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WFP
World Food Programme

SAVING LIVES
CHANGING LIVES

Social Protection Learning Facility
Policy Brief #1

SOCIAL PROTECTION AND COVID-19 IN URBAN AND RURAL SETTINGS

INTRODUCTION

> Urban areas are ***ground zero*** of the COVID-19 pandemic, with **90 per cent** of reported cases
>
> *(UN Secretary-General, July 2020)*[1]

While the dominant narrative on the geographical distribution of COVID-19 focuses on urban settings, this brief considers some of the potential impacts and implications of the coronavirus pandemic on vulnerability and social protection responses in both rural and urban contexts in East Africa.

Unless otherwise cited, all the statistics presented are from **WFP / UNHabitat 2020.**

THE CHALLENGE – IMPACTS ON LIVES AND LIVELIHOODS

The full impact of COVID-19 on urban and rural locations in East Africa will only be known once the crisis has passed and will be different in each country. However, some general trends are already clear:

1. COVID-19 has been a major negative shock for millions of livelihoods across the world. This is not a zero-sum game: very few livelihoods have benefited from COVID-19 or profited from the distress of others. In East Africa's urban areas, the effect is exacerbated by large numbers of workers in the informal sector, while in rural areas, FAO finds 'disruptions to access to agricultural inputs (including labour), extension and advisory services, and output markets for many farmers, fisherfolk and pastoralists'[2]

2. The impact has been disproportionately felt by the working poor and their families, especially those in the informal sector who could not work from home when lockdowns were imposed, and had no access to unemployment insurance. However, middle-class families whose employed members lost their jobs when businesses closed are also at high risk of falling into poverty.

3. Globally, many national economies have also experienced major contractions in GDP, which are likely to result in long-lasting recession, reduced fiscal space due to lower tax collection, and major increases in unemployment and poverty rates for several years to come. In turn these global effects are leading to reductions in Official Development Assistance (ODA) in a number of countries with knock-on effects for the region.

4. Most governments have responded with short-term fiscal expansionism, with increased public spending allocated to supporting the health sector and providing social safety nets to those worst affected. However, this expansionism is being financed through borrowing and grants, with implications for subsequent repayment, and is temporary in nature.

5. As in other parts of the world, governments are negotiating a difficult 'lives v. livelihoods' balance. Lockdowns aim to save lives but damage livelihoods, while pressures to ease lockdown restrictions to reignite economic activity and livelihoods risks a surge in COVID-19 cases and more loss of lives.

6. Safety nets in East Africa have been introduced to respond to COVID-19 impacts – specifically to the impacts of lockdowns and other restrictions rather than morbidity and mortality effects of the disease. But many have been short term and will leave the worst affected exposed to the risk of ongoing unemployment or reduced income with no safety net.

IMPACTS ON URBAN LIVELIHOODS IN EAST AFRICA

A quarter of the population of East Africa, about 65 million people, live in urban areas, and about 60% of urban employment is informal – mainly casual labour and petty trading. These livelihoods are acutely vulnerable to any disruptions. In Ethiopia, one study3 suggested that more than 6 million formal and informal jobs could be lost, and a survey found that 42% of firms in Addis Ababa have closed. In informal settlements in Nairobi, one-third of shops closed and between one-third and half the working residents lost their sources of livelihood completely. More than 80% of small and medium enterprises in Kampala cut their workforce by more than half, leaving thousands of Ugandans unemployed. Women are disproportionately affected. They constitute more than half of informal businesses in Africa[4] but are

1 https://www.un.org/en/coronavirus/covid-19-urban-world
2 FAO (2020) Impact of COVID-19 on agriculture, food systems and rural livelihoods in Eastern Africa
3 Wieser et al. (2020). Monitoring COVID-19 Impacts on Firms in Ethiopia : Results from a High-Frequency Phone Survey of Firms. Washington DC: World Bank.
4 https://www.brookings.edu/blog/africa-in-focus/2020/05/26/covid-19-and-the-future-of-work-in-africa-how-to-shore-up-incomes-for-informal-sector-

severely constrained by increased domestic responsibilities as a result of schools and childcare facilities being closed.

Most countries in East Africa started easing lockdown restrictions and travel bans in June or July to allow economic activity to resume. In Rwanda, where more than half of small and medium enterprises closed after the lockdown was imposed, many of these reopened allowing employees to return to work. Nonetheless, thousands of formal and informal jobs have been lost, and those affected require ongoing support.

IMPACTS ON RURAL LIVELIHOODS IN EAST AFRICA

Although the prevalence of COVID-19 and disruption of livelihoods have both been greater in urban than rural areas, rural lives and livelihoods have not escaped the negative impacts of the pandemic, further compounded by desert locusts, political instability and flooding in some areas. In some cases these wider threats have devastated communities and are perceived as a greater threat than COVID-19. Workers in food supply chains have been relatively protected by governments declaring agriculture, food processing and marketing as essential sectors and exempting them from lockdown restrictions.

Nonetheless, agriculture has been negatively affected on both the supply side (production) and the demand side (access to markets).

On the supply-side, farmers faced restricted access to purchased inputs such as fertiliser due to bans on transport. Farmers and traders faced difficulties in travelling to and from markets to sell their produce. Migrant seasonal labour – especially important in countries like South Sudan where mechanized agriculture is rare – has been similarly restricted and agro-pastoral communities have been particularly devastated due to disruption to the livestock sector5. Remittances, used to fund agricultural activities, have declined – with greater implications for countries in the region where remittances contribute to GDP6.

On the demand-side, contractions in household income as well as the closure of shops and markets have reduced consumers' purchasing power and access to markets. For these reasons, incomes of most actors in the agriculture sector and the food system – farmers, traders, processors, retailers – are likely to have been compromised. The impacts are particularly acute for high value crops – particularly meat and horticulture[5].

URBAN-RURAL LINKAGES

Urban and rural communities do not exist in isolation from each other. Many urban residents migrated from rural villages and retain strong connections with their families by remitting some money back home. Farmers also supply their urban relatives and urban markets with food.

Restrictions to contain COVID-19 disrupted flows of cash and food in both directions and limited the mobility of people. Nonetheless, in many countries – particularly Kenya and Uganda – there is anecdotal evidence of reverse migration[7] – with urban residents returned to rural communities during lockdowns to be with their families and save on living costs.

A consideration of internal migration makes evident whether social protection systems are designed to allow portability. Transfer eligibility and delivery is often linked to residence location. In some systems transfers can only be collected in districts where beneficiaries officially reside, but in others benefits can be claimed anywhere, especially if they are paid by mobile phone or e-banking.

IMPLICATIONS FOR SOCIAL PROTECTION AND LIVELIHOODS RESPONSES

The combination of COVID-19 and associated disruption to livelihoods, together with other shocks such as desert locusts, is projected to elevate the number of food insecure people in East Africa from 24 million to over 41 million (a 73% rise). A high proportion of this increase is urban-based. Whereas food insecurity in East Africa is usually understood as a rural issue, about one-third of the total affected (14 million) are urban residents.

Vulnerability to poverty and food insecurity is exacerbated by gaps in the social safety net that COVID-19 has exposed. In East Africa, most humanitarian assistance (to address acute food insecurity) and social protection programmes (to address chronic food insecurity) have been designed (pre-COVID-19) to deliver support in rural areas. In urban areas, social security such as unemployment insurance is accessible to formally employed workers, but most informal workers have no access to either social assistance or social insurance.

Humanitarian or social protection responses to the

workers/

5 Mercy Corps (2020) monitored livestock systems in Somalia, Ethiopia, Kenya, Uganda and South Sudan, finding that 'movement restrictions and widespread loss of wages have severely limited pastoral and agropastoral households' ability to earn income'

6 World Bank (2020) 'COVID-19 crisis through a migration lens'

7 Boillat and Zahringer (2020), The Citizen, Mixed Migration Review.

economic hardship inflicted on households by COVID-19 lockdowns have been dominated by the provision of temporary cash transfers as a form of quasi-unemployment insurance, and food parcels to protect food security and nutrition. Some existing interventions have been adapted. For instance, public works payments have continued although work activities are suspended; and schoolchildren have received take home rations to replace meals at school.

Looking beyond at the longer-term impacts of the pandemic, social protection systems in East Africa need to 'build back better' in two ways:

1. Fill the urban social protection gap: COVID-19 has drawn attention to the limited support that is currently delivered to urban residents by the emerging social protection systems in East Africa. The urban working poor are excluded from virtually any social assistance and social insurance. This needs to be urgently addressed, and with additional resources as opposed to a simple substitution between rural and urban allocations; and

2. Strengthen the links between social protection and livelihoods: Although active labour market programmes are integral to some definitions of social protection, they are undeveloped in most countries. Social protection post-COVID-19 needs to pay serious attention to helping people to build more resilient livelihoods in both rural and urban areas by exploring more social protection that is linked to livelihoods (for example Cash+ or labour-based programmes, or social insurance programmes that protect people working in the informal sector or who are self-employed).

HOW MIGHT THIS BE DONE? LESSONS FROM WFP OPERATIONS IN EAST AFRICA

Filling the urban social protection gap in both the short, medium and long-term requires social protection to pivot and adapt in a number of ways.

In the short term, a number of programmes in East Africa provide good examples of these adaptations. **Topping up benefits** to existing beneficiaries in fledgling urban social protection programmes – otherwise known as **'vertical expansion'** - provides a rapid 'no regrets' option for response.

In Ethiopia, for example, WFP provided top-ups to 17,460 pregnant women and nursing mothers in the urban productive safety net programme (UPSNP) in urban centres across 11 cities.

> "In April 2020, year-on-year food price inflation in Ethiopia reached **25%, the highest for 7 years**"
>
> *(WFP Ethiopia Market Watch, May 2020).*

The top-ups seek to directly address the erosion of household purchasing power as COVID-19 restrictions have pushed up prices of food and other basic commodities. This has been achieved by providing a top up of ETB360/person/month (US$10) for three months, effectively doubling the transfer level normally received. The top up was provided as a single payment in one month to mitigate against price increases as a result of Covid-19.

In Kenya, WFP has begun a four-month cash assistance programme to support 70,500 households living in informal settlements in Nairobi who have been struggling to feed themselves because of the social and economic disruptions caused by COVID-19. An additional 24,000 households in the informal settlements of Mombasa are receiving a three-month cash assistance to help them cover food gaps triggered by the pandemic. Each targeted family received KES 4,000 (US$40) per month covering at least 50 percent of the minimum food basket for urban populations. Unlike the UPSNP top-ups in Ethiopia, the programme in Nairobi was designed to primarily reach households that did not currently receive long-term social protection benefits – so it **provided a horizontal expansion of safety nets** beyond existing beneficiaries, but targeted by the Government and with verification against the Single Registry. Remote and physical validation was carried out by WFP in coordination with local authorities and stakeholders to confirm eligibility. The programme is generating important lessons about filling the urban social protection gap that will support future long-term programming efforts, particularly in terms of targeting mechanisms for urban contexts and options for avoiding duplication of benefits where one single household receives support from a number of programmes, while other households receive no support at all.

In South Sudan, WFP has extended the duration of support to 77,600 people under the Urban Safety Nets Project in Juba and has shifted the distribution modality

from cash to in-kind food, considering the increase in prices for food items or limited food availability in markets due to COVID-19. WFP also provided one-month of in-kind food assistance to 36,700 vulnerable urban residents who had been registered in SCOPE and received assistance during the implementation of the 2019 Urban Safety Nets Project.

In Uganda and South Sudan, WFP is adapting asset creation and livelihood activities to make them more appropriate to urban contexts. In South Sudan, WFP's Urban Safety Nets project, which typically provides skills development training, temporarily provides unconditional assistance as training centres remain closed. WFP also collaborated with FAO to avail vegetable seeds and tools to beneficiaries of the Urban Safety Nets Project to support home gardening.

In Uganda, WFP also provided a top-up transfer to 56,577 pregnant and lactating mothers and children under two years - both in refugee camps and hosting communities. This group is reached leveraging WFP Maternal Child Health and Nutrition programme, and two government social protection programmes - a hybrid model of vertical expansion and shadow alignment. Each woman or child will receive UGS 144,000 (USD 38) to meet their nutritious food needs over a period of three months (UGS 48,000/ month). WFP is planning two cycles of this emergency transfer.

Strengthening the links between social protection and livelihoods can be achieved in a number of ways, and is more important in the context of COVID-19.

Examples of direct mechanisms to strengthen links between social protection and livelihoods include South Sudan asset creation activities. These require group participation but were put on hold to mitigate the risk of COVID-19 transmission in group settings; however, households continued to receive unconditional support to ensure that the food security gains made in the previous years' implementation were not lost as a result of the COVID-19 shock, and in recognition that food availability and access were severely impacted in many rural locations due to border closures, hyper-inflation, etc. Households continued to receive support to create household-level assets that enhance food availability – such as restored land for crop and vegetable farming and fruit tree nurseries.

Also in South Sudan and Burundi, COVID-19 may be providing an entry point for a shift to more individual-focused support to livelihoods. While livelihood programming has historically been very heavily focused on the creation of community and public assets, the need for asset creation activities to be socially-distanced is allowing greater consideration of individual asset creation than previously.

Furthermore, in South Sudan WFP is creating synergies between Food Assistance for Asset (FFA) programming and Smallholder Agriculture Market Support (SAMS) activities. Where successful FFA beneficiaries have begun to produce small agricultural surpluses, WFP is working to support their access to markets.

There are also indirect ways in which WFP can contribute to strengthening linkages between social protection and livelihoods – particularly by working on the wider economic and vulnerability landscape. Examples include linking school meals programmes to local agricultural markets through home grown school feeding programmes, the use of strategic reserves and WFP logistics to reduce volatility in food prices and availability in markets.

CONCLUDING REMARKS

In the medium to long term, there are opportunities to 'build back better' in both urban and rural contexts.

This will entail both:

- learning from the temporary (or expanded but fledgling) safety nets in urban situations described above to ensure that design and operational features are appropriate to urban contexts; and
- leveraging from wider WFP activities that contribute to stabilising food prices and availability, and supporting procurement and linkages to the local agricultural economy through home-grown school feeding programmes and purchase for progress systems.
- While the 'no regrets' options that have been scaled make only small adaptations to existing programmes and modalities, key areas that will require more detailed adaptation include urban-specific poverty and vulnerability assessments, targeting mechanisms, Management Information Systems (MIS), transfer modalities and frequencies, and livelihoods and asset creation activities where programmes are conditional on labour provision. Specific steps to achieving this in East Africa and beyond include:

» *Adapting the timing of payments in order to avoid the worst of food price increases (for example by providing a lump sum that allows beneficiaries to bulk purchase in advance);*

» *Ensuring the appropriateness of targeting criteria designed for rural contexts when translated to urban contexts (for example proxy means tests that include durable assets, dwelling construction, energy sources or ownership of a mobile phone)*

» *Switching Food Assistance for Assets programme activities to asset creation more suitable for urban contexts (for example to water and sanitation activities that reduce the spread of COVID-19).*

» *Ensure government co-ownership of the emergency response, to avoid political tensions and build on common lessons.*

THE SOCIAL PROTECTION LEARNING FACILITY

is an initiative developed by WFP's regional bureau for East and Central Africa, with country offices in the region. It seeks to enhance evidence-based decision making, learning and accountability in WFP's social protection work in the context of COVID-19 and other shocks. It does so by combining real-time evaluation of WFP's activities with technical assistance to WFP staff who are navigating difficult trade-offs as they seek to support governments to flex social protection in the region.

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