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FAO REGIONAL CONFERENCE FOR ASIA AND THE PACIFIC

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**State of food and agriculture in the Asia and Pacific region, in light of the
COVID-19 pandemic**

Executive Summary

FAO has been intensively working on the COVID-19 Response and Recovery Programme, to reach a larger share of rural populations and to relaunch economic activities. In addition to response, the Programme is also working on building back better and stronger towards transforming agrifood systems across all our *Four Betters*, with an emphasis on its seven priority areas of work as well as focus on science and innovation, climate change, legal frameworks and scaling up existing programmes. This paper examines the situation in Asia and the Pacific during the COVID-19 pandemic situation in 2020 and 2021. It reviews the health, economic, livelihood, and food security impacts both regionally and at the country level for specific groups such as the poor and the most vulnerable segments of the population. Given the broad socio-economic reach of the pandemic, the Report examines the macro-economic impacts and the effects on employment and income, migration and trade, economic growth and government fiscal space, food security and nutrition, poverty, and hunger. The Report also reviews the various government responses to the COVID-19 pandemic covering the health crisis, macro economy, unemployment, food supply disruptions, food demand shocks arising from the pandemic lockdowns, reduced mobility, restrictions on international travel, and internal and cross border migration. These responses include government investments in health services; expansion of social protection measures to new groups and beneficiaries; measures to ensure continued trade in critical food and health products, and financial support measures to minimize job losses and reduce food supply chain disruptions. It also covers new policies and investment priorities, including digital technologies, to rebuild agrifood systems that are resilient, inclusive and green.

Suggested action by the Regional Conference

As Asia and the Pacific transitions into the phase of “living with” COVID-19, FAO will continue to support Member Nations’ prioritized technical and policy-related programming with respect to COVID-19.

Given the cross-cutting impacts of COVID-19 and its reach, the Regional Conference for Asia and the Pacific (APRC) is invited to provide guidance on FAO’s work related to COVID-19 response and recovery, emphasizing the following:

This and other documents can be consulted at www.fao.org

- a. providing technical and policy support to COVID-19 recovery actions under the principle of “building back better” (inclusive recovery) and green agrifood transformation (sustainable and resilient recovery);
- b. investing in agrifood production systems to support climate-smart resource management that enables healthy, diverse and affordable nutrition for all, especially the most vulnerable groups;
- c. prioritizing rural revitalization to create employment opportunities for youth and returned migrants, and to strengthen improved rural-urban linkages through e-commerce, on-line marketing and youth-driven and digitally-fueled small and medium enterprises contributing to resilient agrifood transformation;
- d. accelerating investments in and harnessing the use of digital innovations applied to agrifood systems transformation, e-commerce, trade facilitation, promotion of healthy diets and expansion of services and innovations to rural communities, villages and rural landscapes;
- e. designing, strengthening and expanding social protection and safety net policies, programmes and initiatives inclusive of vulnerable groups (e.g. women, youth, children, migrants, indigenous people, informal workers, smallholders, small and medium enterprises) to broaden the scope of socio-economic resiliency, reduce food insecurity and malnutrition and tackle poverty in line with the Sustainable Development Goals.

Queries on the content of this document may be addressed to:

APRC Secretariat

APRC@fao.org

I. Introduction

1. Like much of the world, Asia and the Pacific is in the midst of the new wave of the COVID-19 pandemic, with the Omicron variant adding to the Delta variant. As of January 2022, more than 65 million people in the region had been infected (Figure 1) and more than 1 million deaths had been recorded. The COVID-19 health crisis has also turned into a global economic crisis, putting at risk the jobs and incomes of millions of people across the world. The pandemic started to ease up in the region in the second half of 2021, as the pace of vaccination accelerated. As of early January 2022, vaccination rates in the region ranged from 20 percent to over 80 percent (Figure 2).

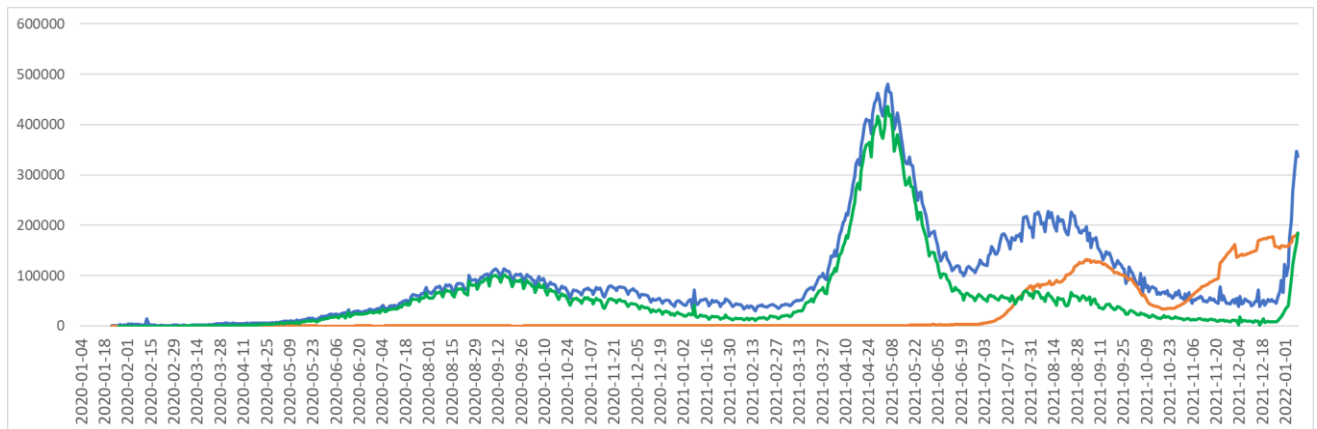


Figure 1. Daily COVID-19 cases in Asia and the Pacific

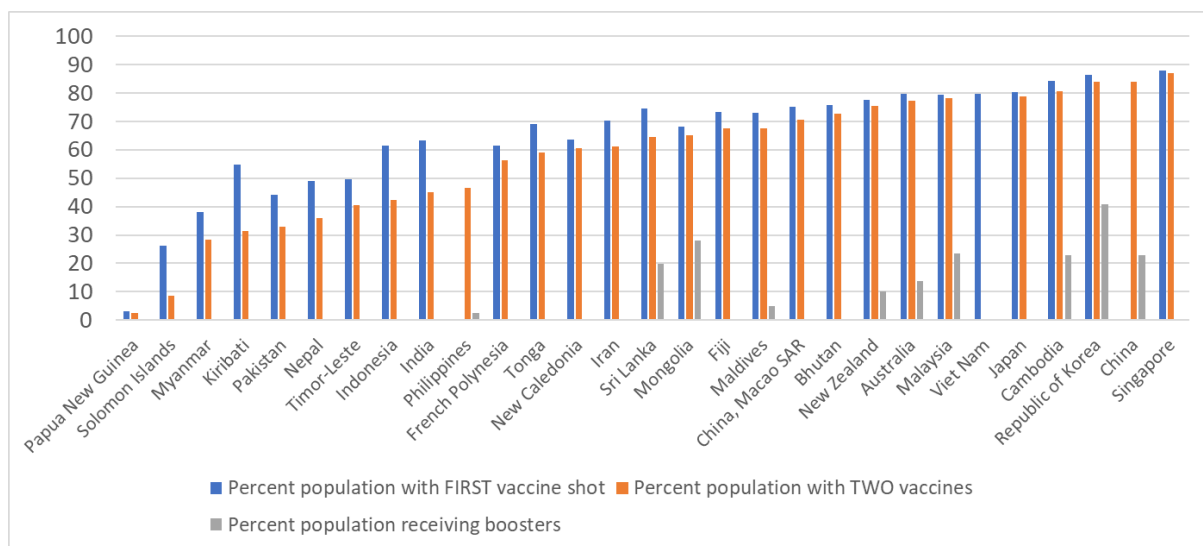


Figure 2. Vaccination rates in Asia and the Pacific (as of 1-8 January 2022)¹. Source: Our World in Data Covid-19 (https://ourworldindata.org/covid-vaccinations?country=OWID_WRL)

II. Macro-economic Impacts

Unemployment

2. The containment measures adopted by many countries – social distancing, lockdowns, travel restrictions and border closures – have led to sudden, widespread job losses and unemployment. Prior to the pandemic, Asia and the Pacific had slightly lower unemployment rates compared to world

¹ Our World in Data. 2021. Coronavirus (COVID-19) Vaccinations. [Accessed 1 November 2021]. [online] https://ourworldindata.org/covid-vaccinations?country=OWID_WRL

average (4.1 percent versus 5.4 percent between 2017 and 2018.²) However, the pandemic worsened the unemployment landscape, with the Pacific SIDS being hit hardest as these small remote islands are particularly vulnerable, given their small-scale economies focused on services and tourism, and their limited access to factors of production (e.g. land, labour). Also badly hit is the informal sector, which predominates in the region and where women are more active than men in non-agriculture sectors in most countries (except Brunei Darussalam, Kiribati and Mongolia).

Household income

3. Household income contraction due to the COVID-19 pandemic is widespread across Asia and the Pacific. As expected, the pandemic has caused loss of income and livelihoods for vulnerable families and their children. The World Bank High-Frequency Phone Surveys (HFPS)³ provide evidence of declining income from farm, non-farm, wage and remittance income since the start of the pandemic. Households in Cambodia, Indonesia, Lao People's Democratic Republic, Myanmar, Mongolia, Philippines and Solomon Islands suffered income losses, including farm and non-farm losses, and lower wages and remittances. In Cambodia, for example, about 75 percent of respondents to the HFPS cited a reduction in consumption of goods during the pandemic. In the Philippines, the survey by Zero Extreme Poverty Philippines 2030 and the United Nations Development Programme reveals that the pandemic has increased the number of households in income poverty – with 83 percent of respondents experiencing a decline in household income and 34 percent reporting a complete loss of income. In the Solomon Islands, reduced food consumption is the main issue for around 60 percent of respondents, followed by income loss. Government assistance ranked highly, with 60 percent of respondents saying they received it. There was also a striking variation in impacts on income for urban and rural areas: urban areas experienced higher income loss, inactivity and reduced consumption; rural areas experienced greater food insecurity.

Poverty

4. Poverty increases followed unemployment and household income losses due to the pandemic. Various poverty estimates are based on the estimated contraction of gross domestic product (GDP). There are 640 million multidimensionally poor⁴ people in Asia and the Pacific, and the pandemic can potentially double this number, pushing an additional 636 million people into multidimensional poverty. In 2020, the region witnessed an increase in unemployment of 15 million and, compared to 2019, a 7.1 percent reduction in labour income. The jobs and incomes lost across the region suggest that for people living on USD 1.90 per day, 89 million more will be pushed into extreme poverty. This will happen for 158 million more who live on USD 3.20 per day and for 172 million people who live on USD 5.50 per day.⁵ In Indonesia, COVID-19 pushed 2.76 million into poverty in September 2020, almost one percentage point higher than in September 2019. Urban dwellers accounted for 80 percent of the new poor. In Thailand, informal workers, including migrant fish workers, reported making only 27 percent of their pre-pandemic average monthly salary, putting them near the extreme poverty level of USD 1.90 per day.^{6 7}

² ILO (International Labour Organization). 2021. APESO - Facts & figures: employment and unemployment in Asia-Pacific: trends and projections. [Accessed 30 June 2021]. [online] https://www.ilo.org/global/about-the-ilo/multimedia/maps-and-charts/enhanced/WCMS_650035/lang--en/index.htm.

³ The World Bank. 2021. High-Frequency Phone Surveys. [Accessed 25 November 2021]. [online] <https://microdata.worldbank.org/index.php/catalog/hfps>

⁴ Multidimensional poverty encompasses deprivations and disadvantages beyond the lack of money and include poor health, lack of education, inadequate living standards, disempowerment, poor quality of work, the threat of violence, and living in areas that are environmentally hazardous, among others.

⁵ UN. 2021a. Economic and social survey of Asia and the Pacific 2021: Towards post-COVID-19 resilient economies.. Technical report. [online] <https://www.unescap.org/sites/default/d8files/knowledge-products/Survey%202021%20Towards%20post-COVID-19%20resilient%20economies.pdf>.

⁶ Komin, W., Thepparp, R., Subsing, B. & Engstrom, D. 2021. COVID-19 and its impact on informal sector workers: a case study of Thailand. *Asia Pacific Journal of Social Work and Development*, Volume 31, 2021 - Issue 1-2. DOI: www.tandfonline.com/doi/full/10.1080/02185385.2020.1832564.

⁷ Marschke, M., Vandergeest, P., Havice, E., Kadfak, A., Duker, P., Isopescu, I. & MacDonnell, M. 2021. COVID-19, instability and migrant fish workers in Asia. *Maritime Studies*, 20(1):87–99. DOI: <https://link.springer.com/content/pdf/10.1007/s40152-020-00205-y.pdf>

Migration

5. Migrants emerged as one of the most vulnerable groups facing the impacts of the COVID-19 pandemic. One of those striking impacts is a reversal in the dominant pattern of rural-to-urban migration in Asia and the Pacific, aside from causing a general contraction in outmigration, a first in recent years. There were an estimated 87 million Asian-born migrants in 2019, comprising about 32 percent of all immigrants in the world.⁸ For the first time in recent history, the number of international migrants was likely to decline in 2020, as new migration slowed and return migration increased. Migrant outflows also declined as channels contracted due to cross-border movement restrictions. In Pakistan, the number of emigrants was only 179 487 for January–September 2020 compared to 625 203 in 2019. In Bangladesh, the number of emigrants was only 181 218 for January–May 2020 compared to 700 159 in 2019. Falling labour demand in host countries also resulted in a reduced migrant inflow. In Malaysia, hours worked declined by 28 percent in the second quarter of 2020, in Thailand by 13 percent, which reduced the normal flow of migrants from neighbouring Cambodia, Lao People’s Democratic Republic, Myanmar and Viet Nam.

6. The reverse migration from urban-to-rural created major challenges for several low- and middle-income countries that faced mounting challenges vis-à-vis returning migrants, including concerns that repatriation could trigger the further spread of the COVID-19 virus in addition to placing greater strain on local health services and limited community resources. Countries also faced financial pressures in robust repatriation plans, as there are health care and quarantine costs for returnees as well as reintegration costs. Public and private investment in health, education, employment, among other sectors, are required to reintegrate the returnees in their communities. Access to local resources such as land and social security is a key issue to achieve sustainable livelihoods.

7. Remittance flows to the East Asia and Pacific region are estimated to have fallen by 11 percent in 2020 and in South Asia by around 4 percent, with different rates across countries.⁹ Remittances remained resilient during the pandemic for most countries in Asia and the Pacific, although international migration decreased for the first time in decades. Remittances to Kiribati and the Marshall Islands were hit by the pandemic, whereas other top recipients of remittances such as Bangladesh, India, Pakistan, the Philippines and Sri Lanka have coped with the adverse effects of the pandemic. The Bangladesh Government adopted policies to prevent a decline in remittances that actually increased the flow of remittances during the pandemic.

Inflation and prices

8. One of the key indicators to be closely observed is price changes and inflation levels as a result of COVID-19 lockdowns and supply chain disruptions. Data from the Food and Agriculture Organization of the United Nations (FAO) reveal that 2020 was a year of modest food inflation compared to 2019; with a few exceptions, most countries in the region experienced inflation in April 2020 compared to April 2019. Inflation was more pronounced with rising food prices in 2021, with the help of reviving economic growth induced by fiscal stimuli and declining contagion risk in Western economies. During the second half of 2021, international prices increased strongly for most food groups, putting the November 2021 FAO Food Price Index at its highest level since June 2011.

⁸ United Nations, Economic and Social Commission for Asia and the Pacific (ESCAP) (2020). Asia-Pacific Migration Report 2020: Assessing Implementation of the Global Compact for Migration (ST/ESCAP/2801). Subsequent statements in this paragraph are also from this source.

⁹ IOM 2021. Remittance Inflow Snapshot. IOM Asia Pacific Regional Data Hub. April 2021.

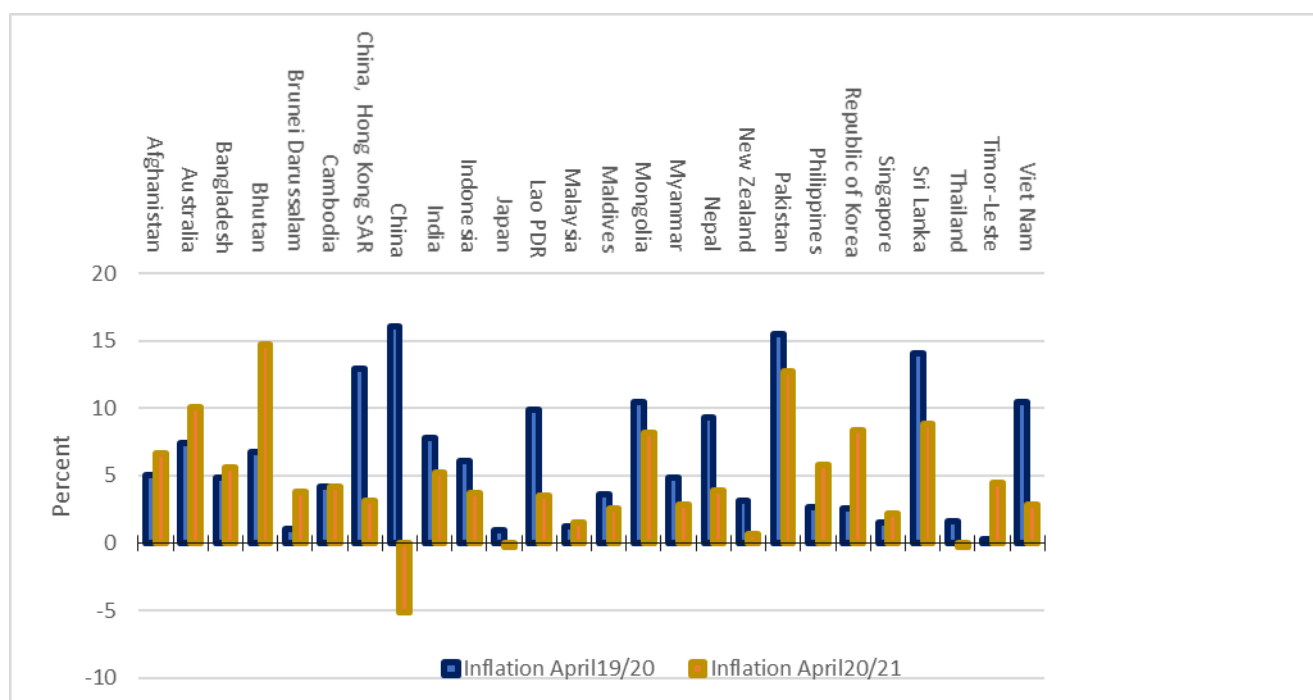


Figure 3. Food Price Inflation, April 2020 vs. April 2021¹⁰. Source: Data from FAOStat, Consumer Price Indices, Food Price Inflation (accessed 17 July 2021).

Trade

9. During the pandemic, countries in Asia and the Pacific implemented a number of trade policy measures combining both restrictive and trade facilitating measures for different products and for imports vs. exports. Many governments lowered import barriers and imposed export restrictions on medical products/supplies and agricultural/food products to maximize availability of these critical products needed to combat the pandemic.¹¹ There was a big jump in trade policy activism during the first quarter of 2020, but overall the trade measures targeted medical and PPE trade more than food. Protectionist trade measures were enacted up to the end of May 2020, with more export restrictions than import trade facilitation measures in both food and medical product trade. In trade policy, most countries refrained from export bans, except in some cases on a temporary basis. Viet Nam introduced and then removed rice export bans to maintain food availability for its citizens, implementing reduced import tariffs for agriculture, forestry and fishery processing businesses. Pakistan applied tariff reductions on food and a relief package for food supplies. Nepal extended loans for food imports and distribution, while Mongolia exempted food products from import taxes and duties. However, after May 2020, more import promotion measures started to take effect in many countries.

10. Many countries in the region considered food trade part of post-COVID-19 recovery. During COVID-19 lockdowns, cross-border trade either slowed or came to a halt. The impacts differed by commodity - cereals, oilseeds, fats and oils were less affected compared to live animals, cut flowers, fish and perishable products.¹² In the short term, trade flows for fresh produce, live animals, livestock products and fresh or dry fish were more volatile, all experiencing a drop in demand and cancelled exports. For the food trade, China and Viet Nam primarily supported imports. Malaysia and to a lesser extent Cambodia primarily engaged in export restrictions. Indonesia, India, Pakistan and Thailand engaged in both export restrictions and import facilitation. Pakistan banned the export of onions,

¹⁰ FAOSTAT. 2021. Consumer Price Indices - Food Price Inflation. [Accessed 17 July 2021]. [online] https://www.fao.org/faostat/en/#data/CP_

¹¹ Evenett, S., Fiorini, M., Fritz, J., Hoekman, B., Lukaszuk, P., Rocha, N., Ruta, M., Santi, F. & Shingal, A. 2020. Trade policy responses to the COVID-19 pandemic crisis: Evidence from a new dataset. RSCAS Working Paper 2020/78, November. [online] <https://ideas.repec.org/p/rsc/rsceui/2020-78.html>

¹² FAO. 2021. Agricultural trade & policy responses during the first wave of the COVID-19 pandemic in 2020. Rome. <https://www.fao.org/3/cb4553en/cb4553en.pdf>

wheat and flour at various dates from the end of April 2020 to mid-November 2020. South-east Asia along with Mongolia are among the key importers of grains, such as wheat, contributing to the removal of restrictions on cereal imports, while Indonesia relaxed import restrictions on onions and garlic. Many countries in the region engaged in temporary restrictions on rice exports but quickly abandoned those policies.¹³ Viet Nam is expanding trade opportunities with digital innovations by improving food safety/quality standards and trade policies/infrastructure. Association of Southeast Asian Nations (ASEAN) member states have established regional trade priorities to expand regional food trade during and after COVID-19.

Government expenditures and debt

11. Fiscal policy has been one of the most important tools to mitigate the devastating effects of the pandemic on economies at macro and household levels. Japan took the lead, providing equity, loans and guarantees through the usual financial channels, while New Zealand increased government spending and relinquished revenue as its main fiscal instrument. Indonesia opted for additional spending such as cash transfers to households. Thailand and Viet Nam targeted cash transfers to households during the pandemic to maintain economic activity and the flow of money. The fiscal stimulus packages and increased health care spending appear to be the greatest contributors to government expenditure. The region as a whole had an average fiscal deficit of 5.7 percent in 2020, up from 0.56 percent in 2019. East Asia allocated relatively more resources for the crisis, with an average deficit increase of 7.9 percent, followed by the Pacific (6.3 percent), SIDS (5.9 percent), South-east Asia (4.2 percent) and South Asia (3.6 percent).¹⁴ However, apart from advanced Asian countries, other states are either low-income or emerging countries with limited fiscal options.

12. Government debt increased as the pandemic continued to deepen with big waves in the second and third quarters of 2021 that brought back lockdowns in South Asia (spring) and South-east and much of the rest of Asia in summer 2021, extending restrictions and further deteriorating the fiscal balance (total government revenue minus total expenditure). The region witnessed an average increase in government debt of 7.9 percent. Twelve countries have the largest debt: Bhutan, India, Maldives and Sri Lanka from South Asia; Malaysia, the Philippines and Thailand from South-east Asia; Japan from East Asia; Fiji and Papua New Guinea from SIDS; and Australia and New Zealand from the Pacific. In the countries of South Asia and South-east Asia, the strong growth that took place before COVID-19 provided a cushion against fiscal pressure and the rising debt burden. In the SIDS, already vulnerable to natural disasters, the instant evaporation of tourism saw their public debts worsen with greater need for external financing.

Gross domestic product

13. The entire Asia and Pacific region, except China, experienced a contraction in GDP in 2020 as a result of massive unemployment and loss of working hours. The 4.1 percent average regional GDP contraction cancelled the 4 percent growth rate of 2019.¹⁵ GDP loss was uneven across countries, with South Asia registering a 6 percent reduction, except Bangladesh, which performed relatively better with low but positive growth in 2020. Maldives relies on tourism and suffered the most. South-east Asia witnessed on average a 2.9 percent reduction in GDP, with some countries (Cambodia, Malaysia and the Philippines) doing worse than others (Brunei Darussalam, Myanmar and Viet Nam). East Asia had a 2.2 percent reduction in GDP, but China achieved growth, albeit lower than in 2019.¹⁶ Mongolia, with much lower COVID-19 infection rates, witnessed the greatest decline in GDP growth. The SIDS had a 4.7 percent reduction in GDP, their economies already vulnerable to external changes before the pandemic started, reflected by low growth rates in 2019. The Pacific Region's GDP fell 2.7 percent,

¹³ FAO (Food and Agriculture Organization of the United Nations). 2020. "Why export restrictions should not be a response to COVID-19: Learning lessons from experience with rice in Asia and the Pacific." FAO COVID-19 policy brief. [online] <http://www.fao.org/3/ca9362en/CA9362EN.pdf>

¹⁴ ESCAP 2020. An assessment of fiscal space for COVID-19 response and recovery in Asia-Pacific developing countries. MPFD Policy Brief N.116, November 2020.

¹⁵ IMF. 2021. Database of fiscal policy responses to COVID-19. [Cited 29 June 2021]. [online] <https://www.imf.org/en/Topics/imf-and-covid19/Fiscal-Policies-Database-in-Response-to-COVID-19>.

¹⁶ IMF. 2021. IMF Datamapper - Datasets. [online] <https://www.imf.org/external/datamapper/datasets>

with a comparable decline in Australia and New Zealand. The region's real income per capita decline in 2020 averaged around USD 600, rising as high as USD 2 000 in some countries.

Gender-differentiated impacts

14. The negative impacts of the pandemic affected women disproportionately. Containment measures hit the retail, manufacturing, garment and agribusiness sectors hard, sectors which predominantly employ women. Between December 2019 and June 2020, Asia's female labour participation rate declined by 1.3 percent compared to a 1 percent fall for males.¹⁷ Since the start of the pandemic, 50 percent of women in formal employment have had their paid work hours reduced compared to 35 percent for men. Within food and agriculture, an estimated 66 percent of women and 57 percent of men in the region noted an income drop from farming and fishing. Informal remittances from Thailand to neighbouring countries (typically double the formal kind) hit women migrant workers disproportionately. Also, the pandemic affects women's health more than men's. For example, increases in unpaid care and domestic work, job and income loss and increased gender-based violence during the lockdown contributed to higher stress rates among women. Although the pandemic poses great socio-economic risks for women, there have been very few gender-specific policy responses across the region.

III. COVID-19 Impacts on Food Supply Chains

15. The pandemic engendered disruptions across a range of food system components on both the supply and demand sides. Food supply chain disruptions arose from: shortages in agricultural labour; limited access to farm inputs due to transport disruptions; declining food processing capacity; disruptions to logistics and trade; and reduced food consumption due to fewer face-to-face social and economic activities. Farm labour shortages at the beginning of the pandemic may have caused disruptions to critical field operations (such as harvesting, planting and irrigation). For example, in Bangladesh, transport disruptions coincided with a contraction in agricultural and aquaculture production due to a shortage of input supplies and limited access to finance, especially for perishable products such as milk and vegetables due to a drop in demand. However, the labour force participation in rural and agricultural activities was less affected than urban and non-agricultural economic activities, as there were exceptions to restrictions for food and agriculture which governments considered essential. The influx of migrants leaving urban jobs (returning to rural areas) or returning from host to home countries, has created challenges to receiving countries (that now have excess labour to employ) while creating a shortage of labour for essential agricultural activities in others (such as for Malaysia, Republic of Korea, Singapore and Thailand).

16. In many countries of the region, agricultural and farm work was considered essential and exempted from movement restrictions, so that farmers in most countries were much less hampered in their work than other sectors. In line with global trends, restrictions are more geographically targeted and economy-wide restrictions affect only about 50 percent of agricultural and farm workers. However, COVID-19 did have an impact on seasonal workers. Australia and New Zealand faced shortages especially among vegetable and fruit producers, garden nurseries and horticulture farms that depend heavily on seasonal workers from Pacific Island countries. In Thailand, work disruptions affected many migrant fish workers, who also had poor access to public health facilities. Phased border closures in March 2020 triggered a rapid exodus of migrant workers and it was reported that between 60 000 and 200 000 such workers from Cambodia, Lao People's Democratic Republic and Myanmar left Thailand that month when border closures were announced for the following week. As fishing resumed, there were severe labour shortages following the departure of so many migrant fish workers.

17. COVID-19 restrictions also affected food distribution and logistics, from local buying to wholesaling and from cross-region logistics to city consumption. With supply-side shocks, there was

¹⁷ IMF (International Monetary Fund). 2020. Regional economic outlook update. Asia and Pacific: navigating the pandemic: a multi speed recovery in Asia. [online] <https://www.imf.org/en/Publications/REO/APAC/Issues/2020/10/21/regional-economic-outlook-apd>

reduced market demand for some agricultural products due to the closure of restaurants, caterers and public canteens, resulting in large amounts of seasonal fruits and vegetables left unsold or even unpicked. Disruptions in downstream supply chains also caused surplus food stocks, putting a strain on storage and increasing losses of highly perishable foods. The pandemic particularly affected the livestock sector and related industries owing to restrictions on animal movements, health risk perceptions, closure of processing plants, and shortage of production inputs. The fall in demand meant fresh produce traders were unable to sell to urban or international markets and switched to selling locally at lower prices.

18. Fish value chains were also severely restricted in several markets of the region. In Bangladesh COVID-19 restrictions prevented fish farmers from harvesting their fish and therefore could not start a new production cycle, causing a significant decrease in fish supplies during the first half of 2020. The fishery sector in Malaysia is highly dependent on international trade, and COVID-19 trade disruptions significantly affected the sector. Government estimates put the decline in fishers' income at 50 percent due to fear of contracting the virus, adding to the low demand from Malaysians who preferred to spend time at home during this phase. There were additional disruptions to traded perishable products, especially when there was a lack of harmonized sanitation protocols in ports or when COVID-19 infections occurred on ships.

IV. COVID-19 Impacts on Food Insecurity and Malnutrition

Malnutrition

19. The COVID-19 pandemic worsened the state of food insecurity and malnutrition in Asia and the Pacific. In 2020, the number of undernourished increased by 17 percent, from 322 million to 376 million, similar to the global increase of 18 percent.¹⁸ The prevalence of undernourishment in the region was 8.7 percent in 2020, up from 7.5 percent in 2019 but substantially down from 14.3 percent in 2000, reflecting two decades of progress that has slowed down in recent years, even before COVID-19. In 2020, prevalence was highest in Oceania, excluding Australia and New Zealand, followed by South Asia (15.8 percent), South-east Asia (7.3 percent) and East Asia (less than 2.5 percent). The number of undernourished in the region reached 375.8 million in 2020, up from 321.9 million in 2019 (pre-COVID) but down 127.9 million, or 25.4 percent, compared with 2000. The largest increase in undernourishment in 2020 in the wake of COVID-19 was in South Asia, which accounted for an additional 50.5 million people out of an increase of 53.9 million at the regional level.

¹⁸ FAO (Food and Agriculture Organization of the United Nations). 2021c. Asia and the Pacific Regional Overview of Food Security and Nutrition 2021: Statistics and Trends.

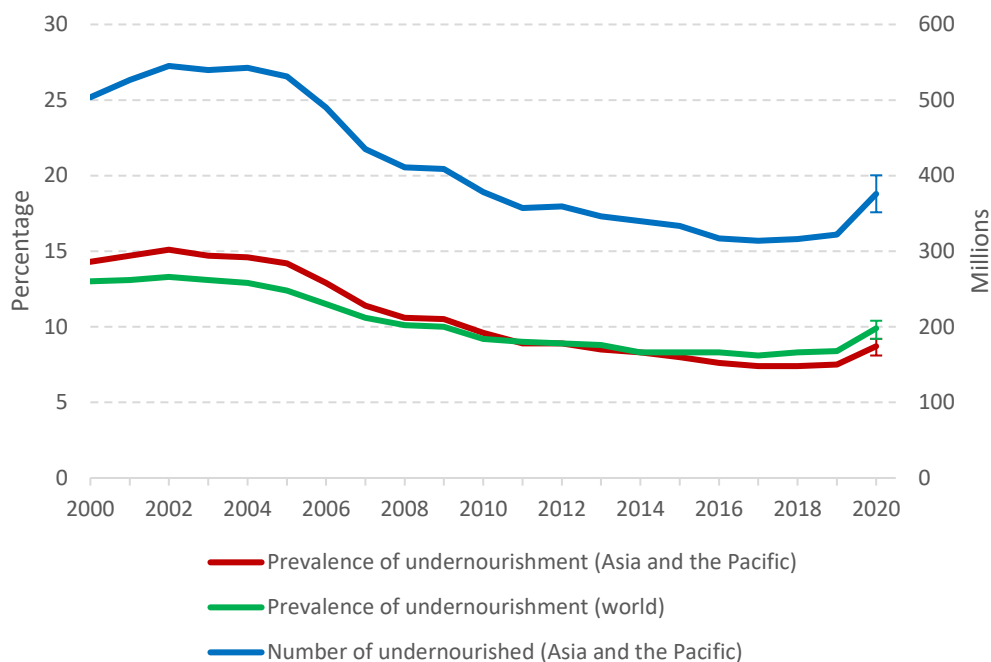


Figure 4. Prevalence of undernourishment in the world and Asia and the Pacific and number of undernourished in Asia and the Pacific¹⁹. Notes: Values for 2020 are projections. The bars indicate the range of the 2020 estimates. Source: FAO and UNICEF.

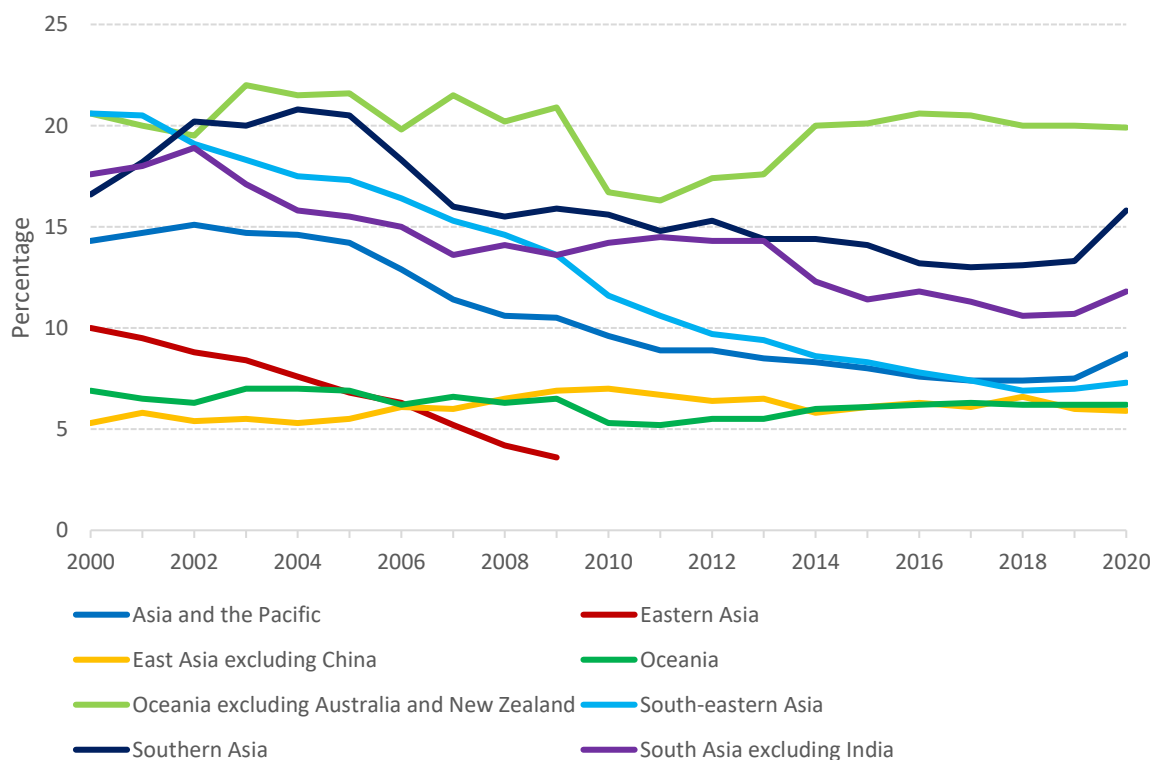


Figure 5. Prevalence of undernourishment in Asia and the Pacific by subregion²⁰. Notes: Values for 2020 are projections. Source: FAO and UNICEF.

¹⁹ FAO (Food and Agriculture Organization of the United Nations) and UNICEF. 2021. Asia and the Pacific – Regional Overview of Food Security and Nutrition 2021: Statistics and Trends.

²⁰ FAO (Food and Agriculture Organization of the United Nations) and UNICEF. 2021. Asia and the Pacific – Regional Overview of Food Security and Nutrition 2021: Statistics and Trends.

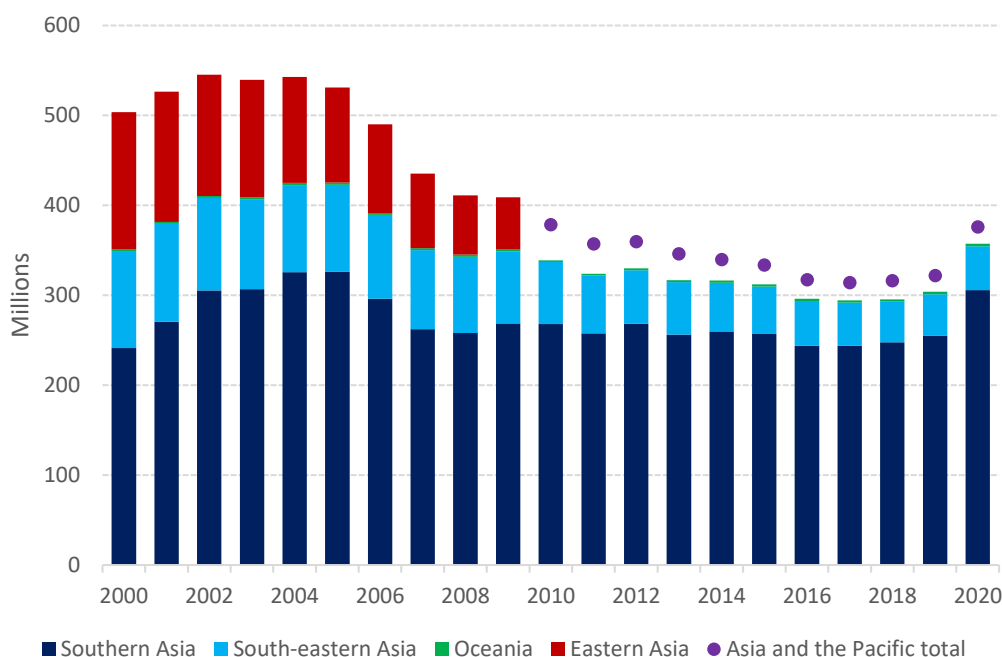


Figure 6. Number of people undernourished in Asia and the Pacific by subregion²¹. Note: The estimated prevalence of undernourishment for East Asia from 2010 onwards is below 2.5 percent of the population, which is the lowest value that can be reliably reported using the prevalence of undernourishment methodology to calculate the number of undernourished people. Values for 2020 are projections. Source: FAO and UNICEF.

Malnutrition in children

20. Children are particularly prone to increased malnutrition during the COVID-19 pandemic. Reduced family income, school closures and isolation had directly negative impacts on children's nutritional status and their physical and mental health. One study estimated a 14.3 percent increase in moderate or severe wasting among children under five years due to COVID-19.²² Also, disruptions to immunization supply chains during the pandemic may have caused or contributed to an increase in child mortality. Countries already struggling with malnutrition saw the problem worsen under COVID-19. In Sri Lanka, 15 percent of children were wasted and 30 percent of women were obese pre-COVID-19, while the pandemic is estimated to have increased child wasting and overweight and female obesity by 60 percent. In the Republic of Korea, 23.9 percent of children were obese or overweight before COVID-19, a rate that increased to 31.4 percent after six months of school closures.²³

Impacts on dietary diversity

21. Food price inflation and income losses cut into the ability of poor households to access food and maintain dietary diversity. Price increases forced poor households in Afghanistan to cut food consumption by almost 30 percent, while Pakistan consumers faced doubled prices for wheat flour. In early 2020, 30 percent of respondents in the Lao People's Democratic Republic and 63.7 percent in Malaysia confirmed reduced consumption of nutritious food, while trade disruptions increased rice imports by almost 30 percent in Papua New Guinea. In Malaysia, unemployment forced many households to turn to cheaper calorie-rich food. Similarly, in Cambodia, households responded to reduced food access by changing to cheaper food, with more than half of households cutting the size

²¹ FAO (Food and Agriculture Organization of the United Nations) and UNICEF. 2021. Asia and the Pacific – Regional Overview of Food Security and Nutrition 2021: Statistics and Trends.

²² Headey, D., Heidkamp, R., Osendarp, S., Ruel, M., Scott, N., Black, R., Shekar, M. *et al.* 2020. Standing together for nutrition consortium. Impacts of COVID-19 on childhood malnutrition and nutrition-related mortality. *Lancet*. 2020 Aug 22;396(10250):519-521. DOI: [https://doi.org/10.1016/S0140-6736\(20\)31647-0](https://doi.org/10.1016/S0140-6736(20)31647-0).

²³ Kang, H.M., Jeong, D.C., Suh, B & Ahn, M.B. 2021. The impact of the coronavirus disease-2019 pandemic on childhood obesity and vitamin D status. *J Korean Med Sci*. 2021 Jan 18;36(3): e21. DOI: <https://doi.org/10.3346/jkms.2021.36.e21>.

of meals and reducing intake of food rich in protein, vitamin A and iron. In a survey in Bangladesh, 75 percent of respondents indicated they did not have sufficient access to food at home, while 91 percent said they did not have enough money to buy food.²⁴ In India, a survey reported that 62 percent of respondents faced reduced diet diversity due to COVID-19.²⁵

22. SIDS faced acute food insecurity challenges from COVID-19 owing to their limited food production and diversification capacity and overreliance on trade, which was disrupted during the pandemic. SIDS that are dependent on imported rice and wheat were forced to shift to locally-available fruits and vegetables when COVID-19 disrupted trade due to border closures. However, most consumers in Fiji (64 percent) and to a lesser extent Tonga (43 percent) experienced difficulties purchasing fresh fruits and vegetables. In Fiji, many households reliant on seafood for food security and nutrition took up home gardening to produce root crops, vegetables and fruits with support from the government. But the diet diversity of households declined, as households could consume only three of four food groups per day in comparison to four or five food groups in pre-COVID-19 times. In the Solomon Islands, HFPS data show that about 62 percent of respondents reported insufficient food due to a shortage of money.²⁶ In Papua New Guinea, urban poor and non-poor households suffered a decline in calorie consumption of 19.8 percent and 15.8 percent, respectively, while for rural households total calorie consumption declined by 5.5 percent for the rural poor and 3.7 percent for the rural non-poor, despite the price-induced switch from sweet potato to other roots and tubers (taro, sago, cassava). In Samoa, by contrast, the pandemic appears to have had little adverse impact on consumers, who highlighted an increased supply of vegetables from home gardens.

Food insecurity

23. The prevalence of moderate or severe food insecurity in Asia and the Pacific increased in 2020 to 25.7 percent, up from 18.7 percent in 2014. There was a 3.3 percentage point increase from 2019 to 2020 when COVID-19 emerged.²⁷ The increase was particularly large in South Asia: from 37.6 percent in 2019 to 43.8 percent in 2020. While food insecurity in the region is on the whole lower than the global average of 30.4 percent, it remains particularly high in South Asia at 43.8 percent in 2020, compared to 18.8 percent in South-east Asia, 12 percent in Oceania and 7.8 percent in East Asia. In the entire region overall, an estimated 1.1 billion people experienced moderate or severe food insecurity in 2020, an increase of 341.9 million, or 44.4 percent, compared with 2014. An increase of 148.9 million occurred from 2019 to 2020 alone, when COVID-19 caused major socio-economic disruptions with negative impacts on food security. For the “severe food insecurity” indicator, an estimated 443.8 million people in the region experienced severe food insecurity in 2020, an increase of 127.3 million, or 40.2 percent, compared with 2014.

24. In developing countries of Asia, food insecurity was tracked through periodic national surveys, including those using the Food Insecurity Experience Scale (FIES). In Sri Lanka, a study using FIES found that nearly half the food-secure households from pre-COVID-19 times had moved into the food insecure category. In Cambodia, FIES surveys showed that moderate or severe food insecurity among poor households increased from 34 to 55 percent between December 2020 and March 2021. In the Philippines, the national hunger rate increased from 8.8 percent in 2019 to 21.1 percent in 2020. In Bangladesh, the food security situation was tracked through the pandemic stages.²⁸ Three weeks into lockdown, around 90 percent of households experienced a negative income shock, affecting daily casual labourers most of all. The proportion of food-secure and mildly food-insecure households declined by 10 percentage points, and the number of severely food-insecure households

²⁴ Termeer, E., Brouwer, I. & De Boef, W. 2020. The rapid country assessment in Bangladesh. [online] www.wur.nl/en/show/COVID-19-Food-System-Rapid-Country-Assessment-Bangladesh.htm.

²⁵ Harris, J., Depenbusch, L., Pal, A.A., Nair R.M. & Ramasamy, S. 2020. Food system disruption: initial livelihood and dietary effects of COVID-19 on vegetable producers in India. *Food Security*. 12, 841–851. DOI: <https://doi.org/10.1007/s12571-020-01064-5>.

²⁶ World Bank; <https://www.worldbank.org/en/data/interactive/2020/11/11/covid-19-high-frequency-monitoring-dashboard>

²⁷ FAO (Food and Agriculture Organization of the United Nations). 2021c. Asia and the Pacific Regional Overview of Food Security and Nutrition 2021: Statistics and Trends.

²⁸ Rahman, T., Akter, S., Rana, R., Sabuz, A., Jubayr, F. 2022. How COVID-19 pandemic is affecting achieved food security in Bangladesh: A perspective with required policy interventions. *Journal of Agriculture and Food Research*, Vol. 7, March 2022.

increased drastically by 30 percentage points. Only 1.5 percent of households that were food-insecure in wave 1 experienced an improvement in their food security status. Food insecurity increased in waves 1 and 2. Surveys found that during wave 1 around 67 percent of participants were moderately food-insecure, while during wave 2, it was 56 percent of participants.

25. Access to food for many vulnerable urban residents was also compromised during the pandemic lockdown. High urban population density subjected to movement restrictions, social distancing and the closure of many market outlets made accessing food particularly difficult during the pandemic. The poor and slum dwellers were unable to stockpile food, and the closure of street markets during quarantines further exacerbated the food insecurity status of the urban poor. In Bangladesh, the pandemic caused substantial job losses among the urban poor and those who remained working earned less than they did before, leading to reverse migration from urban to rural areas. Income loss and rising prices for essential foods reduced people's access to food, resulting in lower consumption of nutritious foods such as vegetables, fish, eggs and broiler meat. This loss of income and insufficient safety net programmes for low-income urban households in cities meant increased food insecurity during lockdowns.

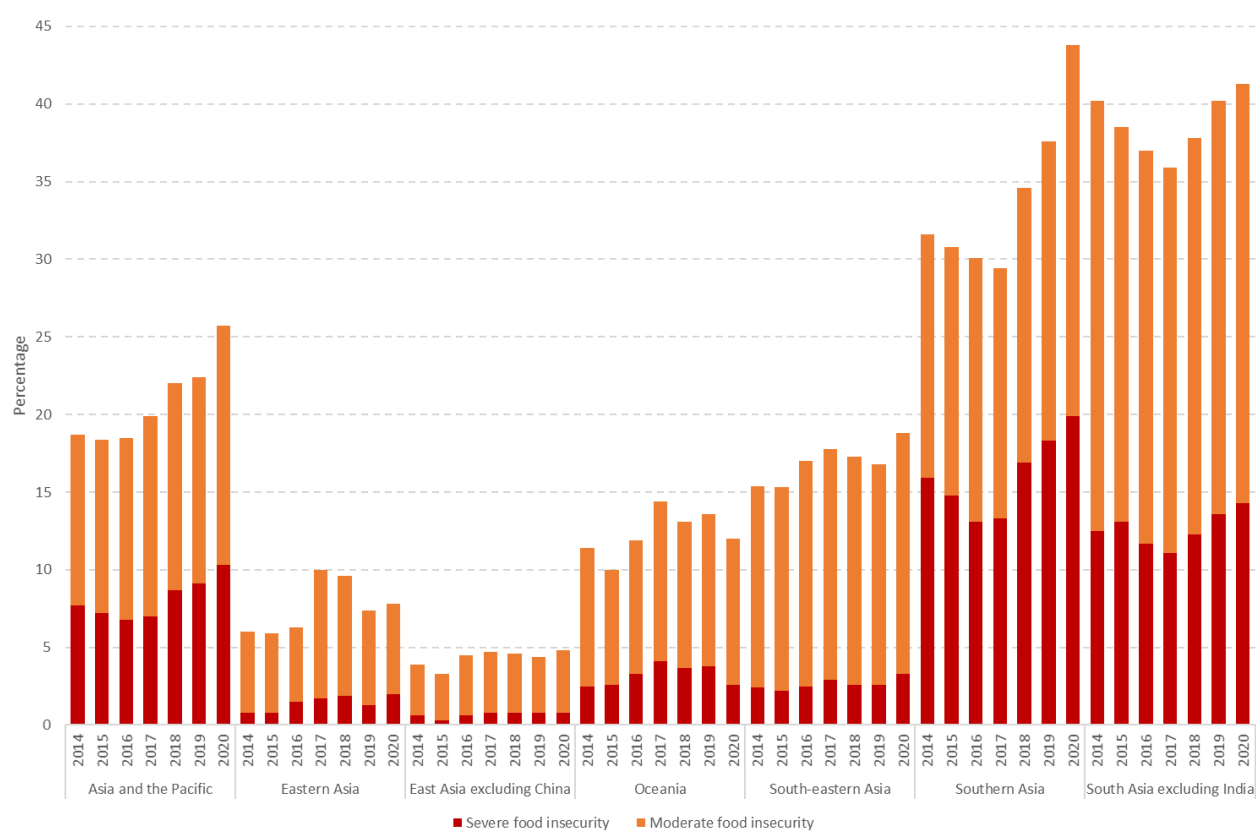


Figure 7. Prevalence of food insecurity in Asia and the Pacific by subregion.²⁹ Source: FAO and UNICEF.

26. In developed countries of Asia, there was a marked increase in reliance on online food delivery services and a notable shift towards processed food and unbalanced diets. Urban households have reportedly resorted to overeating and consuming low-nutrition, high-energy comfort food to manage stress. In New Zealand, one-third of respondents increased their intake of salty snacks, and half the respondents increased their frequency of snacking. Intake of alcohol and sugary drinks also increased substantially. While some households did start cooking more quality food at home due to unavailability of retail services during the lockdown, overall there was a shift towards less healthy diets and consumption patterns. Singapore ranks highly in the global food security index, despite having almost 90 percent dependency on food imports. It faced a challenge to meet domestic food

²⁹ FAO (Food and Agriculture Organization of the United Nations) and UNICEF. 2021. Asia and the Pacific – Regional Overview of Food Security and Nutrition 2021: Statistics and Trends.

requirements during COVID-19, and the city-state was pushed to diversify food imports from 170 countries to meet domestic demand on food supply.

V. Government Responses to the Pandemic: Policies, Measures and Initiatives

Stimulus programmes

27. Most governments in Asia and the Pacific responded to COVID-19 emergencies with fiscal measures and stimulus programmes but at different levels and with different modalities. Of the 44 countries in the region, expenditure ranged up to 20 percent of GDP. Except for SIDS, in most countries in South Asia and South-east Asia, strong growth before COVID-19 provided a cushion against the fiscal pressure and rising debt burden. East Asia led with the largest allocations, followed by the Pacific, South-east Asia and the SIDS (see figure 8). There were targeted cash and in-kind food transfers across the region. Many countries combined cash transfers with in-kind food assistance to support the poor and most vulnerable during the pandemic. Many of these expenditures fall under social protection schemes, but as these payments are time-bound during an emergency they are treated under stimulus programmes. Examples include Pakistan's Ehsaas Emergency Cash programme and India's expanded food transfers and digital payment platforms, the latter of which rolled out cash payments to millions of beneficiaries.³⁰ Nepal's combined in-kind food transfers with food-for-work or cash-for-work modalities for informal workers. Sri Lanka distributed weekly food stamps for essential food items and Cambodia provided free health care to about 506 000 poor households (15 percent of the population). Malaysia implemented cash transfer programmes, the Philippines covered 69 percent of the population, and Thailand offered cash handouts targeted at low-income households. Viet Nam introduced a cash transfer package for poor households, while Indonesia set up a fiscal stimulus package for low-income households that included food aid, conditional cash transfers and electricity subsidies, expanding unemployment benefits for informal workers. For Indonesia, these stimulus packages managed to limit the increase in poverty during the COVID-19 pandemic to 1 percentage point instead of the 2.3 percentage point rise that would have occurred without them.

³⁰ <https://www.fao.org/3/cb4553en/cb4553en.pdf>

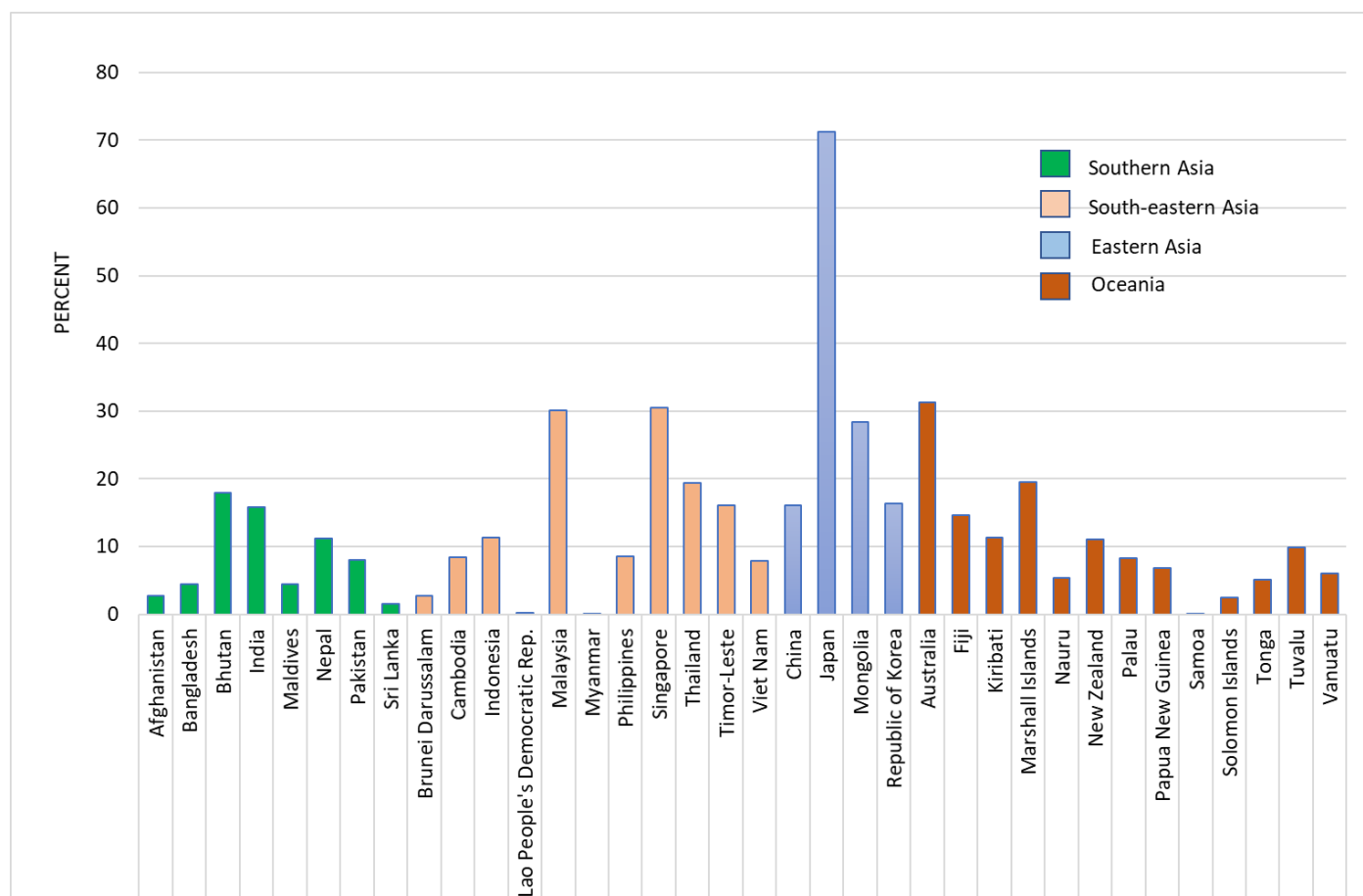


Figure 8. Resources allocated to respond to COVID-19 (as percent of GDP)³¹. Source: Data from Asian Development Bank (<https://covid19policy.adb.org/policy-measures>).

Social protection

28. COVID-19 provided a strong impetus to expand social protection across the board in Asia and the Pacific, a region where 60 percent of the population has no access to social protection and 40 percent has no health care. The most common social protection measures were conditional cash transfers, one-off cash, in-kind support, social security contribution waivers, utility, housing or financial support, public works programmes and employment retention support. Examples include Fiji's one-off lockdown cash transfer to informal workers holding a street trader or hawkker license, and Tonga's one-off payment to informal workers. India provided a one-off benefit of INR 1 000 (USD 13) to 480 000 daily wagers such as street vendors or rickshaw pullers, as well as cash transfers of INR 500 (USD 6.50) for three months (April–June 2020) to 200 million women registered with its Pradhan Mantri Jan Dhan Yojana financial inclusion account. Thailand implemented a fiscal package to support 3 million workers outside the social security system, informal workers, farmers and entrepreneurs affected by COVID-19.

29. For many countries, the priority was to support the health sector. Indonesia, for example, dedicated around one-fifth of its stimulus package to it. Thailand granted access to health coverage for emergency patients with COVID-19, and Mongolia increased child benefit for 90 percent of children up to the age of 18. India, Indonesia and Malaysia provided employment retention support to curb job losses.

30. In terms of coverage of these measures, established social protection systems and emergency financial support did not cover all of the most vulnerable or those in need. The share of the population covered by at least one type of social security payment (shown in blue in stacked bars) diminishes as

³¹ ADB (Asian Development Bank). 2021. ADB COVID-19 policy database. [Cited 15 October 2021]. [online] <https://COVID19policy.adb.org/policy-measures>

the GDP of the corresponding economy declines. Countries in South Asia (Afghanistan, Bhutan, India, Nepal and Pakistan) have smaller populations for which to provide social protection coverage compared to the regional median (around 27 percent). Nepal expanded its social support child grant programme from 13 to 25 districts. Republic of Korea expanded childcare assistance covering elementary school children, and Japan supported young parents and new parents with a supplementary child allowance of YEN 10 000 (USD 85) per child on top of a regular monthly allowance of YEN 10 000 per child. Mongolia increased its child money monthly allowance from MNT 20 000 (USD 7) per month to MNT 100 000 (USD 35).

31. Still, many vulnerable groups remain excluded from social protection or are hard to reach. They include rural communities, urban slum dwellers, those in the informal economy, women, children and smallholder farmers. All countries in the region, including low- and middle-income ones, have responded to the COVID-19 crisis by either expanding social protection schemes or introducing new ones. However, so far the size of these fiscal responses, ranging between 0.02 to 0.8 percent of GDP,³² is still too small to amount to effective economic stimulus packages.

Support to farming, food production, short value chains and urban agriculture

32. Many countries enacted and prioritized a variety of measures to help farmers access critical inputs (seeds, fertilizer) and finance and to make exceptions to movement restrictions (green channels) for agriculture, or to intervene directly in product procurement to support smooth functioning of the supply chain. Sri Lanka supported farmers by buying the paddy harvest through cooperatives, purchasing fish early, and procuring vegetables and fruit as well as other foods at guaranteed prices. Price ceilings prevented price hikes in essential food items (e.g. broiler chicken, maize, red lentils, onions, vegetables, rice). Myanmar focused on supporting farmers with farm machinery and funds for agricultural inputs. It also removed rice export quotas, temporarily imposed during the COVID-19 pandemic, to encourage farmers to continue planting. Pakistan's agriculture relief package included subsidies for certified seed and fertilizers and pesticides for cotton. The Government also procured wheat to support farmers, imposing food price controls to prevent hoarding.

33. The COVID-19 pandemic offered a stronger impetus to invest in short value chains and local food sourcing, including urban agriculture. Malaysia set up a food security fund (RM1 billion or USD 237 million) to encourage local food production, development of food storage and logistics, a crop integration programme and agrifood projects. Fiji, Solomon Islands, Tonga, Tuvalu and Vanuatu all encouraged local food production, distributing seedlings and planting materials. Fiji purchased food directly from producers to ensure a supply of fresh produce in local markets and to vendors in lockdown areas. Vanuatu gave producers logistics support (food collection and distribution) to guarantee supplies of local produce to urban households. In the Solomon Islands, financial support went to urban municipalities to rehabilitate markets for root crops and vegetables and establish satellite food markets.

34. The COVID-19 pandemic opened new marketing and distribution trends and gave a strong impetus to online marketing and e-commerce. In China, the online share of total retail sales reached 24.6 percent between January and August 2020, up from 19.4 percent in August 2019. In Thailand, online shopping grew steadily before the pandemic but 2020 saw a massive increase in people ordering everything online, from groceries to clothing to household supplies. In Fiji and the Solomon Islands, social media companies using their platforms as markets and bartering systems are gaining popularity. In Fiji, the Barter for Better Fiji group established in April 2020 reached over 180 000 members. In the Solomon Islands, some produce usually sold to hotels and not typically eaten by local communities, like herbs, were now on sale on social media platforms.

Policies to promote digitalization of agrifood systems

35. During the pandemic, digital technologies partially compensated for losses from limited face-to-face interactions, enabling people to access food, finance, health and social protection services.

³² UNDP (United Nations Development Programme). 2020. Addressing the COVID-19 economic crisis in Asia through social protection. [online] <https://www.undp.org/publications/addressing-covid-19-economic-crisis-asia-through-social-protection>

Applying digital technologies along the agrifood value chains, such as mobile payments and e-commerce platforms, digital ID systems, e-contracts and e-extension services, will help ease some pandemic disruptions. But the digital divide in Asia and the Pacific is substantial, with more than half the region's population unconnected; in the developing countries of Asia, the rural-urban digital divide remains wide. In Bhutan, only 29 percent of rural households had access to the internet in 2016, compared with more than 70 percent of urban households. By contrast, the rural-urban digital divide in Japan is only 83 percent and 88 percent, respectively. The gender digital divide is also significant in the region, as only 41 percent of women used the internet in 2019 compared with 48 percent of men.³³ The pandemic has increased investment in digitalization. For Viet Nam, the pandemic accelerated the digital transformation, already a priority in 2019 with the National Digital Transformation Roadmap 2025. Malaysia has a special tax relief on the purchase of information communication technology (ICT) tools, and Samoa provides funds to upgrade rural hospitals. Malaysia and the Philippines were the only countries that specifically targeted ICT use as a response and recovery strategy.

Policies and programmes for green recovery

36. Considerable scope exists for Asia and the Pacific to integrate green growth and climate change considerations into COVID-19 recovery plans. The United Nations "Building back better" aspiration requires a mix of social, economic and environmental policies to facilitate this transition. Such policies include clean energy, climate-smart agriculture, nature-based solutions to biodiversity, and ecosystem services. Some countries are implementing green growth strategies, but others have yet to integrate them into their immediate pandemic response measures or national development plans. Positive examples include Fiji's Disaster Rehabilitation and Containment Facility, which supported affected businesses. Bangladesh has prioritized green recovery even as it faces multiple emergencies including COVID-19, floods and droughts, often concurrently. Pakistan's Green Stimulus package aims to create innovative financial tools, such as the Ecosystem Restoration Fund, to create green jobs. The Maldives initiated a green plan to promote renewable energy and create job opportunities, especially for women and youth. Overall, pursuing a path that neglects the environmental consequences of economic growth is not feasible. With its devastating health and economic effects, the COVID-19 pandemic offers a unique opportunity to shift to a green growth paradigm. The 2030 Agenda provides a framework for guiding, monitoring and evaluating progress towards the Sustainable Development Goals (SDGs) targets on green development.

VI. FAO's Response to the COVID-19 Pandemic and Its Support to Countries' Response and Recovery

37. FAO responded promptly and quickly to the COVID-19 crisis as soon as it was declared a pandemic in March 2020. FAO developed tools and provided technical guidance for rapid assessments of COVID-19 in 20 countries of Asia and the Pacific region, focusing on food security and nutrition and food systems disruptions during the early phases of COVID-19 lockdowns and movement restrictions. FAO also participated in socio-economic COVID-19 assessments by UN agencies, focusing on food security and nutrition and social protection expansion to rural communities and vulnerable groups. FAO implemented 15 projects responding to country requests to support mitigation measures in 10 countries (three in the Pacific) in local food production, food and nutrition security, livelihoods, animal health, and food safety in fresh markets. FAO also mobilized over USD 5 million in Technical Cooperation Programme funding to respond to the pandemic. Over 40 Trust Fund projects totalling USD 19 million were reprogrammed, and USD 27.6 million was raised from donors to support the response to the COVID-19 pandemic.

38. FAO produced a series of policy briefs³⁴ addressing various aspects of COVID-19 impacts, including export restrictions, impacts on fisheries and aquaculture, and food supply chain disruptions. FAO engaged in policy dialogues with regional partners and organized a virtual roundtable with senior officers of the ASEAN Ministers on Agriculture and Forestry to exchange information on programmes and initiatives, forge areas of collaboration, and support COVID-19 recovery efforts to build back

³³ <https://www.statista.com/statistics/491387/gender-distribution-of-internet-users-region/>

³⁴ <https://www.fao.org/2019-ncov/resources/policy-briefs/en/>

better. In July 2020, FAO launched a global umbrella Programme to address COVID-19 response and recovery in a comprehensive fashion, drawing on all of FAO's technical, managerial and financial resources and redirecting much of its programming to COVID-19. Seven Strategic Priority Programmes were articulated and presented to partners and donors for resource mobilization and partnerships. The 2020 World Food Day was both a commemoration of the 75th anniversary of FAO's continual commitment to combating hunger and food insecurity and the opportunity to present the FAO regional programme of action for COVID-19 under the umbrella programme for action on COVID-19 response.

39. As the region is slowly emerging from the COVID-19 pandemic and is making significant progress towards broad-scale vaccination, the focus is shifting toward living with and recovering from COVID-19. FAO is committed to supporting the countries in building back better and regaining the lost ground on a more resilient, inclusive and sustainable basis. FAO will provide policy support and technical and strategic guidance to rebuild pandemic-resilient and inclusive agrifood systems. Such support includes building the capacity to monitor plant and transboundary animal diseases, rebuilding and expanding social inclusion policies by broadening access to social protection and social safety nets, strengthening trade policies powered through digital innovations, and investing in the revitalization of rural areas and agrifood transformation through digital innovations. During the next two years, most critical policy initiatives, investment plans and strategic planning to recover lost ground on SDG fulfilment will continue to be influenced by and subject to constraints, opportunities and determinants dictated by COVID-19 and the socio-economic and financial outlook continuing over several years to come. As a result, further assessments of COVID-19 impacts and post-COVID development scenarios will continue to be a priority for most countries in the region.

VII. Conclusions and Recommendations

40. The Regional Conference is invited to provide guidance to FAO on the following proposed priority areas of action in support of COVID-19 recovery in the region:

- a. support COVID-19-related response and recovery programmes of the Member Nations under the principle of building back better (inclusive recovery), green agrifood transformation (sustainable and resilient recovery) and contributing to the achievement of SDG targets;
- b. design FAO's COVID-19 recovery policy priorities as part of the FAO Strategic Framework 2022-31 that contribute to *Better Production, Better Nutrition, a Better Environment and a Better Life, leaving no one behind*;
- c. link COVID-19 response and recovery to rural revitalization that creates employment opportunities and livelihood options to youth, women and rural communities, and strengthens urban-rural agrifood market linkages, through e-commerce and digital innovations;
- d. accelerate investments in digital innovations and technologies to fuel agrifood transformation, enhance digital trade and e-commerce, promote efficient food supply chains and urban food systems, protect consumers by ensuring healthy diets, and broadens the deployment, use and access of digital services and innovations to rural communities, rural villages and the rural economy;
- e. strengthen social protection and safety net policies and programmes targeting the poor, especially vulnerable groups, to achieve socio-economic resiliency, reduce food insecurity and malnutrition, and tackle poverty and hunger in line with the SDG goals and targets.