

RESPONDING TO COVID-19: LEVERAGING CASH TRANSFER PROGRAMS

VERSION 1, 1 APRIL 2020

This document shares suggestions for policymakers in sub-Saharan Africa interested in enhancing cash transfer programs amidst the COVID-19 crisis. It contains IDinsight's initial reflections and analysis and will be updated as more information on the spread of COVID-19 becomes available. We recognize these are broad recommendations and all policy solutions will be specific and adapted to their context.

THE IMPORTANCE OF CASH TRANSFERS IN COVID-19 RESPONSE

COVID-19 is a highly contagious virus, with confirmed cases across the world. While there are few or no confirmed cases in several African countries, as of 1 April 2020, it seems likely the virus will spread to and impact urban and rural communities across geographies. The economic impacts of COVID-19 are already being felt in Africa, due to local policies to combat the spread of the virus and the global economic downturn. As policymakers prepare to respond, they should focus on leveraging cash transfer programs as part of their efforts.

How will COVID-19 impact cash transfer programs?

Cash transfer program programs in sub-Saharan Africa (SSA)¹ predominately target ultra-poor and rural households,² which often include the elderly, people with disability and people with chronic illness.³ These populations are especially at risk of serious health impacts from COVID-19 and are less able to weather economic challenges. In addition, households receiving cash transfers often have limited access to regular and current health information.⁴

The implementation of cash transfer programs will be affected by COVID-19, particularly those programs that use in-person delivery of the cash transfers at physical pay points.⁵ The biggest challenge of implementing in-person cash transfer programs at this time is reducing the risk of the virus spreading when government officers travel to provide or supervise the transfers and recipients gather to receive the cash transfers.

HOW CAN GOVERNMENTS ADAPT EXISTING CASH TRANSFER PROGRAMS TO RESPOND TO COVID-19?

Cash transfer programs are essential for the most vulnerable populations to take preventive measures and withstand income shocks caused by the virus and the associated policy response.

¹ [Virtually every country in sub-Saharan Africa has some kind of cash transfer program.](#)

² In Africa, [cash transfers generally target materially deprived, poor families.](#)

³ [A number of programs target households with vulnerable children, the elderly, people with disabilities, and a lack of labor capacity \(the presence of chronic illness is used to determine a lack of labor capacity in some contexts\).](#)

⁴ For example, there is evidence from some countries of [persistent misconceptions](#) related to [HIV](#), [TB](#), [sexual health](#) and [malaria](#).

⁵ While we could not find data on how many countries use electronic vs. manual payments, IDinsight works across SSA countries that use both.

In many countries, cash transfer programs represent the largest of all social policy instruments being used by governments. The systems⁶ that have been built to deliver these transfers can be leveraged to support additional groups requiring assistance due to COVID-19. Governments can also leverage cash transfer networks to layer on health campaigns and messaging to save costs.

As such, cash transfers should be central to a government’s COVID-19 response, and existing programs should be adjusted and enhanced to reduce risks during the pandemic and capitalize on opportunities to support vulnerable populations.

SUMMARY OF POLICY OPTIONS

For sub-Saharan African policymakers looking to enhance cash transfer programs amidst the COVID-19 outbreak, we suggest considering the options in Table 1. The actions are described at a high-level and need to be tailored to local contexts.

The first column of Table 1 groups the actions into categories; the second describes the potential cash transfer action; and the third column provides a suggested timing for the response (either before, during, or after high rates of COVID-19 infection are detected in-country).

Table 1: Summary of cash transfer responses to COVID-19

Category	Policy response	Timing relative to high levels of COVID-19
Program Implementation	Map the health and economic impact risk of COVID-19 across vulnerable populations to inform program response	Before
	Data collection through phone surveys to inform program implementation and/or adjustments	During
	Bundling cash transfers to increase household spending power during periods of movement restrictions and/or temporary lockdowns	Before
	Reducing the risk of transmission through program implementation	Before, during and after
Program Design Enhancements	Temporary program expansion to at-risk populations and those more likely to spread the virus	Before, during and after
	Disseminating behaviour change messages to program participants	Before and during
	Screening program participants for COVID-19 during program implementation	During

ACTIONS TO ADAPT PROGRAM IMPLEMENTATION TO COVID-19

1. MAP THE HEALTH AND ECONOMIC IMPACTS OF COVID-19 ACROSS VULNERABLE POPULATIONS

Challenge: The spread and impacts (health and economic) of COVID-19 will vary across populations and geographic location. Government resources are limited, and need to be targeted towards the most at-risk areas and communities.

⁶ For example, social registries and payment systems.

Opportunity: Administrative and big data can be used to identify areas that have concentrations of cash transfer recipients or potential recipients with a high COVID-19 risk (e.g. the elderly, those with existing health conditions). Beneficiary registries, program management information systems, and other public datasets can be used to build risk profiles for different categories of beneficiaries and regions. This information can inform the targeting of COVID-19 health and economic responses to ensure resources are allocated to populations most in-need.

IDinsight support: IDinsight has extensive experience analysing administrative data and big data, and can quickly conduct these analyses to generate insights to inform policy decisions.

2. DATA COLLECTION THROUGH PHONE SURVEYS

Challenge: Information on the spread of COVID-19 may be difficult to gather, but it can improve the governments' response efforts.

Opportunity: Cash transfer programs often collect beneficiary phone numbers, making phone surveys more feasible. A phone survey of cash transfer recipients can help collect information that would otherwise be gathered through in-person visits by program staff. Phone surveys can be used to collect data about the quality of program implementation, program participants' knowledge, attitudes and practices relating to COVID-19, and the spread of COVID-19, which can be used to target response interventions.

IDinsight support: IDinsight can design phone surveys, create a low-cost data storage system, and provide training guides to program staff and others who would conduct the surveys.

3. BUNDLED CASH TRANSFERS

Challenge: The pay points where government officials and recipients congregate to disperse and receive cash transfers increase the risk of COVID-19 transmission.

Opportunity: Depending on the logistics of the cash transfer program, payments for multiple pay periods should be bundled into one payment prior to high levels of COVID-19. This can reduce the need for in-person payments during periods when the virus is spreading quickly. These payments can also be coupled with information sessions on the virus, and education about savings (as recipients will need to plan to spread their transfer over a period that is longer than usual).

IDinsight support: IDinsight can model the financial implications for government and donors supporting cash transfer bundling. We can also help with scenario planning to prepare for the medium- and long-term implications of the virus on cash transfer programs.

4. REDUCING THE RISK OF TRANSMISSION THROUGH CASH TRANSFER PROGRAMS

Challenge: In-person cash transfer programs have the potential to facilitate the spread of COVID-19 as implementing officers travel to provide payments and recipients gather to receive them.

Opportunity: To prevent the spread of COVID-19, implementing staff should be checked for symptoms before in-person transfers.⁷ Those found to have symptoms consistent with COVID-19 should not be

⁷ [“These symptoms may appear 2-14 days after exposure \(based on the incubation period of MERS-CoV viruses\): Fever; Cough; Shortness of breath”](#)

involved in transfers. As people with COVID-19 can be asymptomatic, and the outbreak may last many months, policymakers should consider boosting its systems for remote monitoring/supervision of cash transfers so that payments can take place with fewer in-person staff.

The ultimate solution to this challenge is to shift payments from in-person with physical cash to electronic with mobile money or bank accounts.⁸ Governments should re-double their efforts in this area, but this is likely to be a medium-term solution due to the lead times required for such a change.

IDinsight support: IDinsight can develop remote monitoring tools to reduce in-person staff, and support the associated data systems needed to ensure the program is run effectively.

ACTIONS TO ENHANCE PROGRAM DESIGN TO RESPOND TO COVID-19

5. EXPANSION TO POPULATIONS MORE LIKELY TO SPREAD THE VIRUS AND ADDITIONAL AT-RISK POPULATIONS

Challenge: Social distancing policies will likely require the curtailment of economic activity, particularly in urban areas. In many countries, cash transfer programs are focused in rural areas. Further, due to fiscal constraints, even in rural areas, many households with high COVID-19 health and economic risks are not currently receiving social protection assistance.⁹

Opportunity: In responding to COVID-19, cash transfer expansions should prioritize: (a) those more likely to spread the virus (e.g. poor laborers in densely populated areas); and (b) those with higher health risk (e.g. elderly and people with respiratory illness).¹⁰ Targeting these groups can allow the most at-risk to avoid contracting the disease and potentially reduce movement by individuals who would otherwise continue participating in more formal economic activities, which risks spreading COVID-19.

Where financial resources allow, social protection could also be expanded to other groups who are likely to be impacted economically by COVID-19, and/or the payments of current social cash recipients could be increased.¹¹

IDinsight support: IDinsight can provide analysis to inform which populations should be targeted for social cash expansion and to estimate appropriate transfer amounts.

6. INFORMATION DISSEMINATION

Challenge: Behaviour change is central to controlling the spread of COVID-19. Cash transfer recipients may have limited access to regular and current health information.

⁸ [The UN's Better Than Cash Alliance has 39 country members "committed to digitizing payments in order to boost efficiency, transparency, women's economic participation and financial inclusion."](#)

⁹ [ILO estimates that 22.7% of the elderly receive a pension in SSA and 9.5% of those in vulnerable groups receive non-contributory cash benefits in Africa.](#)

¹⁰ Considering the potential scale of COVID-19, the presence or establishment of universal social protection would be ideal. [Expansion to vulnerable populations is important if universal payments are not possible.](#)

¹¹ Expanding cash transfers is most feasible where there is existing data (e.g. from a census and/or social protection registry) and the cash transfers can occur electronically or use the existing in-person system.

Opportunity: Cash transfer pay points can be used to disseminate information on COVID-19 prevention and treatment (if payments are taking place in-person). The information can be shared by health officers and/or community/religious leaders. This could also include sharing information sheets/posters, using pictures since many cash transfer recipients may be illiterate.

IDinsight support: IDinsight has prepared [detailed guidance on social distancing in low-income countries](#). We can also assess the effectiveness of behaviour change campaigns through conducting phone surveys and data analysis.

7. SCREENING PROGRAM PARTICIPANTS FOR COVID-19

Challenge: Even basic testing approaches for COVID-19 are not available in rural communities.

Opportunity: Health care workers could conduct screening of COVID-19 at pay points (if payments are taking place in-person).¹² Individuals who may be infected could then self-quarantine. These activities would also help the government document the spread of COVID-19 and target information campaigns to those with or proximate to the virus.

IDinsight support: IDinsight can develop a data collection tool and an information system to store data being collected by health workers.

ABOUT IDINSIGHT

IDinsight is a global advisory, data analytics, and research organization that helps development leaders maximize their social impact. We tailor a wide range of data and evidence tools, including randomized evaluations and machine learning, to help decision-makers design effective programs and rigorously test what works to support communities. We work with governments, multilaterals, foundations, and innovative non-profit organizations in Asia and Africa. We work across a wide range of sectors, including agriculture, education, health, governance, sanitation, and financial inclusion. We have offices in Dakar, Johannesburg, Lusaka, Manila, Nairobi, New Delhi, San Francisco, and Washington DC.

COVID-19 RESPONSE CONTACTS

East and Southern Africa: Chris Chibwana | chris.chibwana@idinsight.org

West and North Africa: Cassandre Pignon | cassandre.pignon@idinsight.org

India: Divya Nair | divya.nair@idinsight.org

South East Asia: Meg Battle | meg.battle@idinsight.org

General fundraising and partnerships: Nicholas Parker | nicholas.parker@idinsight.org

¹² At this stage, rather than a laboratory test, recipients who present COVID 19 symptoms could undertake a short survey to assess whether it is likely that they have the virus. [Online tools](#) can be adapted for in-person use.