

Lesotho



Cash assistance for COVID-19 response

Experience of Lesotho Red Cross Society

April 2021

Background:

On the 29th March 2020 Lesotho announced a nation-wide lockdown in response to the COVID-19 pandemic. Since then the country has put in place further restrictions including partial and full lockdowns, travel restrictions, restrictions on vehicle capacity and limited on the size of community gatherings.

The Lesotho Red Cross Society (LRCS) have been first responders to the pandemic throughout the country. LRCS, who have volunteers across Lesotho's 10 districts, have been supporting the government's efforts to mitigate the spread of the COVID-19 through a range of activities, these include: encouraging communities to adopt COVID-19 prevention measures; installing hand washing facilities (tippy taps and tanks); providing health services to those affected by COVID-19 and providing livelihood support through cash distributions to the most vulnerable households. The overarching goal of the COVID-19 response in Lesotho is to reduce mortality and morbidity from COVID-19, while protecting the safety, wellbeing, dignity and livelihoods of the most vulnerable.

The various restrictions and lockdowns put in place since March have had negatively affected the livelihoods of households across the country, both in urban and rural settings. Many drought-affected households, who were already in vulnerable economic and health positions, have further felt the crippling effects of the COVID-19 restrictions on their ability to feed themselves and their families. In looking to respond to this need LRCS assessed the feasibility of using cash and voucher assistance (CVA) to support these households during the pandemic.



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What Happened?

Initial response to COVID-19

In the initial stages of the pandemic, prior to the detection of any COVID-19 cases in country, the National COVID-19 Secretariat (NACOSEC) was created in Lesotho. The role of NACOSEC is to coordinate the development and implementation of Lesotho's national COVID-19 strategy, ensuring that national resources are effectively and efficiently used. In order to implement a national response to the pandemic NACOSEC formed 10 district COVID-19 Secretariats, who play a critical role in identifying and responding to needs at community level.

LRCS is a member of the District Disaster Management Team (DDMT) and is engaged with NACOSEC at both district and national levels. The DDMT at district level oversee the planning and response during emergency and disaster situations. As a member of the DDMT LRCS has access to information on affected communities, assessment data, and ongoing and planned interventions by the UN and other humanitarian agencies throughout the country. This information contributes to the decisions LRCS makes in the design and planning of potential interventions.

LRCS initially focused their response to the pandemic on encouraging people to adopt COVID-19 prevention measures and in providing health care services to people affected by the COVID-19, working in partnership with the Ministry of Health. With support from the International Federation of the Red Cross Red Crescent Societies (IFRC), International Committee of the Red Cross (ICRC) and British Red Cross (BRC) the NS then turned its attention to responding to the impact of COVID-19 on livelihoods.

Assessment

Whilst it was clear that the pandemic had dramatically affected the entire country, the COVID-19 restrictions put in place made it challenging for the NS to collect timely information for an emergency needs assessment. As a result, in planning for their livelihoods response LRCS were predominately guided by secondary data from the government's Disaster Management Authority, NACOSEC, and Ministry of Social Development (MoSD) as well as shared information from the local authorities and humanitarian agencies who sit on the DDMT.

The NS were able to adapt some assessments to the COVID-19 health guidelines in order to complete primary data collection with communities, holding focus group discussions and key informant interviews. For these focus group discussions, the NS worked to ensure that males, females, elderly and youth were represented; 46% of the respondents were male and 54% female.

The data from these discussions identified common challenges of worsening food insecurity, reduced household income from declining remittances, and a reduction of casual labour opportunities. As a consequence of these challenges the affected population reported an increase in their use of negative coping mechanisms, which included the sale of productive assets, youth engagement in transactional sex (particularly in Semonkong and Haramabanta), and in the rates of child marriage.

Market Analysis

LRCS conducted an adapted rapid market assessment in Haramabanta (open marketplace) and Thaba-Tseka (drought prone area). The results of the assessment identified that the mobile operator coverage was good in these areas and that both communities were already familiar with the use of mobile wallets. Haramabanta in particular had a good record of the use of mobile wallets, ranging from the typical cash deposits and withdrawals to purchasing goods transacting directly from the wallet.

The assessment showed that CVA was a feasible option and that the markets were able to establish and maintain good standards for crowd management in line with government health guidelines. Furthermore, local retailer mapping showed that local shops were easily accessible and had the capacity to meet basic food needs demand of the communities.

Community engagement and accountability

In both the assessment and design phase the affected communities were involved in the decision-making process. The NS organised public gatherings and household visits to engage with communities, these gatherings were in line with government health guidance. LRCS also formed community helpdesks made up of village chiefs, community councillors and recipient households, these help desks were a means for individuals to have comments, complaints and questions on the programme addressed and they acted as a focal point for the community in engaging with the NS. This structure of a local group acting as an intermediary between the community and the NS was an important way to ensure open communication whilst adhering to COVID-19 guidelines and social-distancing regulations. These helpdesks also used a toll-free helpline to ensure accessibility.



Analysis and Decision for Type of Response

LRCS response analysis found CVA to be the most efficient and effective way in which the NS could offer livelihoods assistance to vulnerable households in Semonkong, Haramabanta, Mohale's Hoek and Thaba-Tseka.

The areas of Semonkong and Haramabanta were chosen for this response because they are open marketplaces with the majority of their population dependent on casual labour. The loss of jobs as a result of the pandemic and the national lockdowns resulted in the loss of livelihoods for many households in these communities. The targeted communities in Thaba-Tseka and Mohale's Hoek had previously been hit by drought and have as a result depended heavily on remittances and casual labour to meet their basic food needs following failed crop yield. The combined effects of COVID-19 and declining remittances meant that the vulnerability of households in these two communities was exacerbated.

The NS identified following the advantages of using CVA for this COVID-19 response:

- Recipients would be able to purchase items locally, which was an important consideration with the COVID-19 travel restrictions.
- Recipients would be able to prioritise their needs, with the freedom to make decisions for their individual households.
- Local markets would be stimulated and supported.
- Individuals would have the opportunity to buy items using money from their mobile phones instead of using hard cash, this practice that was highly recommended during COVID-19 pandemic as a means of preventing the spread of COVID-19.
- Once the NS had completed the recipient registration and distribution of SIM cards the rest of the implementation process could be completed remotely, this would further protect the communities, staff and volunteers from the potential spread of the COVID-19.
- The use of cash was categorised as more economically cost efficient for the NS, as it did not require intense logistics or procurement processes.
- As the NS already had Standard Operating Procedures (SOP) in place with mobile money Financial Service Providers (FSPs) CVA was assessed as being relatively easy to administer swiftly and at scale, this was an important factor when taking into consideration the high number of households with emergency needs.

The risk of inflation was identified as a consideration for the use of CVA in the response analysis. The pandemic triggered price inflation throughout the country and there was a risk that further rising levels of inflation would render any transfer value set by the NS as insufficient. The NS took this risk into account during the design stage.

Cash capacity of LRCS

CVA is being used throughout the country by other humanitarian actors, including the World Food Programme (WFP). There is a general acceptance and shift to CVA in responding to emergencies and disasters at a local and national level. In addition, the country is beginning to see a move towards incorporating Shock Responsive Social Protection in Cash in the emergency response.

LRCS has experience in CVA programming, the majority of which had been in the use of vouchers and conditional cash transfers to meet livelihoods and food security needs. LRCS' rationale for the use of CVA is that it is a form of humanitarian response which can be used to address basic needs as well as protect, establish or re-establish livelihoods. CVA's versatility in responding to diverse and complex needs is particularly important when considering LRCS' role as an auxiliary to their government. Whilst the Government of Lesotho takes primary responsibility for their citizens in disaster situations, LRCS is regularly called upon in humanitarian crises to provide assistance to those in need.

Since 2016 the NS has been investing in their cash capacity, receiving strengthening support from the IFRC, BRC and German Red Cross on cash and voucher preparedness (CVAP) activities. The Movement's CVAP approach classifies CVAP as an ongoing NS development initiative, which aims to mainstream CVA into existing NS tools, systems, procedures and staff capacity. It typically takes NS' around three years of continual investment in CVAP to ensure that CVA is successfully integrated into their systems, at which point a NS is capable of implementing cash independently at scale and speed. LRCS were just beginning their cash readiness journey when COVID-19 pandemic hit and with the support from the IFRC and BRC the NS shifted their approach to 'fast-track' CVAP.

Fast track cash preparedness

Fast-track CVAP is an adapted version of the RCRC Movement's standard CVAP approach which aims to support NS in implementing the minimum requirements needed to deliver timely, accountable, and effective CVA programmes in response to COVID-19. The focus of this fast-track method is to put in place 'good enough' CVA capacity and required support systems within a NS so that they can design, implement, and monitor CVA within their emergency programmes.

It is important to recognise that this approach centres on ensuring a NS complies with the minimum standards of CVA in an emergency COVID-19 response, it is not a replacement for long-term CVAP which is a robust and comprehensive approach to NS cash capacity. The fast-track CVAP approach was designed to take around 2-3 months, this timeframe was based on the time it takes a NS conduct a cash feasibility assessment and signing a contract with an FSP.

The IFRC and BRC supported LRCS through this fast-track CVAP over a six-month period, November 2020 and April 2021, to enable the NS to use cash transfer programming to address relief needs at scale, implementing it more rapidly and targeting a larger number of households.

LRCS identified the following focus areas to target within their CVAP approach:

1. Standard Operating Procedures (SOPs), systems and guidelines

- Develop cash transfer programming in emergency SOPs and guidelines.
- Establish a NS cross-departmental cash transfer programming Technical Working Group (CTWG).

2. Human resource capacity development

- Appoint an operational cash focal point and assistant.
- Participate in a NS cash transfer programming virtual workshop and an IFRC learning event on cash transfer programming.
- Enrol 50 staff and volunteers on the online Cash Transfer Programming Level II e-learning course, facilitated by the Livelihoods Centre, and support 40 of these staff and volunteers with on-the-job training.
- Provide selected branches with telecommunication equipment.

3. Contingency planning and preparedness

- Develop and approve a CVA programming preparedness plan.

4. Operational tools and action

- Identify cash transfer programming mechanisms for urban, semi-urban and rural areas.
- Sign pre-agreements with two financial institutions for activation in emergencies.
- Develop cash transfer programming toolkit.

5. Communication and coordination

- Re-establish an inter-agency Cash Working Group in Lesotho.
- Integrate cash transfer programming learning into the NS' disaster response documents.

6. Learning-by-doing.

- Conduct a relief cash transfer programme.

7. Cash Information Management

- Invest in information management capacity, which will include running CVA information management trainings in collaboration with the BRC, IFRC and 510 Netherlands Red Cross teams.
- Procure the IT tools needed to support CVA information management activities (mobile phones and computers).

As part of the 6th focus area within the CVAP approach LRCS planned a CVA for COVID-19 response, supported by the BRC and IFRC. As highlighted above the NS identified that cash would be the best response option for a livelihoods and basic needs COVID-19 operation. For this programme the NS needed to integrate the fast-track CVAP approach into their response.

Design and Implementation

The CVA for COVID-19 programme set out to support 500 households in Mohale's Hoek, Haramabanta, Semonkong and Thaba-Tseka. The transfer value of M650 (approximately 46 USD) per month was set, this value was based on the food basket needs for a household of five. Households received three monthly payments of this amount from September to November 2020 under the support from the IFRC. In addition to these 500 households and with the support of BRC, a further 150 HH were provided with a once off cash transfer of M1000.00 (approximately 73 USD) in March of 2021. There were no substantial reasons to apply any restrictions or conditions to the transfers.

In setting the selection criteria for this programme LRCS used the National Information System for Social Assistance (NISSA) database. The Government of Lesotho has invested considerably in the establishment and maintenance of social protection schemes, which have been used in previous disaster responses for their registry of most vulnerable population groups. Under the NISSA database household's vulnerability are ranked by ultra-poor, poor and moderate.

In this CVA for COVID-19 response LRCS used the data from NISSA and then triangulated the data with information from the community and self-targeting exercises, where community members in the village groups ranked households as per NISSA lists on their perceived food vulnerability. The Disaster Management Authority (DMA) through the DDMT facilitated the process, and the community approved the selection criteria and appeared satisfied with the approach taken.

The result was an agreed recipient list, with the NS prioritising vulnerable households, child headed households, female headed household who were receiving no assistance from other organisations. The targeting and recipient selection and verification was led by DDMT and LRCS.

The market assessment guided LRCS to contract the FSP Vodacom Lesotho to distribute the monthly transfers to households. The decision to use mobile money reflected the communities' preference for mobile money as well as the NS' pre-agreement with the FSP. Vodacom Lesotho provided LRCS with the sim cards and the NS led in distributing these to the communities.



Figure 1: Recipient verification & registration



Figure 2: Triangulating NISSA with community self-targeting

Fast-track CVAP activities

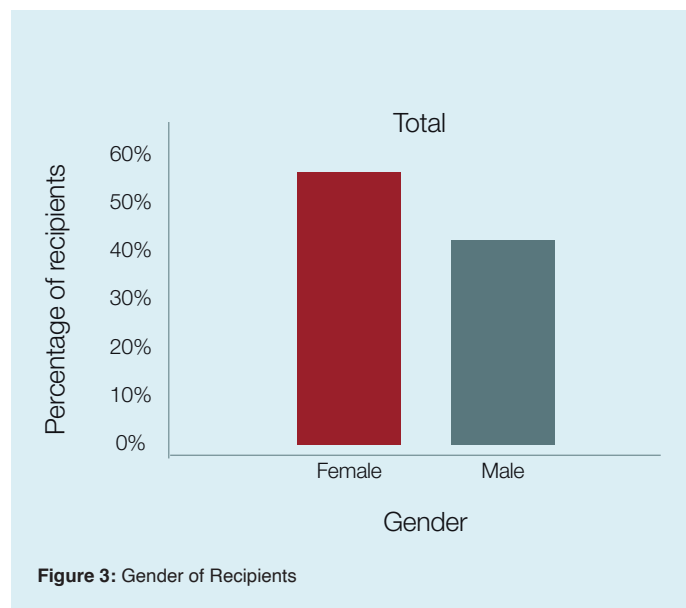
As part of the fast-track CVAP approach the NS were required to integrated cash capacity building exercises into their programme, these included:

- Holding high level inception meetings with LRCS senior management and governance teams in order to ensure full leadership support of the CVA programming strategy within the NS.
- Forming a CTWG, made up of focal points in the following specialties: cash, Planning, Monitoring, Evaluation, Reporting (PMER), IT, Finance, Logistics, Communications, Resource Mobilisation, Disaster Management (DM), Health and Social Services (HSS) and LRCS Management.
- Enrolling members of the CTWG into a Level 2 CVA course, 12 members of the group completed this training.
- Ensuring the use of mobile data collection within the registration, post distribution monitoring (PDM) and evaluation of the programme. This approach began after LRCS staff received trainings on mobile data collection from the 510 Netherlands Red Cross Team.

Implementation

From September 2020 to April 2021 LRCS distributed cash support to 650 households:

Area	Number of households supported
Semonkong	117 HH
Haramabanta	141 HH
Mohale's hoek	104 HH
Thaba-Tseka	138 HH
Haramabanta (March 2021)	150 HH



Alongside supporting vulnerable households with CVA the NS also ran Risk Communication and Community Engagement (RCCE) sessions on COVID-19 and constructed Tippy Tap hand washing facilities for the communities.

Programme Outcomes

The implementation of this programme was completed over six months, with the final tranche distributed in March 2021 and PDM activities taking place in April 2021. Using the data from the PDM and reflecting on their own experience of this fast-track CVAP response the NS compiled a list of key lessons learnt.

Main factors of success:

- **Benefits of CVA:** This programme has helped to further strengthen LRCS' commitment to CVA. Staff reported that the cash provided enabled recipients better flexibility and access to the goods they needed, as well as providing them with greater dignity and choice. The NS also highlighted the that the logistics of an in-kind distribution during the COVID-19 pandemic would have been challenging, relying on suppliers and transport during lockdown. Instead the use of CVA enabled the NS to reach households quickly and the use of cash provided vital support to the markets and economies within communities.
- **NS staff training:** As part of the fast-track CVAP roadmap the NS participated in several trainings to upskill staff and volunteers in both CVA programming and data collection. The NS participated in the mobile data collection training delivered by members of the 510 team from the Netherlands Red Cross and staff at both headquarter and branch level also participated in the Level I & II Cash Transfer Programming training, which provided a foundation level of technical knowledge on CVA. Both trainings supported LRCS staff in developing the PDM tools, programing questions in KOBO Collect and completing data analysis.
- **Cash Technical Working Group:** The creation of an internal CTWG was an important factor in the implementation of this programme. The formation of the group, who met twice a month, supported the speed of the implementation as all members of the group from different LRCS departments had access to activity plans and were aware of programme timeline and their role in the implementation progress.
- **Emergency CVA SOPs:** One of the fast-track CVAP activities was to develop CVA emergency SOPs and guidelines. The creation of this document was a helpful exercise for LRCS in understanding how to implement CVA effectively in an emergency response.
- **Support for CVA Information Management:** LRCS procured computers and phones under the fast-track CVAP plan to support programme data collection and analysis. These items were used after the 510 Netherlands Red Cross team offered CVA Information Management training to staff and volunteers of LRCS.
- **Improvement of Food Consumption Scores:** The PDM revealed that around 40% of people interviewed were food secure after the cash transfer distributions compared to the 9% interviewed before the cash transfers.

Comparative Analysis of Food Consumption Score

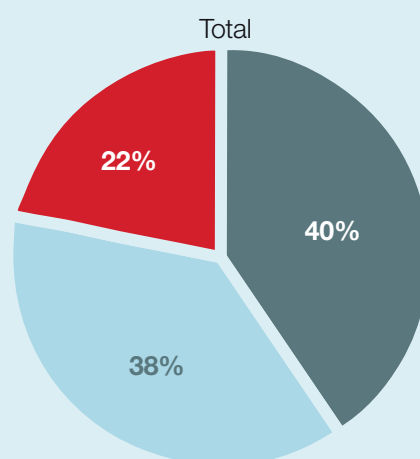


Figure 4: PDM Food Consumption Score

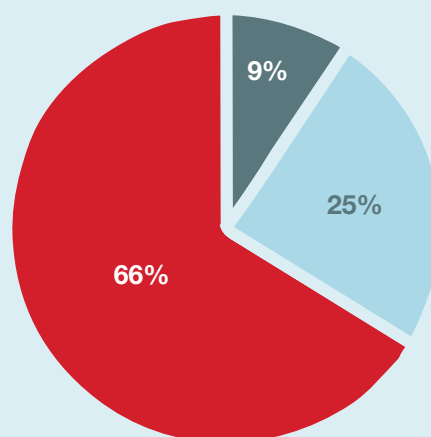


Figure 5: Baseline Food Consumption Score

- Food secure > 43
- Moderately food secure (28.5 to 42)
- Severely food insecure (0 to 28)

Main constraints

- **COVID-19 restrictions:** A second wave of COVID-19 in January resulted in a further set government restrictions, which included travel restrictions, restrictions on vehicles capacity and cap on the number of attendees at community gatherings. The NS still managed to gather the information they needed to complete the implementation; however, the restrictions did require them to adapt their normal response procedures which took both time and staff capacity.
- **Data collection and management:** This response revealed weaknesses in the NS' data collection and data management capabilities. Collecting and sharing information between branches and headquarters was at times an inefficient and fragmented process, this was particularly challenging when implementing CVA response as there is a heavy reliance on good data management. LRCS identified the need for a digital document and data management system to be built into their NS at both headquarter and branch level, this would enable data from different sources to come together in one place.
- **FSP delays:** The programme suffered delays as a result of the collaboration with the FSP Vodacom. It was challenging for the NS to meet with the FSP face-to-face with the COVID-19 restrictions, relying on remote contact instead, as a result many of the steps in the programme which relied on Vodacom were delayed. For instance, there were long delays at both the recipient verification stage and the payment processing stage with the FSP.

Lessons Learnt

- **Role of Community Engagement and Accountability:** LRCS emphasised the crucial role community engagement played in this programme. By involving communities from the beginning in both the programme design and recipient selection the NS was able to engage communities as stakeholders in the response, supporting their ownership of the programme and including them in the problem-solving process. The NS also made a conscious effort to diversify their CEA mechanisms, providing communities with access to a hotline, suggestion boxes and community-based helpdesks. The community-based helpdesks were particularly successful where community chiefs, councillors, and recipient representatives sat as a committee, engaging with the monitoring the programme and acting as a first line of support for the community.
- **Coordination at district level:** During the selection and verification process LRCS worked closely in collaboration with DDMT, DCOSEC and local authorities under the coordination of DMA in each district, this collaboration helped reduce the potential for inclusion and exclusion errors.
- **National Identification:** The reliance on a form of national identification remains a challenge for the LRCS in implementing CVA. The NS have raised the importance of understanding who has access to national identification cards and who may be excluded or marginalised in the need for formal documentation as proof of identification in a cash response.

Next steps

LRCS engagement in the CVAP fast-track process during their COVID-19 response has been an important next step in the NS' commitment to cash. The fast-track approach used by LRCS focused on ensuring compliance with cash minimum requirements to respond quickly to needs in the context of COVID-19. The approach has undoubtedly helped the NS grow in their cash capacity, but an equally important benefit has been in enabling LRCS to identify where they still need to invest.

The NS was able to reflect on their fast-track journey and identify areas to build further cash capacity.

These next steps include:

- **NS finance capacity:** During the fast-track CVAP process of selecting and setting up an agreement with an FSP the NS identified gaps in their knowledge of contracting. LRCS reflected that their Finance Department needs support in scaling up their understanding of FSP contracting as well as deepening their knowledge of the processes and decisions involved in CVA programmes.
- **Training:** The NS emphasised the usefulness of the CVA and data management training they participated in and highlighted the need for this training to be rolled out to branch level for both staff and volunteers, this would ensure a good understanding of CVA information management throughout the organisation.
- **Finalising cash SOPs:** A key step in the fast-track CVAP process was the creation of cash SOPs for the response, this document now needs to be finalised and adopted by the NS.
- **Amend agreement with FSP:** The agreement put in place with Vodacom served the needs of this emergency cash programme however there were delays and complications involved in this partnership, therefore going forward amendments need to be made to improve FSP service agreements. These include setting out contractual timelines within the Memorandum of Understanding in order to avoid the implementation delays which occurred in this programme.
- **Interagency cash working group:** One of the next steps LRCS have identified in their CVAP journey is in creating a national interagency cash working group. This would strengthen CVA collaboration between organisations in future emergency responses.

Contact information

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