



DIGITAL INNOVATION IN CRISES

In Response to the joint Desert Locust and COVID-19 Threat in Kenya

April 2020

Current Business Climate

The COVID-19 pandemic has drawn attention to the complex fragility of many countries, highlighted most clearly in the interplay of public health, markets and food systems. As of early April, East and Southern African countries have reported a relatively low number of confirmed cases in comparison to other countries; however, epidemiological modelling has projected tens of thousands of new cases by early to mid-May 2020.¹ Early warning signs are emerging that the continent is on the brink of an unprecedented food security crisis. In Kenya it is estimated that there are sufficient strategic reserves for three months, but disrupted food systems, logistics and evidence of food hoarding may shorten that timeline, exacerbated as the largest Desert Locust invasion in 70 years is expected to hit Kenya and the rest of East Africa beginning in May.

Home to a population of 1.2 billion, African countries are now faced with the challenge of how to swiftly and effectively scale preventive approaches to reduce the immediate and unprecedented risk that COVID-19 poses to people's health and further the short and long term negative implications to existing markets, livelihoods and food systems in the context of the worst Desert Locust outbreak in decades.

Mercy Corps' approach is based on four key programmatic areas:

Digital Enablement & Partnerships to Drive Scale, Transparency, Efficiency and Ability to Bundle Services: Mercy Corps' AgriFin program has led agency work to support design, testing and scale of digital solutions for smallholder farmers through partnerships and service bundling, based on the hypothesis that no single actor can meet all the needs of smallholders alone and that the wide range of risk factors in agriculture can be addressed through combinations of services and innovative technology.

¹ Projection of early spread of COVID19 in Africa as of 25 March 2020, Pearson, Carl A.B., Van Schalkwyk, Cari, et al

Behavior Change Communication (BCC): We will provide life sustaining support to households and communities by improving and adapting BCC messaging to the new reality created by COVID-19. We will also ground messaging in local contexts to promote healthy behaviors in line with WHO and Ministries of Health guidelines within each target country.

Food Security & Livelihoods (FSL): We will support households through cash transfers that sustain food security, nutrition and livelihoods. We will do so in a way that recognizes COVID-19 is one more dimension in a complex web of challenges driving growing hunger, conflict and poverty setbacks. We will leverage data analytics and digital financial services with major partners to rapidly segment, target and reach vulnerable groups at scale with cash transfers, leveraging digital channels to connect recipients with key information and with markets.

Resilient markets: We will also support critical market actors to mitigate and adapt to the economic impact of the crisis and help scale solutions. We will drive an “end-to-end” food systems approach, supporting farmers, rural value chains supporting production and aggregation, as well as wholesale and retail markets in urban environments, who are all vital to sustaining production and delivery of food to their nations, and also critical drivers for employment and future recovery of each target country. This effort will leverage ongoing work in digitally-enabled logistics and food systems management to ensure more efficient and safe flow of goods to and from producers and consumers.

AgriFin Programming Elements within this context are:

 **Support real-time monitoring of the Desert Locust and COVID-19 threats.** Our WhatsApp for Business emergency reporting channels, supported by television, radio, SMS and other channels of communication help put Kenya’s smallholder farmers on the frontline of reporting on Desert Locust, while these channels also help provide reliable ground intelligence to the public and to the Government on critical response.

 **Supporting “End-to-End” markets for smallholders growing food for millions of Kenyans** leveraging digital market partners that provide smallholders access to markets, inputs, financing, aggregation centers, storage and extension support but are now in dire need of support as markets begin to destabilize and investors pull back in an unprecedented risk environment.

 **Layer humanitarian assistance with market support.** Development actors should consider providing humanitarian interventions, such as cash transfers, to meet immediate needs while simultaneously helping to strengthen the broader market system.

 **Support the Kenya Food Balance Sheet and Desert Locust support** to partners in the Kenyan Government, including external innovators such as NASA, capitalizing on ongoing work streams to build the digital data center for agriculture across relevant actors, as well as deep Mercy Corps AgriFin engagement in the Government’s Desert Locust response. We expect this work stream to support government famine early warning systems and to establish a stronger government data platform to respond to future crises.

 **Work to provide capital to drive farmer investment and end-to-end food systems,** though guarantees, first loss facilities and direct injection of capital to ensure farmers and the supply chains supporting them have access to inputs, pesticides, logistical support, post-harvest loss and irrigation support to reinforce productivity and reduce risks, working with existing partners including leading banks, agribusinesses, government, technology innovators, logistics providers, ecommerce providers and mobile network operators.

 **Support businesses to help spread appropriate hygiene messaging to combat COVID-19.** Businesses are often seen as unbiased disseminators of factual information when trust in the Government is low. The development community should support businesses in the dissemination of accurate and timely information related to COVID-19.