



Emergency Cash Transfer Response during COVID-19 Experience of Zambia Red Cross Society

April 2021

Background:

On the 18th March 2020 Zambia reported its first confirmed case of COVID-19, since then the country has felt the devastating effects of the pandemic. Zambia has certain national vulnerabilities which put it at greater risk of COVID-19 spreading and is among the priority countries in Africa identified by the World Health Organization (WHO) for additional COVID-19 support. As a land-locked country which shares its borders with eight other countries, Zambia is vulnerable to the spread of the COVID-19 due to its geographic location and high travel rates to and from neighbouring countries and regions. In addition, the weak and already overburdened health system, inadequate water and sanitation infrastructure, and high poverty levels, have and will further influence the impact the pandemic has on Zambia's people and economy.

Since March 2020, the number of COVID-19 cases increased steadily, spreading to all ten provinces of the country, with the areas of Lusaka, Muchinga and the Copper-belt Provinces most affected. From the onset of the pandemic, Zambia Red Cross Society (ZRCS) has supported the efforts of the Government to reduce and prevent the spread of COVID-19 whilst protecting the safeguarding the wellbeing and livelihoods of the most vulnerable people. ZRCS, working in partnership with the Ministry of Health, mobilised staff and volunteers in 18 districts and built its operation on five core pillars of response, these include: health care and Water, Sanitation and Hygiene (WASH); Risk Communication and Community Engagement (RCCE); livelihoods and basic needs; protection, gender and inclusion; and National Society (NS) development.



Photo: © Zambia Red Cross Society



Photo: © Zambia Red Cross Society

Potential impact of COVID-19

An initial risk analysis conducted by the Disaster Management and Mitigation Unit and in collaboration with the Ministry of Health, highlighted that the COVID-19 pandemic had the potential of impacting the lives of over 7.5 million people throughout Zambia's ten provinces. Areas of particular risk were concentrated around the country's borders and in densely urban areas.

From the outset of the crisis ZRCS identified a range of potential COVID-19 health and non-health related effects on Zambian communities and economy. Possible health impacts ranged from increased morbidity and mortality rates to diversion of resources from routine services. Possible non-health impacts included closure of transport links, increased rates of crime and gender-based violence, and reduced revenue generation for households. This impact, coupled with certain pre-existing national vulnerabilities, presented a challenging reality for ZRCS to respond to.

Geographical Targeting

Providing a coordinated national response was a crucial component of the government's attempt to mitigate the effects of the pandemic, therefore in selecting the geographical areas for the COVID-19 response, the Ministry of Community Development and Social Services (MCDSS) engaged with ZRCS and other organisations.

The MCDSS leads the National Cash and Livelihood Technical Working Group (NCWG), which plays a crucial role in the COVID-19 response and includes the membership of ZRCS and other key humanitarian agencies. The NCWG's geographic targeting of response areas at district level was done in coordination with the government and district authorities, who assigned priority districts to different humanitarian agencies who were responding to the crisis. These stakeholders made the decision to allocate wards in Chililabombwe and Kalulushi Districts to ZRCS for their response, dividing up the other wards between the other agencies in the NCWG. These agencies included UNICEF and the World Food Programme (WFP).

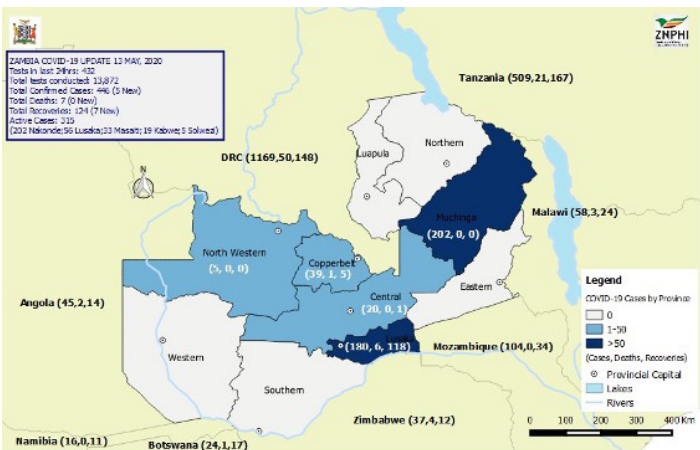


Figure 1: Provinces affected by COVID-19 13.5.2020 (Source: Ministry of Health 2020)

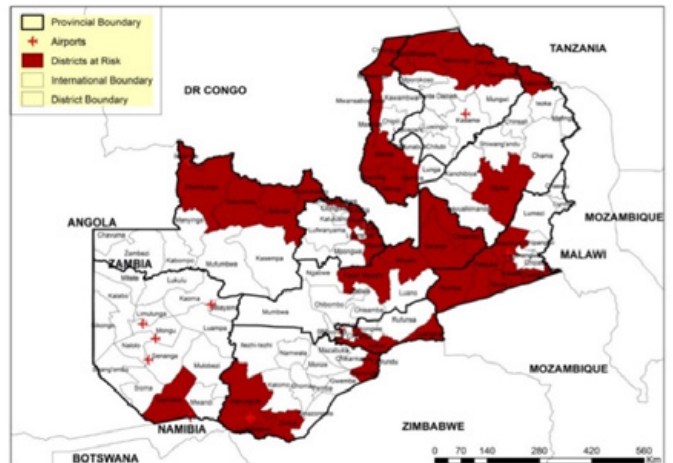


Figure 2: Districts at high risk of COVID-19 (Source: Zambia COVID-19 National Contingency and Response Plan 2020)

Emergency Needs Assessment

Once the geographical targeting was confirmed with the NCWG, ZRCS carried out emergency needs assessments in the areas most affected by the COVID-19. The assessments identified food as the priority need for the affected population, finding that the need was higher because of a yearlong freeze on the Social Cash Transfer programme the government had been supplying. The impact of COVID-19 was made worse by the government's pause on social protection support to communities, with many households unable to meet their most pressing needs. The pause in the social protection cash transfers was mainly due to a lack of government funds and the funding freeze for these transfers continued throughout the pandemic.

ZRCS also linked their findings with ongoing country level assessments which were being conducted by the NCWG. The assessments of the NCWG identified people in urban, peri-urban areas, and informal settlements as those most likely to suffer a temporary or permanent loss of livelihoods due to COVID-19.

Both the primary data from ZRCS' own emergency assessments and the secondary data from the NCWG showed an increase in the number of vulnerable households unable to meet their basic needs, either due to loss of employment or reduction in earnings as a consequence of COVID-19. This economic impact on households was further exacerbated by the 25% drop in currency value of Zambian kwacha (ZMW), which fell from 15 ZMW to 21 ZMW against 1 USD. Households felt the strain of increased commodity prices at a market level without the revision of salaries or daily labour wages. Those most likely to be affected by the crisis included women, elderly, externally and internally displaced persons, people living with disabilities, and those living in extreme poverty.



Photo: © Zambia Red Cross Society



Analysis and Decision for Type of Response

Cash capacity of the NS

To date, ZRCS has prioritised CVA in its response preparedness efforts under their Response Preparedness Project (RPII). A feasibility study was conducted in 2017 which identified cash and voucher assistance preparedness (CVAP) as one of the priority areas for the NS to invest in. With the context favourable and organisational environment supportive of CVAP in Zambia, the ZRCS started investing in CVAP in 2018. This investment in cash capacity was done with the financial backing of Netherlands Red Cross and technical support from the IFRC.

ZRCS' cash capacity self-assessment workshop during October 2018 led to the development of a multiyear CVAP plan of action. Since then, ZRCS has been continuously investing in their cash capacity by carrying out a number of CVAP activities such as the running of several cash training for staff and volunteers. The NS has also completed the procurement of Financial Service Provider (FSP), with a two-year contract signed with MTN Zambia. It is ZRCS' ambition to be 'cash ready' and become a leading national implementing partner of CVA.

Coordination with the government

The main objective of this programme was to meet the urgent socio-health needs of the population, which were a consequence of the economic impact of COVID-19 and the government's suspension of the Social Cash Transfer programme. To reach the most vulnerable households, ZRCS quickly aligned their programme with the government's pre-existing Social Cash Transfer programme, which had been placed on hold. The NS used the government's recipient lists as a starting point, which identified the most vulnerable households within communities, and then completed further verification and validation of these lists.

In aligning with the government's Social Cash Transfer programme, the NS also chose to use cash as the response modality in this programme and decided to use mobile money as the payment mechanism. ZRCS had previously carried out a procurement process, as part of their NS investment in CVA capacity, and a FSP framework agreement with MTN Zambia was already in place prior to the pandemic. This agreement took into consideration the payment mechanism preferences of the community.

Design and Implementation

Taking into consideration the cash feasibility assessment it was concluded that CVA for basic needs would be the best response option for the ZRCS's COVID-19 programme. ZRCS was able to run this emergency CVA programme using initial funding from IFRC and then additional funding from the German Red Cross and British Red Cross provided for the NS' COVID-19 response.

Geographical Response Areas

In coordinating with the MCDSS and with the NCWG, ZRCS was guided towards responding in the Kalulushi and Chililabombwe Districts. Kalulushi is located in north central Zambia, bordering the districts of Kitwe, Chingola, Mufulira, and Lufwanyama where the ZRCS already has a working presence. Chililabombwe is also in north central Zambia situated close to the border with Democratic Republic of the Congo.

The year long pause in social transfers from the government in Zambia meant that whilst many households were on recipient lists, they were no longer receiving financial assistance from the government, ZRCS sought to fill the gap in this provision in both districts.

In Kalulushi, ZRCS partnered with the WFP who also sit on the NCWG and were already working in this district. Both agencies worked to align their programmes to the government's Social Cash Transfer programme. The WFP identified 687 households who were in need of support but fell outside of WFP's programme provision for the district. The ZRCS aimed to meet this gap in assistance, tailoring their programme to the needs of these individuals.

In Chililabombwe, ZRCS targeted individuals who were already part of the MCDSS' Social Cash Transfer programme, providing a vertical expansion of cash support in response to the effects of COVID-19 on households.

Registration and Validation

WFP shared tools with ZRCS who were then able to align their registration and validation process with that of WFP's programme. Using the same social qualifiers to identify recipients was important in maintaining consistency between the two programmes and in meeting the MCDSS' standards.

Due to time constraints it was not possible for ZRCS to conduct the door to door enumeration exercises as WFP did, instead the NS worked with the Community Welfare Assistants in the wards from the District Social Welfare Office. These Welfare Assistants identified vulnerable people in their communities, then once identified, ZRCS staff and volunteers used a WFP tool to enumerate them. The tool took primary and economic qualifiers into account and its design had been guided by the government. By using this tool, ZRCS ensured that its programme recipient section was aligned with that of WFP's programme as well as MCDSS' Social Cash Transfer programme.

In order for individuals to be selected for this CVA programme, they needed to meet the following primary and economic qualifiers:

(a) The primary qualifiers:

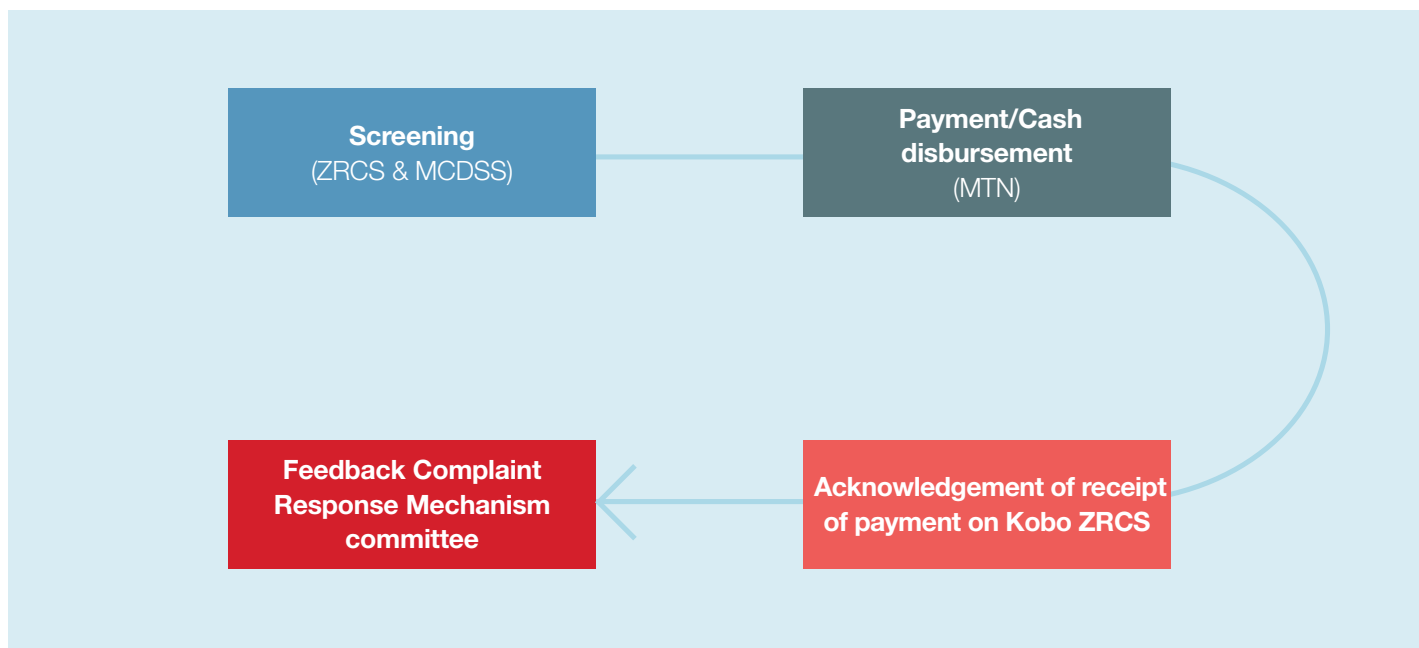
- i. Age: child headed or elderly households
- ii. Dependency Ratio: the number of people dependent on the head of the household

(b) The economic qualifiers:

- i. Household spend is below 65% of the national average monthly income
- ii. Household owns less than 2 mobile phones
- iii. Household spend less than 20 ZMW (approximately 1 USD) a month on mobile talk time

Implementation

Cash Distribution Flow Process:



Screening

The screening for both districts was conducted in partnership with the MCDSS to ensure that the recipients selected for the programme appeared on the government's Social Cash Transfer register. The programme required individuals to appear on both the ZRCS recipient list and the MCDSS' Social Cash Transfer list before they could receive any payments. Representatives from the MCDSS were present throughout the registration, validation and cash distribution process of the programme. ZRCS also coordinated with WFP throughout, ensuring alignment between the programmes and recipient lists at each stage and to avoid the risk of duplication.

During the registration and screening phase ZRCS used the KOBO Mobile Data Collection tool, the NS already had experience using this tool for data management.

A total of 1,903 households met the primary and economic qualifiers set and were on MCDSS' Social Cash Transfer list, 1,216 in Chilibombwe and 687 in Kalulushi, these households were registered and validated by ZRCS.

Payments

A transfer value of 410 ZMW (18 USD) per month was set which included the recipient's transaction fees (10 ZMW) when withdrawing funds. The assistance was provided in two tranches, with each payment covering three months and the overall programme spanning a total of six months (October 2020 - March 2021). The transfer amount was agreed by the NCWG and was in line with the MCDSS' Social Cash Transfer programme.

The cash was distributed via mobile money transfers by agents from MTN Zambia. MTN agents were available during the registration and distribution process, working to support recipients with any challenges relating to pin numbers or the activation of their mobile money accounts.

Some recipients received their cash transfer from a designated ZRCS cash distribution centre. In this scenario they collected their money from MTN before having their information entered into the KOBO data management system by ZRCS volunteers as acknowledgement of receipt of money.

COVID-19 Restrictions

ZRCS has a close working relationship with the Government of Zambia and as key responders to the pandemic, the Society was granted exemption from travel restrictions but encouraged to adhere to preventive and control measures throughout its operations. This meant that the NS could continue to access and support communities, whilst ensuring the guidelines on the use of face masks and social distancing were upheld by their staff and volunteers. ZRCS adapted the way in which they collected the emergency needs assessment data in line with the COVID-19 prevention guidelines, the exemption from government restrictions on travel and community contact meant the assessment and verification activities could still go ahead. At the beginning of the programme ZRCS kept to group sizes of under 50 for assessment and registration, however by the time the NS began implementing the cash transfers most of the restrictions had been eased.



Photo: © Zambia Red Cross Society

Monitoring and Evaluation

Community Engagement and Accountability

The communities which ZRCS targeted were involved throughout the programme, including during the assessment and design stages. The NS held focus group discussions when completing both the cash feasibility assessment and the emergency needs assessment.

In aligning with the government’s Social Cash Transfer programme ZRCS also used the feedback mechanisms which were already in place, these included suggestion boxes within the targeted communities and the use of the district government’s hotline for questions, complaints, and feedback. The district government then shared relevant data from their hotline and suggestion boxes with the ZRCS.

Post Distribution Monitoring

ZRCS had experience in using mobile data collection tools prior to this intervention and the NS is confident in using the data management system KOBO Collect for verification of recipients as well as the Post Distribution Monitoring (PDM). The PDM data was collected from 11 wards in Chililabombwe and 20 wards in Kalulushi. The NS calculated a sample size of 616 individuals between the two districts, using household surveys for the recipients of the CVA for COVID-19 programme and focus group discussions for both recipients and non-recipients of the programme.

Kalulushi

Of those surveyed in Kalulushi 71% of the respondents were female and 29% were male, with the largest proportion of recipients aged above 55 years. 56% of individuals came from households of 6 to 10 people and 40% came from households of 1 to 5 people.

Chililabombwe

In Chililabombwe, 70% of the respondents were female and 30% were male, with the majority of respondents aged above 55 years. 58% of individuals came from households of 6 to 10 people and 31% came from households of 1 to 5 people.

Utilisation of cash grants

The PDM analysis on the use of cash in both districts highlighted that the majority of recipients used their cash on farming and livestock or goods for businesses. Focus group discussions revealed that a number of new businesses had begun as a coping mechanism against the effects of COVID-19.

Recipient quote from PDM:

“My life has never been the same since this cash distribution program. My business of selling Chikanda has grown and I make on average 90 ZMW* in two days and am able to supplement and cushion home needs”

*equivalent to 4 USD

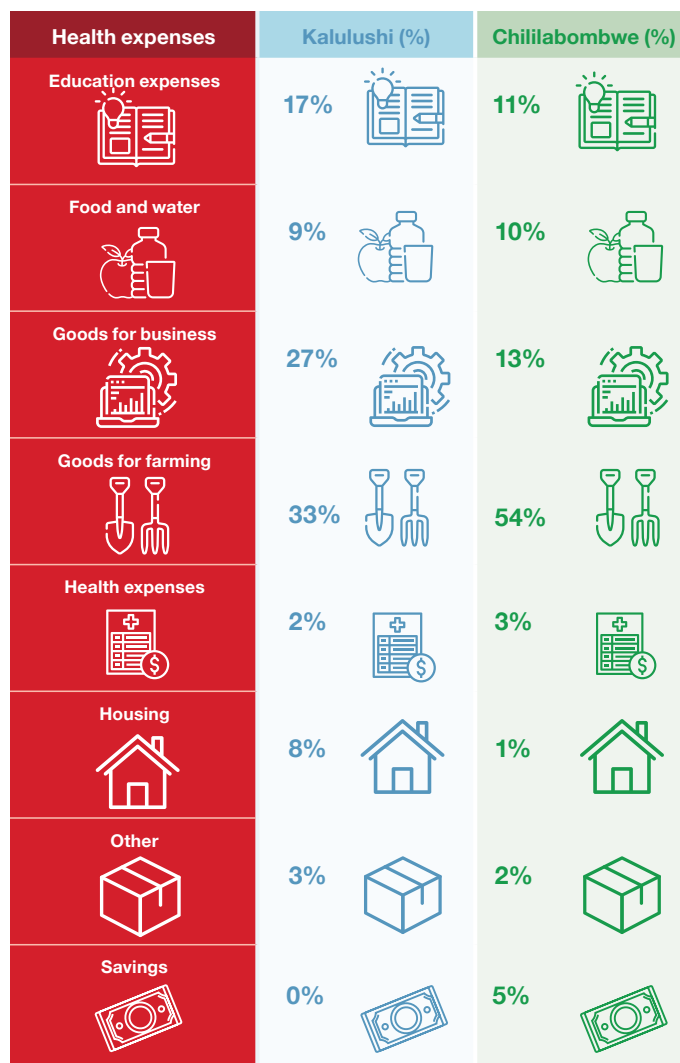


Figure 3: Utilisation of cash grants

Recipient satisfaction

99% of recipients from Chililabombwe and 94% of recipients from Kalulushi indicated they felt they had received the right amount of money, with third party withdrawal fees identified as the reason for those who did not feel satisfied with the cash transfer value. Overall the satisfaction of recipients on the cash amount and payment mechanism was high in both districts, although in Kalulushi the NS reported problems of some recipients failing to receive their cash grants due to inactive mobile accounts on the part of the recipients.

Programme Outcomes

The implementation of this programme was successfully completed within the six-month timeframe, including field visits to observe the implementation and run PDM after both tranches. Data from these monitoring activities and the communities' feedback highlight the key successes of this programme as well as several programmatic constraints.

Main factors of success

- **Linkage with social cash transfers of Zambian Government:** By aligning with the MCDSS' Social Cash Transfer programme ZRCS was able to access lists of the most vulnerable households and use existing government systems, for instance the district feedback hotline, which enabled them to deliver cash to those in need at scale and at speed. The engagement and acceptance of ZRCS by the Zambian Government was crucial to the success of this programme. The level of trust between the government and the NS provided a wide a range of support, which ranged from exemption from travel restrictions owing to COVID-19, to access to government social protection data.
- **Timely implementation:** Despite needing to adapt their programme activities to adhere with COVID-19 health guidelines, ZRCS was able to distribute the two tranches of cash to 1,892 households within the six-month window. The timeliness of this implementation was made possible through a range of factors, including ZRCS collaboration with the NCWG and MCDSS, the experience of ZRCS with the data collection tool KOBO Collect, and ZRCS' investment in CVAP activities prior to the pandemic.
- **Coordination and collaboration with NCWG and MCDSS:** Key to the implementation of this programme was ZRCS' collaboration and coordination with the NCWG and the MCDSS. The NCWG worked to ensure consistency in the delivery of cash across the districts, this included the partnering of agencies at district level - which ZRCS did with WFP in Kalulushi and UNICEF in Chililabombwe District. The NCWG enabled assessment data, tools and recipient lists to be shared between agencies, supporting consistency across programmes and preventing any duplication of efforts. With the numbers of households in need of support so high across Zambia, it was crucial that both the government and humanitarian agencies coordinated their response to the pandemic. An additional benefit for ZRCS was that through the process of collaborating and using the tools of UNICEF and WFP, the NS was able to improve its own recipient validation process, learning from the CVA approaches of other organisations.
- **Existing agreement with FSP:** The existing agreement with the mobile money company MTN was crucial to ZRCS' ability to roll out the cash transfers quickly during the pandemic. The NS had invested in its cash capacity prior to COVID-19 which

included signing agreements with MTN in preparation for an emergency cash intervention.

- **Cooperation within the Red Cross Movement:** ZRCS received substantial technical support from German Red Cross, British Red Cross and IFRC. Furthermore, the flexible funding from BRC enabled the NS to expand its reach to more recipients and to align its response within the minimum response period of six months as stipulated by the government.

Main constraints

- **Health and safety of ZRCS staff:** As front-line responders ZRCS worked within communities to support the community engagement activities, recipient verification, and distribution of cash. Often members of the community did not adhere to the government guidelines around social distancing and the wearing of face masks and it was, therefore, an added risk to ZRCS staff to keep reminding individuals of required measures.
- **NS Development:** ZRCS has invested in its cash preparedness journey and there is also strong interest in scaling up its CEA best practices and data management systems. However, the availability of funding for each of these areas of NS development is currently an impediment to further progress. For instance, the NS' Cash Focal Point position is currently partly-funded by external project funds. For ZRCS to be able to fully commit to its CVAP journey, they need key roles like this to be permanent and fully resourced by the NS. ZRCS must continue its CVAP for at least another two years if it is to become the partner of choice for CVA in Zambia.
- **NS capacity:** Whilst the NS was able to deliver the two transfers within the six-month window, the distribution of the second transfer was delayed. This was mainly because of the floods which hit the country in the month of January resulted in the NS splitting time and focus between the floods and COVID-19 response. The NS staff were stretched covering both responses and extra capacity in certain positions, such as a dedicate HR position, would have helped in the implementation of both responses.

Lessons learnt

In responding to COVID-19 through CVA, ZRCS came away with a set of key learnings on its coordination with the government and on cash capacity. In March 2021, ZRCS had the chance to reflect on its experience in responding to the COVID-19 with CVA and consider the next steps in their CVAP journey.

Social protection and coordination

ZRCS reported that a critical factor to the success of their programme was in linking with the government's social protection system. By using the government's social protection lists, their existing CEA mechanisms in district offices, and the assessments already in place, ZRCS was able to streamline and align its programme with the existing Social Cash Transfer system thereby enabling the NS to provide cash assistance quickly and at scale. Overall, ZRCS' approach complimented the social protection system already in place, striking an important balance between using the existing government data and structures to guide the programme whilst also completing their own validation and verification of recipient households to ensure that the most vulnerable among affected population were supported. With other humanitarian organisations also following this approach, there was a largely coordinated and synergetic humanitarian cash response to the pandemic across the country.

Working in a coordinated response has also led to additional advocacy and organisational benefits for the NS. ZRCS' close work with different national and district departments throughout this programme has resulted in increased levels of respect and trust for the NS within the government. Evidence of this can be seen in Kalulushi where the district has agreed to include new households and individuals, ZRCS identified as vulnerable, into its social protection scheme. The potential advocacy and development opportunities for NS in partnering with their governments on social protection cash programmes should not be underestimated.

Cash preparedness activities

This response provided ZRCS with an opportunity to implement CVA within an emergency response. In engaging with CVA at headquarters and branch level, ZRCS has learnt key lessons regarding its own cash readiness.

Firstly, this programme has highlighted the importance of having pre-existing framework agreements in place with FSPs. Ensuring these agreements and contracts are already agreed saves time and resources at the emergency phase and helps the NS to deliver CVA at speed. Without the NS' agreement with MTN, ZRCS would not have been able to provide cash within the six-month timeframe of this programme.

Secondly, whilst the NS has been investing in its cash capacity since 2018, the CVA for COVID-19 response demonstrated that continued investment in CVA and data management, is still needed. The NS has analysed its cash capacity and identified that the Society would benefit from: additional training on CVA for staff and volunteers in order to equip teams with the skills and knowledge they need to implement CVA in different programmes; more experience with market assessment and market monitoring; and a stronger IT infrastructure in place which enables the use of digital data collection and data management throughout ZRCS' branches.

Lastly, this response has helped ZRCS to recognise gaps in its SOPs which the Society need to address for future programmes. ZRCS outlined that additional financial input is required to develop SOPs, providing the Society with the opportunity to incorporate learnings from recent responses. Furthermore, the NS identified that SOPs should also provide more details on management roles and responsibilities as well as approval and reconciliation processes, clarity on these areas will help in the efficiency and timeliness of future cash responses.

Next steps in building CVA capacity

This programme has demonstrated both ZRCS' commitment to investing in its cash capacity and the potential for scaling up the use of cash and social protection within Zambia. In March 2021, ZRCS reached the Movement's Cash Readiness Level 2 and has identified their next steps in building up its cash capacity, working towards the objective of organisational cash readiness.

These next steps include:

- **Data management:** ZRCS is clear that for its programmes to be delivered efficiently, effectively and ensuring individual data is protected, then a focus on the data management systems used throughout the NS is needed. This investment will require budgetary, technical and leadership support.
- **CVAP Plan of Action:** ZRCS need to invest in resource mobilization and implementation of its CVAP Plan of Action for 2021-2022, this plan set out the next steps for the NS and builds on its cash capacity progress to date.

Contact information

For more information on this case study please contact:

British Red Cross:

British Red Cross
Cash Hub

Email: contact@cash-hub.org



Photo: © Zambia Red Cross Society