

SPACE Social Protection Approaches to COVID-19: Expert advice helpline



Options for rapid delivery (payment) of cash transfers for COVID-19 responses and beyond

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This Background Document was developed alongside others – most importantly [a Strategy Decision Matrix](#), a [Delivery System Decision Matrix](#) and a similar tool to [assess registration/enrolment options](#) – as a technical tool used to structure an independent and unbiased analysis of COVID-19 response options. It does not necessarily represent DFID or GIZ own views or policies.

Overview

This note describes the main strategies used by, and available to, countries to deliver cash support in response to the COVID-19 pandemic. The objective of the note is to inform both ongoing responses to COVID-19 and medium to long term investments in delivery mechanisms that could be used to respond to future crises. In detail, it builds on existing literature (see Box 1 for full references) to provide governments and development partners with concise information on the main payment options available, outlining strengths and weaknesses of each, as well as pre-requisites and key actions required for their inclusive implementation.

It is important to highlight that this note focuses on:

- the provision of cash support to *new* beneficiaries, not existing ones. Reaching new caseloads is more challenging than supporting existing beneficiaries since it requires creating new payment mechanisms or adapting/leveraging existing ones.
- monetary or semi-monetary transfers (vouchers), not in-kind;
- Government to Person (G2P) transfers *and* Humanitarian cash delivery (noting considerations will differ slightly across the two);
- social assistance transfers primarily, not social insurance.

This note is organised as follows:

- **Section A – CASH DELIVERY OPTIONS** describes the main options available for governments or humanitarian cash assistance programmes, including the different combinations of services providers, payments instruments and payment points.

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- **Section B - KEY CONSIDERATIONS** presents the main aspects to consider when designing a social protection response to COVID-19 with special reference to cash delivery; these considerations emerge from the ongoing responses to COVID-19 as well as from previous research in the area of shock-responsive social protection.
- **Section C - APPROCHES TO REACHING NEW BENEFICIARIES** presents the benefits, weaknesses, requisites and actions for feasibility of each option. It also includes some country examples.
- **Section D - POLICY IMPLICATIONS** presents the key lessons for policy makers.
- **BOX 1** at the end of the note shares key information sources for those interested in a deeper analysis of cash payment mechanisms.

A. CASH DELIVERY OPTIONS

Table 1 below presents the main cash delivery options available internationally at the time of the COVID-19 response, acknowledging that the options available in any give country will depend on its particular financial services ecosystem and underlying legislation. The source of the cash for delivery could either be Government or non-government actors (e.g. national or international Humanitarian counterparts) - this does not affect the options available, just the nature of the contractual relationships with the Financial Service Providers (FSDs)/payment provider.

Table 1 Cash delivery options

<i>Financial service providers</i>	<i>Payment instruments How is the payment received by the beneficiary</i>	<i>Payment point Where can beneficiaries withdraw/use the payment</i>
<i>Depending on the instrument used these may vary: Banks, Mobile Money Providers, etc.</i>	Bank accounts deposits - pre-existing accounts	<ul style="list-style-type: none"> • E-money / online banking • Bank branch / bank agent • ATM • Point of Sale Device (POS)
	Bank accounts deposits - new accounts	
	Mobile money - pre-existing accounts (active or inactive)	<ul style="list-style-type: none"> • Mobile phone enabling Person to Person (P2P) payments and other value-added services e.g. bill payments • Mobile merchant/money agent
	Mobile money-new accounts: <i>e.g. those who have: i) no mobile phones, ii) no mobile phones and no SIM cards, (iii) mobile phones but no sim cards, (iv) both but no mobile money account</i>	
	One Time Password (OTP) options enabling collection of cash 'over the counter': without accounts.	<ul style="list-style-type: none"> • Bank branch / bank agent • ATM with appropriate technology (cardless transaction*) • Mobile merchant/money agent • Remittance / money transfer agents

	Cash over the counter: no account	<ul style="list-style-type: none"> • Bank branches/agents • Remittance / money transfer agents
	Paper vouchers	<ul style="list-style-type: none"> • Local shops
	E-vouchers and other e-payments that must be exchanged in designated shops and cannot be cashed out.	<ul style="list-style-type: none"> • Local shops
	Cheques: no account	<ul style="list-style-type: none"> • Distribution points (post offices, government offices, etc.) • Bank branches/agents • Remittance / money transfer agents
	Direct delivery, by government /humanitarian agency - Cash (OTC)	<ul style="list-style-type: none"> • Distribution points (post offices, government offices, etc.) • Mobile units/armoured vehicles

***NOTES:** In cardless transactions beneficiaries can withdraw the cash at ATMs without bank cards and even without bank accounts. This is typically enabled through a PIN code, which is made available to the beneficiary.

B. KEY CONSIDERATIONS

This section presents some key considerations to consider when developing or adapting a payment mechanism to deliver cash support during the COVID-19 response, and often more broadly in an emergency¹.

Principles

- Give choice to beneficiaries – in terms of the payment mechanism and how they use the benefits
- Tailor the delivery mechanism to the profile and needs of the (new) beneficiaries (these differ)
- Provide timely support, building on what is already in place. In some cases, setting up brand new mechanisms can be costly and cumbersome and may delay the response
- Strive to accommodate groups with unequal access to payment mechanisms (in particular those with lower financial inclusion, access to mobile services or national IDs), including women, elderly, refugees and people with disabilities
- Consider long-term implications – some options may not be cost-effective for an emergency programme that will last a few months only but may be paid off in the medium term if leveraged for regular social protection programmes

¹ Some of these build on World Bank (2020) G2P Payments: Key considerations and policy options for emergency cash-transfer payment solutions. Living document. May 21, 2020.

Strategies

- Consider combining different payment strategies based on the characteristics of the beneficiary population and/or the available infrastructure in their geographic area (e.g. differentiate urban vs peri-urban vs rural)
- Increase payment points to ensure accessibility
- Implement measures to monitor and ensure liquidity at payment points. E.g. Extend no-interest credit lines to agents; monitor agent network managers to address liquidity issues
- Develop innovative approaches to increase cash-out options (e.g. sending PIN codes via SMS, cardless cash withdraw from ATMs)
- Invest time in understanding the offerings of the service provider and how to tailor solutions to make them most appropriate for the end users, with particular attention to vulnerable groups
- Co-create products and services together with the service provider
- Consider strategies for reducing service provider's fees and charges where possible
- Rely on the experience of humanitarian aid organisations in partnering with service providers and developing and implementing mechanisms for rapid support

Enabling (or constraining) factors

- What is already in place – how routine government and humanitarian assistance programmes transfer cash (i.e. what capacity, agreements, infrastructure – such as number of agents –, are in place)
- The regulatory environment that affects the development and deployment of mobile money and financial services in the country – noting this could be temporarily waived/modified if needed
- The mobile infrastructure coverage and mobile phone penetration and digital skills levels among targeted recipients
- The national ID coverage/strength in the country, which can enable identification/authentication and meeting of 'Know Your Customer' (KYC) requirements, ensuring rapid registration and payment mechanisms
- Existing coordination, data sharing and/or interoperability across key actors (e.g. private and public sector), with existing protocols for roles and responsibilities, data protection, etc.

COVID-19 specific considerations

- Adopt strategies above with a view to manage higher caseloads and decrease chance of queues (surge payment points, ensuring liquidity)
- Prioritise mechanisms that allow safeguarding social distancing (e.g. mobile money)
- Establish adequate communication mechanisms with beneficiaries in light of the challenges imposed by the pandemic (e.g. in-person gatherings minimised)
- Stagger deposits and payments to avoid overcrowding
- Establish adequate sanitary protocols in payments points
- Simplify onboarding processes as much as possible (e.g. leverage the registration platforms or simplifying or deferring some of the validation aspects of the KYC, or Customer Due Diligence (CDD) processes)

- Negotiate lifting/reducing of restrictions, limitations and fees e.g. Rwanda, Kenya, Egypt, Uganda, among others, have been moving in this direction.
- Ensure no claw-backs, deductions and marketing are built into the FSP offer/contract

C. APPROACHES TO REACHING NEW BENEFICIARIES

Table 2 below systematically assesses approaches to delivering cash transfers to *new* beneficiaries/caseloads, to be evaluated based on country context. None of these is a 'first best', as each approach presents strengths, weaknesses and pre-requisites. In fact, countries often combine different approaches based on the characteristics of the response and target populations, to reap the benefits of each.

Table 2 Approaches to delivering cash to new beneficiaries

Approach / mechanism	Benefits	Weaknesses / risks	Pre-requisites – adequate coverage of collection points and mitigation of contagion across all	Actions to enhance feasibility	COVID-19-related Examples
<p><i>Bank account deposits– pre-existing accounts</i></p>	<ul style="list-style-type: none"> • Easier and swifter to implement than many other alternatives (for those who have an account) • Intended beneficiaries can securely receive money directly into their account • Beneficiaries have control over their money and can withdraw it at any time • Range of options for collecting /using cash is high • Potential broader financial inclusion benefits 	<ul style="list-style-type: none"> • Many low-income countries have low % account ownership, especially amongst vulnerable populations, the very poor, women, disabled and others (private banks may have low interest /incentives to serve low-income customers) • There may be low access to branches/ ATMs/agents (low number, high distance, with staff who are also impacted by the crisis). This will be problematic for mobility constrained individuals • Some accounts may incur fees • Transfers may be used to claw back debt • Beneficiaries may be accustomed to withdrawing the full amount as soon as it is deposited: leading to long queues (with 	<ul style="list-style-type: none"> • Essential that a high proportion of intended beneficiaries already have bank accounts • Requires access to intended beneficiaries’ bank account details (within existing data or new registration) • Intended beneficiaries should be accustomed to / familiar with bank services (e.g. accounts not dormant, functional and digital literacy) • Potentially more suitable for urban settings 	<ul style="list-style-type: none"> • Gather existing bank account details through the emergency registration process (or via data sharing) • Stagger deposits to avoid long queues • Promote the use of online banking and smart cards • Expand number and types of payment points as much as possible (i.e. bank agents) • Ensure that grievance/help line can assist with ATM queries and digital literacy, or provide work arounds for people with disabilities (or others) who are unable to operate ATMs • Develop a residual strategy for the unbanked. 	<ul style="list-style-type: none"> • In India, Jan Dhan financial inclusion female account holders were transferred COVID-19 relief cash transfers. Preliminary analysis has shown barriers to access the transfers and potential bias towards better-off individuals; • In Peru those with bank accounts had emergency money transferred directly to their account (with over the counter payment for others); • In South Africa, beneficiaries can choose whether they want to receive their payments in a personal account with a commercial bank or a new free account with Postbank.

Approach / mechanism	Benefits	Weaknesses / risks	Pre-requisites – adequate coverage of collection points and mitigation of contagion across all	Actions to enhance feasibility	COVID-19-related Examples
		<ul style="list-style-type: none"> associated contagion risks) • Some beneficiaries may find it hard to use ATMs, including low literate and disabled individuals 			
<p><i>Bank accounts deposits- opening new accounts ('low frills')</i></p>	<ul style="list-style-type: none"> • <i>As above</i> (but less easy to implement effectively and swiftly – see weaknesses) 	<ul style="list-style-type: none"> • <i>As above, but also:</i> • Requirements / processes for opening accounts may lead to exclusion of vulnerable populations, including women and refugees – e.g. documentation and authentication requirements for KYC (e.g. low ID coverage) – and reduced timeliness • Less familiarity with bank accounts may lead to lower effectiveness of cash transfer • The emergency timeframe constrains the potential for adequate training/onboarding • Not always feasible 	<ul style="list-style-type: none"> • A conducive policy/legal environment (e.g. prioritising financial inclusion) • Clear/easy options in place to open low/no-cost bank accounts quickly, with few/waived KYC requirements and ideally capacity to open accounts remotely • Clear/easy options to ensure cash-out by new beneficiaries (smart cards, PIN codes etc.) • Sufficient familiarity of new users with bank services (e.g. functional and digital literacy) • Documentation and authentication requirements for KYC are met by intended beneficiaries (e.g. ID) • More suitable for urban settings 	<ul style="list-style-type: none"> • <i>As above, but also:</i> • Engage with banks to set up a mechanism for rapid and remote low/no-cost account opening • Gather details required for rapid bank account opening (i.e. national ID number for KYC compliance) through existing databases and/or the registration process • Support addressing of documentation/authentication barriers • Develop a short tutorial on ATM use which can be accessed remotely by individuals (flyers, radio, phone) - in addition to grievance 	<ul style="list-style-type: none"> • In Colombia, remote bank account opening has been enabled. The type of account that is used for the program is a simplified account with balance and transaction limits. Data that must be provided for opening simplified accounts include type of ID, ID number, place and date of issue, full name of accountholder, and place and date of birth. • In Brazil, citizens can register for emergency support by registering via a website or app. Those who are eligible can either provide an existing account number or are given the option to open a mobile savings accounts at one state-owned bank which provides basic functionality. With 54 million beneficiaries as the target, this is expected to be one of the

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		(see pre-requisites)		redress mechanism (see above) <ul style="list-style-type: none"> • Advocate for the longer-term financial inclusion benefits 	biggest and fastest financial inclusion drives
Mobile money - pre-existing accounts (active or inactive*) <i>*more complicated</i>	<ul style="list-style-type: none"> • Secure and flexible payment modality • Reduces many transmission/contagion risks to beneficiaries • Potential for financial inclusion • Can be accessed through basic and feature phones • Beneficiaries have control over their money • Mostly prevents long queues for withdrawing the cash: lower burden on beneficiaries • Can reduce intermediaries, 	<ul style="list-style-type: none"> • Not all transmission/contagion risks are addressed (e.g. many cash-out) • Systems may take time and be complex to establish • Not feasible for areas without functioning mobile networks (3G, 4G) or where mobile phone ownership is low (particularly for disadvantaged groups, including women) • May not be adequate for beneficiaries with limited or no literacy or not accustomed to mobile phones (e.g. elderly, people with disabilities) • Set up costs may be high and cost-effective only as part of a long-term investment • Local regulations may 	<ul style="list-style-type: none"> • Existing G2P mobile payments in country so as to leverage stand-by agreements with service providers and enabling conditions/legislation • Levels of mobile phone ownership is high among the target population (both for men and women) and literacy/digital literacy relatively high • High enough % of population have <i>active</i> mobile money accounts and the use of mobile money is well established in areas and shops where beneficiaries typically purchase supplies • For those with <i>inactive</i> accounts, the re-activation of dormant mobile money accounts can be easily/swiftly done (e.g. simplified KYC). Mobile money transfers are most effective if implemented in an environment with an existing mobile money payment 	<ul style="list-style-type: none"> • Engage with mobile network operators in the design / adjustment of the mechanism • Engage with non-government agencies who may have stand-by agreements or ongoing operations with mobile network operators (e.g. WFP) • Set up a mechanism for collecting the mobile phone numbers of beneficiaries (e.g. through existing mobile provider databases, through the registration process) • In cases where usage of mobile money is low, and people have inactive accounts, encouraging people to accept their payments into their mobile 	<ul style="list-style-type: none"> • In Colombia some beneficiaries are paid through mobile phones. Beneficiaries are contacted by the banks through a SMS and requested to remotely open accounts with simplified CDD through mobile money accounts and mobile banking solutions. • In Madagascar, the Tosika Fameno emergency cash transfer is paid via mobile money (Paositra Money). The programme is self-targeted and implemented with the support of various donors/international organisations. • In Kenya the Inua Jamii cash transfer programme transfers benefits to beneficiaries via M-Pesa mobile money transfers. <p>Central Banks may need to adjust their CDD requirements for this approach to be feasible. See examples</p>

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	<p>delays, discretion</p> <ul style="list-style-type: none"> It allows the possibility to contact beneficiaries with public health messages related to COVID-19 or other initiatives 	<p>be constraining</p> <ul style="list-style-type: none"> Documentation and authentication requirements for KYC (e.g. low ID coverage) may limit access and timeliness 	<p>ecosystem as this reduces the need for/prevalence of cash-outs</p>	<p>accounts and linking it to other payment services, such as bill/utility payments, can improve usage.</p> <ul style="list-style-type: none"> Develop a residual strategy for those who are excluded. 	<p>outlined by GSMA</p>
<p>Mobile money – without pre-existing accounts: <i>e.g. those who have: i) no mobile phones, ii) no mobile phones and no SIM cards, (iii) mobile phones but no sim cards, (iv) both but no mobile money account</i></p>	<ul style="list-style-type: none"> <i>As above</i> This could be an encouraged <i>transition</i>: e.g. moving from no-frills limited mandate accounts to mobile wallets over time 	<ul style="list-style-type: none"> <i>As above, but also:</i> Distributing mobile phones/SIMs may be administratively complex and cost-effective only as part of a long-term investment (e.g. new beneficiaries will remain in social protection programmes with benefits delivered through mobile money). Where only SIM cards are provided, inserting and removing SIM cards can damage them The emergency 	<ul style="list-style-type: none"> <i>As above, but also:</i> The network operator/mobile phone dealers make available sufficient mobile phones or SIM cards rapidly Distributing mobile phones is cost-effective compared to alternative options SIM cards are suitable for the mobile phones that beneficiaries own/use Accompanying education/training mobile phone use and on account usage 	<ul style="list-style-type: none"> <i>As above, but also:</i> Establish a procurement and delivery system. Phased delivery of mobile phones / SIM cards may be required to avoid delays. For people who may have phones but no SIM cards (because they do not have the necessary identity documents, e.g. refugees), there is the need to advocate with government to provide a clear pathway to them to access SIM cards in their own names. 	<ul style="list-style-type: none"> Currently being considered in Zambia and Mozambique. Implemented by BRAC in Bangladesh during COVID-19, registering unregistered and providing phones and/or SIM for those who did not have one (15% of selected caseload) In Pakistan’s Ehsaas Emergency Cash (EEC) Programme, reaching 12 million households, each beneficiary is allocated a new (no frills) Limited Mandate Account (LMA) leveraging ID as KYC and also has the option of opening a mobile savings wallet linked to this account over time (details here).

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		<p>timeframe constrains the potential for adequate training/onboarding</p>		<p>Lower -tiered KYC limits can help allow such populations to access lower level accounts. See here</p> <ul style="list-style-type: none"> • Ensure proper messaging and information around transfer expectations (so populations do not sell phones to cover short-term expenses, thus missing out on longer-term payments). 	<ul style="list-style-type: none"> • In Togo, the Novissi cash transfer uses mobile money transfers including for those who did not previously have accounts; beneficiaries can choose between two different providers.
<p><i>One-time passwords</i> (e.g. enabling Cardless* transactions without pre-existing accounts)</p> <p>* enable withdrawing cash without cards (Table 1)</p>	<ul style="list-style-type: none"> • Low-cost, swift • A useful option to consider instead of opening new bank or mobile money accounts if account ownership is low • Beneficiaries can withdraw the cash through bank branches, bank agents, appropriate technology 	<ul style="list-style-type: none"> • Access barriers depending on where/how cash-out is enabled • It is a temporary solution (e.g. does not promote financial inclusion) • Some beneficiaries may not be familiar with cash out options (e.g. ATMs), including vulnerable groups (e.g. women, elderly, people with disabilities) 	<ul style="list-style-type: none"> • <i>Many similar to above, but also:</i> • Requires strong underlying ID system – not an option with low ID coverage • Clear/easy/feasible options to transfer cash through the banking system or Mobile Money Operators (MMO) without accounts • Clear process one-time passwords to be made available to new beneficiaries • Requires adequate availability and supply of cash 	<ul style="list-style-type: none"> • Engage with banks or MMO in setting up a mechanism of this kind • Develop a mechanism for making payment instruments available (e.g. sending PIN codes via SMS or through the online application system) • Gather the required beneficiary information details (i.e. mobile phone number) and support addressing of documentation/authentication barriers 	<ul style="list-style-type: none"> • In Argentina PIN codes are sent to the beneficiaries through an online registration mechanism and can be used to withdraw cash in ATMs (cardless); • In Guatemala PIN codes are sent via SMS and people use them to withdraw cash in ATMs (cardless); • In Namibia, PIN codes are sent to beneficiaries via SMS (application was also done via SMS) and could withdraw their transfer from the ATM of the bank they selected during the application process (cardless withdrawal).

Approach / mechanism	Benefits	Weaknesses / risks	Pre-requisites – adequate coverage of collection points and mitigation of contagion across all	Actions to enhance feasibility	COVID-19-related Examples
	ATMs, mobile merchants etc. (as planned).		for withdrawals,	<ul style="list-style-type: none"> Consider expanding cash out options through large retailers <i>Others, as above</i> 	
Cash over the counter (without bank accounts) – e.g. just showing ID card	<ul style="list-style-type: none"> Easy to set up (e.g. does not require opening accounts, issuing debit cards) Does not require to be familiar with payment instruments (e.g. ATM, mobile phones) 	<ul style="list-style-type: none"> Beneficiaries do not have control or many options about when and where to withdraw No financial inclusion benefits Risks of overcrowding bank branches Bank branches may be inaccessible or hard to reach for mobility constrained populations or those without funds to take public transport 	<ul style="list-style-type: none"> Adequate capacity of bank branches / payment points to absorb the demand A strong form of authentication (e.g. ID) 	<ul style="list-style-type: none"> Expand payment points as much as possible (i.e. bank branches) Stagger payment days to avoid long queues Develop a residual strategy for those without an ID card (or allow multiple types of IDs) 	<ul style="list-style-type: none"> In Peru and Ecuador beneficiaries without accounts collect benefits over the counter in an assigned bank branch. In Ecuador the number of access points increased from 3000 to 7000 by relaxing requirements.
<i>Paper-based vouchers and food stamps and/or pre-paid card (e.g. those where cash must be used for direct purchases)</i>	<ul style="list-style-type: none"> It should have, by design, good coverage in the target areas Boosts purchases in selected stores Paper vouchers 'easy' for beneficiaries (no technology) 	<ul style="list-style-type: none"> Beneficiaries' autonomy to decide how to spend the money is reduced Set up costs may be high (printing and distribution of vouchers/cards) yet not ideal as a long-term payment system (beyond crisis) 	<ul style="list-style-type: none"> Availability of basic items in the registered stores System for delivering benefits through local shops already in place and coverage of the registered stores adequate for the target population and/or can be expanded by swiftly waiving requirements 	<ul style="list-style-type: none"> Explore if existing mechanisms for delivering benefits through shops can be adapted and used (can absorb additional demand, can expand the number of shops, etc.) Map out the location of beneficiaries (e.g. 	<ul style="list-style-type: none"> This type of payment is widely used for humanitarian transfers. However, we have not yet documented COVID-19 examples. The Sembako programme in Indonesia is a government voucher scheme that has expanded during COVID-19

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	<ul style="list-style-type: none"> • Viable as one-off/short-term 	<ul style="list-style-type: none"> • Double touchpoint problem: collect card/voucher then redeem • May lead to long queues in the registered stores and shortages of key items • It is not as secure as other options • May involve transmission/contagion risks • May exclude small shops and informal traders, and beneficiaries may have to travel to nearest 'in network' shop 		<ul style="list-style-type: none"> through existing databases, through the registration process) and of shops and assess the adequacy of this option • Engage with non-government agencies who may have stand-by agreements or ongoing operations with chains of supermarkets etc. (e.g. WFP) 	
<p>E-vouchers and other e-payments without accounts <i>(e.g. those where cash must be used for direct purchases)</i></p>	<ul style="list-style-type: none"> • <i>As above</i> • It enables (potentially) tracking items purchased by beneficiaries • Easier to address the double touch-point' problem (distribute card/voucher) 	<ul style="list-style-type: none"> • <i>As above</i> • Set up costs are likely to be higher than paper-based options, unless a system is already in place 	<ul style="list-style-type: none"> • <i>As above</i> • Strong digital systems for information management/interoperability, etc. 	<ul style="list-style-type: none"> • <i>As above</i> • A mechanism for the e-transfer has to be designed, with the necessary partnerships (e.g. with banks or MMO) • If contingent on showing ID cards - develop a residual strategy for those without an ID (or allow 	<ul style="list-style-type: none"> • In Dominican Republic, new beneficiaries can purchase goods in the selected stores even without payment cards (proof of identity is required only). This mechanism was enabled based on a partnership with one of the largest banks in the country. The network of stores was temporarily expanded by relaxing the qualifying requirements

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	<p>then redeem it) than paper-based</p>			<p>multiple types of IDs)</p>	<ul style="list-style-type: none"> • In Panama, the national ID card has been enabled to operate as payment instrument: beneficiaries can use it to buy supplies in local stores.
<p>Cheques</p>	<ul style="list-style-type: none"> • Does not require opening accounts • Some beneficiaries are accustomed to (and prefer) this type of payment mechanism 	<ul style="list-style-type: none"> • Double touchpoint – sharing of cheque and then cashing out • Can be high administrative burden – and not timely • May lead to long queues in the collection points – involving transmission/contagion risks • Other burdens on beneficiaries (distance, inflexibility on collection dates, etc.) • If delivered via mail, may leave out populations without a home address, including homeless, shelter and institutional populations and migrants. 	<ul style="list-style-type: none"> • Ideal only where such a system is already in place/robust and stronger than others to enable catering to the ‘unbanked’ 	<ul style="list-style-type: none"> • Expand payment points as much as possible • Establish mechanisms to deliver cheques to the payment points (by government officials or outsourced) • Stagger payment days and organise them to ensure social distancing (e.g. programme staff needs to be available to provide support during payment days) • Develop a residual strategy for those without a physical home address (or mobile populations) 	<ul style="list-style-type: none"> • In the USA unbanked individuals received their emergency money via cheque posted to their home address. This process was significantly slower. • In Jamaica, the CARE programme, designed for the COVID-19 response, is delivering cash through different types of agents: remittance companies, banks, and credit unions. Beneficiaries can choose the payment provider. Many are paid with cheques via remittance companies.

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Direct delivery, by government / humanitarian agency	<ul style="list-style-type: none"> • Easier and less costly to set up than other alternatives (i.e. does not necessarily require contracting intermediaries, low technology) • Offers opportunities for engagement with beneficiaries: layering of BCC etc. • It should have, by design, good coverage in the target areas • Beneficiaries have control over their money • Some beneficiaries are accustomed to (and prefer) this type of payment mechanism 	<ul style="list-style-type: none"> • May lead to long queues and contagion risks • Often labour intensive, especially in terms of staff time (though potentially less costly than other options because some costs are absorbed by the programme) • Lack of flexibility for recipients on when they receive the benefits • Fiduciary risks, leakage • Needs strong systems to verify identity • Potentially cumbersome reconciliation process • No opportunity for financial inclusion without additional measures 	<ul style="list-style-type: none"> • Having enough programme staff and resources to organise payment days properly (are benefits usually delivered directly by the programme? How effective and transparent is this mechanism? Would it be able to expand and cope with additional demand?) • Capacity to deliver payments ensuring adequate waiting times and social distancing • Mitigation of transmission/ contagion risks 	<ul style="list-style-type: none"> • Provide training and health and safety gear to programme staff • Stagger payment days and organise them to ensure social distancing and adequate health measures • Conduct effective communication campaigns to inform the population about payment procedures • Leverage the capacity of the humanitarian sector 	<ul style="list-style-type: none"> • Many examples, especially where such systems were in place pre-crisis

Source: *DFID/GIZ Social Protection Approaches to COVID-19 team (2020) – building on resources in Box 1 below*

D. Policy implications

The information above can be used by governments, partners and humanitarian agencies to develop new or adapt existing mechanisms to deliver cash support in response to COVID-19 and to future crises. When doing so, it is recommended to focus on the following aspects:

Timeliness – What actions are required for timely delivery?

This may lead to building on existing mechanisms rather than developing new ones and on partnering with organisations with adequate capacity. Some interesting innovations worth highlighting have been:

- exchanging information with Mobile Network Operators in order to reach beneficiaries through SMS and/or WhatsApp,
- enabling mechanisms for remote account opening,
- adapting/simplifying ID and CDD requirements,
- implementing cardless transactions which save time and simplify processes because bank cards do not have to be distributed.

Adequacy – What kind of delivery mechanism is appropriate to the profile and needs of the beneficiaries and to the objectives of the response?

Adequacy can be achieved by tailoring the delivery mechanisms to the needs of the beneficiaries and by giving them choice in relation to how to receive the cash. In the case of the COVID-19 crisis, adequacy also includes social distancing and safeguarding measures. Many governments and agencies have been promoting the usage of digital payments to conform with social distancing measures. Other measures include: increasing the number of payment points, enhancing the liquidity of payment agents, staggering payments, conducting adequate communications campaigns, and ensuring appropriate sanitary measures in payment points.

Coverage – What actions enable reaching the target population?

Full coverage can be achieved with one or multiple mechanisms. Some countries have implemented multiple payment mechanisms to ensure that there is no/low exclusion. Ensuring equitable access to benefits is an essential component in considering trade-offs as strategies without accommodation of gender and inclusion concerns risk increasing – rather than addressing – inequalities exacerbated by COVID-19.

The box below shares some useful resources about payment delivery mechanisms.

Box 1 Payment delivery mechanisms: additional resources

Guidance tools (routine SP):

- [ISPA – Payment delivery mechanisms for Social Protection](#)
- [TRANSFORM Administration of social assistance Module \(Payments section\)](#)

Webinars

- SocialProtection.org and World Bank webinar with examples from Colombia, Ecuador, Peru and Jordan: [here](#)
- Better than cash alliance webinar, Lessons from Ebola on digital payments: [here](#)
- UNCDF webinar Digitizing payments in the time of COVID-19 [here](#)
- Center for Global Development - Harnessing Digital Tech & Payments to Support People & Small Businesses Through COVID-19 & Beyond [here](#)

Blogs

- Center for Global Development - Using What You Have to Scale up Payments for COVID-19 Response [here](#)
- Center for Global Development - COVID-19: How Countries Can Use Digital Payments for Better, Quicker Cash Transfers: [here](#)
- Center for Global Development - Ensuring Women's Access to Cash Transfers in light of COVID-19: [here](#) + Pakistan case study [here](#)
- World Bank - Responding to crisis with digital payments for social protection: Short-term measures with long-term benefits: [here](#)
- Shepherd-Barron - On the need for 'cash out' for digital payments and Ebola lessons: [here](#)
- BRAC Distributing relief in a pandemic: Lessons learned about digital cash transfers during COVID-19 [here](#)

Documents/analysis

- Portal on Government to Person payments <https://g2p-network.org/>
- World Bank (forthcoming) G2P Payments: Key considerations and policy options for emergency cash-transfer payment solutions. Living document.
- Mercy Corps [The Delivery Guide](#) - Scoping the Humanitarian Payments Landscape
- COVID-19 Cash, and the Future of Payments; Bank of International Settlements, Bulletin No.3, 3 April 2020 [here](#)
- World Bank's real-time review of social protection responses to COVID-19 (May 22 edition on G2P, 2020): [here](#)
- Mercy Corps COVID-19 CVA Payments and Digital Data management, 19 March 2020 [here](#)
- Crown Agent Bank and Segovia, "Rapid Cash deployment, Best Practices", May 2020

GSMA

- Policy and regulatory recommendations to facilitate mobile humanitarian and social assistance during COVID-19 [here](#)
- [Mobile money enabled cash aid delivery: Operational handbook for mobile money providers](#)
- [Mobilising cash and voucher assistance programmes: The case for mobile money](#)
- [Mobile money enabled cash aid delivery: Essential considerations for humanitarian practitioners](#)
- [Telesom ZAAD: Pushing the mobile money CVA frontier](#)
- [Navigating the Shift to Digital Humanitarian Assistance: Lessons from the International Rescue Committee's Experience](#)
- [Is mobile money the future of CVA?](#)
- [Mobile money deployment tracker](#)

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