



27 March 2020

COVID-19: PD IMMEDIATE GUIDANCE

Cash-based Transfers/ Essential Needs Approach

NOTE: This note has been developed for WFP operations; FSC partners should adapt the recommendations to their own operations.

Challenges posed by COVID-19

Preparedness and response measures to COVID-19 enacted by Governments, private sectors and individuals (e.g. closing of borders, suspension of services, restrictions on movement) pose a threat to the normal operating of government systems, businesses, health/community services, and markets that populations rely on. It may also interrupt WFP's direct cash-based transfer (CBT) assistance to vulnerable populations. In addition to the health risks of a large-scale outbreak of the virus, the pre-emptive containment measures alone may pose additional challenges and risks to the livelihoods of people. It is therefore critical that impacted individuals and households receive needed support.

Reconsidering design parameters of CBT interventions

The spread of COVID-19 will likely alter the manner in which households earn income and meet their essential needs, including health, education, hygiene, transport, etc. in addition to food. COs should re-assess, based on the latest information available, if the CBT intervention design remains appropriate, or determine if programmatic adjustments are needed in order to better respond to the impacts of the COVID-19 crisis.

The below checklist can be used to determine if adjustments to CBT intervention designs are needed:

- ✓ How has the COVID-19 crisis impacted the needs of the women, men, girls and boys targeted by the intervention or of other impacted groups not previously targeted? How has it affected people's ability to meet these needs?
- ✓ How are households reallocating their resources and prioritizing among different and possibly new **Essential Needs** (food, hygiene, health, shelter, transport, etc.)? Could meeting food security objectives be hampered if existing or emerging non-food needs are overlooked?
- ✓ How are governments responding to some of these needs, have they scaled up **cash-based safety nets** or plan to do so? Could WFP offer support Governments instead of changing the scope and scale of its own interventions?¹
- ✓ Which needs are **other partners** (UN, NGOs) covering or planning to cover? What delivery mechanisms are they using or planning to use?
- ✓ Should the **objectives** of the WFP CBT intervention be reviewed in view of the crisis (e.g. from meeting food to meeting food & other essential needs through multipurpose cash?)
- ✓ Is there a need for immediate **targeting** adjustments based on the information available (and for different age, gender, etc. groups)? Would this even be possible in the immediate term, or would it need to be deferred to later?
- ✓ Is there a need for a **revision of the transfer value** to meet these shifting/new objectives, needs and household capabilities?

Note: COs should use remote monitoring data collected prior to the crisis to inform an updated understanding of the needs of the CBT beneficiaries and other vulnerable groups which might have not been previously targeted (see Remote Monitoring Guidance and COVID-19 Targeting Guidance).

¹Many countries have introduced, adapted or expanded cash transfer programmes in response to COVID-19. Measures include anticipating payments, increasing the amount of payments, adding additional payments, increasing coverage and dropping conditionalities. WFP should take account of these measures or planned measures when making adjustments to ongoing CBT programmes or when planning new CBT responses, with the aim of ensuring explicit complementarity.



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Continuity of Current Transfer Mechanisms

Mitigating opportunities for the virus to spread while ensuring the continuation of WFP's CBT assistance requires WFP COs to reflect on critical aspects such as the health and safety of WFP's beneficiaries (which will vary by gender, age, disability, civil status etc.), the functioning of markets and payments services (including adequate access to these services by all populations), and appropriate delivery modalities and mechanisms within these parameters.

In most contexts, the outbreak of COVID-19 likely does NOT require the immediate shift of WFP's transfer modalities or mechanisms away from their current state to another modality or mechanism (i.e. CBT tool or in-kind). Rather, there are a number of possible adjustments that could be made in preparation for, or in response to, changing circumstances or interruptions. COs are advised to evaluate their current transfer mechanisms within their operational environments and identify preventative and risk-mitigating measures that can be implemented to ensure the continuation of operations.

Where WFP is supporting national cash-based safety-nets, immediate adjustments in country capacity strengthening (CCS) activities should aim to avoid interruption in the delivery of the national programmes, similar to efforts on WFP's own operational response, and the maintenance of the CCS working relationship with national stakeholders while minimizing the risk of transmission of the virus.

Adjustments to Current Transfer Mechanisms

Apart from dramatic shifts in macro-level conditions that render CBT impossible (as discussed further below), it will likely be more expedient and effective for COs to make tactical adjustments to their programmes and methods for delivering assistance (rather than shifting to new modalities). Based on the most common delivery mechanisms utilized in WFP's CBT operations, below are examples of key aspects to consider and monitor along with possible risk mitigation measures to enact:



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Key aspects to consider/monitor	Possible risk mitigation measures
<p>-What does a beneficiary need to do to redeem benefits? Are they using biometrics? How many times do they need to touch an ATM screen etc.?</p> <p>-Are beneficiaries required to gather in crowded places in accordance with strict timelines to receive or redeem benefits?</p> <p>-Are mobile money agents, banks, ATMs, cash agents, and/or shops open and functioning? Are there major issues with liquidity?</p> <p>-Are there issues with the supply chain of key commodities? Are contracted (or non-contracted) retailers able to provide essential items? Are there major fluctuations or inflation in prices of commodities?</p> <p>-Are there any Central Bank and/or Government policies that could impede beneficiaries from redeeming benefits?</p> <p>-Are redemption locations close to beneficiaries or do they need to travel long distances?</p> <p>-Are beneficiaries with compromised immunity or with higher health risks (older persons, persons with disabilities) able to access assistance through these changes?</p> <p>-Is information available through several channels (visual/signs/radio/written/images) and in languages of local populations including less-dominant languages?</p> <p>-Do other agencies provide assistance through the same delivery mechanisms? If so, what is their calendar/timeline for the transfer of assistance? Is it possible to harmonize to prevent overcrowding?</p>	<p>-Reduce what is required for a beneficiary to redeem (i.e. turn off biometrics, remove PIN codes, reduce the number of screens on ATMs, etc.).</p> <p>-Stagger benefit transfers over the entire month to reduce crowding at ATMs, shops, agents etc.</p> <p>-Provide entitlements for more than just one month at a time. Ensure carry-over of unspent balances.</p> <p>-Settle with retailers more frequently or even on an advanced basis.</p> <p>-Lift restrictions (if any) on redemption of benefits and allow for purchase of hygiene items.</p> <p>-Perform remote shop monitoring to conduct price and commodity supply monitoring.</p> <p>-In line with WHO standards and Government regulations ask contracted FSPs and retailers to ensure hygiene and social distancing measures are enforced at shops and other redemption locations.</p> <p>-If using mobile money, encourage use of Person-to-Person (P2P) or Person-to-Business (P2B) payments versus cash out.</p> <p>-Take stock of communities' understanding of information. Coordinate with other agencies/clusters to provide consistent messaging that does not contradict one another.</p> <p>-Expand redemption networks by allowing redemption at any ATMs, allow transactions at any shop (rather than just WFP contracted retailers), explore interoperability of mobile money agents.</p>

Changing Transfer Modalities/Mechanisms

In some cases, the delivery of assistance through current CBT mechanisms may no longer be feasible due to the degradation of macro-level conditions of markets, economies, payment services, etc. Therefore, WFP COs will need to review available options to shift to new more appropriate transfer modalities or mechanisms.



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Below are key triggers for deciding when the current transfer modality/mechanism is no longer feasible:

- Large-scale closure of needed mobile agents, banks, ATMs, cash agents, and/or shops.
- Complete and sustained lack of liquidity in redemption networks (or early warning signs).
- Sudden and consistent changes in currency valuation and exchange rates.
- Complete collapse of local markets (i.e. contracted and non-contracted retailers cannot re-stock key commodities). Or affected populations cannot access markets (even if stocked) due to complete road/transport restrictions.

CBT Risk Acceptance and COVID-19

WFP's primary objective is to promote the well-being of its beneficiaries. This includes ensuring that life-saving assistance continues uninterrupted and is delivered to beneficiaries in a manner that is safe for all those involved. Under normal circumstances, WFP's CBT risk mitigation and controls framework encourages COs to enact robust beneficiary-level identity controls to verify the collectors and redeemers of benefits. In some cases, this is done using biometrics for the registration of beneficiaries and redemption of benefits. However, due to the added health risk to beneficiaries, staff and service providers posed by COVID-19, WFP COs should weigh the associated risks and make adjustments to prioritise the overall health and well-being of beneficiaries which might include "turning-off" the use of biometric and/or PIN code redemption (especially in areas with significant risk of COVID-19 outbreak).