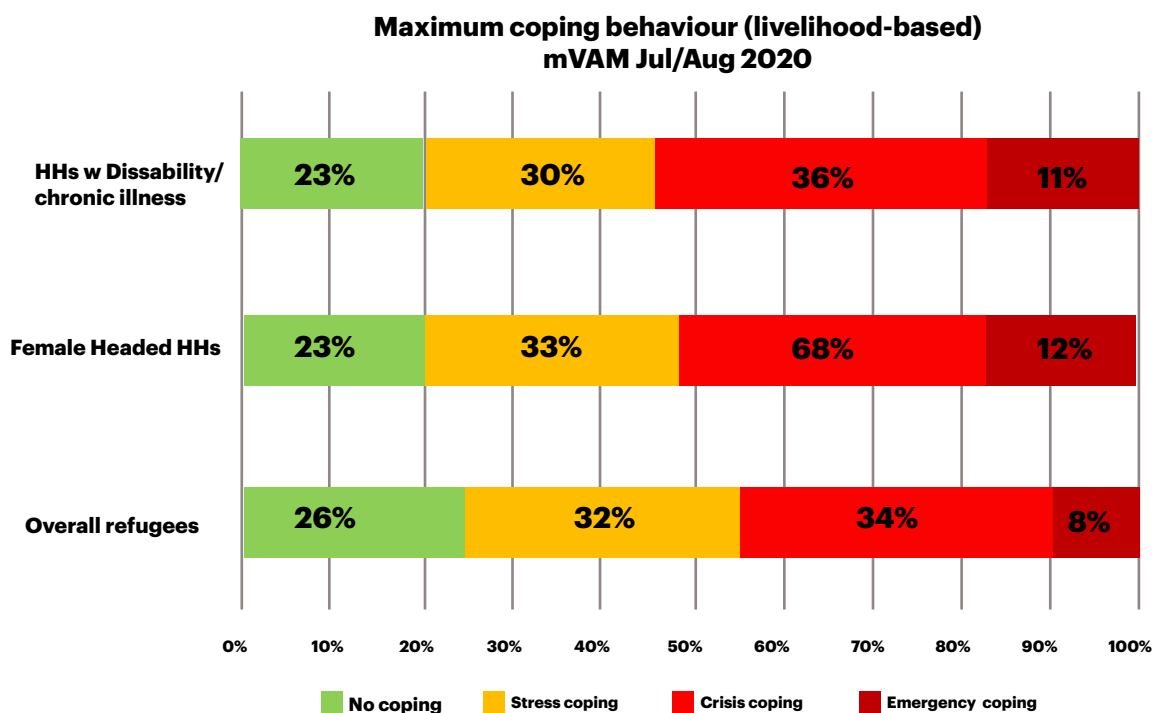


Figure 14: Maximum coping behaviour ( livelihood-based)

While the vast majority of Jordanian households show an acceptable food consumption (96 percent), the economic impact of the COVID-19 pandemic has forced households to economize with food, as can be seen by 55 percent of household using consumption-based coping strategies (as compared to 34 percent in 2014<sup>21</sup>). A quarter of all households (25 percent) reduce the number of meals eaten per day (which still averages 3 meals daily), and ten percent relied on help from friends and relatives to mitigate food shortages. On average, households spend around 41 percent of their available budget on food, equaling JOD 51 per capita monthly, almost double as much as refugees. However, 1 in 10 households (11 percent) qualify as economically vulnerable as they spend more than 65 percent of their available resources on food needs.

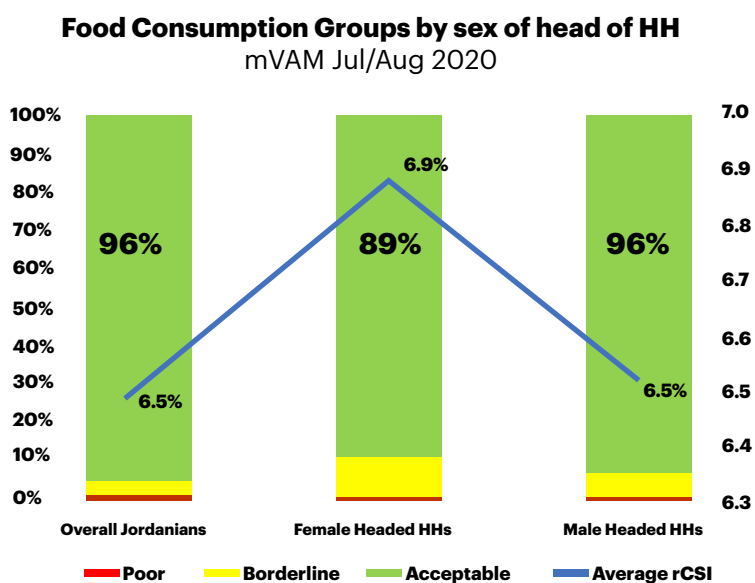


Figure 15: Food consumption groups by sex of head of HH

Female-headed households have faced particular hardship during the COVID-19 pandemic, as indicated by their above-average severe coping behavior. In particular, two percent of households headed by women married off their children, exclusively girls, under the age of 18 to address pressing needs (compared to 0 percent among male-headed households) and 4 percent among female-headed households sent their children to work (compared to two percent among households headed by men). Female-headed households are also more likely to have an insufficient food consumption (poor and borderline, 12 percent) and to revert to food-based coping strategies, indicating higher vulnerability to food insecurity.

In July/August, three out of four Jordanian households reported not having access to the market during the past seven days, mainly due to a lack of financial resources for transportation and purchase of food items. Additionally, 45 percent of households reported price increases for some food commodities. While market analysis shows that overall food inflation decreased from July to August and was 0.56 percent lower than one year ago, regional differences in food prices may have affected households' purchasing power in certain governorates. The majority of households (80 percent) reported having food stocks. Alarming, 18 percent of interviewed households indicated challenges in accessing health services during the past 14 days.



## IV. Key Lessons

Globally, “Building Back Better” (BBB) framework is gaining traction as countries and governments are adjusting to COVID-19 world and building food systems resilience. Governments, development partners, private sector, NGOs and social enterprises are coming together to hack solutions for the implications of COVID-19 on food security. BBB measures have included elements of trade diversification, digitization, and enabling social enterprises, which can create innovative approaches to value chain efficiency and inclusion.

### TRADE DIVERSIFICATION

Peru is undertaking efforts to diversify its destination markets and its exportable goods amidst the COVID-19 pandemic. The country has capitalized on virtual trade missions to secure new markets for its products. The agricultural inputs sector has been one of the “winners” during the pandemic, since the supply chain for agricultural products has not been disrupted—on the contrary, demand for these products has been on the rise. Mexico’s beef and pork exporters are meeting growing demand for red meat. Traditionally exporting to Japanese and South Korean markets, Mexican red meat exporters found new market opportunities in China and continue to search for new export destinations to diversify markets.

### DIGITIZATION

The Indonesian government is urging its local food and beverage industry to embrace digital advancement and shift towards the use of local raw ingredients for manufacturing as part of the national Making Industry 4.0 industrial strategy. In the Philippines, the Department of Agriculture is fast-tracking the development of a digital roadmap for the agri-fishery sector, aimed at accelerating the integration of digital technologies in the food value chain and logistics — benefiting both producers and consumers. The COVID-19 pandemic has accelerated digitizing in China as increasing number of consumers are conducting their transaction through online platforms, benefiting the country’s e-commerce and food delivery giants.

A new World Bank study, together with Stanford University, has explored how digitization can also have a positive influence in gender empowerment for food security in times of COVID-19<sup>22</sup>. The study shows that putting women at the center of digital government-to-person (G2P) payment programs can help countries to mitigate exclusion risks and maximize the impact on women and girls. By overcoming gender barriers in financial access, ID ownership, mobile phone ownership, inadequate recognition of gender gaps, and insufficient gender data and analysis, governments can build back better while empowering women. Cash transfer programs – as part of BBB efforts – that fail to address these barriers and identify gender gaps will continue to exclude women in need. Building on the D3 – Digitize, Direct, Design – Framework for Women’s Economic Empowerment via G2P programs, the brief offers concrete policy design options to mitigate exclusion risks and maximize impact. It offers a number of recommendations, including: 1) facilitate access to mobile phones and airtime for women who do not have them through innovative financing and service delivery models in partnership with the private sector; 2) digitizing G2P payments to scale up social protection programs at low cost and with greater access for remote communities, 3) depositing payments directly into women’s accounts, 4) simplifying the application and onboarding processes and including grievance redressal systems to improve women’s access to program benefits, and 5) elevate women’s voices and ensure women play a leading role in decision-making.

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<sup>22</sup> See <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/378931596643390083/digital-cash-transfers-in-times-of-covid-19-opportunities-and-considerations-for-womens-inclusion-and-empowerment>

## ENABLING SOCIAL ENTERPRISES

Social enterprises play an important role in building back better framework. The emergence of COVID-19 has led to a massive coordinated effort to mitigate the negative health and socioeconomic impacts of the pandemic. Governments, businesses, and NGOs have been stretched like never before to deliver essential services to populations while global supply chains have been disrupted. Perhaps less heralded is the pivotal role that Social Enterprises (SEs) played in the initial response to the pandemic as governments were caught unprepared, lacked capacity, or both to adequately respond to the needs of their populations.

A recent World Bank study on Results Based Financing through Social Enterprise, produced by the World Bank's Global Partnership for Results-Based Approaches, describes the advantageous position through which SEs can not only provide<sup>23</sup> immediate pandemic relief services, but also contribute to the Bank's goal of "Building Back Better"<sup>23</sup>. The study highlights multiple reasons that SEs are uniquely positioned to provide efficient service delivery: they are inherently built around community-centered solutions, they have an on-the-ground presence with strong local networks and trust within both communities and partner organizations, they are agile and innovative, and they are job creators for vulnerable workers in low income countries.

Empowering these organizations, many of whom are currently facing liquidity crises during the pandemic, can help to lay a sustainable framework for future emergency responses. SEs have played an important role in food delivery and security for some of the most vulnerable populations. Across the world, examples have emerged of SEs responding to the breakdown in food supply chains during COVID-19. For example, Green-Afro Palms (GAP) in Ghana has developed an e-commerce platform to enable 500 retailers—who sell GAP's vegetables and palm oil in Ghanaian markets—to conduct online sales and increase access to nutritious foods. ColdHubs, a social enterprise in Nigeria that runs solar-powered storage and transportation facilities, is adjusting its operations to ensure small-scale farmers and traders can continue marketing their fruits and vegetables. As the government closed markets, ColdHubs moved its storage units closer to producing areas and created new sales points with physical distancing rules. The cold chain helps to reduce food loss and waste and improve farmer incomes.

Another example of social enterprises greatly contributing to value chain efficiency and inclusion are Agrea, from Philippines and PichaEats from Malaysia. Agrea launched the Move Food Initiative, an online fresh food-ordering platform. According to their website, as of July 2020 they had moved 174 073 kilos of vegetables and fruits, supporting 16,732 Filipino farmers, and ensuring food for 69,427 families. On the other hand, PichaEats is a catering company in Malaysia that hires refugees and asylum seekers. The organization pivoted its business model by launching a sponsorship program—with support from impact investors, social entrepreneurs, and corporate donors—that enables refugees to cook from home and deliver meals to front-line workers and people who have lost their jobs.

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<sup>23</sup> See <https://openknowledge.worldbank.org/handle/10986/34319>

# V.Action Points

## WFP

In response to COVID-19, the World Food Programme (WFP) has included an additional 15 346 refugees under its General Food Assistance (GFA) programme to help households mitigate the economic impact of the pandemic. WFP will expand its assistance to cover an additional caseload refugees based on stringent vulnerability targeting given their increasing vulnerability. WFP will continue to provide GFA in the form of cash-based transfers to some 500 000 refugees monthly, depending on available funding.

In Azraq and Zaatari refugee camps, WFP has already reacted to the new realities by providing food parcels to cases that are quarantining/self-isolating in the refugee camps. Based on available assessment data, WFP is re-visiting its vulnerability targeting model to ensure that these are in line with the new realities brought about by COVID-19 and that assistance reaches those who are most in need. WFP will continue monitoring food security trends of the general population (refugees and Jordanians) as well as food market prices to ensure its crisis response is relevant and adequate. Targeted technical assistance by WFP to the National Aid Fund (NAF) across a variety of programmes and workstreams has helped maintaining and expanding a crucial safety net to those Jordanian households who were most affected by COVID-19, such as daily workers.

## FAO

The Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP), are partnering with the Ministry of Agriculture in Jordan to launch a project that is funded by the European Union (EU), to enhance resilient livelihoods and food security for more than 260 000 Jordanians and Syrian refugees. The three-year project, with a budget of EUR22 million funded by the European Union, through the EU Regional Trust Fund in response to the Syrian crisis (the EU Madad Fund). The project will provide financial assistance to farmers while building their capacity, focus on rehabilitating agriculture extension centers, and creating synergy with the existing educational and capacity building programs of the Jordanian Ministry of Agriculture, thus seeking to enhance food security for host communities and refugees.

Upon the request raised by the Jordanian Ministry of Agriculture and the National Agriculture Research Center, FAO will provide technical assistance for the execution of the Technical Cooperation Facility Project (TCPF) entitled "the development of digital technology transfer tools to foster climate and shock resilient agriculture in Jordan in the context of COVID-19". The project will also focus on the development of digital technology transfer tools to foster climate and shock resilient agriculture in Jordan in the context of COVID-19. The objective of the project is to provide the Jordanian farmer with real time information to make the best agricultural decisions affecting farm health, productivity and resource sustainability and to integrate the Ministry of Agriculture's Extension Directorate and Research centers in helping solve issues real time and providing critical services to the farmer, including local Agri-Market place, Farmer-to-Consumer Marketing functionality, Weather and Crop Calendar, Farmer-to-Farmer and Expert-to-Farmer Forum on Horticulture, Livestock, Post-Harvest, Risk Management, and Water Productivity.

FAO, WFP, and IFAD are investigating options for building Jordan's agriculture e-commerce. FAO's Digital Services Portfolio (DSP) Google Cloud based mobile application AgriMarketPlace is being examined to provide "Farmer-to-Consumer Marketing" functionality. It will be integrated with WFPs "Farm2Go" application that has been operational in Rwanda and Kenya. The digital applications will help register farmers, register their inventories, provide information (prices) to farmers, logistics enablement, SMS function and analytic dashboards for buyers.

Additionally, and upon the request by the Jordanian Ministry of Agriculture FAO will provide technical assistance for the execution of the Technical Cooperation Project (TCP) that provides small farmers with a new channel to promote their agricultural products - fresh and processed - through annual agricultural fairs in three governorates in Jordan, allowing them to sell their products for better prices, making contact with the private sector and benefiting from better farm returns.

## IFAD

The IFAD-funded project Rural Growth and Employment Project (REGEP) with a total budget of \$34.17 million has pivoted some of its funds for response to COVID-19. In collaboration with National Agriculture Research Center (NARC), Jordan Exporters and Producers Association for Fruit and Vegetables (JEPA) and Jordan River Foundation (JRF), REGEP disbursed more than JOD 100 000 to support 1 361 farmers which constitute 88 percent of the total beneficiaries targeted in the rapid response plan approved by IFAD last June. The farmers received fertilizer, pesticides, house utilities, irrigation equipment (water pumps) and food processing (packaging materials) based on their responses to a rapid needs assessment survey conducted by IFAD.

The project has also started transferring funds to participants via e-wallet applications. Funds are loaded directly into each participant's e-wallet, eliminating the need for a standard bank account. Even under non-emergency circumstances, project participants can benefit from these kinds of initiatives. Due to COVID-19 and the lockdowns, participants faced difficulties when opening bank accounts, and may not be able to reliably reach brick-and-mortar bank branches from the remote areas where they live. The e-wallet programme was first trialled with 51 participants. Since then, the number of active users has grown to 90 grant recipients across four provinces, who almost unanimously recommend it. In an effort to raise awareness about the benefits of e-wallet applications and other online financial services, REGEP has organized digital skills trainings in partnership with the Jordan Payments & Clearing Company. The first session took place in September 2020.

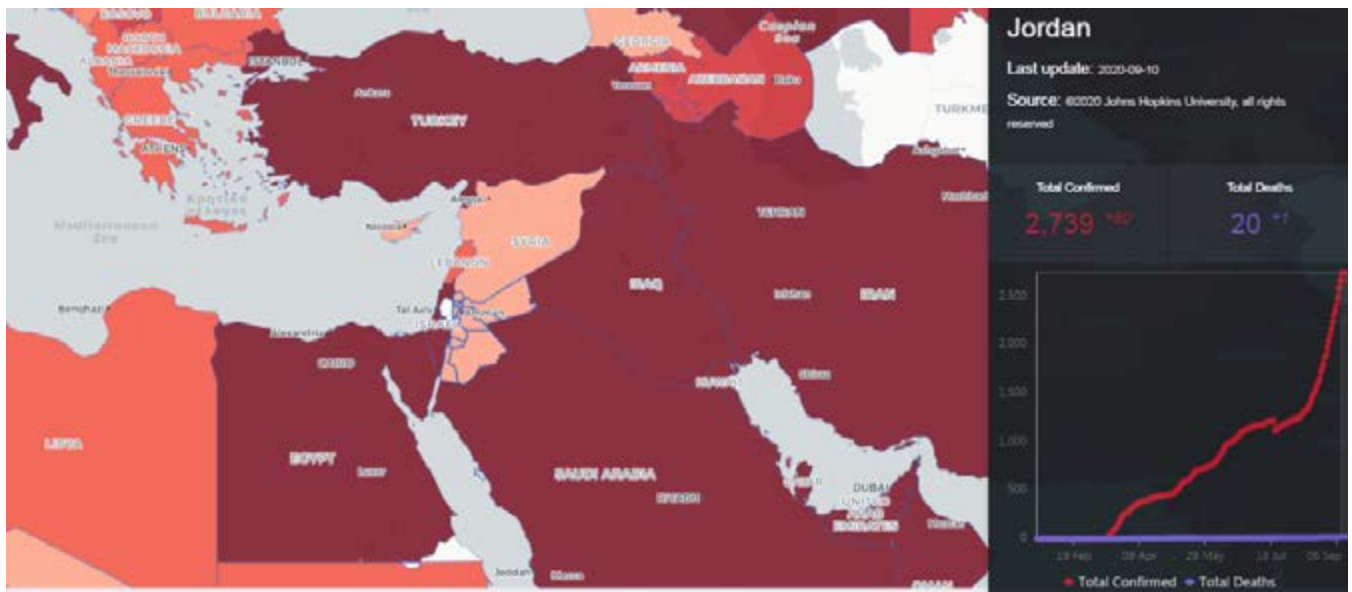
IFAD's second project, the Small Ruminants Investment and Graduating Households in Transition (SIGHT) with a total budget of \$23.5 million, has signed a contract with the Jordanian Hashemite Charity organization in collaboration with the National Aid Fund and UNHCR to distribute more than 39 000 food baskets for the affected Jordanian and Syrian families affected by COVID-19.

## WORLD BANK

In response to the socio-economic challenges posed by COVID-19, the World Bank is financing a USD374 million project to provide cash support to 270 000 poor and vulnerable households, including those who recently lost their source of income as a result of the COVID-19 pandemic in Jordan. The "Emergency Cash Transfer COVID-19 Response Project" benefits from co-financing from the UK Foreign, Commonwealth & Development Office.

The project will support the Government of Jordan's National Program by providing cash transfers over a period of 6 months to 190 000 vulnerable households not currently benefiting from National Aid Fund (NAF). The Project will also support the Takaful cash transfer program to cover 55 000 poor households in 2020 and 85 000 in 2021, as well as provide a six month benefit top-up for current beneficiary households to reach the same benefit levels set for the emergency cash transfers. The emergency cash transfers will use the delivery platform built for Takaful, a digitized cash transfer program for the poor launched in May 2019 alongside Jordan's National Social Protection Strategy (NSPS) for 2019- 2025. Emergency cash transfer beneficiaries will be selected from the Takaful database, which includes up-to-date and verified socio-economic data for over one million households using the data exchange platform of the National Unified Registry (NUR).

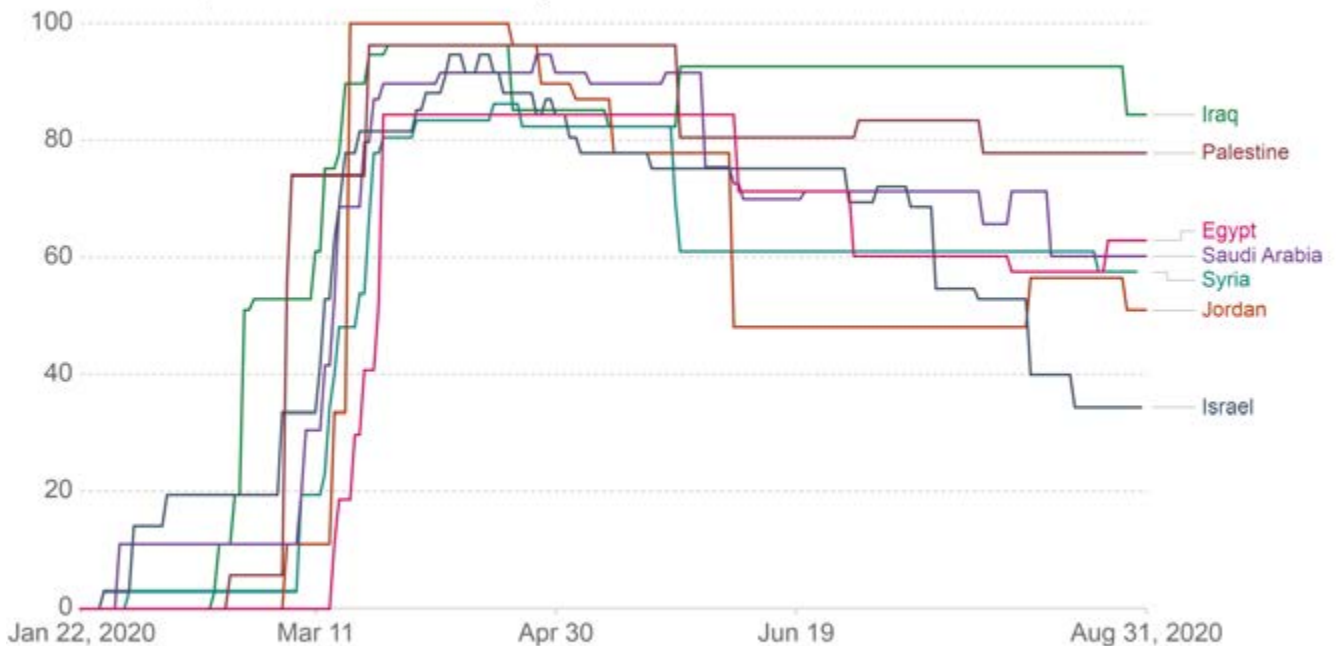
# ANNEX



## COVID-19: Government Response Stringency Index

Our World in Data

This is a composite measure based on nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100 (100 = strictest). If policies vary at the subnational level, the index is shown as the response level of the strictest sub-region.



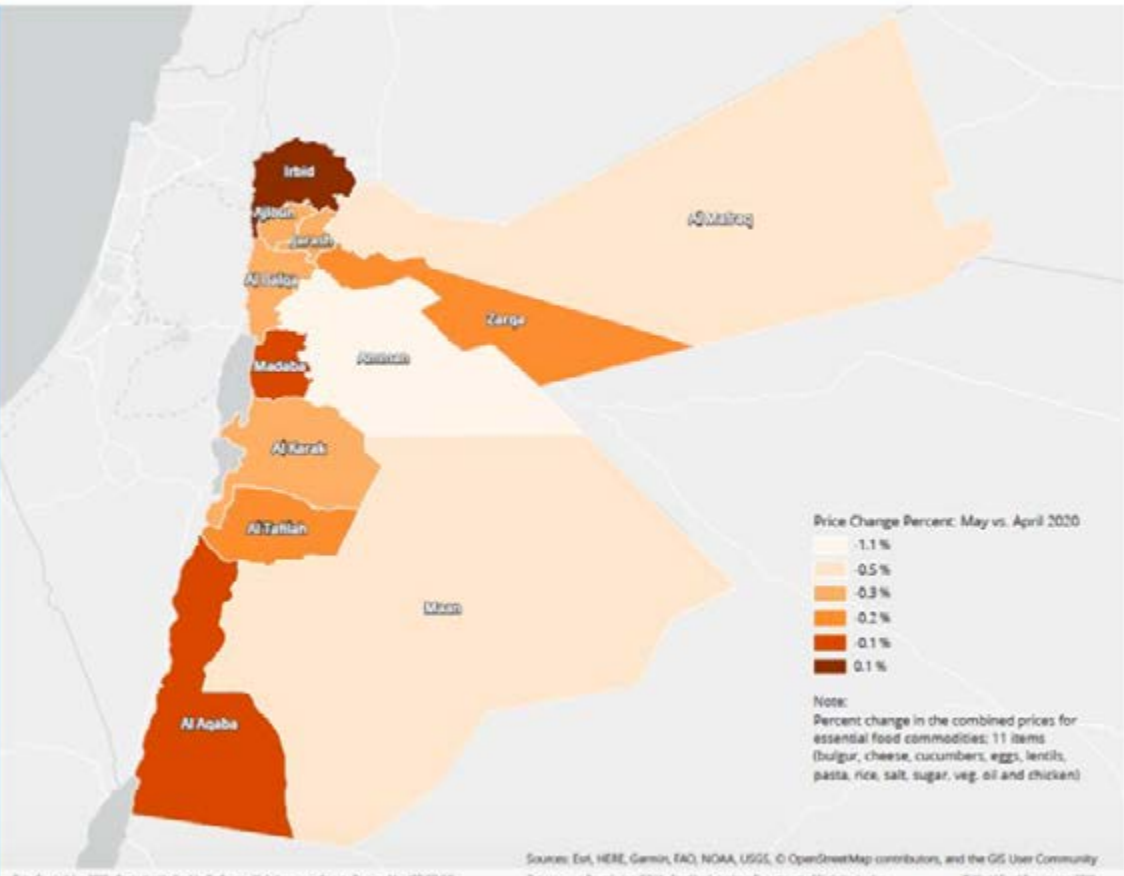
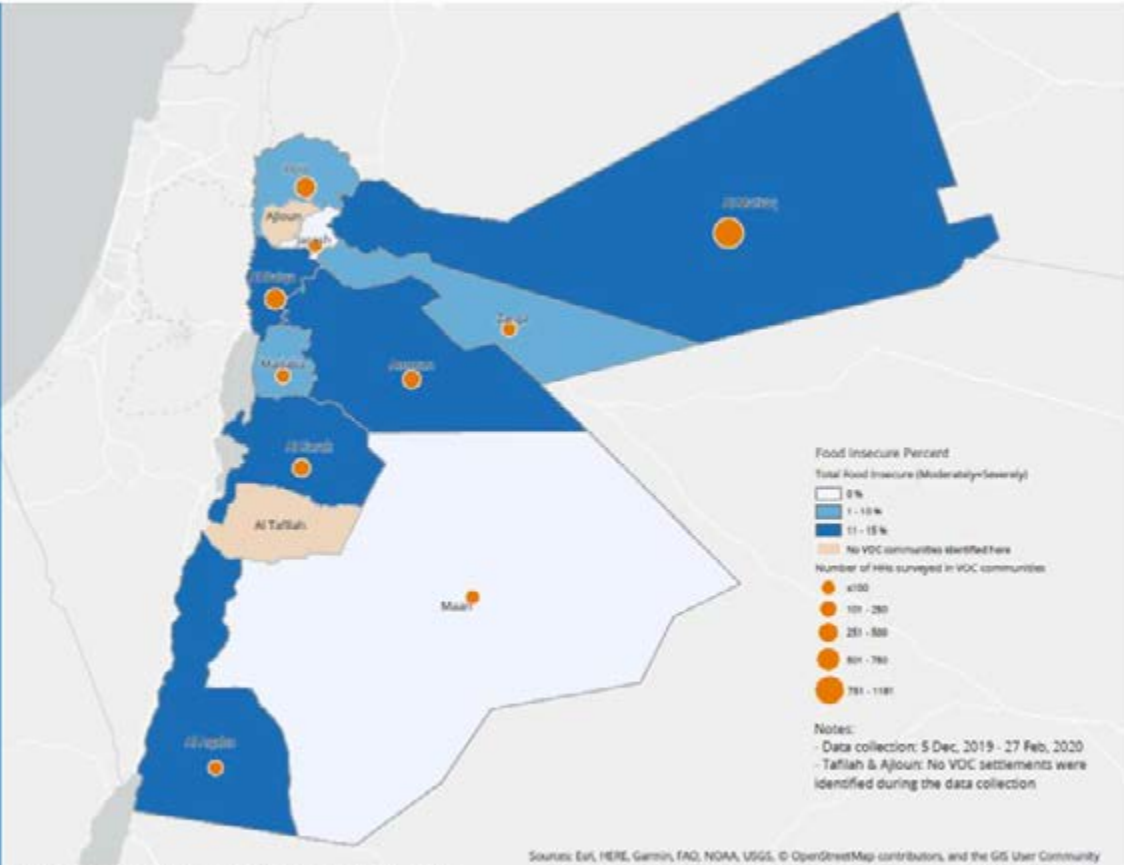
Source: Hale, Webster, Petherick, Phillips, and Kira (2020). Oxford COVID-19 Government Response Tracker – Last updated 7 September, 14:30 (London time)

Note: This index simply records the number and strictness of government policies, and should not be interpreted as 'scoring' the appropriateness or effectiveness of a country's response.

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Figure 3: COVID-19: Government Response Stringency Index







### WFP - Minimum Food Expenditure Basket Cost (JOD)



Figure 16:WFP - Minimum Food Expenditure Basket Cost (JOD)

### WFP - Minimum Food Expenditure Basket Cost Per Market (JOD)

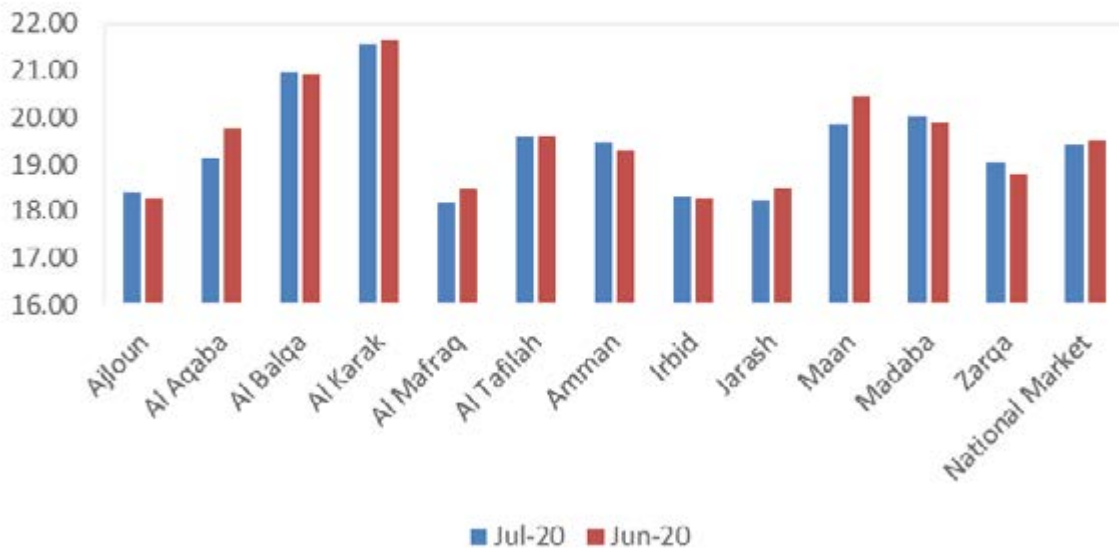


Figure 17: WFP - Minimum Food Expenditure Basket Cost Per Market (JOD)



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