

# Guidance for CVA RESPONSE PLAN for THE COVID-19 PANDEMIC

## HUMANITARIAN NEEDS ANALYSIS

### *Macro-Economic impact of the COVID-19 epidemic*

The long crisis has already put the Syrian economy under immense pressure<sup>1</sup>. A situation that has only been further negatively impacted by the financial crisis in Lebanon, which reduced the flow of hard currency to Syria and together with international sanctions caused the SYP/ USD informal exchange rate to depreciate by 88% since November 2018<sup>2</sup> and thus an increase in food prices. On the informal market, the Syrian pound has since October 2019 lost over half of its value and did in March 2020 reach 1,350 SYP per US dollar (US\$). Syria is a net importer and depends heavily on imports of rice, wheat, vegetable oil, medicines and petrol. In 2018, Syria had an import to GDP ratio at 39% and an export to GDP ratio as low as 4.1%.<sup>3</sup> The same year, vegetable and foodstuff represented around 25% of imports.

### *Impact on food systems*

The Syrian Government have tried to counteract the negative impact by increasing the salary of government employees by SYP 20,000 in December 2019 (less than 20 USD in the current exchange rate). Furthermore, in February it expanded the countrywide system of quotas and subsidies on rice, sugar, vegetable oil and tea in addition to bread, diesel and butane gas. However, due to the panic after COVID-19 preventive measures even these subsidized prices increased on 30 March with between 10% and 56%.

### *Impact on peoples' livelihood.*

In Syria, daily labour is the most common household source of income and it is estimated that 60% of the working-age population that does not have access to formal employment just before the Covid-19 outbreak.<sup>4</sup> The close down of workplaces, curfew and restriction of movement has meant a decrease in income and thus diminishing purchasing power. For the agriculture sector, it means loss of access to productive inputs and labour force, hence decreased productivity. Going forward it will result in increased food insecurity.

### *Most affected population groups*

The restraints and challenges that Covid-19 are posing for the population of Syria is and will especially affect those household that are not a part of the formal workforce. According to 2019 numbers, it is only 31 % of the population that falls under this category. The rest are relying on informal work, remittances, self-employment and alike. This 71% are those directly and immediately hit by the struggling Syrian economy, inflation rate and restriction to movement. The especially vulnerable within this group includes elderly and disabled who are depending on the support of others. In addition, female-headed households have less access to regular work and are generally more depended on remittances compared to men. For people living in informal settlements with limited WASH capacity, health and protection risks are elevated and the risk of contamination high. 3.5 million people is estimated to be living with a disability and 8 % of

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<sup>1</sup> <https://blogs.worldbank.org/opendata/new-country-classifications-income-level-2018-2019>.

<sup>2</sup> SYRIA - Review on the impact of rising food prices Food Security Update: March 2020

<sup>3</sup> ESCWA report, Syria at War: eight years on, forthcoming, 2018

<sup>4</sup> OCHA, HNO 2020

these cannot provide themselves with care<sup>5</sup>. Furthermore, the Syrian community is highly depended on strong kinships among families and communities. This will be challenged due to the restriction.

## **RESPONSE APPROACH**

The Covid-19 outbreak put extended pressure on the already vulnerable population. And inclusion of the Cash and Voucher Assistance (CVA) modality, with a specific focus on multi-purpose cash, rental subsidies and social protection in general will allow partners to efficiently and effectively reach those most in need. Especially, those population groups that are in need of housing, income compensation and basic support in light of increased prices, a stretched economy can benefit from the financial support provided by CVA. There is an immediate need to address the living conditions of the informal settings to minimize contamination. Additionally, CVA should aim to support people with disabilities, women-headed households and elderly.

### *Response gaps and challenges*

The main challenges are the limited approvals for agencies and organization on the use of CVA, especially Multi-Purpose Cash. Also, it is important to access the Financial Service Providers (FSP) capacity and facilitate their work. Moreover, the restricted movement can create difficulties.

### *Mitigation Measures*

The Cash Working Group has created a Syrian specific guideline on how to adapt programming in times of Covid-19. Furthermore, it has established a folder in the Whole of Syria dropbox as well as set up a google drive for the CWG. In the google drive, partners can find general CVA information, guidelines and papers in addition to specific CVA Covid-19 information. Furthermore, the CWG has shared documents for the CWG members to fill out to inform the CWG of their general cash intervention and specific CVA Covid-19 adaptation and interventions allowing the CWG to provide timely coordination and support to the CWG members.

Agencies and partners should ensure that planning takes into account worst-case scenarios. For example, in case of further negative impact on the economy and decrease in liquidity, partners can distribute larger sums at once. The use of electronic transfer mechanism is also encouraged to reduce the number of distribution gatherings.

Markets are essential in the use of CVA as a modality for humanitarian intervention. Therefore, it is absolutely key in any CVA intervention to assess and monitor markets to provide the most efficient and appropriate support to the population in Syria.

## **COORDINATION MECHANISMS**

The use of CVA in relation to the Syrian Covid-19 response is incorporated into the country preparedness and response plans. The core of the coordination is centered in the Cash Working Group with strong links to Sectors and the Crisis Management Team lead by the humanitarian coordinator. Partners are firmly encouraged to coordinate with other CVA actors and in general look into complementary programming. Coordination is also important in regards to reduce and optimize the work of the available FSPs and ensure that the intervention is supporting the local economy.

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<sup>5</sup> HNAP, The Impact of the Syria Crisis A Breakdown by Gender and Age HNAP Factsheet, 2019