



USAID COVID-19 Response: Resilience and Food Security Trade Guidance

This guidance is a tool to inform partner decision making on trade-related policies during the COVID-19 pandemic. Readers should localize this guidance to country and community contexts to support movement of nutritious food and essential goods -- including inputs for agriculture, nutrition, and water, sanitation and hygiene (WASH) -- across borders and along supply chains.

Context

Regional and international trade performance has varied during the COVID-19 pandemic and policy responses are not uniform. Common denominators across regions include import and [export restrictions](#), transport and logistics bottlenecks, and a lack of storage, choking regional flows of food, especially nutritious foods, and essential goods, such as water, sanitation and hygiene-related commodities. Countries are employing a range of new procedures to control COVID-19, and public sector¹ support for export sectors is less coherent.

The impact of border requirements should be monitored for their impact on access and availability of safe and nutritious food, water and sanitation, and the subsequent poor [nutritional](#) outcomes that could arise as a result. The deterioration of diets is a major nutritional risk particularly for mothers and children. Disruptions to imports such as micronutrient premixes for food fortification; micronutrient or other nutrient supplements; micronutrient fortified products; and other essential nutrition commodities, are major areas of concern as well as domestic availability of safe, nutritious foods. Efforts to support enterprises should avoid unintended negative consequences, such as waiving requirements for fortification standards, but seek to facilitate compliance.

Market closures due to COVID-19 have negative impacts on demand for certain products, such as cut flowers, fresh fruit, and nutritious [vegetables](#). In addition, the absence of cheaper, more frequent passenger cargo increases demand and leads to more expensive, dedicated ground and air freight. These dynamics make perishables and high-value exports particularly vulnerable to price fluctuations. It is expected that the cost of ground transportation will increase due to potential 14-day quarantine measures at borders and perceived risk of COVID-19 exposure.

Mobility restrictions and border closings also affect informal cross-border trade with negative impacts on food security and on incomes, particularly among women who constitute 50-75% of [informal traders](#) across parts of Africa. Restrictions on formal trade can increase informal activity among male traders, displacing women and affecting their livelihoods.

Response

¹ Global Trade Facilitation Alliance reports 41 African countries are instituting 100% physical inspections

The following are actions partners may consider taking to mitigate COVID-19's impacts on trade and thus the flow of food, supplies and nutrition, depending on their specific circumstance.

Facilitate Cross-Border Movement:

- Discourage import and export [restrictions](#) and border closures. Increases in demand associated with COVID-19 will create significant competition for limited resources. Trade barriers and quotas limiting exports exacerbate competition at the risk of raising prices beyond what poor countries and communities can afford.
- Establish safe processes that can fast-track and expedite customs clearance for food, essential nutrition and WASH commodities, live animals and essential goods. Consider waiving tariffs, fees and taxes on micronutrient fortification premixes to facilitate trade and incentivize compliance with standards.
- Institute or promote pre-clearance, [extended hours](#), simplified declarations, e-certification, digital documents, and onsite lab testing.
- Support a corridor or “[green channel](#)” to fast-track inputs to farms and food and essential goods to markets using as much digital technology as possible to reduce human contact.
- Help customs and sanitary and phytosanitary (SPS) agencies [work together](#) to identify critical supplies and perishable foods to facilitate inspection and clearance.
- Publish COVID-19 related changes to [customs procedural](#) and administrative requirements and provisions widely and online to facilitate higher compliance with standards. Ensure information is inclusive of women and youth and accessible by communicating it via appropriate local languages and audio-visual means.
- Facilitate processes and procedures that offer women traders protection from abuse and harassment, which may increase during COVID-19 due to longer wait times and delays.

Regional Policy Coordination:

- Facilitate regional-level policy coordination and assist countries in agreeing on temporary COVID-19 provisions with the goal of working within existing regional protocols and agreements. Harmonization efforts are particularly important to counteract ad hoc actions and to lower protectionist expectations.
- Acknowledge and explore options for addressing the loss in government revenues² from collection of tariff payments, fees and charges at borders. The fiscal impact of COVID-19 is likely to continue and learning across countries should be accelerated.
- Review existing and [adjusted](#) trade policies to understand options in existing agreements and prioritize actions as per existing provisions for emergencies.
- Support regional policy coordination, harmonization, and prioritization efforts by helping partners understand COVID-19 and trade-related data and evidence.
- Support rapid policy analysis and learning within and across countries by facilitating private sector delivery of evidence on current impediments to regional trade for government and regional policy and investment decision making.

Finance and Private Sector Engagement:

² Global Trade Facilitation Alliance reports Paraguay's border revenues are down by 50%

- Consider private sector partnerships to help other partners, regional organizations and governments more quickly design strategies and actions to address transport bottlenecks and ensure safe movement of goods supply chains.
- Provide urgent financing, grant support and digital financial services to sustain companies that connect smallholder farmers and outgrowers to temporarily disrupted export markets, such as high-value, nutritious perishables. Specifically, target these firms in advance of upcoming harvest seasons to ensure that smallholder livelihoods are protected through sustaining export markets.
- Partner with the private sector to scale traceability efforts using tools like blockchain to increase the evidence and data governments have to work with in prioritizing policies and to increase pre-clearance of goods away from borders.
- Extend liquidity to water and sanitation service providers, and relax existing loan terms as needed, to ensure continuity of service delivery for hygiene and productivity.
- Provide urgent financing solutions and packages to the poor and vulnerable and marginalized groups to ensure access to safe, affordable water and sanitation services.
- Support interventions to get needed capital into the hands of smallholder farmers so they can purchase quality inputs to maintain agriculture productivity gains. Post-production management and farm-level storage are important until markets and trade resume.
- Support actions to de-risk financial institutions and investors who can work with more companies than USAID would be able to support directly. Organizations that have blended finance programs may reconsider terms and conditions for business support.
- Support small and medium enterprises, especially consolidators, processors, and nutritious food producers so they can survive, restructure, and become resilient. Help partners restructure to find or respond to markets while adopting safer practices.
- Promote worker safety while addressing risk management, particularly of food supply chains and WASH enterprises.

Water, Sanitation, Hygiene and Essential Goods:

- Encourage transparency and publication of official information to counteract misinformation on infection, prevention, or cures that leads to hoarding, avoidance of businesses, health dangers, and disruption of essential supply chains.
- Prioritize [essential commodities](#) such as [soap](#), chlorine, disinfectant, water quality testing equipment, fuel, and solar panels for trade to ensure countries with the greatest need are able to access them in sufficient quantity and without price gouging.
- Promote [border coordination](#) among agencies responsible for cargo inspection and clearance and health authorities to find efficient, acceptable ways of moving essential goods in a reasonable time.
- Share culturally appropriate public-health messaging on limiting the spread of COVID-19 (e.g., social distancing, use of masks, and handwashing) prominently at customs and border posts (visual and audio).

Additional guidance and best practices on food and agricultural markets, nutrition, WASH and more during COVID-19 can be found on the USAID website [here](#).