



Economic inclusion and social protection to reduce poverty

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The issue

The COVID-19 crisis has revealed the unsustainability of pre-pandemic vulnerabilities and inequalities, which must be addressed as part of the strategy to “Build Back Better”. Based on the socio-economic impacts across Asia, the recovery path calls for broadening social safety nets, universal health insurance, affordable access to digital connectivity, income and livelihood diversification, and building capacities to manage multiple risks and likely future pandemics. The economic disruptions caused by the COVID-19 pandemic have revealed multiple vulnerabilities within current economic development models, such as high dependence on tourism and related industries and services as engines for growth and employment. Many countries are re-examining the role of agriculture and integrated rural development as a long-term viable strategy to emerge from the current crisis, create jobs and absorb expanding job creation for more robust and sustainable economic recovery.

In post-COVID-19 recovery programmes reinvesting in agriculture and rural development has become a top priority for many countries in developing Asia. This is a challenging task as it requires interventions on multiple fronts. These range from expanding adoption of smart farming innovations by farmers, investing in rural economic transformation to generate jobs, adding value and reducing rural poverty, expanding social protection and safety nets for rural households and communities, and extending digital and information and communication technology (ICT) infrastructure to rural areas for broader, resilient food systems’ transformation.

Rural transformation post-COVID-19 starts with rebuilding robust food supply infrastructure. This starts with smart farming (digitally-enabled farm operations with increased input use efficiency) leading to more reliable market connectivity between farmers and input suppliers, credit and information and multiple market-oriented services (extension, early warning, market information, business advice). This requires engaging national and rural institutions, including a wide range of service providers already active in the area alongside traditional public sector providers (e.g. private companies, non-governmental organizations, cooperatives and producer organizations among others).

Second, creating jobs and livelihood opportunities for women, youth, and returned migrants by investing in off-farm agrifood and nonfarm services fuelled by small to medium enterprises (SMEs). In rebuilding post-COVID-19 labour-exporting countries should integrate alternative livelihood options for displaced labour and emigrant returnees.

Rebuilding the rural economy post-COVID-19 requires greater attention to labour protection, rural services, and safety nets for migrants, women, and youth. Expanding social protection and social safety nets includes various instruments. These range from insurance, fiscal incentives (loans) and other infrastructure and capacity development programmes for rural poor households to enhance their ability to sustain shocks, avoid negative coping decisions such as selling assets, or removing children from schools. Social

Budget

USD 30 million

Time frame

Jan 2021 – Dec 2024

SDGs



FAO Regional COVID-19 Policy Briefs

- ▶ Food supply chain and trade disruptions in Asia under COVID-19: A Regional analysis with policy response options



protection schemes, covering social assistance, insurance and labour market measures, are most effective when combined with agricultural support and occupational health and safety interventions, ensuring compliance with labour standards. The effectiveness of the above interventions, programmes and policy instruments is best supported by broadening investments in ICT technologies and their deployment, as well as greater facility in use and access to digital technologies (e-payments, e-services, virtual markets, employment e-platforms, digital certification and traceability) by including small-scale farmers, young entrepreneurs, SMEs and cooperatives active in the farm and off-farm sector.

The action

The following principles guide the social inclusion and poverty reduction umbrella programme:

- ▶ direct contribution to the post-COVID-19 socio-economic recovery national plans, with a specific focus on rebuilding resilient food systems and prioritizing programmes that target the most vulnerable segments of the population;
- ▶ full alignment with sustainable rural development, including climate-smart and agro-ecological farming practices, diversification in rural economic activities for sustainable livelihoods, and digitization of the local economy to improve efficiency, lower resource use and enhance connectivity, reduce costs and increase incomes for farmers, SMEs, women, and youth;
- ▶ hand-in-hand initiatives and the concept of integrated rural development based on a territorial approach to build resilience among the poor by strengthening linkages with socio-economic programmes. These aim to reduce poverty, deploy productive and climate-smart interventions, facilitate access and management of natural resources, and expand financial inclusion and advisory services and business to smallholders, cooperatives, SMEs and entrepreneurs including rural women.

The Food and Agriculture Organization of the United Nations (FAO) in partnership with national entities and the United Nations (UN) and International Financial Institution (IFI) agencies identified the following key entry points for country support as part of COVID-19 recovery. Specifically, FAO seeks to:

- 1 Provide technical and policy guidance in programme design and field implementation** aimed at strengthening the capacity of rural institutions to meet the diverse needs of small-scale producers and their ability to adopt, deploy and implement smart farming practices, improve digitization of farm production, input management, risk management, and enhance robust marketing channels for farmers. Measures ensure that women and small-scale producers have equitable access to land, water resources, inputs, credit, and extension services, especially for women who are the household head.
- 2 Support policies for integrated rural development programmes** that combine ICT infrastructure, build up marketing channels, support farm services (extension, credit and information) and establish training and technology transfer programmes for small-scale producers, young entrepreneurs, SMEs and cooperatives, including those that are women-led. Specifically:
 - ▶ support to SMEs (including cooperatives), through training and skill-building, financial services, safety nets to rebuild the rural economy (agrifood, tourism, data and information services, digital technologies and solutions for enhanced connectivity and market linkages);
 - ▶ enhanced access to extension and market-oriented, gender-sensitive advisory services and rural finance, including recovery grants, soft loans, and insurance;
 - ▶ strengthen the organizational, managerial and marketing capacity of farm cooperatives, food marketing cooperatives, and producers' organizations.
- 3 Provide policy guidance for value chain specific infrastructure investment** programmes such as cold storage and logistics, financial services and training and reskilling to promote rural employment among the young, labourers, returned migrants and rural women; strengthen loan and credit access for farmers, youth and rural entrepreneurs; develop vocational training for youth and agri-entrepreneurs including women. FAO in partnership with other UN and IFI partners offers country support in:
 - ▶ designing capacity development programmes for returned migrants (due to COVID-19) with training, technology transfer, and financial support towards finding employment or becoming self-employed;
 - ▶ developing the skills and providing technical and institutional support to government agencies and other rural institutions to help entrepreneurs and SMEs set up diverse agribusinesses or broaden agrifood enterprises, including provision of input, credit, and information services;
 - ▶ training trainers to support and encourage youth to set up and launch SMEs powered by digital innovations and farm, agrifood, and rural service solutions;
 - ▶ providing policy guidance and strategic support targeting migrant returnees to direct their savings and talent into new agrifood enterprises and rural economy activities.



- 4 Support broad based digital literacy** among small-scale farmers, women and young entrepreneurs as a critical complement to build ICT infrastructure and connectivity in rural areas. This includes:
- ▶ supporting capacity development plans to increase training and know-how in digital market platforms, e-commerce, extension and agro-meteorological services;
 - ▶ developing investment plans to improve productivity and working conditions in micro and small firms, including support for digital transformation such as e-payments and e-services, virtual markets, employment e-platforms, and digital certification and traceability for household businesses, Micro-, Small and Medium-sized Enterprises and cooperatives;
 - ▶ expanding opportunities for digital literacy and access to digital innovation and training for women farmers and women entrepreneurs, heads of small businesses, and the self-employed to promote women's full engagement in productive employment in agrifood value chains, access to resources and services, jobs, financial services, and market participation.
- 5 Integrate social protection and social safety net schemes with programmes to regenerate food and the rural economy.** Expanded social protection schemes need to be closely linked with food policies aimed at strengthening food production, marketing and processing and diversifying employment and livelihood programmes in rural areas with particular focus on small farmers, young entrepreneurs, migrant workers, SMEs and cooperatives, particularly those that are women-led. FAO (in partnership with the World Food Programme (WFP), the International Labour Organization (ILO), the World Bank (WB) and the Asian Development Bank (ADB) can support programmes to design and implement targeted social protection schemes as part of strengthening the food and rural economy, including:
- ▶ linking social protection to local infrastructure programmes, public works, resource rehabilitation (e.g. cash for work or for skills);
 - ▶ ensuring a linkage between social protection and social safety net programmes and improved nutrition for vulnerable rural women and children, including school meal programmes, to prevent malnutrition and food insecurity;
 - ▶ expanding risk-informed and shock-responsive social protection schemes into rural areas linked with early warning, conflict-sensitive programming, and climate adaptation;
 - ▶ combining social protection measures with universal health coverage, labour protection (including migrants), training, and safety nets;
 - ▶ expanding coverage to women in social protection, health and labour sectors and digitization of the agrifood sector and rural economy – since COVID-19 has a greater negative and economic impact on women than men.

Expected results

- ▶ increased employment opportunities of the rural youth through finance and investment incentives, trainings and institutional support for job placement, skill development and income generation;
- ▶ returned migrants and labourers benefit from expanded skill sets, investment in new enterprises and SMEs by leveraging human capital (experience overseas) and capital saving in target rural communities and regions;
- ▶ empowered women with skills, vocational training and access to credit and finance ensure enhanced access to job (lower economic gap), technologies (lower digital divide) and business opportunities and SMEs. Empowered and entrepreneurial women enhance rural household incomes and lift household poverty, food insecurity, malnutrition and better human health, including children.





Partnerships

The programme depends on a close partnership with national institutions and organizations: Ministries of Agriculture, Trade, Health; food safety authorities; customs authorities; chambers of commerce and private sector associations; non-governmental and civil society organizations. The programme will also benefit from close collaboration with development partners such as: the United Nations Industrial Development Organization (UNIDO); WB; ADB, and the International Fund for Agricultural Development (IFAD) (for SME support); ILO; the International Organization for Migration (for labourers and migrants); WFP and UN Economic and Social Commission for Asia and the Pacific (social protection and safety nets); and with UN Women (gender support).

Programme links

The programme is aligned with FAO's Hand-in-Hand Initiative on eradicating poverty and ending hunger in all its forms, the Global Action Programme on Food Security and Nutrition in Small Island Developing States. It links to FAO's migration projects and coordinated response actions under the United Nations Network on Migration. Lastly, it connects with the joint United Nations programme to accelerate rural women's economic empowerment and the Multi-partner Programme Support Mechanism on Gender Equality and Women's Empowerment in Agriculture, Food Security, and Nutrition.

Regional and country focus

The programme has a broad regional focus and applicability across a large number of countries in the region, particularly those targeted under FAO's Hand-in-Hand Initiative. Specifically:

- ▶ on social protection measures: countries where FAO is particularly active in UN socio-economic assessments and supporting recovery plans: Viet Nam, the Philippines, Pakistan;
- ▶ on SME support: Viet Nam, Nepal, Papua New Guinea;
- ▶ on labourers' and migrants' support: Nepal, Cambodia, Pacific Islands;
- ▶ gender mainstreaming: Bangladesh, Pakistan.

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