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Covid-19: crisis as opportunity for urban cash transfers?

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Key messages

The unprecedented emergence and expansion of urban cash transfers in low- and middle-income countries (LMICs) in the wake of the Covid-19 pandemic has shifted them from the periphery into the centre of social protection programming.

Urban cash transfer responses to Covid-19 have shown mixed performance in terms of timeliness, coverage and adequacy as a result of design considerations and effectiveness of implementation.

Factors that facilitated the implementation of urban cash transfers included innovations in registration and payment, the ability to leverage existing registries and routine systems, collaboration and coordination mechanisms, government leadership and capacity, and financing.

While modified approaches to reach and pay beneficiaries were widely incorporated into urban cash transfer responses to Covid-19, other aspects of urban-sensitive programme design and implementation were given little attention. Future programming should take greater account of urban-specific issues such as increased living costs, social exclusion and vulnerability (including gender) and higher levels of mobility.

Cash transfers offer vital support to urban residents in times of hardship or crisis but must be integrated within a comprehensive response that considers the many interlocking vulnerabilities they face.

SPACE Social Protection Approaches to COVID-19: Expert Advice

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Acronyms

CCT	conditional cash transfer
CUCI	COVID Urban Cash Initiative (Malawi)
FCDO	Foreign, Commonwealth and Development Office
KII	key informant interview
ILO	International Labour Organization
INGO	international non-governmental organisation
IPC-IG	International Policy Centre for Inclusive Growth
KYC	know your customer
LEAP	Livelihood Empowerment Against Poverty Programme (Ghana)
LMIC	low- and middle-income countries
MIDIS	Ministry of Social Development and Social Inclusion
MOU	memorandum of understanding
MWK	Malawian kwacha
NASSP	National Social Safety Nets Project (Nigeria)
NGN	Nigerian naira
NGO	non-governmental organisation
PMT	proxy means test
PSNP	Productive Safety Net Programme (Ethiopia)
SCTP	Social Cash Transfer Programme (Malawi)
SMS	short message service (text message)
SSSNP	South Sudan Safety Net Project
UCFW	Urban Cash for Work (Uganda)
UPSNP	Urban Productive Safety Net Programme (Ethiopia)
WFP	World Food Programme

Executive summary

More so than any other shock in recent memory, Covid-19 shone a spotlight on the precarious living and working conditions of many city dwellers, particularly in low- and middle-income countries (LMICs), as well as the glaring deficiencies in their urban social protection systems. Despite some notable efforts to accelerate coverage in recent years, provision of urban social assistance at the beginning of the pandemic was still limited, for example reaching only 16% of the poorest quintile in low-income countries, compared to a (still paltry) 21% in rural areas.

With the emergence of the virus, these social protection gaps alongside context-specific issues in cities such as overcrowding, poor hygiene and sanitation and widespread informal employment put urban residents at a high risk of infection and loss of livelihoods. As governments rushed to implement drastic lockdown and mobility restrictions to contain the virus, many also recognised the need to provide direct income support to vulnerable urban households who had seen their access to livelihoods either directly cut off or severely hampered. This triggered the rollout of an unprecedented wave of cash transfer programmes in urban areas in many LMICs as part of the large-scale social protection response to mitigate the socioeconomic impacts of the Covid-19 crisis. While some urban cash transfers were implemented as new, shock-responsive schemes, others channelled emergency cash assistance via existing schemes.

Based on a literature review and case studies of various urban cash transfer schemes that were implemented in response to Covid-19 across LMICs (with primary case studies from Madagascar, Peru and Nigeria), this paper explores the successes and challenges of implementing cash transfers in urban settings in response to a large, covariate shock. It also considers the expected longer-term implications and lessons learned for building capacity to respond to future shocks and for social protection system-strengthening more broadly.

Key findings

Across the case studies, we observe wide-ranging successes and challenges in effectively rolling out urban cash transfer programmes. **Timeliness** of implementation varied immensely. While some programmes were able to launch only a week after curfew was announced and began making payments within a day, other programmes had yet to make payments when interviews were conducted in November 2020. Approaches to **coverage** also varied. Some aimed to provide quasi-universal support to all urban households without access to formal employment. Most interventions, however, targeted specific urban areas such as those affected by the strictest lockdowns and high poverty rates. Nevertheless, coverage often increased in a more ad hoc manner as the crisis continued, frequently driven by political economy considerations as well as civil society advocacy. In terms of **adequacy** of transfers, precise calculations were often made at the start of the crisis, for example to substitute some percentage of foregone income. However, as the crisis wore on and coverage increased beyond those initially targeted, transfer values often could not be sustained, thereby becoming less adequate over time. Moreover, even at the outset, transfer calculations often did not account for differential household needs or urban-specific costs of living.

Several factors emerged as **enablers** and **constraints** of effective implementation. In terms of policy design, innovative approaches to reach new beneficiaries, including the use of new technologies, facilitated rapid rollout in urban areas. Potential exclusion as a result of heavy reliance on technology for targeting and transfer payments is acknowledged but little information was available at the time of writing. Similarly, in terms of implementation, existing social registries or beneficiary databases covering urban areas sometimes facilitated swift expansion. However, poor data quality also meant that complementary strategies were needed to reach those missed or misrepresented in initial datasets. Ample capacity among government officials proved vital in supporting these and other efforts towards effective implementation. With respect to policy coordination, the existence of or ability to rapidly develop coordination mechanisms to design and rollout urban cash transfers proved paramount during the Covid-19 crisis, as did the level of government leadership and buy-in for those mechanisms. Timely delivery of adequate support at scale was also heavily shaped by funding availability (particularly contingency funds) and the degree of collaboration and working in partnership (to maximise different agencies' comparative advantages). More broadly, the existence of resilient and effective routine social protection programmes prior to the crisis strengthened the ability to deliver urban cash transfers during the shock response, and in some instances provided valuable infrastructure for prompt emergency transfer delivery.

Ultimately, our paper asked the question: to what extent and in what ways does the Covid-19 crisis represent an opportunity for expanding cash transfer provision in urban areas, both in response to future shocks and as part and parcel of routine social protection systems? Our findings offer space for **tentative optimism**, noting that experiences with urban cash transfers in response to Covid-19 are likely to have moved the needle on whether urban areas should be part of routine social assistance and have built an important precedent and initial foundation for responding to future urban shocks. The stark exposure of urban vulnerabilities during the pandemic is likely to provoke a shift away from the blanket assumption that urban residents are less in need of assistance to a more nuanced understanding of how informal working and living conditions, coupled with high population density, transient livelihoods and large reliance on cash, make urban residents highly exposed to certain shocks.

Yet in terms of tangible policy commitments to date, much of the momentum appears to be focused on ensuring cash transfers can be more effectively deployed in response to future urban shocks. Concrete commitments to enhancing routine urban social assistance appear more tentative. This is concerning, as the effective routine provision of social assistance, and the direct support it provides to urban households in building their resilience to shocks, is a crucial foundation for a strong, adaptive and shock-responsive system. Moreover, it is vital that future cash programming takes greater account of urban specificities. Apart from repeated references to higher potential for innovative digital approaches in urban settings, issues relating to urban-sensitive design and implementation such as adequacy of transfer amounts, potential exclusion of marginalised and vulnerable groups or high levels of mobility and transience in poverty levels hardly emerged. Going forward, it will be important to capitalise on this opportunity to develop adaptive social protection systems that can comprehensively address the complex vulnerabilities of urban settings. At the same time, it is vital to avoid a singular focus on cash transfers, or even social protection, but to consider them as part of a broader package of support that addresses the interlocking challenges and complex nature of vulnerabilities in urban contexts.

Policy recommendations

Based on this study, we provide policy recommendations under two broad and inter-related categories:

Strengthen routine urban social assistance provision, including cash transfers

- Expand coverage of routine social assistance in urban areas, as an essential mechanism both to support vulnerable urban households on an ongoing basis and to build their resilience to shocks.
- Adopt a bespoke approach to targeting social assistance in urban areas, accounting for the complex dynamics of urban poverty and vulnerability and working with local actors who have contextual knowledge and experience.
- Ensure urban cash transfer levels are adequate for the cost of living in urban areas, including adjusting for inflation and accounting for households and individuals with different characteristics.
- Introduce and promote access to digital mechanisms where appropriate, while maintaining alternative provision for those less able to access digital channels.
- Ensure accountability mechanisms are accessible, meaningful and appropriately tailored to urban contexts given differences in urban governance structures and community networks.
- Support the development of urban-sensitive/specific social protection governance structures and strengthen their capacity to implement effective urban programming, given the rural bias in knowledge and experience in most national systems.
- Leverage routine social assistance in urban areas to create links between beneficiaries and other services and sectors that can strengthen their resilience and reduce vulnerability in a comprehensive manner.
- Enhance the fiscal space to finance comprehensive urban provision.

Strengthen the wider capacity of the social protection system to prepare for, cope with and adapt to shocks in urban areas, including through cash transfers

- Ensure routine social protection systems and programmes in urban areas are resilient and adaptable in the event of a shock.
- Develop the strategy, institutional framework and partnerships for adaptive social protection covering urban areas.
- Enhance registration efforts to create and maintain a broader base of urban beneficiaries, prioritising those most vulnerable to expected future shocks.
- Integrate urban poverty and vulnerability data in social registries, with consideration of urban-specific shocks.
- Prepare delivery mechanisms to cope with increased or adjusted provision in response to urban shocks.
- Establish adequate financing structures that incorporate urban contingencies.

1 Introduction

Despite growing interest in many LMICs to expand social assistance to urban areas, coverage remains much lower than in rural areas. Before the onset of Covid-19, overall global coverage of social assistance in urban areas was 39% of the poorest quintile, compared to 46% in rural areas (Gentilini et al., 2021).[1] In low-income countries, the poorest quintile coverage was only 16% in urban areas, compared to 21% in rural areas (ibid.).

Covid-19 has brought the lack of coverage in urban areas into sharp focus, particularly in LMICs, with urban residents proving acutely vulnerable to both the health and socioeconomic consequences of the pandemic. Context-specific issues in cities, such as overcrowding, poor hygiene and sanitation, and high levels of informal employment, interact to put urban residents at a high risk of infection and loss of livelihoods (World Bank, 2015; Baker et al., 2020). An emerging evidence base indicates how the pandemic has affected urban populations. In a four-country study in sub-Saharan Africa, urban jobs were lost at higher rates than in rural areas (Weber et al., 2020). In that region and more widely, a loss of earnings alongside a decline in remittances meant that many urban residents struggled to afford basic food items (WFP, 2020; World Bank, 2020a). While in some cases these impacts eventually affected rural areas equally severely, urban areas frequently took the most direct and immediate hit (Sanchez-Paramo and Narayan, 2020). Concerns about high urban job, income and food insecurity have persisted, leading to estimates that a large share of the Covid-19 'new poor' will be urban (World Bank 2020b). Among those affected, there are wide gender disparities, with women proving more likely to lose their jobs, while also seeing their unpaid work and care burdens increase as a result of school closures and experiencing heightened levels of gender-based violence (Nazneen and Araujo, 2020; Sanchez-Paramo and Narayan, 2020).

In light of these vulnerabilities, this paper focuses on how cash transfers have been used to respond to the multidimensional crisis of Covid-19 in urban areas in LMICs. Based on a literature review and case studies, the paper distils lessons learned on opportunities and challenges when using cash transfers in urban settings in response to a large covariate shock such as a pandemic. In doing so, it scrutinises considerations for the medium- and long-term future, taking account of how urban cash transfers may be integrated into systems of adaptive and shock-responsive social protection. In other words, the paper examines this question: to what extent and in what ways has the Covid-19 crisis offered an opportunity for expanding cash transfer provision in urban areas, both in response to future shocks and as part and parcel of routine social protection systems?

1 Although the data presented here is drawn from the ASPIRE database during the pandemic in May 2020, the underlying data is from surveys that predate the pandemic.

1.1 Cash transfers in urban areas pre-Covid-19

Despite accelerating urbanisation and more than half of the world's poor living in urban areas, most pre-Covid-19 social assistance schemes – including cash transfers – were focused on rural areas (Gentilini et al., 2021; Devereux and Cuesta, forthcoming).

There are various reasons for higher social assistance coverage in rural areas. Many schemes were originally designed for rural populations. For instance, in sub-Saharan Africa and South Asia these schemes often emerged as longer-term replacements for humanitarian food aid interventions (Devereux and Cuesta, forthcoming). Schemes have also frequently been developed based on poverty prevalence (i.e. highest poverty rates), which tends to be lower in urban areas, even if absolute numbers of poor people are sometimes higher (Gentilini, 2015). There may also be a perception that urban areas have more vibrant labour markets, although the urban workforce in LMICs is predominantly informal and generally both precarious and low-paid (Gentilini, 2015; ILO, 2018). Urban areas may also be deliberately excluded to reduce the incentive for rural–urban migration (Spadafora and Cuesta, 2017). In contexts of limited financial resources and sometimes strong political considerations for maintaining distribution of transfers across particular rural constituencies, urban settings were not prioritised for social assistance.

That said, recent years have seen a clear increase in attention to urban needs, leading to some notable progress in the expansion of social assistance and cash transfers to urban areas (Gentilini et al., 2021). Flagship schemes in Brazil (*Bolsa Familia*), China (*Dibao*) and South Africa (Child Support Grant) have all been extended to urban residents (Devereux and Cuesta, forthcoming). In Ethiopia, the Productive Safety Net Programme (PSNP) was extended to urban areas in 2016, with the long-term objective to serve 4.7 million urban beneficiaries (Ministry of Urban Development and Housing, 2015). The Urban Social Protection Strategy and Action Plan in Bangladesh, published in January 2020, sets out plans for expanding social protection to urban areas, including the design of a conditional cash transfer programme for urban poor (Government of People's Republic of Bangladesh, 2020).

Vulnerabilities differ markedly in urban versus rural areas. Urban areas are characterised by widespread engagement in the informal labour market, reliance on markets for meeting basic food needs, greater exposure to environmental risks such as pollution, high population density, as well as highly commodified access to basic services such as housing, water and sanitation (Cuesta et al., 2020). Urban residents typically face insecurity of tenure, and migrants from rural areas are sometimes unable to access residence permits which can facilitate access to urban services – including social protection. Gentilini (2015) highlights high levels of mobility (including seasonal migration), poor living conditions, low quality of and overburdened social services and crime as particularities of urban poverty. Lives in urban areas are highly volatile, unpredictable and informal, and more reliant on the cash-based economy, with women over-represented in the most precarious and poorly paid jobs (Pozarny, 2016).

These characteristics of urban poverty pose challenges for the design and implementation of social assistance, which require adaptation of rural-focused approaches (based on Gentilini, 2015, Spadafora and Cuesta, 2017, Cuesta et al., 2020). First, it is more difficult to assess eligibility due to factors such as urban residents' mobility, (gendered) volatility of incomes and earning streams, weaker community networks and lack of documentation available to urban migrants. Second, the value of cash transfers is often insufficient, especially when amounts are tied to those provided in rural areas. Third, working in areas with limited or low-quality services and/or higher rates of crime makes it harder to engage with communities and deliver transfers. Finally, there may be higher risk of exclusion as the most marginalised may be more easily 'hidden' if they live in informal settlement housing that is not legally recognised or are street dwellers without an official address (Beukes, 2015). In addition, enthusiasm regarding the use of new technologies to identify beneficiaries and implement transfers in urban areas can lead to digital exclusion.

1.2 Methodology

This paper is based on literature review and case studies of selected cash transfer programmes that were planned or implemented in urban settings in LMICs between March and October 2020. Although a range of social protection programmes have been used in response to Covid-19, the scope of the research did not permit us to explore multiple instruments in depth; cash transfers were prioritised as they represent by far the most widely used measure to date (Gentilini et al., 2020). The paper primarily aims to support the development of national social protection systems and therefore does not cover the many local-level initiatives run by municipal authorities. For the same reason, it focuses on schemes implemented by or in collaboration with national governments, rather than the many important interventions implemented by civil society and non-governmental organisations (NGOs).

The literature review was based on a search of programme and policy documentation using information platforms such as socialprotection.org, the database on Covid-19 and social protection maintained by the World Bank (Gentilini et al., 2020) and the International Policy Centre for Inclusive Growth (IPC-IG, 2021), professional networks and internet searches. Keywords for internet searches included 'urban social protection', 'urban social assistance', 'urban safety nets', 'urban cash transfers', 'cash transfers city/cities', 'social protection city/cities' – all combined with terms 'Covid', 'coronavirus' or 'pandemic'. The review provided a comprehensive, although not exhaustive, insight into main trends and issues in relation to the planning, design and implementation of cash transfers in urban areas in the wake of Covid-19. It also underpinned the selection of case studies.

Case studies are divided into primary and secondary case studies. Primary case studies are investigated in detail, drawing on available programme documentation and at least four semi-structured key informant interviews (KIIs). These include the *Tosika Fameno* scheme in Madagascar, the emergency cash transfer schemes covering urban areas in Peru (*Bono 'Yo Me Quedo en Casa',* *Bono Independiente* and *Bono Familiar Universal*) and the planned Covid-19 Urban Cash Transfer scheme in Nigeria (see further details in Boxes 1, 2 and 3). Secondary case studies refer to cash transfer programmes implemented in urban areas that were explored in less detail compared to primary case studies. A full overview of KIIs is provided in Table A1 in Appendix 1.

Box 1 *Tosika Fameno* in Madagascar

The *Tosika Fameno* scheme in Madagascar was developed in response to the recognition that poor people in urban areas were particularly vulnerable to Covid-19 and to the socioeconomic consequences of restrictions put in place to curb infection rates. It represents the first government-led urban cash transfer in Madagascar.

The design and roll-out of *Tosika Fameno* was coordinated through the Cash Working Group, which is led by the Ministry of Population, Social Protection and Promotion of Women and includes UNICEF, the World Bank, World Food Programme (WFP), Red Cross and other agencies. The group developed a strategy for an urban cash transfer to support the poorest and most vulnerable that was in line with the National Social Protection Strategy. It subsequently assigned sub-groups to implement the cash transfer in different urban areas.

Tosika Fameno consists of cash transfers of 100,000 ariary (approximately $26). Households received two payments, with the first made in April 2020 and the second in July 2020 for most beneficiaries. Additional beneficiaries were included in July and August 2020. Beneficiaries were pre-registered through local authorities; a simplified proxy means test (PMT) was used to verify the beneficiary list. This PMT model was informed by 2012 household survey data and existing programmes' assessment methodologies, but was purposefully developed for the Covid-19 context by the Cash Working Group. It sought to identify categories of informal workers whose incomes were hardest hit by confinement, as well as those households at greatest risk of poverty and food insecurity. The pre-registration process took 10 days and the set-up process took one month (from conceptualisation to the first payment disbursement on 25 April 2020). Various payment mechanisms were used depending on logistical considerations and included mobile phones, the post office and Western Union.

At the time of writing (in November 2020), *Tosika Fameno* had reached more than 300,000 households. This compares to overall routine cash transfer coverage of 200,000 households (in rural areas) pre-Covid-19. While *Tosika Fameno* only initially included three main cities, it subsequently expanded to other cities following further spread of the virus and containment measures.

Source: Based on KIIs and background documentation

Box 2 *Bono 'Yo Me Quedo en Casa'*, *Bono Independiente* and *Bono Familiar Universal* in Peru

In Peru, cash assistance to support urban households during the pandemic was initially provided through several different emergency schemes, which were later combined into a single, emergency programme.

The first scheme, *Bono 'Yo Me Quedo en Casa'* ('I Stay at Home' subsidy), was set up by the Ministry of Social Development and Social Inclusion to provide emergency support during lockdown to urban households listed in the social registry as being poor or extremely poor. This scheme covered 2.7 million households, initially providing a transfer of 380 Peruvian soles (S/) (approximately $104) in April 2020, which was then repeated in May, or paid as a combined transfer of S/760 to those who had not yet received the earlier payment.

Alongside this support for poor urban households, there was a recognition of the need to support 'non-poor' (primarily urban) informal workers whose incomes were heavily disrupted by the pandemic. This prompted the development of the *Bono Independiente*, a Labour Ministry-run cash transfer scheme for independent workers. This group was identified entirely through existing databases, with the social registry data cross-checked against public and private payroll data, to 'target out' formal sector workers (and households already benefiting from other emergency cash support). Starting in April, *Bono Independiente* provided 780,000 households with a transfer of S/760 via bank payments for those with state bank accounts, into temporary mobile e-wallets, or (as a last resort) via over the counter payments. Alongside these two urban-focused schemes, a scheme targeting the rural poor (*Bono Rural*) was also established.

It soon became clear that a more streamlined and expanded approach to emergency assistance would be beneficial, particularly to reach informal worker households who were not well captured in existing social registry data. The *Bono Familiar Universal* was therefore launched to combine the caseloads from earlier emergency transfer schemes with new beneficiaries who applied online through a two-week, on-demand registration window from 20 May to 3 June. The combined scheme coverage was 68.4% of the total population (around 8.6 million of the 12.6 million household units listed in a newly-created National Household Registry). At the time of writing, two *Bono Familiar Universal* transfers (each of S/760) had been paid, the first between May and August and the second from October.

Source: Based on KIIs and background documentation

Box 3 Rapid Response Register and planned Covid-19 Urban Cash Transfer scheme in Nigeria

When Covid-19 emerged, Nigeria's first National Social Safety Nets Project (NASSP) had been operating for only four years. With World Bank support, the government had begun building a National Social Register and implementing a conditional cash transfer programme. At the onset of the pandemic, however, both initiatives had only minimal, principally rural, coverage (2.6 million households registered, of whom 400,000 were benefiting from the cash transfer).

This prompted the Nigerian government and its social protection partners to consider trialling a new approach for registering and paying urban households during the pandemic. They set about designing a 'Rapid Response Register' and an accompanying emergency urban cash transfer scheme, through which they plan to support at least one million urban households.

The Rapid Response Register aims to identify vulnerable urban households through a multi-pronged approach. For the first stage, satellite imagery data analysis was used to identify the highest-poverty urban neighbourhoods (verified against National Living Standards Survey data). To identify specific beneficiaries within these priority neighbourhoods, the government will then send SMS messages to everyone in the local radius of a high-poverty neighbourhood, inviting them to apply and guiding them through an SMS-based registration process. The aim is to complement this process with information on vulnerable residents from existing databases of NGOs, local support groups and neighbourhood structures in the communities. Survey officials will then visit all identified households to validate their information, verify eligibility and register bank account details. The plan is for beneficiaries to receive monthly payments of NGN 5,000 for at least six months, directly into bank accounts. Those without bank accounts will be supported to open them, although mobile money payments may also be considered.

The Rapid Response Register was officially launched two months after our interviews were conducted, in January 2021 (News Agency of Nigeria, 2021).

Source: Based on KIIs and background documentation

2 Planning and implementation of urban cash transfers during Covid-19

This section provides an overview of types of urban cash transfers that have been implemented across LMICs, focusing in on the type of expansion they represent. It also identifies enablers and bottlenecks in relation to Covid-19 response implementation.

2.1 Emergence of urban cash transfers in response to Covid-19

Across case studies, the adverse impact of Covid-19 in urban areas, compounded by the low pre-existing coverage of cash transfers in such contexts, formed the backdrop against which urban cash transfer responses were developed or expanded. Containment measures such as lockdowns and curfews curtailed urban residents' ability to work and earn income, highlighting their vulnerability.

Cash transfer schemes to respond to these pressing urban needs emerged and took shape in different ways. We use the typology of social protection responses or adjustment as put forward by Bastagli and Lowe (forthcoming) to categorise primary and secondary case studies. This typology considers six kinds of responses, including (1) automatic adjustments or 'automatic stabilisers', (2) programme or policy adjustments (including tweaking of design features and expansion of coverage), (3) new programmes or policies, (4) social services and social protection links, (5) labour market and social protection links, and (6) humanitarian assistance and social protection links.

Within this typology, this paper primarily covers new urban schemes or adjustments to existing programmes or policies as part of Covid-19-responses. This reflects our focus on national government-implemented schemes (rather than from humanitarian or other actors) as well as the reality that many interventions were developed and rolled out in a short timeframe with limited scope to establish cross-sectoral links. Across case studies, plans exist to develop such links (as discussed below) but they had not yet been finalised at the time of writing. Table 1 provides an overview of urban cash transfer schemes that were researched.

Within the first category (in column A), existing schemes were adjusted or tweaked to channel emergency cash assistance to urban residents during the pandemic. In the relatively small number of cases where routine cash transfer programmes already covered urban areas, strategies included expanding existing urban coverage to additional city dwellers (e.g. China's urban *Dibao* scheme) or topping up payments to existing urban beneficiaries (e.g. Colombia's *Familias en Acción*, *Jovenes en Acción* and *Adulto Mayor* schemes, Indonesia's *Program Keluarga Harapan* (PKH) and India's social pension programmes). A salient example of the latter comes from Ethiopia's Urban Productive Safety Net Programme (UPSNP), where beneficiaries of Permanent and Temporary Direct Support (but not participants in the routine public works component of the scheme) received top-up payments of 360 Ethiopian birr (ETB) (roughly $10) per month, paid in two three-month instalments.

Table 1 Overview of select schemes providing cash transfers in urban areas during Covid-19

	A. Programme/policy adjustment/design tweak	B. New scheme
Dibao scheme – China	X	
Emergency payments to beneficiaries of *Familias en Acción, Jovenes en Acción* and *Adulto Mayor* schemes – Colombia	X	
Ingreso Solidario scheme – Colombia		X
Urban Productive Safety Net Programme (UPSNP) – Ethiopia	X	
Emergency Cash Transfer – Ghana		X
Bono Familia scheme – Guatemala		X
Emergency payments to women with *Jan Dan Yojana* bank accounts; top-up payments for beneficiaries of social pensions, *PM-Kisan* and *PM-Ujjwala* – India	X	
Emergency transfers via the *Program Keluarga Harapan* (PKH) conditional cash transfer – Indonesia	X	
Bantuan Sosial Tunai (BST) unconditional cash transfer for poor households not in existing PKH and *Sembako* programmes – Indonesia		X
Tosika Fameno urban cash transfer – Madagascar		X
COVID Urban Cash Intervention (CUCI) – Malawi*		X
Covid-19 Urban Cash Transfer via Rapid Response Register – Nigeria	(X)	(X)
Bono Independiente, Bono Familiar Universal and *Bono 'Yo Me Quedo en Casa'* – Peru		X
Emergency support via the *Pantawid Pamilyang Pilipino Programme* – Philippines	X	
Emergency Cash Transfer – Sierra Leone		X
South Sudan Safety Net Project – South Sudan	X	
Rs. 5,000 Covid-19 Emergency Cash Transfers – Sri Lanka		X
Novissi cash transfer – Togo		X
Urban Cash for Work (UCFW) – Uganda		X

Source: Authors' compilation
* The CUCI scheme in Malawi could also be categorised as a response linking humanitarian and social assistance.

In other cases, existing urban schemes were tweaked to make them more Covid-19-sensitive. For example, various schemes relaxed education or health-related conditionalities to account for restrictions on school and health service access (e.g. Indonesia's PKH and Philippines' *Pantawid Pamilyang Pilipino Programme*). In South Sudan, the planned (pre-Covid-19) timeline and geographical distribution of a recently approved social protection programme was adapted to enable more rapid and intensive urban rollout.

In some cases, governments developed entirely new programmes to provide cash transfers to urban residents (Table 1, column B). This sometimes involved designing and implementing new national emergency schemes, thereby including, but not exclusively targeting, urban areas (e.g. Guatemala's *Bono Familia*, Sri Lanka's Rs. 5,000 Covid-19 Emergency Cash Transfers, Indonesia's *Bantuan Sosial Tunai* (BST) temporary cash assistance and Ghana's Emergency Cash Transfer programme). In other cases, new schemes were developed for urban areas (e.g. Togo's *Novissi* scheme, Sierra Leone's Emergency Cash Transfer and Malawi's CUCI).

We identify various reasons for why governments and international partners often turned to new programmes rather than expanding existing schemes. First, there was often limited existing urban programming to 'adjust'; most programmes did not cover any urban areas, or only included a very small number of urban beneficiaries. Second, there was reluctance to bring urban residents into existing rural-focused schemes in case this created expectations about permanently serving urban beneficiaries. The Emergency Cash Transfers in Ghana, for example, are deliberately framed as different from the existing Livelihood Empowerment Against Poverty (LEAP) programme to avoid expectations about (immediate) expansion of LEAP into urban areas. Third, the design and implementation of existing cash transfers were recognised as being inappropriate for urban areas in many ways, especially in the context of the pandemic. For instance in Nigeria, community targeting arrangements in rural areas were considered inapt in urban areas with weaker community ties, particularly when trying to avoid communal gathering – an important priority for all programmes (whether rural or urban) during a pandemic.

It should be noted that the distinction between the expansionary adjustments of existing policies/ programmes and the emergence of new schemes is not clear cut. Design and implementation of new schemes may be aligned with existing interventions, for example in terms of transfer amount or payment modality. Cash transfer schemes themselves may be newly developed but represent an extension of a wider social safety net project. Nigeria is a case in point. The Covid-19 Urban Cash Transfer scheme, including its identification and payment mechanisms, is very distinct from the existing, previously rural-focused transfers under the NASSP and could therefore be framed as a new scheme. At the same time, implementation guidelines for the Urban Cash Transfer scheme refer to a 'scale-up' of support under the broader NASSP, and the proposed urban transfer amount is currently aligned with the amount received by routine rural beneficiaries.

2.2 Enablers and bottlenecks

We identify eight factors that either enabled or formed bottlenecks for successful rollout of cash transfers in response to the Covid-19 crisis in urban areas, focusing on aspects of design, implementation, and coordination and financing.

2.2.1 Policy design

The development of **innovative approaches to reach new beneficiaries** underpinned the design of many urban cash transfer schemes, based on high penetration of mobile phones and other technology in urban areas. In addition, as the target group in many schemes included those of working age, uptake of digital approaches is more likely. In Togo, an entirely mobile-based registration process was developed in ten days for the urban, informal worker-targeted *Novissi* scheme, and all beneficiaries were paid via mobile money. In Peru, an online registration platform was deployed for the first time to bring informal worker households who were not in the social registry (and had therefore been missed by earlier emergency schemes) into the *Bono Familiar Universal*.

As discussed further in Box 4, attempts to deploy these new technologies during a shock response can potentially bring benefits in terms of lower in-person transmission risks, reduced leakages and improved speed, efficiency and convenience for those with digital access. However, such mechanisms also carry challenges in terms of data protection and cybersecurity risks, heightened exclusion of those without digital access or literacy, and substantial upfront development costs.

Box 4 Use of new technology

The use of new technology is an emergent theme across many urban cash transfer schemes in response to Covid-19, with innovative technologies frequently being incorporated into one or more aspects of delivery.

In the identification and registration phases, Nigeria's plans for its Rapid Response Register provide an interesting example that combines many of the innovative approaches used in other schemes. These include identifying high-poverty urban neighbourhoods through satellite imagery-based mapping (verified against recent census data) and sending text messages to households in the identified neighbourhoods to invite them to apply through an SMS-based registration process. They also considered identifying beneficiaries based on their mobile-phone use and banking history, although this no longer features in the latest strategy, likely due to challenges in addressing data privacy considerations.

Box 4 Use of new technology (continued)

Innovative technology has also been heavily used in relation to payments. Togo's *Novissi* payments were made entirely via mobile money to reduce transmission risks. In Malawi, mobile networks were used for the CUCI (rather than, or in addition to, banks – which are increasingly used by the national Social Cash Transfer Programme (SCTP)) because analysis showed that urban beneficiaries had greater proximity to mobile agents than to banks. Timeliness was also a factor, as mobile money operators could be procured more rapidly. In Peru, beneficiaries who did not have accounts with the state bank were encouraged to receive their transfers via temporary mobile-based e-wallets, which could be linked to virtual savings accounts. Although this financial services product existed prior to Covid-19, it was not widely used in Peru. However, when the government introduced the mechanism (for the second transfer scheme, *Bono Independiente*), 500,000 of 780,000 beneficiary households were paid through it.

While these innovative approaches certainly bring potential benefits, the use of technology during the crisis response also created challenges. For example, in Nigeria, the new digital approaches to identification, registration and payment required extensive time to develop, hindering the potential for an immediate crisis response. Part of the delay related to the need to develop adequate data protection arrangements, which are vital for ensuring the privacy, security and correct use of citizens' data and cannot be overlooked. In Malawi, technology-related delays also occurred in relation to mobile money payments; the 10% of beneficiaries who lacked mobile phones were initially to be provided with handsets on a cost-recovery basis to receive the transfers, which was a time-consuming process. Validation of phone numbers by mobile money operators and 'know your customer' (KYC) requirements also caused delays.

The Malawi case study also illustrates the cybersecurity risks that can be associated with increased digital service provision; after the CUCI was announced, scammers were able to collect and misuse people's private data by sending out fake SMS messages. Alongside these risks of data protection and cybersecurity, the risk of digital exclusion is also an important challenge that must be carefully considered in any shift to digital programming.

Source: Based KIIs and background documentation

2.2.2 Policy implementation

The ability to **leverage existing registries or databases** can hugely impact implementation, particularly for new schemes. The fact that Peru's social registry had large-scale national coverage provided a quick starting point for more than three million registered urban households to receive transfers in April through poverty-targeted *Bono 'Yo Me Quedo en Casa'* and informal worker-targeted *Bono Independiente* schemes. The latter also made use of other existing databases, such as formal sector (private and public) payroll data, to exclude non-priority households. Similarly, Togo's recently updated, large-scale voter ID database was crucial for enabling rapid implementation of the *Novissi* scheme.

Nevertheless, the existence of databases alone is not enough. In Ethiopia, despite a list of beneficiaries already available within UPSNP, the need for a new memorandum of understanding (MOU) with government and setting up arrangements to make top-up payments through the existing system led to long delays. In Peru, the data on many urban households was either missing from the social registry or up to a decade-old, requiring a subsequent registration process for unserved households. The deficiencies in urban social registry data were partly attributed to the lack of social assistance in urban areas prior to the pandemic, meaning there was far less incentive for both urban residents and municipal officials to ensure household information was current and complete. Given these challenges, over-reliance on social registries in their current state is likely to lead to large exclusion errors in urban provision in most country contexts.

The **capacity of government officials** also proved a key determinant of effective responses. For example, in Sierra Leone, the government has a relatively well-functioning machinery of officials, which underpins the capacity to efficiently deliver cash transfers. Government officials' previous experience of providing emergency cash transfers in response to Ebola (2014) and mudslides (2017) enhanced their ability to deliver the response to Covid-19 in urban areas.

2.2.3 Policy coordination and financing

Issues related to coordination and financing were pivotal in the development and rollout of many urban cash transfer schemes.

First, the extent to which **coordination mechanisms** were in place prior to the pandemic emerged as a recurrent factor. This holds particularly true for new schemes. Madagascar's *Tosika Fameno* provides a strong example of the role of a well-functioning working group in enabling the rapid development and rollout of a new urban cash transfer scheme. That said, successful implementation was not merely a matter of whether coordination mechanisms were in place *before* the pandemic. Case studies also illustrate the importance of being able to create new coordination mechanisms or adapt existing ones within an effective structure for the task at hand. In Togo, the creation of a President-led, inter-ministerial *Novissi* Coordinating Committee was seen as critical for enabling rapid and precise implementation of the new programme, and for transitioning the emergency scheme's learning, tools and systems into the long-term social protection system.

Meanwhile the Malawi case study highlights some of the difficulties encountered when trying to adapt existing humanitarian coordination mechanisms for social protection activities. While Malawi has established structures for routine social protection that function quite well, the government's overall response to Covid-19 was developed through the humanitarian cluster system, with CUCI placed within the protection cluster. A social protection sub-cluster group was created and the protection cluster changed its name to include social protection. Nevertheless, challenges persisted, including confusion as to terminology and scope of protection vis-a-vis social protection; limited visibility of fundraising gaps for protection activities; potential duplication with the food security cluster's broader fundraising efforts for cash-based transfers; and complexities of translating Ministerial leadership of routine social protection into the protection cluster.

Second, and relatedly, the degree of **collaboration and working in partnership** represents another factor that supports or hampers rollout of urban schemes. In Malawi, leadership for design contributions to CUCI were allocated to agencies with a country-level comparative advantage in the subject matter (e.g. UNICEF worked on payment mechanisms and Grievance Redress Mechanisms, WFP and the International Labour Organization (ILO) worked on targeting and data analysis, etc.). Similarly, in Madagascar, the Cash Working Group split into sub-groups to implement *Tosika Fameno* in different cities, or areas within cities, building on sub-group partners' expertise and capacity.

Third, **government leadership and engagement** proved vital for ensuring that plans for urban cash transfers were operationalised. In Madagascar, the government's leading role in the Cash Working Group helped to galvanise action and facilitate rapid response. By contrast, in Ethiopia, the need to have an MOU signed between government and UNICEF caused delays in implementing top-ups for Permanent and Temporary Direct Support beneficiaries within the UPSNP.

Fourth, **availability of funding** was, unsurprisingly, critical for putting plans into action. In Sierra Leone, a pre-existing contingency financing mechanism, which included $4 million for emergency cash transfers, was a key enabler of a timely response (National Commission for Social Action, 2020). Similarly, in Madagascar, the emergency component within the World Bank's existing social protection project was used to fund *Tosika Fameno*. Meanwhile, in Nigeria, the lack of sustained funding was flagged as a key general impediment to implementing social assistance; this constraint is even more salient during Covid-19 given the unprecedented scale of need.

Finally, the **resilience and effectiveness of routine social protection** is also important. In Peru, routine programme staffing and delivery arrangements from the *Juntos* and *Pensión 65* schemes provided valuable infrastructure to support the rapid implementation of large-scale emergency transfers covering previously unserved households. Similarly, in Malawi, several of the structures supporting the routine Social Cash Transfer Programme offered an important foundation to draw upon in the emergency CUCI response. Moreover, an effective routine social protection system can also provide a persuasive evidence base for broader stakeholders to consider and finance the provision of cash transfers to urban households (such as the Ministry of Finance and development partners). This was seemingly the case in Madagascar, where evidence on the positive impacts of a routine cash transfer scheme reportedly increased buy-in for the urban cash transfer response to Covid-19.

3 Effectiveness of urban cash transfer implementation during Covid-19

This section explores issues relating to the effective implementation of urban cash transfers in response to Covid-19, focusing on three core dimensions of timeliness, coverage and adequacy. We do not aim to make direct comparisons across schemes. Instead, we explore the approaches taken and issues faced by governments in attempting to implement programmes in a timely, large-scale and adequate manner in light of programmes' stated objectives.

3.1 Timeliness

We explore issues of timeliness by considering whether programmes were implemented in time to address the shocks that they were intended to address (e.g. abrupt loss of income due to mobility restrictions), and with reference to whether their target timeframes were met (where known/applicable).

Countries in which responses were implemented when restrictions on mobility were in place include Togo, Madagascar and Peru. In Togo, the *Novissi* programme launched one week after curfew was announced and disbursed 30,000 payments within two days of programme launch. In Madagascar, the first round of payments was made when containment measures were still in place in April 2020, one month after the programme was conceived.

In Peru, a nationwide lockdown began on 16 March, the same day as the *Bono 'Yo Me Quedo en Casa'* scheme was announced, and for which the first payments began to be disbursed after one week. The *Bono Independiente* scheme was announced two weeks into the lockdown, and payments began to be disbursed two weeks later. Collectively those schemes reached nearly 3.5 million urban households who were already listed correctly in the social registry and who did not have any household member working in the formal sector. However, support was much less timely for the large proportion of urban households who were not already in the social registry when the pandemic hit, or whose information was out of date. Many of these households only received payments in August through the final scheme (*Bono Familiar Universal*), after an on-demand registration process from 20 May to 3 June for those missed by earlier programmes.

These on-demand application mechanisms were deemed essential for improving access to support for urban residents who were excluded from pre-Covid social registries; however, the speed with which they facilitated this access depended on whether such mechanisms were created from the programme outset to enable registration on a rolling basis (as in Togo) or were initiated later with the intention of capturing all missing households during a fixed, time-bound registration window (as in Peru).

In other countries, the timeliness of responses was even more mixed. In Sierra Leone, the Emergency Cash Transfer was announced relatively quickly, in March, but rollout was delayed, meaning payments occurred between June and August (Hillier et al., 2020), despite two national three-day lockdowns in April and May. Delays were partly due to beneficiary lists originating from various stakeholders (such as workers associations) and it took time to complete the agreed verification process (formal 'sign-off' by whichever body provided them). In Uganda, the UCFW was intended to launch in one urban centre in July 2020, with registration and enrolment in remaining locations during August and September (Government of the Republic of Uganda, 2020). However, payments in the first site had still not commenced as of early December 2020. Formal roll-out to the remaining sites is dependent on an evaluation of the results of the first location, suggesting that it may be 12 months between the onset of the pandemic and full implementation of the UCFW initiative. Design and implementation of the Emergency Cash Transfer in Ghana has also been delayed, with transfers being delivered to beneficiaries in November 2020 and January 2021. This delay was mainly due to government officials being heavily engaged in the delivery and monitoring of adjustments to the national social assistance programme (LEAP) in April, which involved additional payments to existing beneficiaries. It was not until July/August that relevant officials were able to commence discussions with stakeholders on additional measures for households who were not LEAP beneficiaries.

The non-linear nature of the Covid-19 pandemic (with multiple waves of heightened infection rates) and various contexts of widespread and often seasonal poverty call for nuanced assessments of timeliness regarding cash transfer programmes. For instance, in Malawi, the government's National COVID-19 Preparedness and Response Plan outlined the intention to provide cash transfers in urban areas between April and June 2020 but CUCI payments only commenced in February 2021. Measured against the proposed timelines of the government's response plan, the CUCI could not be considered timely. That said, the economic and health impacts of the pandemic in Malawi were less in 2020 than was initially feared, and mitigation measures were relatively modest (travel restrictions and social distancing were introduced, but no lockdowns). Moreover, CUCI payments will occur as Malawi faces a second wave of the pandemic and will also coincide with the annual 'lean season', a time of year when many households face financial challenges and widespread food shortages. However, the lean season commenced in November 2020 and no alternate urban interventions were mobilised from the humanitarian sector as it was previously expected that the CUCI would have been implemented by then.

3.2 Coverage

We explore issues of coverage by analysing how eligibility was determined across our case studies, and where possible looking at whether and how this target population was covered in practice. An important caveat here is that data at the time of writing was limited; our assessment is therefore restricted to information provided by key informants and available documentation about the various schemes.

None of the cash transfer schemes we studied sought to achieve universal urban coverage. Those in formal employment were typically supported through alternative mechanisms (e.g. continuing work remotely; wage subsidy schemes; unemployment insurance) and therefore not prioritised for emergency cash transfers. For the remaining urban population, however, there is significant variation in approaches used to set coverage levels and to identify target households.

In rare cases, such as Peru's *Bono Familiar Universal*, coverage was designed to reach virtually all households without any formal employment. According to government officials, the scheme served 68.4% of the population, the vast majority of households without access to formal sector earnings.[2] This large-scale coverage was achieved through gradual expansions, after it became clear that the initial social registry-based approach was only reaching around half of informal worker households (Alfers et al., 2020).

For most urban cash transfers, however, coverage was limited to a narrower sub-set of urban residents. Schemes often only included the worst affected cities (in terms of infection rates or containment measures), and then within those cities prioritised (1) those working in specific informal worker occupations and/or (2) those deemed to be particularly poor or otherwise vulnerable.

The *Novissi* scheme in Togo targets transfers at informal workers whose professions were affected by movement restrictions in cities with the strictest curfew measures. In the first phase, this included most informal workers in the curfew-affected cities of Grand Lomé and Tchaoudjo (excluding moto-taxi drivers who were able to continue working). Phase-one coverage reached 567,000 beneficiaries (around one-third of the overall urban adult population, with the proportion likely to be significantly higher in the specific cities targeted by the scheme). Women represented 65% of beneficiaries.

Several other schemes used poverty rates to inform decisions on target coverage levels, often indicating an ambition to reach all urban households living under the poverty line. In Malawi, Covid-19-adjusted estimates projected that 35% of the population would be in poverty if there were a lockdown. This resulted in 35% of the population within so-called urban 'hotspots' (the poorest geographic areas of each urban centre) being registered for the CUCI initiative. In Madagascar, pre-Covid-19 household survey data estimated that the bottom 30% of the population in Antananarivo and Toamasina lived below the monthly poverty line, justifying *Tosika Fameno's* initial target coverage of 150,000 households – the size of the poorest 30% of the population in the urban areas first targeted by the scheme (Cash Working Group, 2020). Actual coverage ended up being increased to 240,000 for the first payment and then up to a total of 300,000 households by the time of writing, primarily due to geographical expansion to new urban areas.

Coverage of Sierra Leone's Emergency Cash Transfer seemingly reflects a hybrid of the strategies above. Pre-Covid-19 household census data (from 2015) was used to estimate the

2 Informal employment represents approximately 69% of total employment in Peru (ILO, 2018).

number of self-employed urban households in the informal sector (110,000 households). Around 29,000 (or 26%) were then selected to receive the emergency transfer. This number appears to have been calculated based on the number of *poor* households working in the informal sector in each urban area (Gentilini et al., 2021), and therefore closely reflects Sierra Leone's urban poverty rate of 26% (World Bank, 2019).

When it came to the process of identifying specific priority households, hybrid considerations were used across most of our case studies, recognising the pandemic's impacts both on those living in poverty and on the traditional 'non-poor' working in precarious informal employment. For Madagascar's *Tosika Fameno*, households were assessed on both their category of work (prioritising certain occupations such as taxi drivers, housekeepers and washerwomen) and their poverty and food security risk (including prioritisation for female-headed households). In Malawi's CUCI, priority is given to households that are both financially and structurally vulnerable, with 'financial vulnerability' calculated based on sources of livelihood over the previous 12 months and home ownership status, and 'structural vulnerability' calculated based on household size, and number of elderly members and children.[3] Both scores were added together and all households in a hotspot were then ranked to determine priority recipients. In Sierra Leone's Emergency Cash Transfer, targeting was based on income (within geographically prioritised areas) but preference was then accorded to certain categories – people with disabilities, the elderly, women, and other vulnerable groups. Meanwhile, Nigeria also plans to use mixed criteria for its urban cash transfers to target the self-employed, low- or daily-wage employed, urban poor and destitute, and those needing financial and material support due to direct impacts of Covid-19.

Where emergency cash transfers were being channelled through existing schemes, overall coverage rates and specific beneficiary breakdowns were inevitably linked to the populations already being served, which tended to be chronically poor or vulnerable groups rather than near-poor informal workers. For example, the 57,300 households receiving emergency transfers through Ethiopia's UPNSP represented all beneficiaries of Permanent and Temporary Direct Support in 11 cities, who are characterised by their heightened vulnerability (including pregnant or lactating women).

In India, emergency cash transfers were disbursed to all female participants in the nominally pro-poor *Jan Dan Yojana* financial inclusion initiative, as well as low-income beneficiaries of Social Pensions, *PM-Kisan* and *PM-Ujjwala* schemes. In a large-scale cross-state survey of more than 28,000 households in May 2020, 74% of low-income urban households were found to fall under the remit for emergency payments through at least one of these channels (Totapally et al., 2020). However, actual coverage rates were lower, with only 71% of low-income urban beneficiaries reporting receipt of an emergency cash transfer that month. Furthermore, gaps in urban assistance for precariously employed informal workers at the start of the pandemic had

3 It is unclear whether the decision to prioritise certain households was based on budget constraints or a desire by the government to reduce inclusion errors.

already led to chaotic reverse migration of city migrants. Without any guarantee of protection in urban areas, they returned to their rural homes en masse seeking both formal social assistance from village authorities in their official place of permanent residence and informal support from family, friends and community members. This highlights the problems for transient populations of a welfare system where coverage is underdeveloped in urban areas, tied to place of permanent residence and lacking benefit portability.

Four key points emerge in relation to urban cash transfer coverage during the pandemic:

First, it is encouraging that several schemes sought to align coverage with poverty or informality levels, given that routine programmes often only target a small fraction of vulnerable households. That said, the data used to determine coverage of emergency support was often several years old (e.g. Sierra Leone), not adjusted for the pandemic's impact (e.g. Madagascar) or assumed to be fixed across urban sites, overlooking variation in their poverty profile (e.g. Malawi).

Second, many emergency schemes recognised the wide-reaching impacts of this crisis and extended coverage beyond those traditionally served by routine welfare schemes. However, decisions about who should be prioritised also led to contention and valid concerns about those excluded. In Togo, civil society highlighted concerns about the total absence of support for people with disabilities, who did not qualify for *Novissi* cash transfers if they were not listed as working in the informal sector. Similarly, in Peru, households with multiple members working informally and one member working formally (perhaps as a minimum wage nurse or cleaner) suffered severe income losses during the protracted lockdown but were excluded from all emergency cash support based on the formal employment of one individual.

Third, despite objective thresholds and precise methods being used to set initial coverage, our case studies highlight that programme budgets were by no means fixed and coverage often increased in a fairly ad hoc manner after the programmes began, usually influenced by political economy considerations. In Madagascar, *Tosika Fameno's* expansion to additional cities reportedly followed widespread complaints from residents in those cities, leading to pressure to expand coverage more broadly. Similarly, there were many complaints from non-beneficiaries within urban communities where *Tosika Fameno* was first implemented. Partly in response to these complaints, the government – in collaboration with WFP – set up a programme of food transfers that was available to vulnerable households in urban areas that did not receive *Tosika Fameno*. An important dynamic in these decisions appears to have been concerns about civil unrest, which may be more likely to galvanise within urban areas. In Peru, concerted civil society advocacy was reportedly crucial for highlighting the gaps in coverage for informal workers in the initial emergency cash transfer scheme (*Bono 'Yo Me Quedo en Casa'*), leading to a special scheme targeting independent workers and subsequently the large-scale *Bono Familiar Universal*. In Nigeria's satellite imagery-based selection of priority urban wards, extreme disparity in the number of wards selected in different states was felt to be politically problematic, leading to some revisions in coverage allocation across states.

Finally, some evidence (primarily from beneficiary monitoring surveys) has started to emerge in relation to targeting errors. In Madagascar, preliminary findings from a civil society-run phone survey of 2,500 beneficiaries and on-the-ground monitoring in Antananarivo suggest that inclusion errors are limited, with most recipients being highly vulnerable and affected by the pandemic. However, in this case and across many of the case studies, little is currently known about exclusion errors and various other aspects of coverage performance. Data from broader surveys on the impacts of the Covid-19 crisis, such as the World Bank's High-Frequency Phone Monitoring Surveys, are beginning to provide an indication of access to government assistance across the population. Their survey in Madagascar (from June 2020) found that 9% of urban respondents who had experienced job loss or reduced labour income had received government assistance during the pandemic, and 5.4% of urban respondents overall had received such assistance. However, it is difficult to draw conclusions about *Tosika Fameno's* performance from this finding since (1) the survey was representative of the urban population as a whole, whereas *Tosika Fameno's* coverage was more limited, and (2) government assistance could relate to multiple different interventions beyond just the *Tosika Fameno* scheme. Ongoing and future research specifically looking at programme rollout among targeted populations will therefore be important to enable more detailed assessments of target versus actual coverage.

3.3 Adequacy

We explore the adequacy of urban cash transfers in terms of their amounts, frequency and duration. These differ considerably across case studies with some schemes clearly aimed to offer meaningful compensation for lost income or livelihoods while others offered a more tokenistic level of support. We describe transfer amounts and frequency for our primary case studies – Madagascar, Peru and Nigeria – before making more general observations across all case studies.

In Madagascar, payments consisted of 100,000 ariary (c. $26), equivalent to half of average monthly consumption for the poorest 30% of households in Antananarivo and Toamasina. This was partly based on the hypothesis that the confinement measures had affected about half of vulnerable households' revenue, through partial unemployment and strict cessation of activity after midday. Monthly payments were envisaged over several months, thereby compensating for lost income at the time of need. However, the actual number of payments was reduced to two and transferred three months apart (April and July), which reduced the originally intended levels of adequacy, and was deemed insufficient by civil society.

In Peru, although *Bono 'Yo Me Quedo en Casa'* was initially designed as a payment of S/380 (c. $104), this was quickly doubled (providing a second payment of S/380 or a single payment of S/760 for those who had not yet been paid by the time of the second instalment). From that point onwards, all other *Bono* schemes provided a transfer at the S/760 level, which amounts to around $208 or approximately 27% of average household income, or 178% of average household income for the poorest quintile (all averages are national, not urban-specific (IPC-IG, 2021)). *Bono Familiar*

Universal consisted of two S/760 transfers. Civil society noted that the transfers were insufficient to meet the depth of need arising from a multi-month lockdown but were nevertheless greatly appreciated, particularly given the historic lack of support for urban households.

In Nigeria, the current, planned value of the urban cash transfer is NGN 5,000 (c. $15) monthly. This transfer size matches the base amount paid in the existing (rural-focused) conditional cash transfer (CCT) scheme provided through NASSP (although for that CCT programme, those who fulfil the co-responsibilities can receive an additional NGN 5,000, alongside the base transfer of NGN 5,000). However, there are still discussions of whether the urban scheme warrants a higher value given the higher cost of living. Even for the rural-focused CCT, NGN 5,000 is felt to be inadequate since it was based on a cost of diet study from 2016 and has not been adjusted for inflation. Transfers will be given for a minimum of six months and NASSP officials indicated their intention for the scheme to last a full year. This is longer than most other emergency cash transfers, positioning the scheme more as a Covid-19 recovery programme than short-term assistance during the initial emergency phase.

In our analysis of adequacy concerns across the case studies, four issues emerge. First, transfers appear to be larger when framed as emergency response, as opposed to an extension of existing schemes in rural areas or when framed as potential longer-term programmes. The Sierra Leone Emergency Cash Transfer one-off transfer ($135) was the equivalent of two months of the minimum wage and represented one month of consumption expenditure for the bottom 25% of households in Freetown. Similarly, in Ghana, the Emergency Cash Transfer is the equivalent of a LEAP transfer for six months (bundled into one or two tranches). Crucially, the Emergency Cash Transfer was adjusted for inflation, whereas there has been no such adjustment to LEAP for some time, meaning its real value has been eroded.

Second, various schemes grappled with the trade-off between coverage versus adequacy, balancing the need for supporting as many people as possible against the need to provide meaningful support. For the Malawi CUCI, a range of transfer levels were contemplated, including various household expenditure benchmarks and a percentage of the existing national social assistance programme (the SCTP). The Survival Minimum Expenditure Basket for urban areas was around 60,000 MWK per month, but this was considered unrealistic as the Malawian government does not usually agree to such a benchmark in humanitarian responses, and even then it is uncommon to provide 100% of needs. Ultimately, it was decided to target 35% of urban households and to adopt a flat rate for each beneficiary household of 35,000 MWK. This transfer level represents the minimum wage, and was considered appropriate from a food security perspective, as it was slightly higher than the estimated food needs in urban areas at the time. Furthermore, WFP and ILO analysis of household surveys suggested that a transfer of the minimum wage to 35% of urban households would offset the anticipated impacts of a lockdown, while also covering the anticipated food security requirements, thus negating the need for a parallel emergency response to cover food needs over the lean season. A transfer level of 35,000 MWK was therefore perceived as adequate by technical stakeholders, while also likely to be in line with the expectations of parliamentarians.

Third, some schemes had to adjust their plans and reduce the generosity of their payments throughout the planning and implementation process. As noted above, in Madagascar, *Tosika Fameno* transfers were originally planned to be paid monthly but this was adjusted after the first payment, with only one further payment three months later. A civil society representative explained that the relatively generous monthly payments to a select group of urban beneficiaries was deemed unfair by other urban residents and those living in rural areas. As a result, the number and frequency of payments was reduced. Payment amounts stayed the same, however, effectively making the programme less generous than was originally conceived.

Fourth, most urban responses did not differentiate transfer value according to household size, thereby overlooking the higher needs of larger households. A notable exception is Uganda, where more than one member per household is eligible to participate in the UCFW if household size is larger than four. Nevertheless, this overlooks that many urban households may carry financial responsibility for immediate family members in their home villages. Moreover, little to no consideration is given to other differential household needs, such as for female-headed households or persons with a disability. Togo's *Novissi* scheme is an exception: payments are 20% higher for women than men on the basis that a greater share of their expenditure tends to go towards household needs.

The next section considers emerging implications and lessons from urban cash transfer responses to Covid-19, following a brief discussion in Box 5 of pandemic responses in urban contexts experiencing uniquely challenging conditions due to conflict or high levels of fragility.

Box 5 Urban social assistance responses in fragile contexts

To date, there have been limited social assistance responses in urban areas of fragile or conflict-affected states (FCAS). To some extent this is unsurprising as social protection systems are largely nascent in such contexts, although this is gradually changing. There has been important progress over recent years in countries such as Yemen, Niger and Burkina Faso, and there are also encouraging prospects emerging in Somalia, Afghanistan and Sudan. Urban responses to Covid-19 in such contexts appear to have been primarily led by the humanitarian sector rather than national social protection systems.

South Sudan, however, offers an interesting example of a country that pivoted its national social protection system development to address urban needs in the face of Covid-19 using cash transfers. The South Sudan Safety Net Project (SSSNP) is a $40 million World Bank-funded initiative, which was approved in early 2020. Its design was adjusted in response to Covid-19 to increase the proportion of the urban caseload. The original design specified that the Juba caseload would be 6,500 households (1,000 receiving Direct Income Transfers and 5,500 participating in Labor Intensive Public Works). In recognition of Covid-19-related vulnerabilities in urban poor households, the number of beneficiary households in Juba was more than doubled. The full quota of 10,000 households of SSSNP's unconditional cash transfers (Direct Income Transfers) are to be in Juba, and the first 5,500 beneficiaries of the Labor Intensive Public Works Transfers (out of a total of 55,000 households over the life of the project) will also be in Juba, with the public works requirement being waived until it is considered safe to introduce.

While the scale of urban need remains immense (with urban poverty estimated at 70% and an additional 1.13 million households identified as needing humanitarian assistance), the pivoting of the SSSNP nonetheless represents an encouraging urban-sensitive development in a highly challenging and fragile context. However, the provision of cash transfers within SSSNP has not yet commenced and is on hold at the time of writing. This is due to macroeconomic concerns related to substantial variation between the official exchange rate and the market value of the South Sudanese Pound. This variation poses a number of risks, including a significantly reduced transfer level for beneficiaries and diminished value for money for the World Bank's investment. The situation underscores how fragility can exacerbate the impacts of poor economic management and in turn undermine efforts to address the social protection needs of urban populations, including in the wake of a shock.

Source: Based on KIIs and background documentation
Urban poverty estimate based on Avis (2020); humanitarian needs estimate based on OCHA (2020)

4 Emerging lessons and policy recommendations

Covid-19 has brought into focus high levels of urban vulnerability and pointed to the need to develop forms of social assistance that adequately cover urban populations and can adapt effectively to shocks. The emergence of urban cash transfer programming in many countries directly resulted from an understanding that those living in urban areas were highly vulnerable to both the health and the socioeconomic consequences of the pandemic. Experiences with urban cash transfers in response to Covid-19 are likely to have resulted in at least some change in perception on whether urban areas should be covered by social assistance. The narrative is shifting away from the blanket assumption that urban residents are less in need to a more nuanced understanding of how informal work and living conditions, coupled with high population density, transient livelihoods and large reliance on cash, make urban residents more vulnerable to certain shocks.

Capitalising on this shift, to make sustained and meaningful cash transfers for previously neglected urban populations part of social protection systems into the future, is now the major challenge. Urban-specific needs have only been considered relatively superficially in Covid-19 schemes; apart from greater potential for innovative digital approaches in urban settings, issues such as adequacy of transfer amounts, potential exclusion of marginalised and vulnerable groups or high levels of mobility and transience in poverty levels hardly emerged. As noted by Gupte and Mitlin (2020), the complex nature of vulnerabilities faced by urban residents requires a comprehensive response beyond cash transfers or social protection alone.

This section reflects on medium- to long-term implications of urban cash transfers as part of the Covid-19-response for wider systems building, taking into consideration whether and to what extent the crisis response addresses, or holds potential to address, some of the existing barriers to cash transfers and wider social protection provision in urban contexts. The section concludes with policy recommendations.

4.1 Longer-term implications for system-strengthening

In researching the implications of urban cash transfer implementation for wider systems building, we explore five key areas, as put forward in Bastagli and Lowe (forthcoming). These include implications for: implementation and delivery capacity; embeddedness in national policy; attention to coverage and adequacy gaps; capacity for financing; and the social contract.

In terms of implications for **implementation and delivery capacity**, urban cash transfer schemes have clearly set in motion the development of improved delivery systems for urban provision in many countries. In Ghana and Malawi, data on new urban beneficiaries is being added to national social registries to facilitate future shock response in urban areas. In the latter, the call centre mechanism supporting grievance redress for the CUCI is intended to be taken over for future routine social protection. Meanwhile, in Nigeria, the Rapid Response Register will form a sub-set of the National Social Register, and there is a clear sense that the new design of identification, registration and payments processes for the urban response will be relied upon for future urban programming.

There is potential for Covid-19 urban innovations to be incorporated into wider national delivery systems too, with a view to further modernising rural social assistance provision. In Peru, the plan is to bring the newly formed National Household Registry under the legal remit of the Social Development Ministry, to ensure that rural and urban data can be kept current and accessible for future social protection provision. Internal assessments have also been ongoing to discuss ways to embed the operational learning from each phase of Peru's emergency response, since the government's capacity to deliver the emergency cash transfers was felt to have improved with each *Bono* scheme (for example, in enabling interoperability with a growing range of payroll and mobile phone operator databases, and expanding payment mechanisms from only over-the-counter payments to include direct bank transfer and mobile e-wallet options). In Togo, the process of institutionalising Covid-19 innovations into routine systems is already underway, with mobile money now being introduced into the routine cash transfer scheme, and the *Novissi* system serving as a springboard for developing the country's first national social registry.

Despite this commitment to institutionalise enhanced delivery capacity, discussions about whether and how new urban cash transfer schemes themselves should be **embedded in national policy** and routine provision have been more tentative and mixed. In Nigeria, government representatives clearly envisaged the Covid-19-response as the first step towards more permanent urban social safety net development in the country (which was previously envisaged under the NASSP but not as an immediate priority). Meanwhile, other stakeholders are sceptical about folding urban cash transfers into routine social assistance, considering these mechanisms to be primarily suitable for temporary post-shock programming. These mixed views were also evident in Madagascar, where there was a perception among civil society that chronic rural deprivation ought to render urban residents lower priority for routine support. Nevertheless, both the World Bank and Madagascar government representatives emphasised the notion that *Tosika Fameno* would serve as a base for a medium-term strategy to strengthen resilience of urban households, starting with a cash plus pilot to help informal workers re-build their livelihoods following this shock. In Peru, the previously rural-focused *Juntos* programme has already launched a pilot in urban and rural areas with a poverty rate above 15%, to provide mothers of young children who are not in the routine *Juntos* programme with support – including a cash transfer – to promote access to essential health and nutrition services. Interviewees suggested strong potential for these pilots to serve as an indirect step to enhance routine urban social assistance programming (possibly – but not necessarily – in the form of cash transfers).

Given mixed views on the provision of long-term support to urban residents, questions remain about implications of the Covid-19 response for filling **coverage and adequacy** gaps that have historically left urban populations un- or under-served. In terms of coverage, greater inclusion of urban residents in registries and experiences with rolling out schemes in urban areas will create greater capacity to reach more urban residents in future. However, as noted, commitment to support vulnerable urban households with routine social protection is still tentative at best. In addition, the risk of exclusion as a result of using digital registration and payments has not yet been adequately explored and thinking about how to address the needs of vulnerable groups within urban contexts has been limited. While some schemes have prioritised female-headed households (e.g. Madagascar) and made higher payments to women (e.g. Togo), more systematic considerations of inequities within urban areas is lacking. In terms of rectifying historic inadequacy, the prospects are also uncertain; urban cash transfers during the Covid-19 response often only provided sufficient support when clearly framed as short-term, and in few cases was the differentiated cost of living used to inform the urban transfer value. Nonetheless, there are promising indications that Covid-19 might represent a valuable trigger for more rigorous thinking about the level and type of ongoing social protection programming that is required to meet urban needs.

To a large degree, the present lack of marked commitments to sustained urban schemes results from **financing** uncertainty and the pending need to identify sustainable mechanisms for funding permanent provision. Colombia, for example, was able to extend the informal-worker focused *Ingreso Solidario* emergency cash transfer scheme from three to 15 months using an existing natural resource royalty fund that permitted contingency spending; however, financial sustainability for any further provision was noted to pose a major challenge (Villa, 2020). In Nigeria, Covid-19 cash transfers have been heavily financed by bringing forward the existing budget from the ongoing World Bank-supported NASSP project, which was set to run until June 2022. Expanding to a larger audience ahead of schedule will exhaust project funding sooner and means that commitments to more than six months' worth of urban transfers could not yet be guaranteed (although at the time of writing, the potential for additional World Bank financing was already being considered). Beyond references to seeking additional external support, few financing options for future urban provision emerged across case studies, although undoubtedly the issue will become more prominent if and when permanent urban programming is concretely discussed.

Ultimately, any permanent shifts in urban cash transfer provision will depend on changes in the **social contract** emerging in the post-Covid-19 'new normal', given the important role of socio-political drivers in shaping policy-making decisions. On this subject too, current evidence and debates are mixed. In some contexts, the Covid-19 crisis appears to have been an eye-opening experience for governments and citizens alike, with the potential to provoke a longer-term shift in thinking about the need for governments to better support marginalised urban residents. In Peru, media reporting of the Covid-19 lockdowns had reportedly triggered newfound public and political recognition of the precarious living and working conditions of large swathes of the urban population. Given much higher rates of protests in cities (Haider, 2020, from Gentilini et al., 2021), urban residents may also be quicker to mobilise and demand support from government, possibly putting pressure on governments to continue some type of support in future. In Madagascar, the extension of *Tosika Fameno* was in part due to public pressure from within cities that were not included in the original plans. The urban cash transfer schemes in response to Covid-19 could have set a precedent and caused shifts in urban populations' expectations of government, particularly in times of crisis.

However, we also note scepticism about whether fundamental changes in the social contract have occurred. In Peru, there was a renewal of negative stereotypes about marginalised urban populations being dirty and disorganised, and therefore a public health threat for virus transmission. While emergency cash transfers were a positive step, the Covid-19 relief package was not associated with a major transformation in state-societal relations due to the perception that a much greater ratio of government support went to corporations over civilians. In Nigeria, the absence of widespread access to social protection prior to Covid-19 and lower education levels of vulnerable households mean that few citizens have been able to hold governments to account for their right to social protection or government services more broadly. Enhanced provision during Covid-19 may be a first step for a stronger state-civilian contract with previously neglected populations, but its realisation will depend on many factors, not least the extent to which representative civil society voices are given meaningful attention in discussions about future urban service provision.

This brings us back to our original question: has the Covid-19 crisis offered an opportunity for urban cash transfer provision in LMICs? Certainly, the crisis unleashed a wave of emergency urban cash transfers at unprecedented scale and speed that in many ways broke with past practice. Many explicitly sought to cover 'non-poor', working-age, informally employed adults (the 'missing middle'), relied more heavily on digital delivery mechanisms, and served cities that had never before been sites of government transfers. But these specificities were also directly linked to the unusual characteristics of the Covid-19 crisis. As well as being large-scale, wide-ranging and (at least initially) heavily urban in nature, the shock was characterised by socio-political dimensions that *demanded* exceptional mitigating action. Government restrictions to curb the spread of the virus were themselves responsible for cutting millions of workers off from their usual livelihoods and for requiring reduced physical interaction (and therefore increased remote service provision). Without providing the socioeconomic support to promote adherence to these public health restrictions, governments had little hope of containing the virus, jeopardising the lives of the rich and poor alike. Furthermore, amidst a global crisis, governments were not only faced with the economic impacts of an international downturn; they also found themselves cast in direct comparison, creating pressures and sparking chain policy responses that might not otherwise have taken hold.

This unique blend of circumstances will inevitably subside, but at least some residue looks set to remain. In terms of tangible policy commitments to date, there appears to be a strong focus on ensuring systems are better prepared to respond to future urban shocks, including through cash transfers. Commitment to enhancing routine urban social assistance provision is more tentative, despite routine programmes helping to build urban households' resilience to shocks.

4.2 Policy recommendations

Based on the emerging implications and lessons above, we conclude by offering recommendations for policy options to strengthen (1) routine urban social assistance provision, including cash transfers; and (2) the wider capacity of the social protection system to prepare for, cope with and adapt to covariate shocks affecting urban areas. These two areas overlap, since strong routine urban social assistance provision is itself a core channel for building vulnerable urban residents' capacity to anticipate, absorb and adapt to both idiosyncratic and covariate shocks. However, we present each area in turn here, since effective routine provision is also an important objective in its own right that is being pursued but has yet to be achieved in most urban LMIC settings.

4.2.1 Recommendations for strengthening routine urban social assistance provision, including cash transfers

- **Expand coverage of routine social assistance in urban areas.** Covid-19 is one of many shocks that the majority of urban households in LMICs have been left to confront without any kind of formal social protection. While improving access to social insurance and labour market interventions will undoubtedly be important for addressing historic coverage gaps, investments to expand routine social assistance for vulnerable urban households will also be essential.
- **Adopt a bespoke approach to targeting social assistance in urban areas.** Rural models for social assistance are unlikely to be appropriate in urban contexts, meaning a tailored approach to identifying priority urban recipients will usually be needed. This requires a thorough understanding of the nuanced and complex dynamics of urban poverty and vulnerability (including recognition of the specific needs of informal workers and migrants, alongside women, girls, people with disabilities, and other vulnerable groups). To develop this understanding and to design the subsequent approach, governments should work with local actors such as civil society and community groups, who have both contextual knowledge and experience of operating effectively in the relevant urban area. Localisation is particularly important in urban areas where the government has historically had limited reach.
- **Ensure urban cash transfer levels are adequate.** This includes accounting for the differences in cost of living between urban and rural areas, as well as general good practices for routine social assistance such as adjusting for inflation (including city-specific inflation, which may well differ from national averages); and accounting for household variation in needs and risks (e.g. household size and structure; age, gender, and disability-related needs of household members).
- **Introduce and promote access to digital mechanisms where appropriate, while maintaining alternative provision for those who need it.** For many urban residents, interacting with social protection services through phone, SMS or online channels and receiving payments directly into bank or mobile money accounts may be easier, cheaper and more convenient than in-person collection of payments. However, the most vulnerable urban residents, who typically have less access to mobile phones, network coverage, bank and mobile money accounts, risk being excluded. Urban schemes need to address these gaps, for example

by working with payment service providers to support beneficiaries to open no-cost bank or mobile money accounts for cash transfer receipt, or working with mobile phone providers to enhance network coverage in informal settlements. Even so, many urban residents will continue to need in-person interaction or support, so the provision of accessible 'offline' options for each stage of delivery remains critical. With respect to Covid-19, this means taking necessary public health precautions (distancing, face coverings, heightened sanitisation measures) for as long as the transmission risk remains.

- **Ensure accountability mechanisms are appropriately tailored to urban contexts.** While always important, the role of an accessible and effective grievance redress mechanism becomes even more vital when new programming is introduced or new approaches trialled. This must be calibrated to the urban context to fit its governance structures and community networks (Ayliffe et al., 2017).
- **Support the development of urban-sensitive/specific governance structures and strengthen their capacity to implement effective urban programming.** Coordination structures for national social protection systems that have been founded primarily or solely on rural programmes require engagement with urban stakeholders such as city councils, informal worker associations or cooperatives, and local civil society groups. Similarly, as technical capacities of national social protection actors may have been focused on rural needs and approaches, adaptation to ensure adequate skills for addressing the nuances and complexities of urban cash transfer programming is required. Capacity strengthening should extend beyond the public and national sector and include local actors relevant to urban social protection in such efforts.
- **Leverage routine social assistance in urban areas to create links between beneficiaries and other services and sectors that can strengthen their resilience and reduce vulnerability in a comprehensive manner.** A growing evidence base highlights opportunities to better address multidimensional needs and reduce vulnerability to shocks by creating links between social protection and other services, including health insurance and economic inclusion (e.g. Roelen et al., 2017; Partnership for Economic Inclusion, 2021). This agenda requires buy-in and commitment from other sectors, together with strong capacity in government – national and local – to coordinate effectively.
- **Enhance the fiscal space to finance the recommendations above.** In a recent study of 134 LMICs, the ILO estimated that the financing gap to achieve universal coverage of the Social Protection Floor (including access to essential health care) amounted to nearly $1.2 trillion in 2020 (Duran-Valverde et al., 2020). While a daunting challenge, multiple options do exist for generating these resources at both domestic and international levels[4] and they must be rigorously assessed and pursued wherever feasible and appropriate.

4 Examples include increasing tax and social security contributions (through both traditional and innovative sources such as sin taxes, dedicated funds from extractive industries and 'Monotax'), eliminating illicit financial flows, and enhancing international cooperation, among various others. For more detail, see Duran-Valverde et al. (2020).

4.2.2 Recommendations for strengthening the wider capacity of the social protection system to prepare for, cope with and adapt to shocks in urban areas, including through cash transfers

- **Ensure routine social protection systems and programmes in urban areas are resilient and adaptable.** While much of the focus in recent years has been on the capacity of social protection to scale up in response to shocks, it is critical first and foremost that routine social protection – encompassing existing cash transfer schemes – be capable of continuing to operate effectively in the event of a disaster. This includes developing both shock-responsive procedures and operational mechanisms that can be activated in the event of different types of rapid- or slow-onset shock.
- **Develop the strategy, institutional framework and partnerships for adaptive social protection covering urban areas.** Agreeing the agenda and operational vision for adaptive social protection across relevant government agencies and with wider stakeholders lays the foundation for effective and efficient responses in the face of shocks. The urban dimension should be specifically incorporated, and pay attention to particularly vulnerable groups including women, refugees and migrants, people with disabilities, street-dwellers and residents of informal settlements. Effective coordination mechanisms and protocols should be pre-established for the design and implementation of both humanitarian action and shock-responsive social protection that cater to urban needs.
- **Enhance registration efforts to create a broader base of urban beneficiaries.** The response to Covid-19 has demonstrated the advantages of having large-coverage pre-existing lists of potential beneficiaries. Countries should commence or continue the registration of urban residents to facilitate future expansion in the event of shocks. Those most vulnerable in the event of a future covariate shock should be prioritised during data collection processes. While maintaining the validity/currency of registry information will always be challenging, the geographic concentration of urban areas and higher levels of digital inclusion means there may be more opportunities than in rural areas to update data through both in-person and digital on-demand systems.
- **Integrate urban poverty and vulnerability data in social registries, with consideration of urban-specific shocks.** Where a social registry has been designed with rural households in mind, adjustments may be required to ensure the relevant characteristics of urban poverty are adequately captured and recorded. Similarly, it may be necessary for registries to differentiate between the nature and impact of climate shocks and stresses in rural and urban contexts. This may require the development of specific proxies for vulnerability to shocks which are applicable in urban areas.
- **Prepare delivery mechanisms to cope with increased or adjusted provision in response to urban shocks.** Leveraging a social protection system or cash transfer programme to increase or adjust provision in response to a shock may involve rapid operational changes or a large influx of additional beneficiaries, data, and/or funding. This could place undue pressure on routine delivery systems, such as payment and management information systems, unless they have been specifically designed to withstand such strains. Part of this preparation involves

developing protocols to assess the appropriate transfer modality for urban responses in the event of a shock (e.g. bank accounts, mobile money, cash in transit), considering the access to different mechanisms for particularly marginalised urban residents. It is also essential to prepare a robust and inclusive communications strategy, to ensure all citizens have adequate understanding of the social protection response, both during the outreach phase and at the time of delivery (Bowen et al., 2020).[5]

- **Establish adequate financing structures which incorporate urban contingencies.** Operationalising adaptive social protection requires having pre-agreed sources of funding – ideally at all levels of government, including city councils – readily available to be activated and disbursed through pre-determined and streamlined channels (OPM, 2018). Ex ante financing instruments may include reserve or contingency funds, contingency credit lines and disaster insurance (O'Brien et al., 2018). An optimal risk layering approach involves combining different instruments to protect against events of different frequency and severity. A first step should include a formal appraisal of both the adaptive social protection financing needs across the system and the various financing instruments that might be appropriate for the specific context (Bowen et al., 2020).

5 Another paper in this series (Lowe et al., forthcoming) offers deeper insights on effective, shock-responsive delivery systems, based on analysis of urban and rural cash transfer responses to Covid-19.

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Appendix 1 Key informants overview

Table A1 Overview of key informant interviews

Organisation	
Primary case studies	
Madagascar	UNICEF Madagascar
	Consultants (World Bank Madagascar)
	Madagascar Ministère de la Population, de la Protection Sociale et de la Promotion de la Femme
	STEF project
Nigeria	National Social Safety Nets Coordinating Office (NASSCO)
	FCDO Nigeria
	World Bank Nigeria
	ANEEJ (National Civil Society Organisation)
	International NGO (anonymous)
Peru	*Trabaja* Peru within Ministry of Labour and Promotion of Employment (MTPE)
	Juntos Programme within Ministry of Social Development and Social Inclusion (MIDIS)
	Monitoring and Evaluation Unit (DGSE), MIDIS
	Targeting and Social Information System Unit (DGFIS), MIDIS
	World Bank Peru
	DESCO (*Centro de Estudios y Promoción del Desarrollo*)
	WIEGO Peru (Women in Informal Employment: Globalizing and Organizing)
Secondary case studies	
Ethiopia	UNICEF Ethiopia
Ghana	UNICEF Ghana
Malawi	UNICEF Malawi
	WFP Malawi
Uganda	UNICEF Uganda
	Expanding Social Protection (ESP) programme
Sierra Leone	UNICEF Sierra Leone
South Sudan	World Bank South Sudan
Togo	Ministry of Digital Economy and Digital Transformation
	Senior Adviser to the President
	World Bank - Social Protection and Jobs in Africa
	Fédération Togolaise des Associations de Personnes Handicapées (FETAPH)
	Togolese Civil League