

Guidance for Advocating

**Delivering assistance using
Cash and Voucher Assistance
(CVA) in response to COVID-19**



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Background

The impact of COVID-19 has been widespread, varied and continues to evolve. This pandemic is unique and not something ever seen before at this scale. It is significantly stretching health facilities, damaging economies and local markets, bringing widespread income loss and particularly impacting those who are already vulnerable. More than ever, governments and humanitarian organisations such as the Red Cross Red Crescent Movement (the ‘Movement’), need to use relevant and flexible response options for this crisis, to respond to the scale of need.

While no single approach will meet every need, global evidence across multiple emergencies and contexts has proven that Cash and Voucher Assistance (CVA) is a highly flexible tool, that can meet a variety of needs, in a dignified, safe and appropriate way. **As National Societies (NS) respond to COVID-19, they will need to be conscious of rumors and the emergence of risks around doing CVA, which are often more perceived, than real.** In responding to the specific issues that this pandemic brings relating to the provision of humanitarian support (e.g. risk of transmission of the virus, movement and security restrictions, the need for adaptive and remote programming responses), CVA is already proving to be safer, more flexible and a highly effective way to meet the needs.

The Movement, as a global, respected and experienced leader in CVA is well positioned and prepared to deliver cash across multiple contexts and regions. As auxiliary to governments, NS can bring their humanitarian expertise, technical and operational good practice, as well as evidence-based learning, to influence and advocate where necessary, for the appropriate use of CVA.

Any decision to do CVA during COVID-19 should be based on assessment and response analysis, and in cases where markets are not accessible or functional, in-kind may still need to be considered. However, this guideline strongly makes the case that **when proper response analysis is done and where CVA has been found to be the most feasible and appropriate modality, it is no more risky for transmitting the virus than in-kind assistance.**

In addition, **doing CVA during COVID-19 is bringing opportunities for a highly adaptable response, options to support much needed market recovery, more efficient programming and new ways of working.** In general, CVA is specifically able to address the unique and unprecedented challenges and needs this pandemic is bringing, in ways that are not possible through in-kind.

Each country will have a different set of COVID-19 restrictions and measures in place defined by its government. Similarly, each country may be experiencing a different level of threat or intensity of the pandemic and its impact, at any given time. Therefore, the contents of this guidance should be adapted based on local context.

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Who is this guidance note for?

This guidance is written for National Societies to assist with advocacy to governments and local authorities in providing evidence that CVA is at no greater risk of virus transmission than in-kind goods. Additionally, it can help expand awareness of the additional benefits that CVA can bring during COVID 19 and its important role in supporting safe market recovery during this critical time. Where needed, this guidance can also be used within NS for internal advocacy, and in discussions with affected populations, where similar concerns may be being experienced.

This guidance accompanies the **Guidance for National Societies on COVID-19 Sensitive Cash and Voucher (CVA) Programming Across the Project Cycle** and **Guidance for National Societies on Adapting RAM and MAG During COVID-19**.

All COVID-19 guidance notes are also intended to be used alongside other Movement tools: **Cash in Emergencies Toolkit (CiE)**, **Rapid Assessment of Markets Guidelines** and **Market Analysis Guidance**.

This guidance does not duplicate existing tools and guidance but provides complementary advocacy considerations to make the case for why CVA should, and can, be used during COVID-19, as a safer and more effective modality, than in-kind.

1

CVA as a relevant response option for COVID-19

- CVA is a highly relevant and effective way to address the needs arising from COVID-19, in ways that in-kind goods cannot do. Unlike other emergencies, assets and infrastructure have not been lost, rather incomes and livelihoods have been devastated, causing crippling economic impact, leading to increased vulnerabilities.
- Incomes have been lost. Both formal and informal employment has been impacted across rural and urban contexts. Movement restrictions put in place by the authorities have meant many livelihoods and jobs have been damaged. Many countries are also heavily reliant on remittances, which have been impacted. The combination of this may mean increasing numbers of vulnerable households have no other means to support themselves.
- CVA, in particular multipurpose cash, is the only way to rapidly meet basic needs, while supporting livelihoods, local markets and economic recovery. CVA has been evidenced as an efficient way to address multiple needs simultaneously, through one transfer or tool to deliver assistance.
- Due to the large number of people affected by COVID 19 and limited funding to respond to the huge level of needs, operational costs to deliver will remain an important factor. In-kind distributions typically have higher operational costs, which means less households will benefit from the intervention. Given this, in-kind is less unlikely to be favoured by donors if less needs are met.

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- Many humanitarian CVA programmes have scaled-up to meet the needs from this crisis, with many extending their existing caseloads to reach COVID-19 affected people. Many organisations are also switching over from in-kind to cash. At global level, many actors have committed to deliver more assistance through cash.
- Many governments have also adapted their cash-based social protection or assistance programming to respond to COVID-19. Globally, there are now more than 300 new government-led social transfer programmes in place, since the start of the crisis, and over half of these are cash based.

Despite this, during COVID 19, some governments and other actors are raising concerns about CVA being perceived as more risky in terms of transmission and additionally, citing poor market functionality as a blocker for appropriate and safe use of CVA. As such, many are resorting to a preference for in-kind distributions.

The following sections of this guidance addresses some evidence-based considerations and key messages that can be used to encourage and facilitate proper use of COVID-19 CVA within NS programming and how to advocate for an enabling environment for CVA and market-based support during these times.

2

CVA as less at risk of transmission than in-kind goods

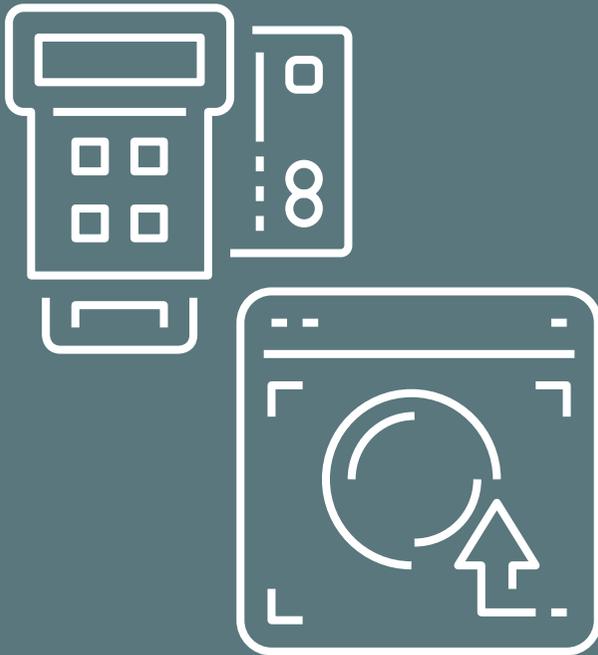
Rationale for why CVA is no more risky than in-kind and options to further minimise the risk of transmission:

Risk and modality analysis

- A risk assessment should be done and will provide a comparison between CVA vs in-kind. Remember that **no modality, neither CVA or in-kind, is without risk. Distinguish between perceived or actual risk. Any identified risks should then be mitigated**, regardless of which modality is provided (CVA or in-kind).
- **Due to the flexibility of CVA (i.e. different modalities and different delivery options), it is easier to lower and control risks and adapt risk mitigation measures, compared to in-kind**, which generally takes the form of a standard supply chain procurement and distribution.
- It is recognized that physical currency can certainly play a role in the chain of virus transmission, if doing CVA. However, CVA consists of many modalities and physical cash distribution, is only one option, do consider others.
- Essentially lowering the risk of transmission for CVA is all about which cash modality is used, how it is delivered, and how risks are further mitigated when working with Financial Service Providers (FSPs) and other actors. **Good CVA programme management can and should mitigate these risks and provide a safer delivery of CVA.**

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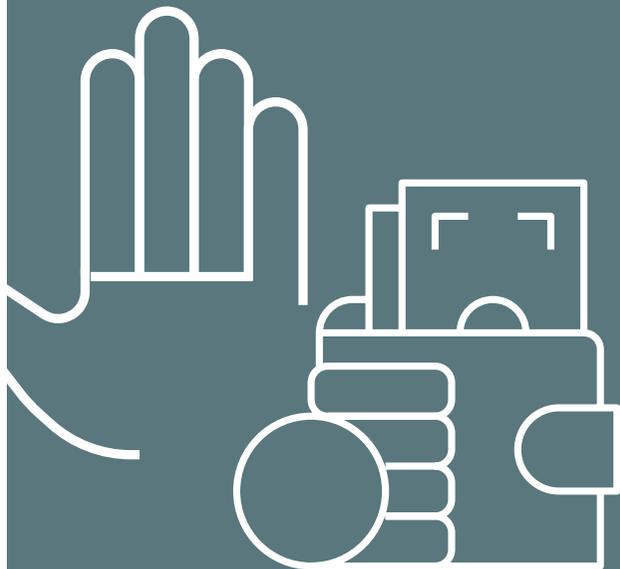
- Building on the CiE toolkit approach which cover this, see also **Guidance for National Societies on COVID 19 Sensitive CVA Across the Project Cycle** and **Guidance for National Societies on Working with FSPs During COVID 19**.

Use of electronic transfers and digital solutions

- Where feasible, **CVA should be provided through mobile or electronic transfer mechanisms (e-transfers), such as bank cards or contactless payments. This will significantly reduce the level of contact in the delivery chain**, as well as minimising contact levels the recipient must go through. Compared to in-kind, doing e-transfers involves much less contact than physical goods, which requires procurement, transporting and physical distribution, all involving handling.
- Therefore, **it is highly recommended to consider digital solutions, where possible, to manage the risk of transmission during COVID 19**. Currently, ICRC is prioritising use of digital cash over vouchers and in-kind assistance, for this purpose.
- Overall, there is **no evidence to date from any other emergencies (including pandemics)** to suggest that physical cash or ATM machine surfaces, poses any more risk of transmission than in-kind goods.
- Additionally, **using mobile or electronic payments can help avoid 'distribution'-like settings** at the moment the cash is handed out, can give more flexibility to recipients for when and where they encash their entitlement, and can help stagger the encashment and payment process. Therefore **e-transfers can not only be safer but are also more flexible and efficient**.
- In many contexts, **mobile wallet transfers can also be converted into direct payments** for goods, minimising the need for 'cashing out'.
- E-transfers may not work in every context, but there is **increasing acceptance of digital currency by merchants, suppliers, governments and others**, who are recognising the flexibility this mechanism is providing. **Advocacy is underway with the private sector in multiple contexts** to make it more accessible. The **number of people with access to mobile money is expanding rapidly** in the poorest countries currently, thus making this modality more viable.
- Following the West Africa Ebola response, options for digital cash were limited. **Steps taken towards digital cash during the Ebola pandemic and within the region, has since led to increased use of e-transfers in the following years**.
- **Governments around the world are currently working with FSPs to vastly increase the adoption of digital payments over cash**. In particular, NS should support such advocacy around these discussions, with specific ways uptake by vulnerable populations can be increased such as reduced fees, more flexible Know Your Customer (KYC) requirements and increasing remote FSP coverage.

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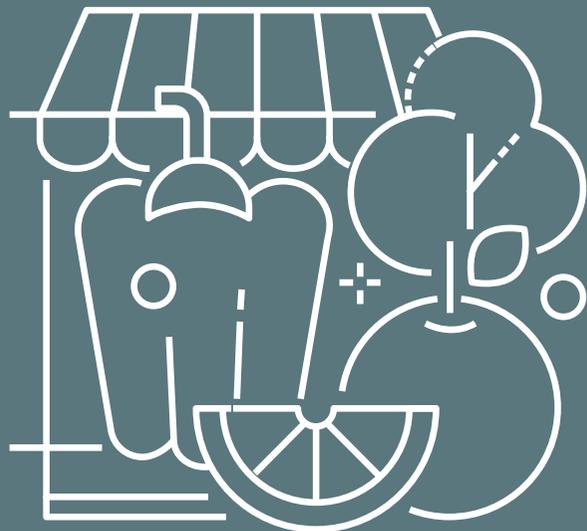


Other ways to minimise risk of transmission with CVA

- If not using electronic transfers, but the preference is for vouchers, **consider using paper vouchers, or where available, electronic vouchers.** Laminating paper vouchers means they can be disinfected before handing over to recipients receiving CVA. However, this should be done thoroughly to avoid potential risks of bacteria remaining between the paper and plastic layers.
- If the preference is for physical cash, **minimise risk of transmission by asking FSPs to use new banknotes or disinfect ones being used in cash distributions.**
- **Trade-offs at distribution points (whether for cash or in-kind) need to be considered** to minimise transmission risks, as distributions involve large gatherings of people standing close to each other for several hours. Recipients need to be physically/manually or biometrically verified, which possess risks.
- Overall, if doing distributions (in-kind or physical cash), the **safety of recipients, volunteers and NS staff need to be ensured and measures put in place.** In reality, due to the physical contact required for distributing, it may be difficult or impossible to observe social distancing.
- Alongside increased use of digital payments is the **option to trial new technology, such as contactless biometrics.** However, this may be something to consider outside of the peak of the emergency.
- **Use of collaborative approaches to cash is a further way that risk of transmission can be reduced.** With collaborative approaches, actors typically share and designate different roles, responsibilities and activities between them, thus minimising exposure. See **Guidance for National Societies on Collaborative Cash Approaches during COVID-19.**
- Doing CVA gives the **option to align with government social protection programmes and tap on to already established systems and approaches** that can be adapted during COVID-19. This can both a) be part of advocacy to promote the use of CVA during COVID-19 and b) can reduce risk of transmission, as it also facilitates a collaborative approach between the NS and government.
- **Market places may pose their own specific risk of transmission,** as typically comprising closed or congested spaces, which may become crowded with people and involve physical exchange or contact with cash, goods and equipment. This may affect either in-kind or CVA programming, but not one more than the other. Risk of transmission can be mitigated in markets and NS should seek to support local authorities in setting up safe market access. See **Guidance on Safe Market Access during COVID-19**

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World Health Organization (WHO) recognizes the positive impact cash interventions can have during COVID-19, stating:

“Multi-purpose cash transfers (MPC) to meet basic needs for vulnerable households that have lost income due to the lockdown measures, or because they are quarantined and/or otherwise caring for a sick household member, will improve their ability to access health services”

It further states that risks can be mitigated through the following measures:

- Ensure that households can access items safely, and are not put at risk, for example, by **ensuring that markets respect basic risk mitigation protocols.**
- Where **feasible use mobile or electronic contact less payments.**
- **The contact surfaces of ATM machines should be regularly disinfected and ensure that users keep 1.5 meter distance between them.”**

Relevant links

- [Guidance for National Societies on COVID-19 Sensitive CVA Across the Project Cycle](#)
- [Guidance for National Societies on Working with FSPs During COVID-19](#)
- [Guidance for National Societies on Collaborative Cash Approaches during COVID-19](#)

3

CVA and market recovery



Humanitarian action at this time should not make it harder for traders to resume operations or for small businesses to reopen. Returning to conventional methods of aid delivery, such as internationally shipping and delivering in-kind food aid, will only serve to lengthen the impact of the economic crisis”

(Markets in Crises)

The following considerations can be used to further make the case that CVA is no more risky than in-kind, but in fact in-kind goods can also negatively affect markets, which are already volatile during COVID-19. This would further prevent any update of CVA and also compounds the issue of markets cannot support COVID-19:

- Livelihoods have been heavily impacted during COVID-19. In-kind assistance can further damage local markets by by-passing everyone in that market chain and creating a parallel system. In contrast, **CVA can help sustain local economy, services and livelihoods that rely on local markets as well as informal employment, and further aid early recovery.**

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- A current concern is circulating amongst humanitarian actors and governments that COVID-19 markets are not able to support CVA in many contexts. This can be resolved through determining if the market can support CVA. It also provides opportunities to support the market through complementary activities and support better recovery. **See Guidance for National Societies in Adapting RAM and MAG during COVID-19**
- There is much evidence currently to show that CVA, combined with market-based support, is feasible and necessary in a COVID-19 context.
- Therefore, doing CVA, not only can minimise risk of transmission, but it can also support critical market system recovery.
- In terms of engaging with markets, assess if engaging in market activities (such as in-kind, CVA or market-based support) will increase the risk or if markets are already responding to risks. Look for ways risks of transmission can be minimised when working with markets and how advocacy with local authorities can further support engaging with markets more during COVID-19.

Relevant links

- [Guidance on Safe Market Access during COVID-19](#)
- [Guidance for National Societies on Adapting RAM and MAG during COVID-19](#)

4

Considerations and recommendations

The following steps can be used to take NS advocacy discussions further and shows that in addition to not being at any higher risk of transmission than in-kind, use of CVA during COVID-19 in fact brings a much higher benefit and set of opportunities to addressing the needs and impact of the pandemic.

- The unique context of COVID-19 and nature and scale of the challenges, is proving that new and radical different thinking and new ways of working are required to deliver assistance, in order to not contribute to transmitting the virus. These include use of remote programming, new innovations (such as digital cash), safer and increased engagement with market and market actors (including CVA and market support), and collaborative approaches, including with government and the private sector
- Therefore, **where CVA has already been proven to work in a given context, it should continue to be done, with appropriate adaptations and innovations**, as CVA is unique and adaptable modality that can minimise transmission risk.

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- In terms of addressing concerns on modality appropriateness, **it is important to distinguish between government policy vs preference when it comes to CVA.** Identify what specific issues are raised about the use of cash and use evidence and address these concerns.
- **Engage with FSPs to document steps they are taking to mitigate risks** (e.g. hand sanitizing stations, limiting customers, sanitizing cash, etc.) **See Guidance for National Societies Working with FSPs during COVID-19**
- Work with national coordination groups such as national Cash Working Groups (CWG) to **align key messages on advocating for CVA as a safer modality than in-kind.**
- **Consider what households and communities are saying about risk or perceived risk of transmission** for CVA vs in-kind. What are their concerns and are there ways to address them?
- **Factor in that adding precautions to any form of CVA (or in-kind) will likely involved higher costs but weigh the cost of against the benefits of mitigating the risk of transmission.** Similarly, if staggering or adding multiple distribution points for CVA, it may cause delays, but it can minimise transmission risk.
- **While digital cash may reduce transmission risks, be more efficient and promote financial inclusion, be conscious of excluding the most vulnerable** and widening existing literacy or digital divides. Any approach to shift CVA to digital delivery should be done through the usual response analysis, which includes community considerations.

Other useful guidance to support advocating for CVA and reducing risk of transmission

- ICRC Tipsheet: Cash and Voucher Assistance and COVID-19 <https://cash-hub.org/resources/cash-in-emergencies>
- CVA in COVID 19 Contexts: Guidance from the CALP Network <https://www.calpnetwork.org/wp-content/uploads/2020/03/CalP-summary-guidance-version-11-29-May-2020-English.pdf>
- Readiness Checklist for Cash Working Groups in Light of COVID-19 Response <https://www.calpnetwork.org/publication/readiness-checklist-for-cash-working-groups-in-light-of-covid-19-response/>
- Markets in Crisis (MiC) Statement on COVID-19 https://seepnetwork.org/files/galleries/MiC_Statement_COVID-19.pdf