Overview

The road to secure, productive and just communities is not direct; COVID-19 has reminded us of this. At this moment the world is facing second and third waves of disease. And with each wave, we see the sediments they bring: skyrocketing poverty, unemployment, hunger, and conflict.

At Mercy Corps, our mission has never been clearer or more relevant: meet peoples’ urgent needs while building stronger, more resilient communities. We are a global team of humanitarians working together on the front lines of crisis, disaster, poverty and climate change to create a world where everyone can prosper. Our approach to addressing problems is to do so from multiple angles - and that is the only way to address the impacts of COVID-19, because the pandemic is not a single disruption; its wake is long and wide.
Mercy Corps’ **COVID-19 Resilience Fund** has allowed us to do our best, most important work. Your contribution to the COVID-19 Resilience Fund has enabled us to advance the four pillars underpinning our response: protecting health; meeting the urgent needs of families; building economic resilience and recovery; and using robust analytics that drive our approach in every context.

To date, the Covid-19 Resilience Fund has raised a total of $60M dollars: $19M from private sources and $41M from institutional donors such as USAID and FCDO. **Mercy Corps estimates we have reached 15.1 million people through our COVID-19 responses around the world.** The contributions from generous donors like you are what make this possible.

Thank you.

**COVID-19: A Threat Multiplier**

Virtually no country has been spared by the impacts of the COVID-19 pandemic, but some of them—including many fragile and conflict-affected countries—are hit particularly hard. Mercy Corps’ analysis of the secondary impacts of the pandemic shows that among some of the most severe and long-lasting impacts will be those on **global hunger, employment, gender equality, and sustainable peace.**

Even before COVID-19 hit, global hunger was on the rise, driven by violent conflict, extreme weather events and the arrival of pests and plagues in many fragile contexts. **At the start of 2020, 135 million people required humanitarian food assistance to meet their basic needs.** Food security is now one of the areas most directly and dangerously impacted by COVID-19 and related measures, as people lose purchasing power, and agriculture markets and supply chains are disrupted. As a result, the State of Food Security and Nutrition in the World report\(^1\) estimates that by the end of the year, **COVID-19 might push an additional 132 million to the brink of starvation.**

The longest lasting global impacts from COVID-19 will likely be economic, with a recovery expected to be slow and uneven. The vulnerable groups Mercy Corps serves in **fragile and conflict-affected states, including informal workers, will face the greatest setbacks.** The IMF reported in June that the economic crisis sparked by the pandemic has had more negative impact than anticipated, sending world GDP plunging 4.9 percent this year and wiping out $12 trillion over two years. In fragile and conflict-affected states, pre-existing crises such as violent conflict and social unrest make people particularly vulnerable to the effects of COVID-19 restrictions and economic uncertainty.

Existing gender inequalities are further deepening as **women and girls endure the worst of the pandemic across every sphere**, from health to security, employment to social protection. At the same time, women are largely absent from decision-making fora and leadership roles in responses to the pandemic and its secondary impacts. This is especially true in fragile contexts where, in addition to discriminatory gender norms, women can face additional barriers to participation, such as personal security.

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The pandemic is already impacting social cohesion, with stigmatization and scapegoating of minorities, refugees and migrants, for example. Similar to other epidemics like Ebola, COVID-19 misinformation has increased in fragile places, and is likely to continue, as rumors and stigma around the disease persist. In some cases, this can lead to increased tensions, potentially leading to more violence.

In many places where Mercy Corps works COVID-19 and climate change create compounded hazards. For example, floods - which are increasing in frequency and intensity because of climate change – as well as their resulting impacts, can increase water-borne, vector-borne, and communicable disease outbreaks and infections, while damaging critical infrastructure required to access health facilities, putting even more pressure on health systems. At the same time, the negative economic impact of COVID-19 related lockdowns on households is affecting their ability to prepare for, respond to, or recover from floods or other natural hazards. Those threats can be exacerbated as some resources are diverted away from climate adaptation to respond to more direct impacts of the COVID-19 crisis.

Crisis Analytics and Influence

Since the start of the pandemic, Mercy Corps has been conducting regular analysis of emerging trends, informed by regional and country-specific data, to inform not only our own programming but recommendations to the broader community about building resilience, advancing peace and mitigating economic impacts. We have supplemented this with deeper research into the impact of the pandemic, and sought to inform the response of major donors, particularly the US, UK and other European institutions. This includes our briefs on COVID-19 in Fragile Contexts: Reaching Breaking Point and on the impact of COVID-19 on peace and conflict in Advancing Peace in a Changed World.

In the United States, we have provided a briefing on COVID-19 to officials from the United States Executive Branch, including the USAID COVID-19 Task Force, the House Foreign Affairs Committee, and the USAID COVID-19 Task Force on secondary impacts of the pandemic. We will continue to educate Congress and the Administration about COVID-19’s secondary impacts in the world’s most fragile places.

In the United Kingdom, as chair of the COVID-19 Humanitarian Working group, we are continuing to work closely with the Foreign Commonwealth and Development Office on the UK’s COVID-19 response strategy, including responding to the economic impacts, humanitarian funding and access, and food security. We
have provided evidence to parliament three times in recent months on the impact of COVID-19 on fragile states and on conflict.

How We’re Responding

Protecting Health

Mercy Corps’ immediate-term COVID-19 public health response has focused on increasing safe access to potable water, soap, hand-washing stations, and sharing critical information about hygiene and social distancing practices for the most vulnerable populations. We adapt our interventions to the local context, acknowledging that the drivers of the origins and proliferation of COVID-19 are complex: environmental degradation, unsustainable development, climate change, weak public health infrastructure and governance, conflict and inequitable access to information.

Water, Sanitation and Hygiene (WASH) and Social and Behavior Change

Mercy Corps reached an estimated 3.4 million people with Water, Sanitation and Hygiene interventions to prevent the spread COVID-19 in 2020.

Mercy Corps’ COVID-19 Water, Sanitation and Hygiene and Social and Behavior Change strategies are designed to be simple, rapid and agile enough to implement adaptively. We prioritize coordination in our response - with national Ministries of Health, local public health and civil society actors, the private sector and other entities.

Mercy Corps partnered with the Timor-Leste government to quickly deploy interventions critical in slowing transmission of the virus. Access to water is a critical barrier to hand washing, so we identified 105 high-traffic destinations, such as clinics and markets, around the country and provided access to water and handwashing: enabling an estimated 18,200 people to wash their hands. Mercy Corps also partnered with the Ministry of Health to deliver information on the prevention of COVID-19. Collectively, these efforts reached 433,999 people (34% of the nation). Within 65 days of the outbreak, the majority of isolated, rural families could accurately name key prevention strategies—such as washing hands (91%), wearing a mask (76%) and social distancing (76%).

In the Americas, the number of COVID-19 cases continues to rise, as the region remains the global epicenter of the pandemic. The US, Brazil, Colombia, Argentina, Peru and Mexico are all on the list of the world’s top ten countries (numbers of cases). Hurricane season continues through late November, which adds to the complexity of the situation.
Rapid Innovation Highlight

Mercy Corps Puerto Rico created a Do-It-Yourself design for an affordable and sustainable hand-washing station promoted with an instruction manual and video tutorial on social media and highlighted on the local news station. Earlier this summer, nearly two dozen municipalities were under severe drought conditions and many people faced rationed water supplies, making it difficult to maintain hygiene standards in light of COVID-19. The DIY approach with the hand-washing station helped promote spending with hardware retailers for supplies to build the station. The team has seen hundreds of downloads of the manual and video, and through the Start Small program, are making cash grants so communities can purchase supplies. New design adaptations that tackle specific community needs are being developed, and we are finding ways to support those in future programs.

In Yemen, the pandemic has contributed to deteriorating relations between Yemenis and vulnerable migrants from the Horn of Africa, who are blamed for bringing the virus into the country. Violence has escalated in Yemen, and while not directly linked to COVID-19, the continued fighting and government positions towards COVID-19 are deterring attention and resources from the pandemic response. Mercy Corps reached more than 308,000 Yemenis with hygiene promotion activities, upwards of 191,000 people with access to reliable and safe water by rehabilitated infrastructure, and more than 70,000 people in urgent need of water by trucking it to their locations. We achieved this while working closely with the Ministry of Health, Humanity and Inclusion, as well as other organizations. We trained a network of more than 700 volunteers in hygiene practices to support communities in fighting COVID-19 and other infectious diseases. In total, we supported more than 1.1 million Yemenis with access to water, health care, food, job opportunities and cash.

Reaching Refugees and Internally Displaced People

In Syria, Mercy Corps’ team piloted the new “hands-free” handwashing station in a displacement camp in July 2020. The handwashing station is operated by a foot pedal instead of a tap, so one does not have to touch it with their hands while they’re washing, filling a cooking pot, or cleaning buckets. Designed and produced in coordination with local suppliers, production of the stations scaled to produce approximately 150 units, which are in operation and benefiting a total of about 21,300 people.

Mercy Corps has been instrumental in maintaining a supply of water for more than 400,000 people in Northeast Syria when their nearest water station became inaccessible. The station, previously the main source of water for the majority of the region, is no longer reliable due to the conflict. In close collaboration with local authorities, Mercy Corps identified a solution to supply water at a station near the city. We continue to work alongside other organizations in Northeast Syria to advocate for the restoration and reliable operation of the water station as key in a long-term solution.
Mercy Corps made a big impact in helping internally displaced people in Afghanistan stay safe from COVID-19. We trained 25 community volunteers to help educate people on COVID-19 precautions. By holding sessions at six IDP camps, the volunteers reached 5,832 families. We distributed nearly 12,000 bars of soap and nearly 17,000 posters on hygiene and facts about COVID-19. People we served told us the response was reassuring as they started out not knowing if COVID-19 was real or a myth. A survey taken after implementing these measures indicated more than 80% of participants were washing their hands more frequently, up from 22% recorded at the start.

**Conflict, Governance and COVID-19**

Longstanding political grievances and mistrust can inform the narratives through which communities understand the spread of COVID-19 and responses to it by the government and international actors. These perceptions simultaneously impact the willingness of communities to comply with COVID-19 public health regulations and can amplify other drivers of violent conflict.

Accurate information is critical to prevent the spread of COVID-19. We are closely tracking how and what information is reaching vulnerable populations, and have been concerned about the evidence of misinformation and rumors circulating in many places around the world.

In Nigeria, especially the Northeast, the deficit of public trust in government has been exacerbated by COVID-19 due to misinformation. There are rumors that COVID-19 testing equipment is faulty and reads every test as positive; that the virus is not real; and that corruption is rife among government and health workers involved in the COVID-19 response. Mercy Corps is piloting a Rumor Tracker that uses mobile phones and radio to tailor communications campaigns to community perceptions and questions. These approaches use the pandemic as an entry point to help communities reassess their collective needs and grievances related to governance, conflict, and inclusion and to help identify new program activities and adaptations.

When Zimbabwe’s first reported case of COVID-19 took the life of a well-known, 30-year-old vibrant broadcaster, it led to national anxiety and fear. It also immediately stigmatized COVID-19, the illness it causes and the people who catch it. Our national team recognized the power of the pandemic and its threat in eroding hard-won gains in the well-being of Zimbabweans. This realization motivated us to rapidly launch a communications campaign.

We avoided preaching the tired COVID-19 messaging people had already heard and partnered with national influencers—including football teams, musicians and comedians—to develop content. Desiring to disassemble stigma, we also created content based on the stories of survivors, who shared their experience of stigmatization. This mini campaign was called #SolidarityNotStigma. Using community radio, digital media, TV, newspapers and printed materials, we reached an estimated 2.5 million radio listeners, more than 4 million online users and more than 40% of adults nationally who read newspapers.
Meeting Urgent Needs and Supporting Resilient Families

Getting Cash into the Hands of the Most Vulnerable

As the pandemic continues to disrupt families around the world, Mercy Corps has continued its efforts to meet critical basic needs among the most vulnerable households by delivering cash and voucher assistance to smooth consumption, promote economic well-being and enhance food security, while supporting local markets.

Cash and Voucher Assistance represents 54% of the humanitarian aid Mercy Corps delivers, reflecting the efficacy of cash and voucher modalities to meet households’ basic needs where markets are functioning.

Innovation Highlight

In April, as the world ground to a halt due to COVID-19, Mercy Corps launched an electronic voucher (e-voucher) solution to support the people of Rakhine State, Myanmar. In Rakhine, people have lived for years with the protracted effects of natural disasters, conflict, forced displacement and reduced access to basic services and opportunities to earn money.

The innovative e-voucher system proved a timely COVID-proof alternative to standard cash deliveries, allowing Mercy Corps to reach displaced populations and people most at risk with critical assistance during this time. Due to the movement restrictions imposed for limiting the spread of COVID-19, responders in Rakhine not only struggled to support those most in need, but even faced challenges in paying their own staff salaries. This led three peer INGOs to approach Mercy Corps to help transfer cash to their staff by using our e-voucher system.

In this complex context of humanitarian triage, this innovation has been a breakthrough for humanitarian assistance. Others are now following suit by experimenting with their own e-voucher solutions, leading to a better and timelier response for all.

In Bambari, Central African Republic, we helped launch a digital system for food vouchers that uses a platform known as Genius Tags (GT). This increases efficiency, speeds distribution of funds, and is available to be used without electricity or internet service. Because the platform is 100% contactless, we supported 4,691 families in a manner that was low-risk for COVID-19 transmission. We also installed a solar-powered water system and rehabilitated defunct water points to serve 7,500 people. To complement our efforts, our teams are conducting hygiene promotion activities at the community level, as well as through the radio to prevent the spread of COVID-19. Our partners, the Central African Republic
water utility company and the Ministry of Planning, are looking to the program as a model to replicate elsewhere.

In the Democratic Republic of Congo, 24 Local Development Committees — funded by USAID and developed by Mercy Corps as a sustainable way to address local challenges — took the lead in establishing a community-led response to COVID-19. They set up hand-washing stations serving thousands of people in high-traffic public areas; supplied tools, seeds and small livestock to 826 families; provided prevention information to 149 village leaders ultimately reaching 1,409 families; and organized meetings with local traders to negotiate fair prices for basic goods to counteract rising costs and inflation.

Ensuring Continuity and Equity in Education

Families around the globe are struggling to work and educate their children. In places where education is key to mobility, especially for girls, the combination of sudden school closure plus no online alternative can endanger their futures. Being out of school can mean added household responsibilities, pressure to marry early, and more.

“There was no way I would have been able to learn anything this period because no one in my house has a smartphone I can use for online classes.”

-- Rahina, participant in Mercy Corps girls’ education program

Seeking to provide education for thousands of girls during COVID-19 shutdowns, the team in Nigeria identified a creative approach accessible for nearly everyone: radio. In coordination with agencies in the Federal Capital Territory and one of the national radio networks, Mercy Corps helped deliver lessons on English, mathematics and life skills. Students received workbooks that coordinated with the lessons, which prevented a pause in education and provided a means for bonding with family through a shared learning experience. Mercy Corps also provided education via WhatsApp and SMS texts for girls with access to a mobile device.

In the summer of 2020, the rapid onset of COVID-19 in Iraq threatened to disrupt the national school examinations. Canceling them would have had severe implications on whether students would be able to continue their studies at the next grade level in the fall. Committed to ensuring continued access to education for Iraq’s most vulnerable youth, Mercy Corps leveraged our relationship with the Ministry of Education and our reputation as one of the primary education actors in Iraq to develop a comprehensive examination protocol with all possible measures to reduce the spread of COVID-19. The Ministry of Education adopted this protocol as the official, nationwide minimum standards for school examinations across all provinces. As a result, Mercy Corps was able to ensure that schools committed to high standards of health and safety procedures, allowing exams to proceed, while also significantly reducing the risk of COVID-19.
Despite restrictions on public gatherings due to COVID-19 in Kyrgyzstan, 224 schools successfully held remote summer "Reading Camps" in June 2020. These camps, conducted by Mercy Corps, remotely brought together 600 teachers, 1,900 parents and more than 10,000 children, and was the first time this type of initiative has been done in Kyrgyzstan with this unique format. Video classes both in Kyrgyz and in Russian were created in line with approved modules and distributed to teachers, who led the camps through WhatsApp. Participants noted the timeliness, necessity, and relevance of this type of activity during the summer holidays. We are now considering how to continue and build on this initiative during the new school year as well.

**Putting Women and Girls Front and Center**

A key lesson from COVID-19 is that while shocks and crises can affect every person and every country, they do not affect them all equally. Fragile and conflict affected states are bearing the brunt of this pandemic and within them; women and girls are especially at risk of setbacks. Failing to address the specific needs of women and girls as well as to leverage their expertise in the response to this pandemic will not only make the response less effective, but also further slow progress towards achieving gender equality, a key accelerator for sustainable development.

Here are three ways we’re serving women across the world in response to COVID-19:

- **Business mentorship for women entrepreneurs:** We also serve women entrepreneurs through Mercy Corps Northwest's Women’s Business Center — the only one of its kind in Oregon — has provided one-on-one consulting to 150 entrepreneurs and more than 600 small business owners have accessed free online training to receive support during the pandemic.

- **New value to existing mobile technology:** Within the first three weeks of the COVID-19 outbreak, 90% of domestic workers in Ethiopia had lost their employment. We partnered with TaskMoby, a mobile app that matches service providers with jobs. Today, at least 1,000 domestic workers are employed.

- **Including women in the decisions that affect them:** In places like the DRC, Somalia and Colombia, we help female-headed households receive food, cash and shelter assistance. We engage women as community hygiene promoters and nutrition promoters for house-to-house COVID-19 education.
Economic Resilience and Recovery

While government measures, and the impact they have on businesses and people, vary from one country to
the next and from one day to the next, we use careful analysis to inform our economic recovery
programming. Our regional and country-specific analyses enable us to move quickly, effectively mobilize
where most needed, and pivot and adapt our programming to meet the challenges.

Countries are facing ebbs and flows of coronavirus infections, prompting renewed lockdowns and limited
quarantine measures. The Asia Development Bank has made it official that emerging economies in Asia will
face the first regional recession in six decades. Growth is expected to recover next year (although
uncertainty remains high), but the impact of lockdowns has clearly hurt business and trade across the
region. The number of poor in Asia will increase by 78 million people this year, reversing a reduction in
poverty over the last half decade.

In Indonesia, Approximately 100,000 micro and small enterprises have accessed some of the nearly three
dozen articles on adapting to realities of operating a business in the time of COVID-19. Our team in
Indonesia compiled the content for a learning platform for business owners that the Indonesian government
launched in May of 2020. The platform, edukukm.id, is estimated to have a potential reach of 64 million
micro and small enterprises across the nation.

Supporting Livestock Market Systems in the Horn of Africa

In May and June 2020, Mercy Corps monitored livestock systems in Somalia, Ethiopia, Kenya, Uganda and
South Sudan to understand the interplay of diverse market
forces as influenced by COVID-19 mitigation measures, as well
as seasonality, locusts and Rift Valley Fever (RVF). This study
focused on live animal, meat and milk value chains originating
in the arid and semi-arid lands regions as well as major
domestic and export consumer markets. Information was
collected through existing programs and augmented with key
informant interviews. This report aims to fill knowledge gaps
and offer recommendations to support coping and recovery.

In the Somali Region of Ethiopia, Mercy Corps identified meat
processors as a sector vulnerable to COVID-19. Hundreds of
female micro-entrepreneurs employing three to five workers
operate in confined sheds and serve hundreds of customers
daily. To reduce transmission risks within this sector, we
coordinated a number of interventions, including foot-
powered hand washing stations developed by a polytechnic
university. These stations were installed inside the sheds for
workers and customers. Owners and workers received training
on viral transmission, risks and prevention. We're also working in partnership with a local microfinance
inclusion project to help business owners easily open banking accounts so they can transition to
cashless transactions.
One of Mercy Corps’ global resources for small business development is our MicroMentor platform — across 200 countries, we are connecting nearly 28,000 promising entrepreneurs with mentors experienced in dealing with severe economic downturn and post-disaster recovery. MicroMentor has recently launched in four new regions - Indonesia, Caribbean & Bahamas, Jordan - and maintains its strong focus on women, underserved and under resourced entrepreneurs in non-OECD countries.

“I have become more confident in making decisions, and my business income has increased.” – Nour Aulia, a young entrepreneur from Jakarta and MicroMentor participant

Looking Over the Horizon

2020 is coming to a close and without a doubt, it has been a record year of disruption. We are entering a phase of fractured and uneven rebound across the globe. Some countries are reopening and others are reimposing lockdowns as we see second and third waves of infections and the total number of cases rising globally.

In November, Mercy Corps will engage in a rapid visioning and strategy review process that helps ensure we are optimally positioned to address emerging needs and future threats resulting from COVID-19. We will evaluate where and how we need to modify our focus to have a transformative impact on preventing and mitigating the immediate and long-term effects of the pandemic on global hunger, inequality, violence, and gender equality.

We continue to monitor and share trends we see on the ground. We are paying particular attention to the following trends as we move into our visioning process:

- The economic downturn resulting from measures aimed at containing COVID-19 - which has included a sharp drop in oil revenues, remittances, and tourism; shifts in the value of agricultural products; and a significant loss of income due to business shutdowns and movement restrictions - is shrinking government revenues, diverting limited public resources, and increasing an already widening wealth gap.
- The consequences of COVID-19 are likely to reverberate well into the future and pose a long-term threat to stability and peace. The worst effects of rising inequality and food insecurity are predicted to cluster in fragile and conflict-affected states. Even relatively stable countries that lack institutions strong enough to cope with the onslaught of shocks brought about by the COVID-19 pandemic, could quickly regress into violence.
- For millions of people, severe weather events, made more extreme by climate change, are increasingly frequent and destructive. Those affected most already experience poverty,
marginalization and a lack of quality health care. Now COVID-19 is making their ability to recover even more difficult.

What’s next is up to all of us.
In a year that has challenged us on every level, where crisis after crisis has left us wondering ‘what next?’, it’s easy to lose sight of the fact that these challenges have been growing all along. Climate change, division, injustice, inequality – these are the defining global challenges of our time. And solving them means coming together. It means bringing everything we’ve got: Knowledge. Action. Crucial resources. It means speaking up, standing up, showing up. Because no matter what we’re facing now, what’s next is up to all of us.

Thank you.
Thank you for your partnership in this critical work - you are making a very real difference in peoples’ lives during these unprecedented times.

About Mercy Corps
Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.