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For the hearing:
“The Ebola Epidemic: The Keys to Success for the International Response.”

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Chairman Coons, Ranking Member Flake and Members of the Committee:

Thank you for inviting me to testify before this esteemed Subcommittee on the critical issue of ensuring a sustained and strategic international response to the Ebola crisis. I speak today in my capacity as Senior Team Lead of the Strategic Response and Global Emergencies unit for Mercy Corps, a global humanitarian and development organization saving and improving lives in the world’s toughest places. With a network of experienced professionals in more than 40 crisis-affected countries worldwide, Mercy Corps partners with local communities to help people recover, overcome hardship and build resilience to future shocks.

Mercy Corps has worked in Liberia since 2002, supporting its transition from civil war to sustainable economic and social development. Our programs focus on reviving agricultural markets and creating jobs, with a particular focus on youth entrepreneurship and leadership and access to financial services. Our Ebola response has focused on two pillars based on close monitoring and assessment of gaps in the response: (1) filling a gap in community education on how to reduce transmission by mobilizing a robust social mobilization campaign, and (2) mitigating the socio-economic impacts of the crisis on Liberian communities, and the region. For the purposes of this hearing, I will focus on the second pillar.

I have just returned from two months in Liberia where I served as Acting Country Director for Mercy Corps Liberia. My testimony will outline how Mercy Corps sees the crisis, highlight findings from our market assessment and gaps we see in the current response, and will conclude by suggesting a series of short and medium term solutions to ensure a successful international response.

More than a Health Crisis. A Systems Crisis

As my co-panelists have detailed, Ebola has wreaked havoc across five West African nations since the outbreak began in February 2014. Liberia is the nation most severely affected by the crisis, suffering almost half of all cumulative confirmed, probable and suspected cases reported (7,690), with 3,161 deaths as of December 8, 2014.¹ Having originally arrived through the porous border with neighboring Guinea, it has spread from the rural Lofa County to reach every one of Liberia’s 15

¹ <http://www.cdc.gov/vhf/ebola/outbreaks/2014-west-africa/case-counts.html>

counties including the capital city, Monrovia. This has created the most serious Ebola epidemic in history, which not only directly threatens the lives of tens of thousands of people, but jeopardizes the economic progress and stability Liberia has achieved since a protracted civil war ended a decade ago.

The Ebola outbreak has been approached largely as a health crisis. From Mercy Corps' perspective, it is better understood as a systems crisis – the failure of health, governance and humanitarian systems to mitigate the threat of a disease from disrupting the socio-economic order of communities and multiple countries. And the longer the crisis continues, the greater potential it has to contribute to another systems failure – a failure of market systems.

Fortunately, Liberians and all West Africans have shown extraordinary resilience and ingenuity in the face of this crisis, transmission rates have started to slow and some market activities have resumed. However, this is no means for pause. The Ebola epidemic continues to cripple the economies of Liberia, Sierra Leone, and Guinea; has left thousands of civilians unemployed and hundreds of thousands of households more vulnerable to food insecurity; and the social fabric of an already fragile nation – just before a tenuous election season – has been further eroded.

Adopting a systems approach to the planning, management and monitoring of this crisis – by broadening the set of analytical tools, planning strategies and funding streams to address it – is critical to ensuring a successful crisis response and building more inclusive, responsive and resilient communities and institutions along the way.

Major Socio-Economic Impacts of the Ebola Crisis

To better understand the socioeconomic impacts of the Ebola crisis on households, vendors and markets in Liberia, Mercy Corps conducted an economic assessment in Lofa and Nimba counties and in parts of the capital, Monrovia, from Oct. 3-13, 2014. Findings from the assessment and our ongoing programs in Liberia point us to three major areas of focus for the response, and my testimony, moving forward:

1. Household incomes, food security and food consumption have been greatly reduced by the Ebola crisis. Without targeted interventions and policy changes now, households could face a critical level of food insecurity by April/May of 2015;
2. Some of the protocols and policies associated with the Ebola crisis have put a significant strain on the Liberian economy; and
3. Disproportionate economic impacts are being felt by youth, self-employed persons, and lower wage workers. This threatens Liberia's, and the region's, stability.

1. Risk of a food security crisis by April/May 2015

Food insecurity in Liberia was already widespread before the Ebola crisis, with 42% of the population considered food insecure, and 32% of children classified as stunted.² Still fighting to recover from years of civil war, Liberia continues to be one of the world's poorest countries, ranked 162 out of 169 countries in the 2010 United Nations Development Program (UNDP) Human Development Index, with up to 84% of its population live below the national poverty line, on less than \$1.25 day.³

² DHS, Republic of Liberia - 2013

³ World Bank, Liberia - poverty headcount ratio. <http://data.worldbank.org/Country/Liberia>

As a result of both the Ebola crisis and pre-crisis economic inequalities, vulnerable households started reducing the amount of food consumed at each meal (mentioned by over 90% of households interviewed in our assessment), purchasing lower quality or less expensive food, and eating fewer meals (mentioned by 90% and 85% respectively). 77% of those interviewed cited borrowing money from friends and relatives as an additional coping mechanism. Households in general are spending most of their income on food products. These coping mechanisms could have lasting negative impacts on people's nutritional status and economic investments and may jeopardize their future ability to recover.

Constraints on household food security caused by reduced incomes and increased prices may also be compounded by uncertain agricultural yields from the next harvest. Upland and lowland rice harvests in October/November and January/February *may* provide temporary relief for agricultural households in Lofa and Nimba counties, but it remains unclear. If the overall situation continues without changes and if the economy experiences production decreases, food insecurity would increase significantly by April/May 2015.

2. Constraints in the market system imposed by the Ebola response

Some of the protocols deemed necessary for Ebola containment are creating additional constraints and blockages in the market system, namely:

- Border closures,
- Closure of markets, and
- Spiked transport costs and increased transportation time due to the 12am-6am curfew, checkpoints, and other regulations.

Regarding border closures, the Government of Liberia closed borders with Guinea, Sierra Leone, and Ivory Coast and at the same time recommended the closure of weekly markets as Ebola prevention measures in August 2014. As a result, goods that were previously sourced quickly and cheaply from Guinea and Ivory Coast are no longer available due to border closures, causing vendors to source replacement goods at higher prices with longer transportation times.

One vendor we spoke with previously spent 2,000LD on a trip to Guinea to purchase goods for her shop. Now with borders closed, she must travel further to Monrovia to purchase goods and the trip costs her 5,000LD. She passes this cost increase along to her customers through increased prices at her shop in the market.

Weekly market days have been reopened to allow for increased trade between counties. This is great news. However, policies restricting internal movement are still putting downward pressure on the volume of goods moving between markets and households.

The impact of Ebola policies on transport prices has also been significant. Border closures and reduced consumer demand have contributed to an increase in transport costs and a reduction in the number of vehicles transporting goods. Checkpoints and regulations limiting the number of passengers in vehicles, the inability of vehicles to travel during curfew hours, and delays due to road blocks have also contributed to the increase in transportation prices. A rapid assessment of the transportation market is needed to help inform a short and medium term program to increase

access to transportation for economic purposes. A more robust transportation system can reduce market costs for consumers, including for food items, increasing households' food security.

3. Disproportionate economic impacts on workers and self-employed, including youth

The economic impacts of the Ebola crisis have had a particular impact on workers and those who are self-employed – particularly youth in urban areas. A cellphone survey commissioned by the World Bank throughout October and November indicates generally lower incomes and jobs being shed in both the wage-earning and the self-employed sectors – sectors largely composed of youth.⁴

Liberian youth, defined as 15-35 year-olds, represent a third of the country's population, with 70% of its total population under 35. Productive engagement of youth a priority and major challenge for economic development efforts even before the crisis, as social ties between youth and their communities were severely damaged by the country's long civil war, the resulting displacement, and rural-to-urban migration making.

Many of these youth have been frustrated by the international community's post-conflict response to Liberia for over a decade, feeling that their opinions have marginalized from planning processes and their capacities for productive engagement in society disregarded. In this capacity, youth are key to reducing risks of future instability in Liberia.

It is thus critical that youth are at the center of early recovery planning, implementation and management, ensuring they gain the skills, opportunities and experience they need to become active drivers of Liberia's economy.

Recommendations for Immediate and Future Action

There are several short and medium term actions that can be taken in the U.S., in Monrovia, and within the humanitarian response to mitigate the cascading socio-economic impacts of the crisis on households and the region, prevent a food security crisis in April/May 2015 and lay the foundations for early recovery.

Within the U.S., we recommend that:

1. Congress robustly fund the International Disaster Assistance Account in the FY15 appropriations process at \$3.5 billion given the extraordinary demands on the global humanitarian system in the face of Ebola, Syria, Iraq, South Sudan and the Central African Republic. As you surely know, the United Nations appealed Monday for a record \$16.4 billion global appeal in order to address unprecedented global humanitarian needs in 2015.
2. The administration should target short term food security and income recovery interventions towards the worst affected communities, with the goal of increasing access to income through well-targeted cash programming *with careful market monitoring to ensure food supplies are available.*
3. All relevant government entities should simultaneously and jointly plan and budget for a pro-poor market-based early recovery strategy in Liberia that addresses the root causes of

⁴ World Bank, Update on the Economic Impact of the 2014 Ebola Epidemic on Liberia, Sierra Leone, and Guinea, December 2, 2014. <http://www.worldbank.org/en/topic/growth/publication/economic-update-ebola-december>

underdevelopment. U.S. strategies should be aligned with those of Liberian youth and civil society, the Government of Liberia, UN, World Bank and other major actors, and must seek to lay the foundations for an economic recovery agenda that addresses the root causes of economic inequality, stagnation and chronic underdevelopment.

In Monrovia, changes to government-imposed regulations, so long as deemed appropriate from a public health standpoint, could lessen the spikes in transportation costs that are reducing economic activity and increasing household vulnerability. These include:

1. Open the borders or negotiate an economic corridor to allow essential goods to cross from neighboring countries by traders screened at the border.
2. Address constraints that the curfew is imposing on trade. Issuing permit to commercial vehicles to travel during curfew hours and facilitate their passage at checkpoints could immediately address some of the time burdens that traders currently face.

Within the donor and implementing partner community:

1. Monitor markets, prices and systems constraints iteratively by investing financial resources and human capital in sustained multi-sector assessments. Pay close attention to any shortages or adverse economic effects and take corrective actions, as necessary.
2. Invest in learning and capacity building throughout the response. We have a responsibility to learn from this crisis, capture and utilize transferable knowledge, and support local leadership of Liberians at every level of the response.

For example, Mercy Corps' current USAID-funded social mobilization Ebola prevention program, the *Ebola Community Action Platform*, has a major learning component focused on real-time information gathering to understand how communities respond to information in this crisis, to inform feedback on immediate improvements to programming and lessons for strategic planning to disaster risk reduction and crisis prevention in the future. While I did not focus on this program during my testimony, I am happy to discuss it in Q&A.

3. Stay ahead of the potential for regional economic decline by embedding market, conflict and political economy analysts in the UNMEER structure, and ensuring close coordination between financial institutions such as the World Bank and African Development Bank, government actors and NGOs.

Again, I wish to sincerely thank the Subcommittee for its leadership on this critical crisis, and the great honor of extending me the privilege of testifying today. I look forward to answering any questions.