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FAO REGIONAL CONFERENCE FOR EUROPE

Thirty-second Session

2-4 November 2020¹

The impact of COVID-19 on food and agriculture in Europe and Central Asia and FAO's response

Executive Summary

- COVID-19 has affected food supply chains and the demand for food in Europe and Central Asia. A major food crisis has (so far) been averted, and food systems have shown flexibility. However, a protracted crisis could strain this flexibility, and the possibility of a future breakdown cannot be ruled out. Today, the most pressing problem among food supply chain operators in the region is financial.
- The impact of COVID-19 on food systems varies across the region. Nevertheless, agriculture has been one of the least-affected sectors of the economy in the region, and food availability in the short term has not been compromised. In fact, with adequate financial and technical support, agriculture could become a key engine for economic recovery.
- COVID-19 has re-emphasized the importance of addressing issues of local food production and the sustainable use of local natural resources to ensure food security for all. It also has demonstrated the potential of digitalization and information exchanges.
- The Food and Agriculture Organization of the United Nations (FAO) has supported countries in the region by: (i) relocating and attracting fresh resources for understanding and addressing the adverse impacts of the pandemic on food systems; (ii) working with United Nations (UN) Country Teams for the development of immediate response plans that attend to urgent needs and “build back better”; (iii) developing analytical tools and information products for safeguarding food supply chains and food security; and (iv) promoting knowledge exchanges and policy dialogue.

¹ Rescheduled from 5-7 May 2020, Tashkent, Uzbekistan

Suggested action by the Regional Conference

- Recognize the actions taken so far by FAO in the region to assist Members in their responses to the social, economic and environmental impacts of the pandemic.
- Endorse the adjusted programming emphases proposed to support Members in their efforts to recover from the social and economic impacts of the pandemic and the regional response programme as outlined in paragraphs 36–38.

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I. Introduction

1. As of the end of September 2020, COVID-19 has taken the lives of more than one million people worldwide and has affected the functioning and outcomes of food systems across the world, including those in Europe and Central Asia. FAO has adjusted its work in the region and at country level to provide relevant support in monitoring, assessing and formulating response actions.

2. The current document outlines the support of the Organization in the region and the relevant response actions provided to this unprecedented crisis. It is complementary to the overall regional priorities for the 2020–2021 biennium, as formulated in the document “Results and Priorities for FAO in the Region” (ERC/20/5 Rev.1),² to ensure full integration into the short, medium and long-term approaches for the region. The document is divided into three sections:

- Section II gives an overview of the implications of COVID-19 in the region regarding food systems.
- Section III summarizes the regional response actions and the emphasis of the regional contribution to the global umbrella programme.
- Section IV provides some conclusions, with action for the countries and for FAO.

II. COVID-19 in Europe and Central Asia and its food system

3. With the beginning of the COVID-19 crisis and the application of lockdown measures in the region, FAO started to closely monitor the situation at country level and to provide adequate support both in terms of assessing the situation and in providing country offices with adequate response solutions. Assessments and responses are closely coordinated with partners. At the time of writing, the International Monetary Fund (IMF) predicts that the 2020 gross domestic product (GDP) of Central Asia and the Caucasus will contract by 3.5 percent, with Eastern Europe contracting by 5.4 percent and Europe by 6.5 percent. Nevertheless, preliminary estimates for the region point to slight growth in agricultural output.

4. The United Nations (FAO included) has made strenuous efforts to address the crisis. Since the beginning, it based its response on three pillars³: (i) a large-scale, coordinated and comprehensive health response, guided by the World Health Organization (WHO), responding to COVID-19 as a health emergency; (ii) a strategy to address the immediate socio-economic, humanitarian and human rights dimensions of the crisis; (iii) the development of coordinated response plans at country level for immediate responses to accelerate recovery and “build back better.”

5. FAO has been a strong supporter of these efforts, improving our understanding and making specific recommendations to mitigate the pandemic’s socio-economic impacts, safeguard the food security and livelihoods of the most vulnerable, understand the origin and spread of the virus, and ensure a unified One Health approach.

² For more information, see the document “ERC/20/5 Rev.1 – Results and Priorities for FAO in the Region” at <http://www.fao.org/3/nc229en/nc229en.pdf>.

³ **United Nations.** 2020. UN Response to COVID-19. In: *United Nations* [online]. <https://www.un.org/en/coronavirus/UN-response>.

6. In compliance with the *UN framework for the immediate socio-economic response to COVID-19*⁴, FAO country offices in the region have been monitoring the functioning of food supply chains throughout the crisis. FAO has been carrying out socio-economic impact assessments of COVID-19 in the agrifood sector and conducting and publishing periodic rapid surveys of food supply chains (Rapid Surveys) since April 2020 to monitor the functioning of food supply chains. Various tools and methodologies were specifically developed by the FAO Regional Office for Europe and Central Asia Task Force on COVID-19 (more on tools below under Regional Response), including Rapid Surveys (see more details on the methodology in paragraphs 25-27). The *Rapid Surveys* have proved highly effective in the identification of problems that, after triangulation with other information sources such as socio-economic impact assessments, have proved to be relevant for the region. Detailed information and analyses of the Rapid Surveys were regularly published in regional food market situation and policy bulletins⁵ in response to the COVID-19 pandemic. These have found that despite disruptions, food systems in the region have shown flexibility.

7. Although a crisis for food and agriculture has so far been averted, monitoring results show that a deterioration of the financial situation of food supply chain operators is currently taking place, casting a shadow on the financial performance of the agriculture sector and therefore the possibility that agriculture could become an engine for economic recovery. Near-record production levels for 2020 and high stock-to-use ratios are encouraging from the point of view of food availability, but agricultural prices could be put on a downward trend as the economies of the region enter a recession.

8. FAO in the region has noted that problems related to COVID-19 have not been static but rather have evolved with the pandemic. In the early stages of the lockdowns, food supply chain operators were affected by problems of input availability (including labour), transportation, storage, sales and cash flows. These problems were particularly severe in livestock (including fish), fruits and vegetables, grains, pulses and potatoes. In the European Union, a shortage of migrant seasonal workers brought temporary disruptions to agricultural activities, but countries eased work permits or extended leaves for people to remain. Indeed, as the months went by, most of the early problems in agriculture that were caused by containment measures were subsequently eased as governments and operators learned to cope with the pandemic. Nevertheless, a few problems – financial problems in particular – have been exacerbated.

9. Of special concern to food operators in the early days of the pandemic was cross-border trade. Tightened food safety controls that were imposed by importing countries resulted in temporary losses for a number of export-oriented farmers, such as lamb growers in the Western Balkans and greenhouse fruit and vegetable growers in Armenia. The creation of green lanes eased the traffic of merchandise, and the transport situation in June was back to normal.

10. Disruptions of domestic markets, due in particular to social distancing measures and the temporary closure of wet and livestock markets, also had an impact on food producers, notably of high-value and perishable products such as vegetables and meats. Food sales also were significantly affected (and sometimes even completely disrupted) by restrictions on hotels, restaurants and catering businesses, including through the peak tourist summer season of 2020.

11. At farm level, crop growers reported early problems with the availability of seeds and fertilizers, notably in Kyrgyzstan and Tajikistan, but donors mobilized resources to attend to their needs. For livestock farmers, problems were observed with access to feed, medicines and veterinary products, mostly in countries where these are imported. Notably, lockdown measures temporarily harmed the capacity of veterinary services (including private providers, where they exist) to conduct surveillance for diseases, to hold vaccination campaigns or to respond to outbreaks.

12. Only a small number of farmers reported problems with the availability of fuel, tools, materials and technical assistance/advisory services. Key informants also noticed an increase in the price of inputs (and freights), which were blamed on exchange rate fluctuations and additional costs to cover for

⁴ For more information, see <https://unsdg.un.org/resources/un-framework-immediate-socio-economic-response-covid-19>.

⁵ For more information, see <http://www.fao.org/documents/card/en/c/cb0450en>.

COVID-19 prevention measures. Despite early concerns with labour availability, in June 2020 most respondents in the region reported no problems, and more than 80 percent saw normal fluctuation of wage rates. Lately, only Kyrgyzstan and Uzbekistan have reported significant reductions in wages (over 50 percent in June), which is thought to have stemmed from reduced employment opportunities and excess labour supply from returning migrants.

13. More recently, farmers have declared that the combined effect of reduced sales, higher input costs and delayed payments have created financial difficulties. Half of those contacted in June already had to resort to drastic coping strategies to make ends meet, such as selling assets, defaulting on contracts or reducing food expenditures. For smallholders, half declared no financial problems, which speaks to their resilience in times of economic crises. Still, even if COVID-19 does not bankrupt them, it denotes a bleak outlook of a future that lacks the conditions for them to grow out of poverty.

14. COVID-19 has not only affected food supply chains but also household incomes, food purchasing habits and consumer preferences. Seasonal migration plays a fundamental role for vulnerable population groups to acquire means to attend to their basic needs. In the Republic of Moldova, for example, remittances represent 16 percent of the GDP. Provisional estimates by the International Organization for Migration (IOM) indicate a fall of 20 percent across the region, with a significant impact on poverty levels. In addition, the lockdowns have created underemployment and unemployment, which also will affect household incomes across the region. Lower household incomes will affect the demand for food.

15. Consumers already have changed their shopping baskets; notable examples are increases in demand for frozen and preserved foods, sugar, oil and flour. In the early days of the pandemic, consumers tended to prefer bulk purchases, home deliveries, e-commerce, ready-made meals and “takeaways” to maximize social distancing and reduce the risk of contagion.

16. The closure of wet markets, food stalls and restaurants also increased the demand for food from supermarkets and megastores. Fearing price gouging, governments in several countries, including Bosnia and Herzegovina, Serbia and Ukraine, temporarily froze food prices. Supermarkets and megastores acquire their provisions under contractual arrangements with their suppliers, so most farmers and traders who saw their outlets (like wet markets) closed were unable to sell their produce.

17. Matching food supply with demand and getting it to where it is needed most is a growing challenge that was aggravated by the pandemic. Perfectly edible food is lost and wasted for many different reasons, including shortages of seasonable (immigrant) labour; surplus production; order cancellations; closures of food processing factories and hotels, restaurants and catering businesses; and export restrictions. In addition, due to unemployment and loss of income, food banks and charities have scaled up their operations to distribute food to the vulnerable and most affected groups of consumers. The presumption that the effects will be felt into 2021 is reasonable, not least because many smaller businesses in the food sectors will go bankrupt. There will be an increased risk of (and actual level of) food loss and waste, with consequential negative impacts on food security for low-income households and small-scale farmers, the economy in the food systems, and the environment.

18. The closure of schools and other institutional settings also has resulted in children and other vulnerable individuals not having access to an important source of food and nutrition through that one meal in the day. While severe food insecurity has so far been avoided, the longer-term impacts on food security and nutrition are yet to be understood.

19. The COVID-19 pandemic has generated significant challenges to already strained rural areas, where most of food-insecure and poor people of the Europe and Central Asia (ECA-region) reside. Lockdowns have brought to light the vulnerability of women vis-à-vis off-farm employment, because they rely more on public transport to attend working places than men do. COVID-19 also has significantly affected older generations in rural areas, especially those older than 65 who were not only fearful of leaving their homes to work off-farm but who were made redundant.

20. More recently, and despite early fears of a major negative impact of COVID-19 on agriculture, there has been mounting evidence that agriculture is not just resilient to the crisis⁶ but that it may actually grow compared to 2019. For example, in Bosnia and Herzegovina, sowing in the spring – a season that coincided with lockdowns – was higher than in 2019. In addition, bumper crops are reported in Serbia, and positive growth in the agriculture sectors are expected in Georgia, Tajikistan and Turkey.

21. Preliminary results of studies being carried out by FAO in collaboration with the Rural Regional Development Standing Working Group in South Eastern Europe (SWG) suggest that crop production in the Western Balkans this year is being shaped not as much by COVID-19 as by the weather, which has been advantageous for crop development. Should current estimates of agricultural growth materialize, policymakers should consider the possibility that agriculture could become a pillar of economic recovery in the region. Clearly, research is first necessary for understanding the relative contributions of the factors that have determined these outcomes, including the role of COVID-19, before national recovery strategies based on food and agriculture can be developed.

22. In September 2020, the most pressing problem of food supply chains in the ECA-region was financial. During the early stages of the pandemic, financial problems were more severe downstream at the level of wholesalers and retailers, mostly due to disruptions in the flows of merchandise and careful food spending by consumers. Logistical problems, notably the storage of high-value agrifood products, forced food processors in many cases to break contractual arrangements with farmers for the delivery of produce (for example, in Armenia), or delayed payments to suppliers (North Macedonia). More recently, these disruptions have created logistical and financial problems upstream that now affect entire supply chains.

23. Financial problems along supply chains, which in themselves constrain any possibility of vertical credit provision by value chain actors, are compounded (according to key informants) by a reluctance of commercial banks to provide debt restructuring or additional credit (Ukraine). The Rapid Survey suggests that in the summer, livestock value chains were more affected than crop value chains, but the trend is for financial problems to get worse everywhere, for everybody, including consumers. The “race to the bottom” that could develop in the recession (reduction in spending on food safety standards to stay in business) will require close monitoring by the competent national authorities.

24. In the public sector, COVID-19 has inflicted a double blow. On one hand, governments have been attending to a health emergency and the needs (including food) of vulnerable groups, sustaining household incomes (through unemployment benefits), easing the financial burden of companies (through tax exemptions and delayed debt repayments). On the other hand, governments have experienced a sharp decrease in tax revenues. In rural areas, support measures have varied by country; measures have included lifting restrictions on mobility for agricultural activities, green lanes to allow food to flow, financial support to businesses and vulnerable groups, easing of tax burdens, the postponement of debt repayments, and the development of innovative solutions, including the promotion of e-sales. The effectiveness of these measures is yet to be assessed, but the lessons will be context-specific, as this is the need for and manner of implementing lockdowns. The degree of penetration of social protection programmes in rural areas is not entirely clear, but suggestions from information collected in a webinar organized by the FAO Regional Office for Europe and Central Asia and the responses of key informants to the Rapid Survey are that the coverage so far has been poor.

III. FAO, Regional Office and country responses to COVID-19

Response actions at regional and country level

25. A task force on COVID-19 was set up by the FAO Regional Office for Europe and Central Asia in April to coordinate the programmatic response in the region. It developed a country package for

⁶ For more information, see the June 2020 *Food Outlook* at <http://www.fao.org/3/ca9509en/ca9509en.pdf>.

helping FAO country offices address the pandemic. The package included a Rapid Survey of food supply chains, methodological guidelines for socio-economic impact assessments of COVID-19, guidelines for the deployment of human and financial resources, and information products.

26. Through the *Rapid Survey* of food supply chains, some 500 key informants along food supply chains in 18 countries of the region (input suppliers, farmers, processors, wholesalers and retailers) are being regularly contacted to assess the functioning of major agrifood value chains. These include grains, livestock, fruits and vegetables, dairy and fisheries.

27. At the time of the writing of this report, seven rounds of the survey had been carried out (between April and September 2020) in the region, and these will continue for as long as uncertainties prevail regarding the functioning of food supply chains. Key findings and recommendations of the survey have provided inputs for country-specific socio-economic impact assessment, empirical evidence for the production of two regional food market situation and policy bulletins (April and July 2020), and baselines for discussing issues during regional meetings and events.

FAO collaboration with the UN System and other actors in the region

28. Furthermore, FAO in the region has facilitated cross-country learning through regular webinars that have discussed issues of relevance for food security, such as the impact of COVID-19 on smallholder farmers, social protection and agricultural trade. In this context, regional dialogues with representatives from civil society organizations and the private sector were organized in order to understand the implications and to facilitate a multistakeholder response.

29. Collaboration with the UN country teams, which were mobilized by the Secretary General of the United Nations to attend the pandemic under coordinated UN responses, is a key approach in the region. The Regional Office for Europe and Central Asia's task force on COVID-19 developed a *Methodological Guideline for Socio-Economic Impact Assessments of COVID-19 in the Agrifood Sector*, which is fully aligned with the *United Nations Framework for the Immediate Socio-Economic Impact Assessment of COVID-19* and the Secretary-General's *Policy Brief: The Impact of COVID-19 on Food Security and Nutrition*.⁷ In addition, FAO issued regular country situation reports, rapid assessments and specific studies (such as on greenhouses in Armenia), either alone (as in Azerbaijan) or in collaboration with other organizations (such as the World Food Programme in Tajikistan), to attend specific country needs.

30. FAO – in close collaboration with the World Food Programme (WFP), WHO, UNICEF, the United Nations Economic Commission for Europe (UNECE) and the World Meteorological Organization (WMO) – accelerated during the pandemic the creation of an Issue-based Coalition on Sustainable Food Systems,⁸ which is currently supporting UN country teams in their work towards achieving sustainable food systems through advocacy, capacity development, knowledge sharing and support to emergency preparedness and response.

31. In order to provide immediate short-term support to countries, the Regional Office for Europe and Central Asia introduced a new regional result under Strategic Objective 5 on regional-level support to increase countries' capacities to respond to the impacts of the COVID-19 pandemic on agriculture and food systems. The FAO Regional Work Programme 2020–21 was revised in June–July 2020 to incorporate COVID-19 response elements under the programmatic umbrella of the three Regional Initiatives and to support government responses in diminishing the negative impacts of COVID-19 on agriculture and food systems. FAO continues to deliver the agreed-upon Regional Work Programme 2020–21. After revision, 75 percent of the regional results now include activities related to COVID-19 response. These include: (i) studies, strategies and guidelines related to COVID-19 that dedicate specific

⁷ This policy brief is available at https://www.un.org/sites/un2.un.org/files/sg_policy_brief_on_covid_impact_on_food_security.pdf.

⁸ For more information, see <https://www.unece.org/index.php?id=54338>.

chapters or references to COVID-19 implications, including letters of agreement with service providers in Ukraine, Serbia and the Western Balkans; (ii) an agenda for regional expert dialogues, workshops and training programmes on different technical areas, which have been redrafted to focus on or integrate COVID-19 impacts and responses; and (iii) regional Technical Cooperation Programmes on rural development, price and market information systems and nutrition that were revised to address COVID-19 implications.

32. Cognizant of the important role of the private sector, the Regional Office organized meetings to jointly discuss the impact of COVID-19. Issues related to the cross-border movement of goods; access to inputs; and the negative impacts of the closure of hotels, restaurants and catering businesses, as well as actions to counteract them, featured high in the agenda. Follow-up discussions took place in webinars and focused on various aspects of food and agriculture, including nutrition, smallholders and the functioning of food supply chains, in frank and open debates that are now freely available via social media.

33. The unprecedented nature of the crisis has required the provision of a platform of learning and exchange among the actors in the region. Complementary to the global and regional policy briefs, the Regional Office for Europe and Central Asia promoted policy dialogues. Key government officials were invited to deliver keynote speeches in Regional Office webinars⁹, and two ministerial meetings were held to explore the negative impacts of COVID-19 in food and agriculture, to discuss the effectiveness of remedial policies, and to suggest strategic directions to “build back better” from the pandemic.

34. Finally, the FAO Regional Office for Europe and Central Asia is joining efforts with the private sector to understand the impacts of COVID-19 on agriculture, as with One-Soil platform, where the veracity of issues identified in the Rapid Surveys are being tested through triangulation with questionnaires featured in regular bulletins.

Recovery and Response Programme for the region

35. Globally, FAO has developed a comprehensive COVID-19 Response and Recovery Programme¹⁰ that provides strategic and coordinated support to address the impacts of the pandemic. The programme enables donors to leverage the Organization’s convening power. In close collaboration with decentralized offices, the programme has identified 7 thematic areas of action, as follows:

1. **Global humanitarian response plan:** Addressing the impacts of COVID-19 and safeguarding livelihoods in food crisis contexts.
2. **Data for decision-making:** Ensuring quality data and analysis for effective policy support to food systems and Zero Hunger.
3. **Economic inclusion and social protection to reduce poverty:** Pro-poor COVID-19 responses for an inclusive post-pandemic economic recovery.
4. **Trade and food safety standards:** Facilitating and accelerating food and agricultural trade during COVID-19 and beyond.
5. **Boosting smallholder resilience for recovery:** Protecting the most vulnerable, promoting economic recovery and enhancing risk management capacities.
6. **Preventing the next zoonotic pandemic:** Strengthening and extending the One Health approach to avert animal-origin pandemics.
7. **Food systems transformation:** Building to transform during response and recovery.

⁹ More information on these webinars is available at <http://www.fao.org/europe/resources/webinars/en/>.

¹⁰ For more information, see <http://www.fao.org/partnerships/resource-partners/covid-19/en/>.

36. In Europe and Central Asia, FAO's regional programmatic response to COVID-19, which is built on the basis of the three Regional Initiatives, has built on these 7 areas to further develop targeted interventions that emphasize the needs of selected priority countries¹¹. Table 1 describes the linkages that exist between FAO and the Regional Office for Europe and Central Asia's programmatic responses to COVID-19 along with the corresponding targeted interventions.¹²

37. On 7 October 2020, the Regional Office held a dialogue for Europe and Central Asia to consult with current and prospective partners on opportunities to sharpen and realize the proposed response in the region, leveraging data, innovation and responsible investments.

38. In parallel with these targeted interventions, FAO in the region has monitored the implications on the food supply chains through rapid surveys, provided methodological support to Members and country offices in assessments of the implications, provided inputs to the work of other stakeholders and international organizations, including the Secretary-General's UN Socio-Economic Response Framework¹³, and adjusted its regional and country programmes to integrate COVID-19 responses in ongoing projects.

Table 1. FAO's targeted interventions in the ECA-region

FAO Response Plan	Leading Regional Initiative	Proposed Action
Economic inclusion and social protection to reduce poverty	Empowering smallholders, family farms and youth, facilitating rural livelihood and poverty reduction	a) Strengthening local food production by combating land abandonment and improving farm structures
		b) Promoting integrated community development with a focus on social protection and migration
Food systems transformation	Transforming food systems and market integration	c) Promoting sustainable local value chains through improved food systems for better food security and nutrition
		d) Responsible investment for resilient and sustainable food systems, with a focus on agrifood enterprises and value chains
Trade and food safety standards	Transforming food systems and market integration	e) Regional trade promotion and food safety standards
		f) Strengthening market intelligence and market and policy monitoring at national and regional levels
Boosting smallholder resilience for recovery	Empowering smallholders, family farms and youth, facilitating rural livelihood and poverty reduction	g) Boosting the resilience of smallholders for COVID-19 recovery in Central Asia
Preventing the next zoonotic pandemic	Transforming food systems and market integration	h) Preventing pandemics of animal origin through a comprehensive One Health approach
Data for decision-making	Empowering smallholders, family farms and youth, facilitating rural livelihood and poverty reduction	i) Rapid, repeated assessments to monitor food insecurity

¹¹ The selected priority countries are Armenia, Bosnia and Herzegovina, Kyrgyzstan, North Macedonia, Republic of Moldova, Serbia, Tajikistan and Uzbekistan. The list of target countries is constantly reviewed and expanded, as needed, in order to adapt to the evolving pandemic situation.

¹² In line with the *United Nations Framework for the Immediate Socio-Economic Impact Assessment of COVID-19*, all actions include Regional Initiative 3 – "Sustainable natural resource management and biodiversity in a changing climate" – as cross-cutting.

¹³ For more information, see <https://unsdg.un.org/resources/un-framework-immediate-socio-economic-response-covid-19>.

IV. Conclusions and recommendations

39. COVID-19 has re-emphasized the importance of addressing issues of local food production, rural–urban linkages and the sustainable use of local natural resources. Addressing them requires territorial and cross-sectoral approaches. For example, integrated local rural development provides a comprehensive tool to address local needs and constraints and build on local opportunities in a community driven, participatory and inclusive process.

40. COVID-19 has reinforced the need for FAO to look beyond food and agriculture and into food systems in the region. This vision requires inter- and intradisciplinary approaches that entail, *inter alia*, resilience to shocks and measures to address climate change, land degradation, biodiversity loss, water scarcity, pests and diseases, access to markets, gender inequalities and decent rural employment. The FAO Regional Office for Europe and Central Asia will continue to provide the necessary technical and policy support to farmers and production systems, as outlined in the document “Results and Priorities for FAO in the Region.”¹⁴ In the short term, however, FAO should provide governments in the region with policy advice that supports their efforts to ensure that food systems are resilient to this crisis.

41. COVID-19 is unprecedented, but food supply operators in the region have proven to be fast learners. Governments, the United Nations, civil society organizations, food enterprises and local communities also are making strenuous efforts to cope with the negative impacts of the pandemic. Food systems in the region have so far shown flexibility. However, there is a high likelihood that the pandemic will not subside until a vaccine or vaccines have been developed and become widely available and widely used. The flexibility and resilience we have seen could be brought to breaking points if the current crisis becomes a protracted crisis. Food systems may not be sufficiently resilient, so the international community needs to remain alert, monitor developments closely and plan for contingencies. In general, and according to the initial impact assessments carried out under the UN Framework, agriculture was less affected by COVID-19 than other sectors of the economy in the region. As such, the agrifood sector is well placed to become the foundation for the recovery of the economies in the region.

42. Understanding the multidimensional and multistakeholder nature of food systems is a challenge, but COVID-19 represents a chance for the FAO Regional Office for Europe and Central Asia to understand strengths and weaknesses, improve connectivity along value chains, and reassess the pivotal role that local food systems, short value chains and rural–urban linkages play in leaving no one behind.

43. COVID-19 affects all economic activities, including agriculture. Although crop prospects in the region are encouraging for 2020, and though food availability is not compromised in the short term, countries need to attend to the financial situations of agrifood enterprises. Choices in food production take months to bear fruit, and failing to alleviate the financial difficulties of food producers and food supply operators today will only result in problems of food availability in the future.

44. In addition to agriculture, countries and communities may assess any positive or negative impact on nutritional status, obesity, access to a varied diet, and behaviours around food in general. It can be expected that changes in consumer choices and shopping habits may lead to some longer-term impacts on the food system. Recent trends include the emergence of direct sales from smallholders to consumers (through community retail outlets and online platforms and websites), increased local initiatives to reduce food waste, and the channelling of foods to the more vulnerable in our societies. Although the novel coronavirus is not transmitted through food, it has led to consumers paying increased attention to hygiene, food choices and food handling.

¹⁴ For more information, see the document “ERC/20/5 Rev.1 – Results and Priorities for FAO in the Region” at <http://www.fao.org/3/nc229en/nc229en.pdf>.

45. Evidence suggests that social protection that addresses the negative impacts of COVID-19 has poor coverage in rural areas. Government initiatives are required to strengthen the ability to reach vulnerable groups in rural areas and to increase resilience to COVID-19's impacts on food security and livelihoods for landless workers, smallholders and other vulnerable groups, including youth, women and migrants. This includes the promotion of income diversification, community development and social protection ("cash plus") measures.

46. Countries should support the transformation of food value chains to become the backbone of nutrition-sensitive food systems. Modern food systems make intensive use of information and communication technologies. In Europe and Central Asia, the adoption of new technologies is wanting, notably by smallholder farmers. Government solutions to close the digital divide that exists in rural areas of the region reside in the use of participatory processes that involve all actors, from the public and private sectors, working in partnerships to identify which constraints require alleviation, how best to address them, and when.

47. Finally, the disruptions that were created by containment measures have heightened the role of markets for food security. Countries should create an enabling environment that facilitates the movement of agriculture and food products, both at home and abroad, so that price arbitration takes place and traders can make efficient utilization of food – not only within countries but across the region.