



Policy Brief

COVID-19 & Poverty and Hunger

July 2020

COVID-19 has directly killed hundreds of thousands of people around the world. It is also taking a deep toll on the food security, nutrition and livelihoods of millions of people across the globe. The socio-economic fallout from COVID-19 has resulted in sharp declines in household income due to job losses and/or reduced livelihoods options.

Declining remittances is leading to steep increases in poverty and hunger, particularly in low-income developing countries. Those living in fragile and conflicted-affected contexts are at heightened risk. Unless quick action is taken, decades of development gains will be rolled back, posing a significant threat to achieving the 2030 Agenda and its vision to 'leave no one behind'.

As COVID-19 charts its deadly course across the world, it is magnifying existing inequalities and vulnerabilities as well as creating new ones. Pandemics amplify existing gender inequalities and other overlapping patterns of social and economic exclusion and discrimination experienced by marginalised groups such as those living in extreme poverty and people with disabilities.

The economic fallout from COVID-19 threatens to sharply increase extreme poverty. Even before the pandemic hit, 736 million people (more than half of whom were children) lived in extreme poverty¹ and more than 190 million people were out of work.² Sub-Saharan Africa has increasingly become a locus for extreme poverty and is home to 59% (413 million) of the world's extreme poor.³ Fragile and conflict-affected contexts have significantly higher rates of extreme poverty as well lower poverty reduction rates.⁴ Most countries have introduced measures to reduce virus transmission, including restricting movement and crowding through lockdowns, quarantines and increased border controls. While efforts to reduce virus transmission are essential, the economic fallout of these measures are deeply affecting small and medium enterprises, the self-employed and daily wage earners.⁵ It is estimated that 305 million full-time jobs will be lost and the incomes of 1.6 billion workers in the informal economy will be severely curtailed by the end of June 2020.⁶ Young people have been hard hit, with more than one in six losing their jobs, with a disproportionate impact on young women.⁷

As gender roles often define women as primary caregivers, their loss of income will negatively affect their ability to provide for their children⁸ while simultaneously increasing the burden of women's and girls' unpaid work.⁹ Already living on the edge, this widespread loss of livelihoods and income will continue to hit the poorest families hardest as their income and livelihoods sources dry up.¹⁰

World Vision's community-level data from 14,000 households in Asia, over 2,400 small business owners in Africa, and more than 360 Venezuelan migrants across Latin America confirms that projections by global agencies about the potential impact of the pandemic are already happening. A staggering 80% of Venezuelan refugees and migrants surveyed in Brazil, Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela reported a significant drop in income. Across Africa, 69% of people surveyed report they are currently earning less than half their pre-COVID-19 income, with the majority of respondents forced to turn to a common coping mechanism: spending less on healthy food.¹¹

Poverty is a major driver of hunger and malnutrition. Even before COVID-19, 821 million people were food insecure, with 135 million experiencing acute, life-threatening malnutrition¹² and 200 million children acutely undernourished. Global progress on reducing hunger has been backsliding for a number of years, largely due to a deadly mix of conflict, climate change and economic slowdowns.¹³ In April, the World Food Programme (WFP) delivered a somber warning that COVID-19 could push an additional 130 million people into a hunger crisis, leaving 265 million in need of lifesaving food security assistance.¹⁴ Extreme poverty, acute hunger and state fragility are closely linked—of the top 10 countries facing the highest burden of acute hunger in 2019, all have existing humanitarian response plans and six are included in the OECD-DAC's top 10 list of the most fragile states.

[VisionFund](#) (World Vision's microfinance subsidiary) surveyed vulnerable, refugee families in West Nile, Uganda, who are members of World Vision's [Savings for Transformation](#) groups with some startling findings. Ten percent of members had already sold productive assets; 47% were suffering large reductions in income; and 11% had no income at all. The children in these families—often more than six per household—are at major risk and require immediate assistance.¹⁵

The impacts on children. Children's rights to an adequate standard of living, access to sufficient nutritious food and social security are enshrined in the Convention on the Rights of the Child. The UN estimates that COVID-19 could push an additional 42-66 million children into extreme poverty,¹⁶ which would severely curtail the realisation of those rights. Half of the world's extreme poor live in fragile or conflict-affected states, with 80% of humanitarian need driven by the impacts of conflict. Fragile contexts are some of the most dangerous places in the world to be a child and high levels of hunger and child undernutrition are common features. Poor nutrition is an underlying cause of 45% of all preventable deaths of children under five annually. A recent Lancet report estimates that the pandemic will likely cause more deaths of children under five indirectly through disruptions in critical health services and decreased access to food. In the most severe scenario, wasting will increase by 50% and could lead to an additional 1,157,000 preventable child deaths.¹⁷ School closures have meant that 368 million children in stable, humanitarian and fragile contexts are not able to access school meals programmes.¹⁸

Social safety nets,¹⁹ as part of comprehensive social protection systems, are among the best-documented and cost-effective policy responses to promote equity, reduce poverty and vulnerability, and improve children's health, nutrition and education, particularly for the extreme poor. Despite this, one in five of the world's poor are not reached by social safety nets²⁰ and 65% of children are not reached with comprehensive social protection programmes. Results from early recovery assessment of more than 14,000 households in World Vision programmes in nine countries across the Asia region show that an estimated 110 million children are going hungry and 8 million children have been pushed into child labour and begging because of the pandemic.²²

A survey of Venezuelan refugees and migrants indicates that every third child is going to bed hungry—that is potentially over one million children.²³ Desperate parents and caregivers are finding it increasingly difficult to provide their children with healthy nutritious food or buy necessities such as medicine and hygiene products.

Impacts on food systems and markets.

Eighty percent of the extreme poor live in rural areas and depend on agriculture-based livelihoods for the majority of their food and income.²⁴ Smallholder farmers also produce and sell significant quantities of the food that is traded and sold in smaller local/regional markets and urban centres, which are where many of the poor buy food for their households.²⁵ Smallholder agricultural production is a seasonal activity that is highly labour intensive. In most parts of the world, primary agricultural planting seasons was set to begin as the pandemic and government policy response to it took hold.

While there are currently ample global food supplies to meet global market demand, climate change-related natural disasters such as drought in Southern and West Africa and the locust invasion in east Africa are already causing localised market disruptions and food price hikes that will be exacerbated by measures to contain the virus's spread. A missed planting season would mean even more production shortfalls, less domestic food supplies to meet consumer demand, and later, greater pressure on local, regional and global food markets that in turn will drive up the price of food and make it even more unaffordable for the poor.

World Vision's Response

Improving food security and livelihoods is a core component of World Vision's COVID-19 response. Drawing on decades of experience in food security and livelihoods programming in humanitarian, fragile and development contexts, previous experience responding to complex health and socio-economic crises, and a track record of working at the humanitarian-development nexus in fragile contexts, World Vision will leverage its experience to meet urgent hunger needs while building long-term resilient livelihoods of vulnerable families and children. World Vision is making a difference for millions of vulnerable girls and boys and their families through its:

Social protection and social safety nets programmes (Cash, Vouchers and Food Assistance)

World Vision's social protection programmes are providing a lifeline for children and families affected by COVID-19 and living in fragile and conflict affected contexts. Core to World Vision's response is the provision of cash voucher programming and food assistance. This is supporting families to meet basic needs, facilitate improved recovery and preparedness as well as to bolster any disrupted incomes of vulnerable people to prevent harmful coping mechanisms. In response to COVID-19, World Vision plans to reach over 4.4 million vulnerable people, including 2.2 million children, in more than 35 countries via cash programming. World Vision has already reached over 786,000 people with almost USD \$12 million distributed in recent weeks and is adapting all its social protection and safety nets programmes to minimise risks of virus transmission.²⁶

Savings for Transformation (S4T) Groups

As part of its COVID-19 response, and informed by experiences during the Ebola Outbreak, World Vision has grown and supported World Vision has grown and supported 54,400 Savings for Transformation (S4T) groups²⁷ in 34 countries with 1.3 million members (80% of whom are women). This includes 505,335 caregivers who look after 1,265,338 children. World Vision is doing this by leveraging cash voucher programming to meet their immediate, basic needs and also supporting savings group members by working with VisionFund to extend loan repayment plans and provide recovery loans. More recently, World Vision also adapted its S4T approach for fragile contexts²⁸ and developed an [interagency COVID-19 Technical Guidance for Savings Groups](#) to support continued functionality of groups during the COVID-19 crises.²⁹

Ultra-Poor Graduation (UPG)

World Vision's [Ultra-Poor Graduation](#) programmes provides extremely poor households, particularly female-headed households, with a pathway out of poverty, providing an integrated package of assistance, S4T, training and assets (e.g., seeds, sewing machines, livestock) coupled with ongoing coaching support, to enable the most vulnerable families to escape the extreme poverty trap. The UPG is a core sector programme of World Vision's [Fragile Contexts Programme Approach](#) (FCPA). Piloted in multiple countries,³⁰ the FCPA is designed to help the most vulnerable households survive, adapt and thrive now and in the future. Due to the high levels of extreme poverty among refugees and host communities in low-income countries, World Vision is part of the innovative [Poverty Alleviation Coalition](#), which is using a graduation approach to support 500,000 refugees and host communities on their journey towards self-reliance, and economic and social inclusion.

Micro-finance (MF)

As soon as the peak of the crisis has passed and businesses are able to restart trading, [VisionFund](#) seeks to rebuild the livelihoods of families and caregivers of over 3.5 million of the most vulnerable children across the globe. They will implement a gender-responsive recovery-lending programme for its existing microfinance clients, micro, small and medium enterprises, S4T groups and smallholder farmer producer groups.

Already, VisionFund works with more than one million micro and small business owners and with savings groups in 28 countries. In Sierra Leone during the Ebola crisis, funded by DFID, VisionFund and World Vision in partnership other NGOs, supported 42,000 petty traders to restart their businesses by providing small loans and grants.³¹

World Vision is collaborating with faith actors in its community development response, acknowledging the vital role that faith plays in people's lives and how they view the world. World Vision's [Empowered World View](#) curriculum fills this gap through an approach that is faith-based and reaches deep into people's core beliefs, transforming their view of the world so that the cycle of chronic poverty and hopelessness can be broken. A richer understanding of their faith changes how they see the world and their ability to have an influence on their own circumstances. Empowered Worldview is the foundation for World Vision's [Building Secure Livelihoods](#) project model, which equips farmers to improve their incomes by learning improved agricultural and marketing techniques. This combination of mindset change and practical capacity building has demonstrated its effectiveness on improving family incomes and improving child well-being.³²

World Vision's Recommendations

The sheer scale of the socio-economic crises induced by the global pandemic requires a joined-up effort by humanitarian, development and peace actors to rapidly scale up support to vulnerable children and families to protect the rights of the most vulnerable children, meet their immediate needs while addressing the underlying drivers of poverty and vulnerability at the global, national, community and household levels. World Vision recommends the following:

National Governments should:

- Strengthen and/or establish national child-sensitive social protection systems, ensure adequate budgetary allocations and put in place accountability mechanisms to ensure the most vulnerable children receive transfers of sufficient size and duration to meet lifesaving food and nutrition needs.
- Keep food and agriculture market systems functioning. Prioritise the rapid analysis, response and adaptations to food and agricultural markets. Policies should support the continued global, national, regional and local

trade of essential commodities. Priority should be placed to support smallholders, pastoralists and agricultural workers to access finance, purchase agricultural and livestock supplies, and sell their crops in markets. This in turn will help to maintain food supply chains between rural, peri-urban, and urban areas and within and between countries. Ensure people along the food supply chain are not at risk of COVID-19 transmission by raising awareness about food safety and health regulations, including rights, roles and responsibilities.

- Protect jobs, wages and livelihoods of the poorest families to help households avoid negative coping strategies that increase the risk that children will be forced into labour, begging or other forms of violence, such as early marriage. Provide funding to support small and medium-sized businesses (in particular, those led and owned by women) to prevent job losses and allowing for faster economic recovery, including loan restructuring that allows flexible repayments, grace periods and ensure that support is provided in a timely manner. Similarly, provide technical assistance and coaching so MSMEs can adapt operations to keep workers and customers safe and respond to changing markets. Ensure the

needs of refugee and other forcibly displaced populations are integrated into national economic recovery plans.

- Invest in interventions promoting a green recovery. Develop economic recovery interventions that build in resilience to climate change and restore environmental assets central to food security, safety nets and natural resource-based livelihoods. This includes large-scale actions to decarbonise economies and restore degraded landscapes, as well as more localised climate change adaptation, and risk reduction measures. These can reduce community exposure and vulnerability to climate-related hazards that disrupt and destroy livelihoods and local economies.

Implementing Agencies should:

- Urgently scale up child sensitive humanitarian social protection measures (such as food, cash and voucher assistance) to help poor families meet immediate food, nutrition and income needs of children and other nutritionally vulnerable groups.
 - Prioritise lifesaving and gender responsive interventions for the most nutritionally vulnerable groups including children under age five, pregnant and lactating women, and people with chronic illnesses such as HIV/AIDS. Preference should also be given to female-headed households, persons with disabilities, displaced communities, those in urban hot spots hosting large numbers of forcibly displaced populations.
 - Ensure programs are designed to fill key gaps in national systems (where they exist). Providing a pathway for referral into national systems is particularly important for those excluded from those systems, such as refugees and other forcibly displaced populations.

- Prioritise multipurpose cash assistance, through digital/mobile money transfers as much possible.
- Put accountability measures in place, including social accountability approaches, to ensure delivery of social transfers reach the most vulnerable children and families.

- Ensure all COVID-19 response efforts adhere to key humanitarian standards, including Minimum Standards for Food Security and Nutrition, the Minimum Economic Recovery Standards, and the Minimum Standards for Child Protection in Humanitarian Action.

- Ensure continuity of key humanitarian supply chains at national, regional and international level for essential commodities and services³³ to protect lives and livelihoods assets of the poorest households and communities. Support the UN Humanitarian Air Service's capacity to quickly move more essential goods and people in support of the COVID-19 humanitarian response. This includes greater pre-positioning of critical resources (e.g., food, cash, medical/health supplies) as close to affected populations as possible and frontloading food/cash distributions for two to three months.

Donors should:

- Urgently work with other G20 members to deliver on the G20 Leader's commitment to rapidly mobilise comprehensive and coordinated policy response to COVID-19's direct and indirect impacts.
- G20 action plan to support the global economy, including support to low income countries.

This must include support for national governments to adapt, strengthen and scale up inclusive pro-poor, child-sensitive social protection and gender responsive measures that meets the needs of the most vulnerable children and families. Where national systems do not exist, rapidly scale up funding to humanitarian programmes to meet lifesaving needs for the most vulnerable.

- Provide multi-year, flexible funding and support implementing agencies to adapt programming to accommodate needs in rapidly changing local contexts. In addition, coordinate humanitarian and development financing to support an inclusive and coherent response that supports

social assistance transfers to meet the immediate needs of the most vulnerable girls, boys and their families and communities while also assisting them to achieve sustainable development outcomes and resilience in the longer term.

National governments, donors, IFIs, private sector and civil society should:

- Commit to a major “[Marshall Plan style](#)” multi-stakeholder, global partnership to rebuild developing country economies from the bottom of the pyramid,³⁴ if the world is to avoid a significant increase in extreme poverty and hunger. This will require significant public and private sector investments from governments, donors, International Financial Institutions and the private sector to shore up local and national market systems that promote inclusive pro-poor economic growth and resilience, as well as provide decent employment opportunities for the most vulnerable women and men. Debt financing initiatives should allow flexible repayments, grace periods and ensure timely

delivery, particularly for low-income, high debt countries. Income support such as cash transfers must be a key part of an inclusive recovery plan and linked to longer-term financial inclusion objectives and economic recovery activities⁴¹ to help the most vulnerable households and communities bounce back faster and stronger. This will help build their financial capacities to provide for the basic needs of their children and escape the poverty trap.

- Declare food production, marketing, and distribution essential services everywhere to keep trade corridors open to ensure the continuous functioning of the critical aspects of food systems in all countries.



Bangladesh: Laboni, 26, a single mother of three receiving cash support from Mobile Money Transfer agent at a World Vision distribution centre. Photo Credit: World Vision

- ¹ According to the World Bank, extreme poverty is defined as those living on less than \$1.90 a day
- ² ILO Monitor 1st Edition: COVID-19 and the world of work: Impact and policy responses (18 March 2020)
- ³ Beegle, Kathleen; Christiansen, Luc. 2019. Accelerating Poverty Reduction in Africa. Washington, DC: World Bank.
- ⁴ Ibid
- ⁵ United Nations, Shared Responsibility, Global Solidarity: Responding to Socio Economic Impact of COVID-19 (March 2020).
- ⁶ ILO Monitor 4th Edition. COVID-19 and the world of work (May 22, 2020)
- ⁷ ILO Monitor: COVID-19 and the world of work. 4th edition (27 March 2020)
- ⁸ Korkkya and Wreh (2015): Ebola Impact Revealed: An Assessment of the Differing Impact of the Outbreak on Women and Men in Liberia
- ⁹ United Nations, *ibid*
- ¹⁰ FAO, Q&A: COVID-19 pandemic – impact on food and agriculture: <http://www.fao.org/2019-ncov/q-and-a/en/>
- ¹¹ *Aftershocks: Out of Time*, World Vision International, July 2020
- ¹² Global Food Crises Report 2020, <https://www.wfp.org/publications/2020-global-report-food-crises>
- ¹³ FAO, WFP, UNICEF, WHO, IFAD (2019) State of food insecurity in the World 2019
- ¹⁴ WFP Executive Director Statement to the UN Security Council 21 April 2020 <https://www.wfp.org/news/wfp-chief-warns-hunger-pandemic-covid-19-spreads-state-ment-un-security-council>
- ¹⁵ Vision Fund International (VFI). 2020: COVID-19 Client Impact in West Nile, Uganda. <https://www.visionfund.org/stories/impact-covid-19-refugee-saving-groups-uganda>
- ¹⁶ United Nations. Policy Brief: The Impact of COVID-19 on children (15 April 2020) https://unsdg.un.org/sites/default/files/2020-04/160420_Covid_Children_Policy_Brief.pdf
- ¹⁷ Timothy Robertson et al. (2020). Early estimates of the indirect effects of the COVID-19 pandemic on maternal and child mortality in low-income and middle-income countries: a modelling study. *Lancet Global Health* May 12, 2020
- ¹⁸ Data on the global monitoring of school meals during COVID-19 school closures is updated frequently [here](https://www.wfp.org/publications/2020-global-report-food-crises)
- ¹⁹ According to the World Bank, social safety nets include cash or in-kind transfers, social pensions, public works, and school feeding programs targeted to poor and vulnerable households.
- ²⁰ World Bank <https://www.worldbank.org/en/topic/safetynets>
- ²¹ ILO-UNICEF. Towards universal social protection for children: Achieving SDG 1.3 (6 February 2020)
- ²² These figures were extrapolated from the results of an early recovery rapid assessment of over 14,000 households in World Vision programmes in nine countries in the Asia region. See the methodology in the *Aftershocks: Out of Time* report¹¹ <https://www.wvi.org/publications/report/coronavirus-health-crisis/aftershocks-out-time>, World Vision International, July 2020
- ²³ Based on World Vision's survey of 392 migrants in seven countries in Latin America. See the methodology in *Aftershocks: Out of Time* report
- ²⁴ FAO (2018) *Ending extreme poverty in rural areas*: sustaining livelihoods to leave no-one behind. Food and Agriculture Organisation. Rome
- ²⁵ IFPRI (2020) *Global Food Policy Report*. Washington DC
- ²⁶ "Delivering food to half million people in South Sudan's remote communities was made even tougher by COVID-19," World Vision, April 2020: <https://www.wvi.org/stories/south-sudan/delivering-food-half-million-people-south-sudans-remote-communities-was-made>
- ²⁷ A savings group is a voluntary group of 15-25 members who save together in a safe, convenient and flexible way and lend out savings as credit to improve businesses or cope with household emergencies. S4T groups assist poor households to increase financial assets and build resilience to shocks.
- ²⁸ For example, in a recent review of savings groups in Somalia, membership in a savings group was identified as a key factor in household resilience to shocks https://wvusstatic.com/2018/SomReP_Positive_Deviance_Study_Report.pdf
- ²⁹ <https://mangotree.org/Resource/Savings-Groups-and-COVID-19>
- ³⁰ FCPA pilot countries: Afghanistan, Burundi, Democratic Republic of Congo, El Salvador, Guatemala, Honduras, Iraq, Mali, Mexico, South Sudan.
- ³¹ World Vision International (2016) *Still Surviving Ebola: Emergency and Recovery Response in Sierra Leone*.
- ³² *Breaking the Chains of Poverty with Empowered World View*, World Vision, 2017: <https://www.wvi.org/tanzania/publication/breaking-chains-poverty-empowered-world-view>
- ³³ FAO. 2020. *Covid-19 And The Risk To Food Supply Chains: How To Respond?* Rome. <https://doi.org/10.4060/Ca8388en>
- ³⁴ The poorest two-thirds of the economic human pyramid, a group of more than four billion people living in abject poverty.

World Vision is undertaking the largest humanitarian response in its 70-year history to limit the spread of COVID-19 and reduce its impact on vulnerable children and their families, aiming to reach 72 million people, half of them children, over the next 18 months and raising US \$350 million to do so. Response efforts will cover 70 countries where World Vision has a field presence, prioritising scale up of preventative measures to limit the spread of the disease; strengthening health systems and workers; supporting children impacted by COVID-19 through education, child protection, food security, and livelihoods; and advocating to ensure vulnerable children are protected. For more information, read World Vision's [COVID-19 Emergency Response Plan](#).



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World Vision is a Christian relief, development and advocacy organisation dedicated to working with children, families, and their communities to reach their full potential by tackling the root causes of poverty and injustice. World Vision serves all people, regardless of religion, race, ethnicity, or gender.

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