A successful response to COVID-19 involves mitigating the threats that it poses to rural livelihoods, while also taking advantage of new opportunities. Chief among these opportunities is the increased demand for digital technologies, with development agencies, governments, the private sector and civil society recognizing their value as powerful and cost-effective COVID-19 response tools. Leveraging this demand and goodwill to increase investment in key infrastructure and services can accelerate adoption of digital technologies among small-scale producers. In turn, this can help to drive inclusive rural transformation in the long term through increased efficiency and market integration.

Digital interventions in the East and Southern Africa (ESA) and the Near East, North Africa and Europe (NEN) regions represent fruitful opportunities for further adoption and scalability, as shown in the examples box. In ESA, this is spurred by the explosion of mobile money services, to the point that, in Kenya for example, the number of mobile money accounts is now larger than the population of adults. In NEN, a key driver has been the renewed interest of governments in digital technologies, with a shift towards increasing connectivity for the sake of the economy and for fighting COVID-19.

### Key examples

#### Short-term COVID-19 response

**Kenya** Tailored agricultural advice through a digital platform, to be financed by the Rural Poor Stimulus Facility.

**Yemen** Remote project design required due to conflict and COVID-19. Used remote sensing and GIS technology to inform targeting by identifying most vulnerable areas.

**Zambia** Digital training and extension on adapted practices financed with repurposed project funds.

#### Longer-term solutions

**Egypt** STAR\(^1\) programme aims for increased access to digital extension services in areas of production, marketing & finance, and capacity & value chains.

**Egypt/Jordan/Tunisia/Yemen** Grant to IFPRI to develop the AIDA tool to help prioritise agricultural investments by demonstrating potential impacts to governments.

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1. STAR project is entitled: Sustainable Transformation for Agricultural Resilience in Upper Egypt.
Related Knowledge Resources

1. Taking advantage of established e-commerce channels, governments could deliver extension services at scale to small-scale producers even during a pandemic. Voutier, P. 2020. Driving AgriTech adoption: Insights from Southeast Asia’s farmers. IFAD, Rome.

2. Agricultural innovation systems and site-specific technologies and practices can be used to provide targeted support to rural communities, especially women and youth, in the wake of the COVID-19 pandemic. FAO. 2020. Enabling agricultural innovation systems to promote appropriate technologies and practices for farmers, rural youth, and women during COVID-19. FAO, Rome.

3. In rural areas of Kenya and Tanzania, a 24-hour online extension platform was created to provide pre-recorded agricultural advice, which could be scaled up during a pandemic. Smith, G. 2020. Investing in better bang for the extension buck. CGIAR Platform for Big Data in Agriculture, Montpellier.

4. During the COVID-19 pandemic, providing secure, low-cost, and contactless financial services is essential to help the poor increase income and become more resilient. Pazarbasioglu, C., and Garcia Mora, A. 2020. Expanding digital financial services can help developing economies cope with crisis now and boost growth later. World Bank, Washington, DC.

5. How to Do Note on Digital Financial Services for Smallholder Households.


designed to feed into longer-term development objectives.

2. **Emphasise value for money.** Compared to other project types, the cost per beneficiary of digital agriculture projects is very low. For instance, an initiative that provides tailored farming advice through a mobile phone application - recently approved for financing from the Rural Poor Stimulus Facility (RPSF) - has a cost per expected beneficiary of just USD 1.71. To build the case for investment, IFAD must work to break misconceptions about the cost of digital agriculture projects and focus on capturing and sharing widely the cost-benefit ratio of projects as they progress.

3. **Align incentives for providers to increase coverage and affordability.** It is costly to implement digital infrastructure, and rural households are often perceived to have insufficient purchasing power to justify these costs. Those providers who do take the leap often hold a monopoly and thus charge a high price. Keyways to address this are to lobby for an enabling regulatory environment for smaller providers to promote coverage and competition, covering some of the risks of implementation, and investing in new innovations that allow for cheaper delivery.

4. **Scaling up.** There are several examples of where a digital service has performed well during a pilot but has been unsuccessful when taken to scale. This is often because the marginal benefits in terms of both service providers and users, chiefly in terms of profits, have been insufficient. Where such services are piloted in the future, in-depth analysis (including an initial market assessment) must be conducted to ensure that incentives for all stakeholders are aligned to ensure sustainable use of the service when taken to scale.

5. **Capture lessons learned.** Repurposing and financing through the RPSF offer the opportunity to test innovative digital solutions for rural development. IFAD must rigorously capture the insights generated through this process and integrate them into longer-term digital strategies.

6. **Using digital technologies in project design.** During project design, use of remote sensing and GIS technologies are an accurate and efficient way to compile targeting strategies, and to identify most vulnerable project areas. IFAD should encourage and provide support and incentives for teams to use these technologies whenever possible for future project designs.