A recipient waiting for her turn to buy some groceries with WFP urban cash transfers. WFP in Republic of Congo launched food assistance by cash transfers in urban areas (5 boroughs of Brazzaville) in May 2020.

WFP/Alice Rahmoun. May 2020
COVID-19 and CVA

Impacts and Implications of the Crisis and Response
Note for readers: This chapter was written in July 2020, a few months into the COVID-19 pandemic. The analysis is speculative and forward-looking in nature, attempting to identify and explore a number of “windows of opportunity” for positive change in cash and voucher assistance (CVA) and the broader humanitarian system, as well as highlighting risks that need to be managed. This chapter, like all others in the report, may be read as a standalone.

Introduction

As the writing of this report got underway, the world went into lockdown, implementing unprecedented restrictions on movement along with other surveillance measures in an attempt to curb the spread of COVID-19. As of early July 2020, over 11.6 million cases\(^1\) of COVID-19 have been reported worldwide and the virus continues to spread, with the rate of infection accelerating in most countries\(^2\). The economic impacts of the pandemic on the world’s poorest are already outstripping the public health impacts with, for example, an estimated 130 million\(^3\) additional people facing acute food insecurity by the end of 2020, and projections showing that up to half a billion people could be pushed into extreme poverty\(^4\).

The COVID-19 pandemic is having an extraordinary human cost and gives us few reasons to be optimistic. However, as some commentators have pointed out, there may, potentially, be some positive, as well as negative, impacts on the way humanitarian actors work. Since late March, there have been many attempts at predicting how the crisis might evolve over the next 18 to 24 months, including what this evolution might mean for the humanitarian system:

- IARAN developed COVID-19 preliminary scenarios\(^5\) for the humanitarian ecosystem, with an outline of the potential implications for the humanitarian community as a whole.
- HERE Geneva\(^6\) convened humanitarian leaders and influencers to reflect on what the pandemic might mean for the future of humanitarian response.
- The New Humanitarian offered its own analysis\(^7\) highlighting the potential for this crisis to act as a boost for localisation and a shift towards more truly networked approaches across the humanitarian/development continuum.

While it is too early to know whether any lasting transformation will be achieved, the disruption caused by the pandemic presents an unprecedented opportunity to redefine the humanitarian system to better serve the needs of crisis-affected people.

What do we know so far?

The pandemic response has led to a scale-up in the use of cash transfers.\(^8\) Both immediate responses\(^9\) to COVID-19 and calls for new funding to support economic recovery have prioritized cash – along with safeguarding livelihoods and kick-starting long term economic recovery – as the most effective way to ensure basic needs are met.\(^10\) The IRC estimates that $1.7 billion in additional cash assistance\(^11\) is needed by the end of 2020 to limit the number of people going hungry in countries affected by fragility, conflict and displacement.

Governments are leading the way on the cash response. According to the World Bank’s weekly data on global COVID-19 social protection responses, cash-based social transfers from governments have reached 1.2 billion additional people since the start of the response.\(^12\) The scale-up has been staggering.

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1. COVID-19 Dashboard by the Center for Systems Science and Engineering (CSSE) at John Hopkins University
2. The Pandemic is Still Gathering Pace in Most of the World, The Economist
3. WFP Chief Warns of Hunger Pandemic as COVID-19 spreads, UN Security Council statement
4. COVID-19 fallout could push half a billion people into poverty in developing countries, Wider Press Release
5. COVID19 Scenarios for the Humanitarian Ecosystem, IARAN
7. This global pandemic could transform humanitarianism forever. Here’s how, The New Humanitarian
8. COVID-19 – It’s time to take cash to the next level, Devex
9. COVID-19 and CVA: How are operational actors responding?, CalP blog
10. Markets in Crisis, Statement on COVID-19
11. Cost of living: COVID-19 humanitarian cash transfers to prevent hunger and hardship, The International Rescue Committee
12. SP Links June 12, Weekly Social Protection Links
both in terms of coverage and spend, but is weighted towards better off countries with functioning social protection systems. As a result, this scale up does not reach many of the poorest people in the most fragile countries in the world (e.g. Yemen, Syria, Central African Republic) who continue to rely on humanitarian aid. Even in non-fragile contexts, those in the informal economy, the ‘uncounted middle’ who are some of the most heavily impacted, are seldom included in government assistance programmes.

As of 1 July 2020, the revised Global Humanitarian Response Plan\textsuperscript{13} was calling for an additional $7.32 billion for 63 priority countries (i.e. those already facing other crises, and/or which have requested international assistance), with the need for cash assistance highlighted. This plan covers only the most acute needs and is just a small part of the estimated $90 billion required\textsuperscript{14} to support the most vulnerable 10 percent of the global population.

At time of writing, only 21\% of the funding\textsuperscript{15} needed for the Global Humanitarian Response Plan for COVID-19 had been received. The gap between needs and resources, worsened by the pandemic, is likely to widen over the coming months, increasing pressure on how available funding is spent.

The likely global outlook over the next 18 to 24 months for CVA actors

The above analyses offers several common insights that will likely characterize the operating environment for CVA over the next 18-24 months.

- Across the globe the pandemic has cemented the central role of governments.\textsuperscript{16} Governments are - in many cases - best positioned to provide large-scale social protection programmes but they are also able to implement emergency powers, including severe restrictions on freedom of movement and other related measures. Even as phased exits from lockdown take place, restrictions on cross-border and in-country movements are likely to continue to be used as containment strategies.

- A shift towards remote\textsuperscript{17} and digital channels for registration, delivery and monitoring has taken place. The adjustments to CVA delivery in the early days of the pandemic are likely to become the “new normal”, bringing opportunities and requiring careful consideration of risks.

- There is a risk that expansionary fiscal and social protection responses will be followed by austerity policies. UNICEF’s recent rapid review\textsuperscript{18} of economic policy and social protection responses to health and economic crises warns that there is a high risk of austerity policies to control budget deficits and consolidate debt in the medium to long term, making social protection spending vulnerable to later cutbacks.

- A shift away from complex targeting towards blanket, universally leaning, approaches is likely. Given large numbers of newly poor people, including previously excluded groups such as informal workers and immigrants, many implementers recommend blanket targeting by geography (e.g. urban slums) – where possible – to avoid exclusion errors. But, in the most fragile contexts, such universal provision is unlikely to be attainable while the technical complexities of accurate poverty targeting are challenging.

- An overall reduction in Overseas Development Assistance (ODA) is likely as donor countries struggle with the economic fallout of the pandemic at home. Among donor countries, even for those that have pledged to protect the 0.7 percent of GNI as aid spending, shrinking GDP will lead to lower value contributions.

- Assuming funding reduces, so will response capacity. Staff structures are already being slimmed down\textsuperscript{19} and ways of working (e.g. home working, balancing work with childcare) changing rapidly. Even if funding levels start to rebound, it is not certain that agencies will have the human capacity to respond rapidly.

\textsuperscript{13} Global Humanitarian Response Plan, April - December 2020
\textsuperscript{14} Remarks by Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, Mark Lowcock: Release of the Updated COVID-19 Global Humanitarian Response Plan
\textsuperscript{15} Response plan appeal snapshot
\textsuperscript{16} This mirrors the “Control” scenario in CaLP and IARAN’s Future of Financial Assistance report
\textsuperscript{17} Remote Market Assessment and Monitoring, CaLP microlearning video
\textsuperscript{18} A rapid review of economic policy and social protection responses to health and economic crises and their effects on children, Lessons for the COVID-19 pandemic response, UNICEF, June 2020
\textsuperscript{19} Oxfam to close in 18 countries and cut 1500 staff amid coronavirus pressure, The Guardian
Global remittances are falling and projected to decline by about 20 percent in 2020. This fall, which would be the sharpest decline in recent history, is largely due to the loss of employment and wages of migrant workers, who tend to be more vulnerable to economic crisis than host country workers. The loss of remittances will directly impact vulnerable and previously coping households and remove a critical support system in countries like Yemen and Somalia.

All the above has the potential to accelerate efforts for new and innovative partnerships between international actors and local civil society to counter the potentially exclusionary and marginalizing effects of state-led assistance provision. In many cases, the responses of international actors have already seen a shift towards engaging local actors/networks for registration, delivery, monitoring, and sensitization activities. We are also likely to see emergence of new networks and coordination structures, bringing together technical expertise, data analysis and funding provision. So far, there is little indication of direct funding to local actors increasing – despite calls for change.

Although these trends appear to have some predictive validity at the time of writing, we are in the early days of this crisis and its impacts are still unfolding. As we consider what COVID-19 might mean for the recommendations of this report, we should adopt a “no-regrets” attitude – acting fast to save lives and livelihoods – alongside a mindset that allows us to pivot and adapt as we understand better the impacts of the pandemic over time. To paraphrase Keynes, when the facts change, we must change our minds.

There is a significant scale-up in CVA, but the gap between needs and resources is growing rapidly

Lack of funding may turn out to be a key characteristic of this response. The onset of this crisis has seen several plans developed to support the mobilization of funds (box 9.1). However, at the time of writing, received funding is only a small proportion of the requested amount. Given the predicted long-term socio-economic impact of this crisis on all countries, it is highly likely that the COVID-19 response and recovery will remain drastically under-funded.

Cash assistance is being prioritised within funding requests. For example, both the GHRP and the UN COVID-19 Multi-Partner Trust Fund (MPTF) are explicit about the need for an immediate scale-up of cash transfers to help mitigate the socio-economic impacts of the crisis. This builds on existing trends to increase the amount of CVA used in humanitarian responses.

**Box 9.1 Overview of funding for COVID-19**

COVID-19 humanitarian funding requested so far includes:

- $7.3 billion for the remaining months of 2020 via UN GHRP, of which $1.6 billion has been funded to date.
- The UN COVID-19 Response and Recovery Fund (UN COVID19 MPTF) has a target of $2 billion with $1 billion needed in the 9 months of the operation ($44m received so far).
- $3.1 billion requested by the RCRCM (raised so far: IFRC = $128 million; ICRC = $124 million)
- $675 million initial request by WHO
- $100s of millions requested through individual agency appeals e.g. Save the Children appealed for $100 million

Significant contributions towards relief efforts, financial assistance and debt relief include:

- The FAAMG (Facebook, Amazon, Apple, Microsoft, and Alphabet (Google)) contributing $113 million to relief efforts (with a total COVID-19 response at $1.25 billion)
- The World Bank - $160 billion over 15 months (of which $50 billion is in grants/concessional loans, with $1.9 billion disbursed in the first round to 25 countries)
- IMF - $20 billion in loans so far

Information and analysis of ongoing humanitarian and development funding flows is also available from the Centre for Disaster Protection
As detailed in chapter 1, the scale of CVA has increased annually since 2015, both in volume and as a percentage of overall international humanitarian assistance - reaching a provisional total of $5.6 billion in 2019. With the COVID-19 response favouring CVA, it seems safe to assume that CVA volumes will grow significantly. However, at this point, it is unclear if this growth will be sustained beyond the initial phase, how it will be distributed across agencies, and whether the current system will be ready to respond at the scale required. In recent years, the relative share of CVA delivered globally by UN agencies and their implementing partners has increased year on year reaching 63 percent in 2019 (see chapter 1). Given what is known about funding allocations to date for the COVID-19 response, it is anticipated that this trend (of relatively more funding going to fewer agencies) will continue and may increase during the pandemic response.

At this early stage of the response, we have not seen evidence to suggest that the scale-up of cash in a context of remote programming is impacting quality, but it is hard to predict what will happen over the medium term. The shift towards remote and digitally-driven methods in assessment and monitoring in CVA (and broader programming) has potential implications for accountability, quality and protection. Cash Working Groups and CVA practitioners in West Africa have, for example, shared concerns that with more digital delivery and delegation to the private sector, humanitarian organizations will progressively lose direct contact with recipients for monitoring and feedback. This is unfortunate since we have clear evidence that many people have a strong preference for providing feedback in person. For example, Ground Truth Solutions (GTS) recent Cash Barometer work in Nigeria found that only 8% of cash recipients used remote feedback mechanisms to address issues. A related challenge is how to ensure safe programming in an era of reduced face to face interactions, so that agents involved in last mile delivery and at cash out points and markets do not abuse the power they hold and recipients are protected.

Chapter 3 of this report argues that, “there are trade-offs in different aspects of quality (effectiveness, efficiency, accountability) when delivering cash at scale.” Experiences adapting to COVID-19 underscore this tension and difficult design choices need to be made – an example from Lebanon is given in box 9.2. Within the context of limited budgets, quality comes at a cost and the pressure to demonstrate value for money might mean compromising investments in accountability systems that are effective at scale. On the other hand, we hope the push for greater flexibility in programme funding and design to adjust to the new realities of COVID-19 (e.g. switching modalities, combining multiple transfers into one transfer, etc.) becomes part of the ‘new normal’.

**BOX 9.2 Adapting multi-purpose cash programme to COVID-19 in Lebanon and recipient feedback**

In Lebanon, SMS messages to Syrian refugees regarding the availability of their multi-purpose cash (MPC) are being staggered to help address risks related to COVID-19 and the economic crisis, including minimizing over-crowding and money shortages at ATMs. A survey of MPC recipients conducted by the CAMELEON network highlighted that MPC programming in Lebanon was proving to be resilient despite the challenging external context, and that programme adaptations were enabling the majority of recipients to continue to withdraw assistance successfully and safely. However, some recipients said they wished they could go back to receiving the MPC on the same day near the beginning of each month to give them more predictability, especially in the repayment of debt at the grocery store or pharmacy, and to pay rent.

*Source: Cash Monitoring, Evaluation, Accountability and Learning Organisational Network (CAMELEON)*

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20 World Bank Predicts Sharpest Decline in Remittances in Recent History
21 The Impact of Covid-19 on African Civil Society Organisations
22 John Maynard Keynes quote
23 Humanitarian Financing is Failing the COVID-19 Frontlines, Center for Global Development blog
24 Ground Truth Solutions Cash Barometer
The COVID-19 response has the potential to act as a catalyst for change in a number of critical areas

1. Localisation

The inability during this crisis to deploy the usual international surge capacity has presented an enormous opportunity for a real breakthrough in localisation. We have seen a number of statements, notably from the Inter Agency Standing Committee (IASC)\(^\text{25}\) and donors, that acknowledge the role of local actors who, whilst also constrained by COVID-19 preventative measures, are well placed to maintain and potentially scale up operations – provided “they are given the means to do so”\(^\text{26}\).

In COVID-19 responses, pre-existing community knowledge and local networking is key for effective assistance to most vulnerable populations... This allows for better targeting and a better sense of dignity for individuals and families. Local actor, Philippines

However, as the Center for Global Development\(^\text{27}\) has pointed out, current practices slow down the response. For example, while the Global HRP explicitly acknowledges the role of local leadership in the response, 95% of the funding requested through the HRP goes to UN agencies in the first instance. That said, UN agencies report that an increasing proportion of their implementing partners are local organisations. For example, UNHCR in its initial phase of the COVID response, delivered 12% of its CVA through partners, of which 70% was delivered through local partners, including local governments.

As well as challenges related to funding models, there are a number of other barriers to overcome to increase localisation. As this report finds (see chapter 7), key barriers include inflexible and inequitable approaches to partnerships by donors and UN agencies, downstream risk transfer from donors and international organisations to local partners, limited access to direct funding for CVA, lack of clarity about engagement in the international humanitarian system and cash coordination, lack of representation for local actors in key cash forums, limited CVA capacity, and in some cases, conservative attitudes about CVA from local, and particularly, state actors.

Building on the recommendations in the localisation chapter, the COVID-19 response presents a number of opportunities for local organisations including:

1) Opportunities to develop new partnership models that support direct access to donor funding, programme decision-making and co-design. A recent ODI webinar\(^\text{28}\) highlighted that local stakeholders recognise they need to lead the COVID-19 response, and that there are opportunities to change existing ways of working. In the Philippines, for example, National Anti-Poverty Commission – Victims of Disaster and Calamities (NAPC-VDC) contributed to successfully advocate for the use of CVA as a response modality with the local government. At the same time, some local organisations face institutional and psychological barriers in taking up leadership roles as they are used to implementing for international organisations rather than taking the lead and so may have had few opportunities to directly access funding to lead, design and coordinate CVA programmes.

As a women for education local organization, we are able to support specific targeting of vulnerable women for multipurpose cash in response to COVID-19 emergency through our community-based network in most of the country. Women’s Right to Education Programme, Local organisation, Nigeria

2) Opportunities to leverage CVA to strengthen local markets and systems, with better participation and use of local knowledge, actors and networks. At times, where international presence is reduced, local actors have been able to mobilize timely and appropriate responses. The Women’s Right to Education Programme, a Nigerian local organisation, for example, was able to move rapidly to use local private funds to provide cash assistance to women economically affected by COVID-19.

\(^{25}\) Localization in the COVID-19 response, Interim Guidance, IASC

\(^{26}\) ibid

\(^{27}\) Humanitarian Financing is Failing the COVID-19 Frontlines, Center for Global Development blog

\(^{28}\) Global Crisis, Local Action – A humanitarian reset in response to COVID-19, ODI
3) Opportunities to **build or strengthen “cash-readiness”**. Learning by doing and gaining experience during a response is an important part of developing CVA capacity. For example, CaLP was recently approached by **Community World Service Asia**, a humanitarian and development organization registered in Pakistan, head-quartered in Karachi and implementing initiatives throughout Asia, to provide orientation and training on CVA for its network of partners and local organisations.

While opportunities exist, **sustained effort and an acceptance of changing ways of working will be required across all actors in the humanitarian ecosystem to address barriers and achieve a true power shift towards locally led CVA.**

Committing to localisation requires valuing differently what the Global Mentoring Initiative29 (GMI) calls the “life force” of organisations: their clarity of purpose; connectedness and accountability to the people they serve; their ability to be critical and propositional; their capacity to collaborate towards shared objectives and negotiate; and, finally, their self-confidence.

In the current crisis and in the recovery that follows, the added value and role of all actors involved should be reconsidered. International organisations will need to learn how to be better intermediaries30.

2. **Could COVID-19 provide the momentum necessary to address long-standing challenges in cash coordination?**

From the outset, the nature and scale of this crisis has required a shift towards more collective action and sharing of best practices. Existing coordination systems adapted fast, with a number of clusters releasing guidance in the early days of the crisis for the safe use of CVA, including MPC, as a response modality. Equally, Cash Working Groups (CWGs) proved their value by responding quickly to support CVA actors operating in a dynamic and uncertain context including by:

- Developing shared analysis of risks and impacts31 of COVID-19 for CVA
- Developing joint Standard Operating Procedures (SOPs) and guidance32 on safe and/or remote delivery
- Rapidly mapping available delivery mechanisms33, adapting MEBs, and conducting and sharing market assessments
- Strengthening links with social protection systems, including advocating with the government for both horizontal and vertical expansion of existing social protection programmes to include those without valid means of identification34, and much more.

But while much has been done, structural barriers to cash coordination (see chapter 5), continue to present major challenges for CWGs, especially around lack of resourcing, weak links to the broader response architecture, and in engagement between CWG leads and clusters (see box 9.3, for examples from West and Central Africa).

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29 Localization - Holistic Perspectives are Urgently Needed, Global Mentoring Initiative
30 Guidance Notes on Arrangements between Donors and Intermediaries, Grand Bargain Localization Workstream
31 Statement on Likely Impacts of COVID-19 on Humanitarian Cash Transfers in Yemen, Yemen Cash Working Group
32 CVA and COVID-19 Guidance for Syria, Syria Cash Working Group
33 http://calp.sbx.so/fr/publication/cartographie-des-pretataires-de-services-financiers-en-afric-de-louest-et-du-centre/
34 e.g. in the Dominican Republic
The pandemic is highlighting existing problems in the system – underscoring the high income and middle income interventions) have been used widely to respond to the pandemic in high income and middle income contexts.

3) Joint market analysis

Across West Africa the weakness of CVA coordination in many countries meant that there was no joint or coordinated market analysis. Regional market assessments described some price volatility but more detailed country-level analyses were needed to inform response options analyses.

Source: Feedback from CWGs during the Geneva CWG meeting in May featuring global CWG representatives

Members of CaLP’s Technical Advisory Group (TAG) also highlighted how the COVID-19 pandemic – and the need for rapid and effective coordination – has increased the urgency of unblocking global cash coordination issues. The pandemic is highlighting existing problems in the system – underscoring the need for dedicated resources for cash coordination and for more institutional support for CWG leads, including stronger links with the broader humanitarian response. All too often progress by the CWG is not able to influence the overall response, and CWG leads are not adequately supported. These issues were emphasized by participants in a learning exchange between global, regional and country CWGs organised by CaLP and OCHA in April 2020, they also stressed the need for increased capacity for market analysis, and further guidance on coordinating engagement with national social protection systems.

At the global level, the newly-launched Grand Bargain Cash sub-workstream on Tackling Political Blockages to Effective Humanitarian Action, a shared initiative between the Cash and Joint Needs Assessment Workstreams, has identified key political issues in need of resolution, including cash coordination. In June 2020, at the Grand Bargain Annual meetings, the need to resolve cash coordination was raised by various Sherpas; it is, however, too early to know what the outcomes will be.

3. How might COVID-19 impact on linkages between humanitarian CVA and social protection?

The case for social protection to help people cope with shocks, and for humanitarian assistance and social protection to be closely linked has long been clear - and never more obvious than during the current COVID-19 crisis. Social protection instruments (social assistance, social insurance and labour market interventions) have been used widely to respond to the pandemic in high income and middle income contexts.

Box 9.3 Structural cash coordination issues present challenges: examples from West and Central Africa

1) Mapping and negotiations with financial service providers (FSPs)

In DRC and Nigeria, where CWGs benefit from full-time dedicated technical staff, FSP mapping was completed and negotiations progressed. In contrast, in Burkina Faso, Mali, and Niger, where the CWGs do not have dedicated staff capacity, the groups did not have time to lead collective negotiations with FSPs (discussions with those able to provide e-vouchers was especially needed, given price volatility and COVID-19 transmission risk reduction measures). To fill this gap, a mapping was pulled together in three days by the Regional CWG, thanks to full time efforts from the Chair and quick responses from FSPs. But, even with this, the country CWG leads had no legitimacy to direct members to the modality nor to lead collective negotiations with the FSPs. As a result, uptake of appropriate mechanisms was low and the response slower.

2) Guidance for adapting CVA to the COVID-19 crisis

The development of collective guidance to adapt CVA to the crisis was delayed in some countries due to a lack of technical support through the CWG. Despite support provided by CaLP and HQs, most organisations made individual adaptations, rather than working together through the CWG to pool expertise and rapidly adapt existing guidance. In CAR and Mali, this resulted in delays in operations and suspension of activities for weeks. In contrast, in DRC, the presence of a full-time coordinator meant it was the first country in the region to develop guidance that was collectively taken up by the CWG members.

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countries. However, in lower income and fragile and conflict affected contexts, linking social protection and humanitarian assistance in responding to COVID-19 remains a complex area of programming.

From a shock typology angle, COVID-19 has no precedent in the social protection literature. The situation is evolving fast so there is an ongoing lack of clarity in understanding the likely primary and secondary impacts, particularly in the medium and longer term. Some impossible choices have become apparent regarding the impact of lockdown on livelihoods and the challenges of emerging safely from lockdown. The negative impact of lockdown on household consumption and wellbeing could, ideally, be mitigated by stronger programming linking social protection and humanitarian assistance.

The operational challenges for the work on linkages pre-COVID still apply, i.e. navigating political economies, funding, coordination between development and humanitarian actors and technical complexities regarding timeliness, targeting, aligning transfer values, data sharing and data protection. COVID-19 has also brought new difficulties such as how to identify the ‘missing or uncounted middle’ who are newly in need of support.

This crisis response has already generated incredible momentum for discussion and provision of resources at the global level between social protection and humanitarian CVA practitioners. For example, the SPACE (Social Protection Approaches to COVID-19: Expert advice helpline) team have compiled a living guide of COVID-19 and Social Protection Materials, focusing on many aspects of social protection provision, including linkages and coordination with humanitarian systems (see box 9.4: Three core messages of the SPACE COVID-19 Expert Advice Helpline).

**BOX 9.4 Three core messages from SPACE (Social Protection Approaches to COVID-19: Expert advice helpline) have been:**

- a) **Focus on the outcomes we are collectively trying to achieve (across sectors),** working together to better meet people’s needs by extending the coverage, adequacy and comprehensiveness of assistance, via an approach that addresses the needs of vulnerable/affected households by ensuring timeliness, cost-effectiveness, accountability to affected populations, predictability and sustainability compared to the status quo and compared to any alternative, using tools such as the Strategy Decision Matrix. Who ‘leads’ on this and what systems are leveraged will depend on the context, requiring coordination across several programmes and actors playing different functions and meeting different needs.

- b) **Embrace the fact that the delivery of cash follows very similar processes (no matter whether social protection or humanitarian led),** offering many opportunities to collaborate flexibly along the delivery chain, building on existing systems where relevant, with tools to support mapping of available delivery systems.

- c) **Do all it takes to ensure gender and broader social inclusion considerations are integrated at every level of the COVID-19 response.**

Source: SPACE Team

According to key informants, the COVID-19 response has aspired to prioritise universally-leaning targeting approaches that enable efficient and speedy responses for humanitarian and social protection interventions. The goal is to view the response holistically and select a combination of strategies that focus on outcomes which actors can aim for collectively, e.g. improved food security and nutritional outcomes, decreased mortality, decreased negative coping strategies. In addition, it is critical to advocate with governments and donors to ensure social protection programmes extend provision to include groups that are often excluded, such as refugees and migrants; such inclusion remains a serious challenge and should be prioritised.
There has been variability in the success of scaling up existing programming. Where relationships had been built pre-crisis with government social protection actors, as was the case for Save the Children in Nepal, moving fast with both horizontal and vertical expansion of caseloads has worked well. In other contexts, such as Kenya, while agreements on principles and release of funding to support the initial response through the Kenya Cash Consortium happened quickly, there are ongoing delays with the operationalisation of agreed exclusion/inclusion criteria for targeting, and transfer values.

Anecdotally, it seems that in some contexts a “waiting game” is playing out. This has taken several forms, for example, where humanitarian actors have waited for social protection programmes, likely designed pre-COVID-19, to scale or launch, and have hesitated in their response. Another element in the “waiting game” has been the need for careful nuancing on targeting. For example, key informants suggest that Governments may find it easiest – where they have existing social protection systems, funding and political will – to scale-up and provide support for large sections of those who were formerly above the poverty line, especially where universal approaches to targeting are chosen e.g. as in South Africa, Namibia, and Peru. But as most routine social protection packages do not cover informal labourers, reaching them in the COVID context is neither easy nor obvious in terms of the selection of systems to be used.39 Humanitarian agencies may be better prepared to respond in the short term as they are able to use different and more flexible targeting methodologies. The drawback is that these programmes are likely to be temporary and not contribute to system building.

Even within the same agency’s country office, humanitarian and social protection experts have not been talking to each other. Independent

Come together, sequence, harmonize reach – this is the theory; at present I don’t see the change happening that is needed structurally, or the incentives and the political will that are needed. I see some green shoots of good collaboration examples; but on the political side in country, it is the same old turf wars. Independent

Despite significant collaboration between social protection and humanitarian CVA actors at the global level, in many cases, in-country responses continue to be impeded by silos and competitiveness, with discussions centering around who takes on which caseload, instead of looking holistically at the capacity needed and how actors might leverage each other’s strengths to respond best e.g. who has the registration capacity, who holds the data, or who could deliver cash.

In some cases, CVA and social protection actors still have to spend time and energy demonstrating the appropriateness and efficiency of financial safety nets and CVA40 instead of focusing collective efforts on operationalization and program quality.

Despite these challenges, there are some good examples of linking CVA and social protection systems in the COVID-19 response. In DRC, WFP was able to use social registry data that was slightly out of date and verify it through door to door registration to deliver urban cash transfers. Data was recorded in a format that would keep it aligned with the requirements of the social registry. Encouragingly, social protection practitioners have also greatly benefited from the guidance that humanitarians have shared on ‘COVID-proofing’ last mile operations, in terms of protection of recipients and front-line staff.

Quantity and types of funding are also likely to be an issue. Funding for social protection interventions, certainly from the World Bank side, has been mostly in the form of loans and has prioritised sustainability, i.e. investments to support long-term system building, over timeliness. Funding has also been released by the World Bank directly to assist countries managing the immediate shock, which has also inevitably impacted on the ability to align with and coordinate between humanitarian CVA and social protection actors.

The gradual convergence of different approaches brings new challenges in terms of the sector’s ability to monitor progress and outcomes in the context of COVID-19. As the medium to long-term response has rightly prioritised social assistance measures, there is an increased rationale to review the parameters of (humanitarian) CVA to determine if and how social assistance spending is included in tracking. To date, CVA tracking has generally been limited to interventions funded through international humanitarian funding.

39 Informal Workers and Social Protection, SPACE Guidance Note
40 A call for action - increase the uptake of cash transfers to ensure rapid response in case of shocks By the Regional Platform on Social Protection and the Regional Cash Working Group for West and Central Africa
streams and has, for example, excluded World Bank funding for safety nets in fragile contexts. This may seem like a minor issue, but in this complex crisis that has already demonstrated how nebulous the humanitarian/development nexus is, it is important to be able to track financial flows to understand where and what type of interventions are having an impact on recipient outcomes.

Given that the COVID-19 crisis is going to come in waves⁴¹, humanitarian and social protection actors should now, ideally, be jointly planning for the current response and preparing for the next wave. Preparations should include establishing mechanisms for stronger coordination, and for monitoring and analysing the impact of current measures. While we lack evidence for which approaches are working best and what information is needed to guide future phases of the response to move beyond cash into integrated programming and economic inclusion, much of the intellectual work has been done. From now on the pressure is on country-level humanitarian and social protection actors to invest time in coordination and collaboration with a focus on outcomes for affected people.

4. Has COVID-19 exposed a critical gap around understanding and working with markets?

The COVID-19 response has highlighted the need for a stronger markets analysis, and for a better understanding of how humanitarian responses can strengthen market systems. The early months of the crisis have demonstrated the value of organisations who are able to undertake rapid market systems monitoring, such as Impact Initiatives (REACH), WFP and others, as well as of networks such as Markets in Crisis (MiC). But the crisis has also exposed a lack of capacity among humanitarian practitioners to do market analysis well, sometimes resulting in weak analysis of the overall system so that market volatility is neither properly understood nor managed. In some cases, such analytical failures have resulted in a tendency to revert to in-kind assistance.

As we know this crisis will come in waves, here too it is important to act short term, but think long term. MiC’s Statement⁴² on COVID-19 calls for all actors to consider market recovery strategies in their programme design in the immediate term, while ensuring that the crisis is also used to build back better - redoubling efforts to connect humanitarian and development actors in market-based programming.

5. Will COVID-19 accelerate a permanent shift to digital delivery and communications?

As highlighted earlier, remote and digital channels for registration, delivery and monitoring in CVA delivery are likely to become the ‘new normal’, bringing opportunities and requiring careful consideration of risks. For many actors, digital-first remote CVA delivery has proven to be one of very few options available to quickly reach people in need. Out of the box digital solutions that may have been inappropriate for other shocks make sense in this crisis because a much greater section of the population is affected and there is a lot more awareness and information sharing. For example, Thailand registered 22 million people online in two weeks leveraging informal workers’ organisations. However, while going digital can bring many advantages (speed, efficiency, scale), the increased use of digital tools puts even more onus on organisations to manage the risks in their data management practices. These heightened risks are noted in the analyses of options for the rapid expansion of social assistance caseloads⁴³ in light of COVID-19, namely that “routine data protection risks are heightened in crisis contexts, and particularly where contact tracing approaches are being used, and need explicit management to ensure populations are not exposed to increased vulnerability”. These considerations also apply to the expansion of humanitarian caseloads.

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⁴² Markets in Crisis, Statement on COVID-19
⁴³ Options for rapid expansion of social assistance caseloads for COVID-19 responses, SPACE guidance
Cash Working Groups across the world have flagged two challenges with quickly going both digital and remote: a) the impact of existing Know Your Customer (KYC) requirements in being able to target those without a formal ID and b) safe handling of vast amounts of sensitive data with financial service providers and/or between responding agencies. Regarding KYC, alongside movements from regulatory bodies such as the Financial Action Task Force (FATF) to simplify due diligence processes\(^\text{44}\), other adaptations have been possible – for example, the use of a one-time PIN for cardless ATM withdrawals as seen in Ecuador. For the safe handling of sensitive data, reported adaptations include disabling the use of fingerprint biometrics (Bangladesh and other contexts) to reduce transmission risk, while introducing an alternative contactless biometric verification.

In the hype surrounding the rapid digitization of CVA in view of COVID-19, challenging aspects of doing CVA well (targeting, monitoring, and accountability through feedback mechanisms) become even harder to get right.\(^\text{45}\) Even where digital delivery is technically feasible, issues that were barriers pre-COVID, such as digital and linguistic literacy, access to a mobile device, and having formal identification, have not disappeared. Good quality programming, for CVA and in general, must therefore consider what complementary interventions and alliance-building might be needed to address the digital divide, digital literacy and getting participation and feedback processes right – especially for those who face the greatest barriers to access\(^\text{46}\) (women, the elderly, people with disabilities, etc.).

\(^{44}\) COVID-19 Sanctions, Counter-terrorism Financing and CVA, CaLP blog
\(^{45}\) CVA Response – Privacy, Carrots and Open banking, CaLP blog
\(^{46}\) Gender and Inclusion in Social Protection Responses to COVID-19, SPACE guidance
‘NO-REGRETS’ ACTIONS CVA ACTORS CAN CONSIDER IN THE COVID-19 CONTEXT

Beyond the themes explored above, there are many more areas of CVA programming where we might see change over time as a result of the COVID-19 crisis, but at this point in the response and with scarce data available, exploring these in any depth would be too speculative. For example, will the COVID19 response result in more flexible multi-year funding47 for humanitarian CVA? Will there be an increased uptake of MPC as a preferred response option? And considering the broader long-term implications, is this a watershed moment for humanitarian aid and CVA to collectively build back better or will things largely return to a pre-crisis normal?

Whilst much is still unknown and the crisis continues to unfold, here are some actions that CVA actors can take now that no one will later regret:

- **Do not overestimate the complexity of linkages with the social protection sector.** There are many simple entry points along the cash delivery chain that can make a big difference – from registration and delivery systems, to knowing what the country’s social protection strategy is and aligning to that, or through providing capacity for functions that tend to be under-prioritised by governments, such as accountability to affected populations.

- **Continue with advocacy around coordination,** both to resolve structural barriers that existed pre-crisis and to ensure there is space in the system for effective cash coordination in the nexus.

- **Continue with capacity building within organisations and work with others to create a win-win situation where cash actors throughout the CVA ecosystem are cash-ready.** This might mean traditional humanitarian CVA actors learning how to become better intermediaries.

- **Consider what complementary interventions and alliance building might be needed to address issues such as digital literacy,** potential exclusionary effects and getting participation and feedback processes right when going digital. Also, **actively look for opportunities for response modalities to work on empowerment of crisis affected individuals,** specifically through digital, mobile, and financial technology.

- **Act short term but think long term.** Always have building back better in mind.

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47 A Win-Win: Multi-year flexible funding is better for people and better value for donors, IRC blog
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