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Case for COVID cash response and UNICEF Innovation

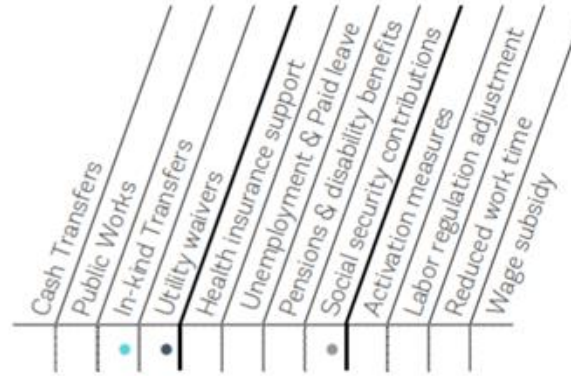
Innovation in delivery and responding to increasing stress.

By Usha Mishra, Chief of Social Policy, UNICEF Nepal



National SP response-
source WB,
UNICEF et al ,
June 2020

Nepal



Social Assistance	Cash-based transfers	
	Cash transfers (conditional and unconditional)	• Insert measure
	One-off cash transfers	
	Childcare support	
	Social pensions	
	In-kind transfers	
	Food, vouchers, others	• Food assistance package to be distributed to informal sector laborers and those in need of assistance (including those living in old age homes, places of worship etc.) through ward committees at local level. To be funded by local and provincial level governments with top-ups from federal as required.
	School feeding	
	Public works	
	Utility waivers	• Households to get discount/subsidy on electricity consumption (25% for below 150 units, internet and data packages (25%), and waiver of late fees for one month on all public utility fees (water, telephone, electricity etc.).

More food and
work based

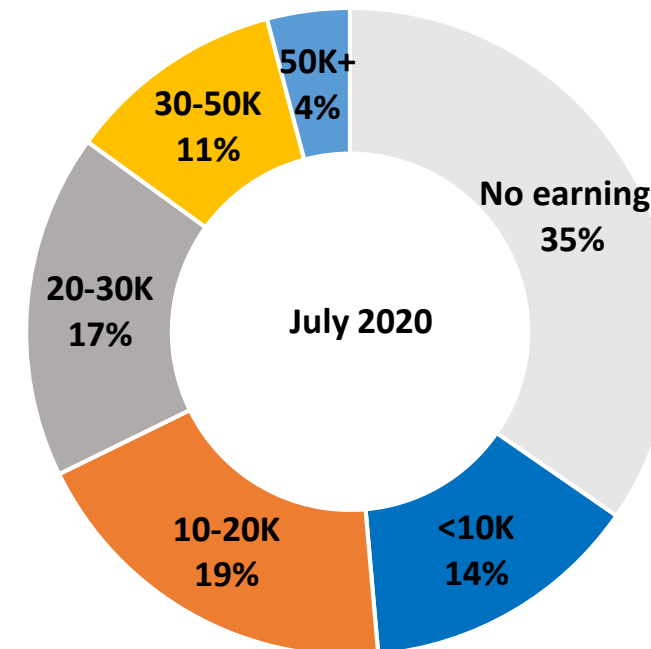
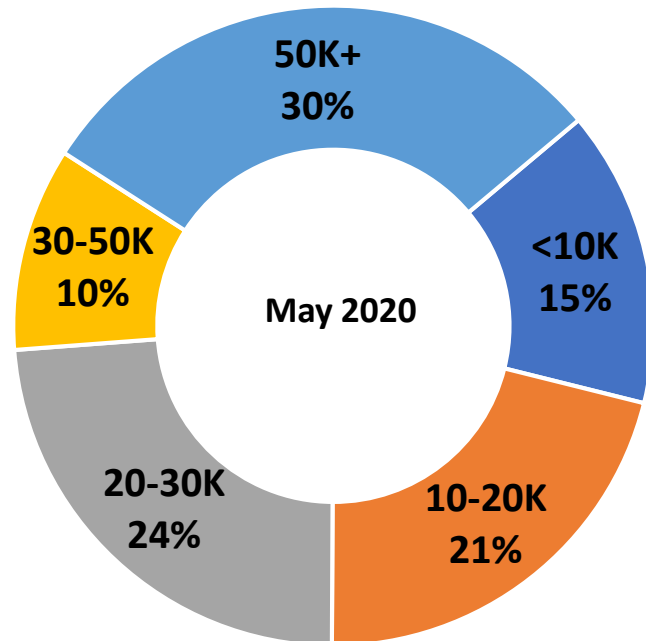
Stronger social
protection
response -
EVIDENCE from
monthly UNICEF
COVID survey-
Child and Family
Tracker (CFT)

- Job loss and needs
- Increasing poverty
- Increasing stress /protection issues

Imperatives stronger social protection response- EARNINGS AND LIVELIHOOD LOSS

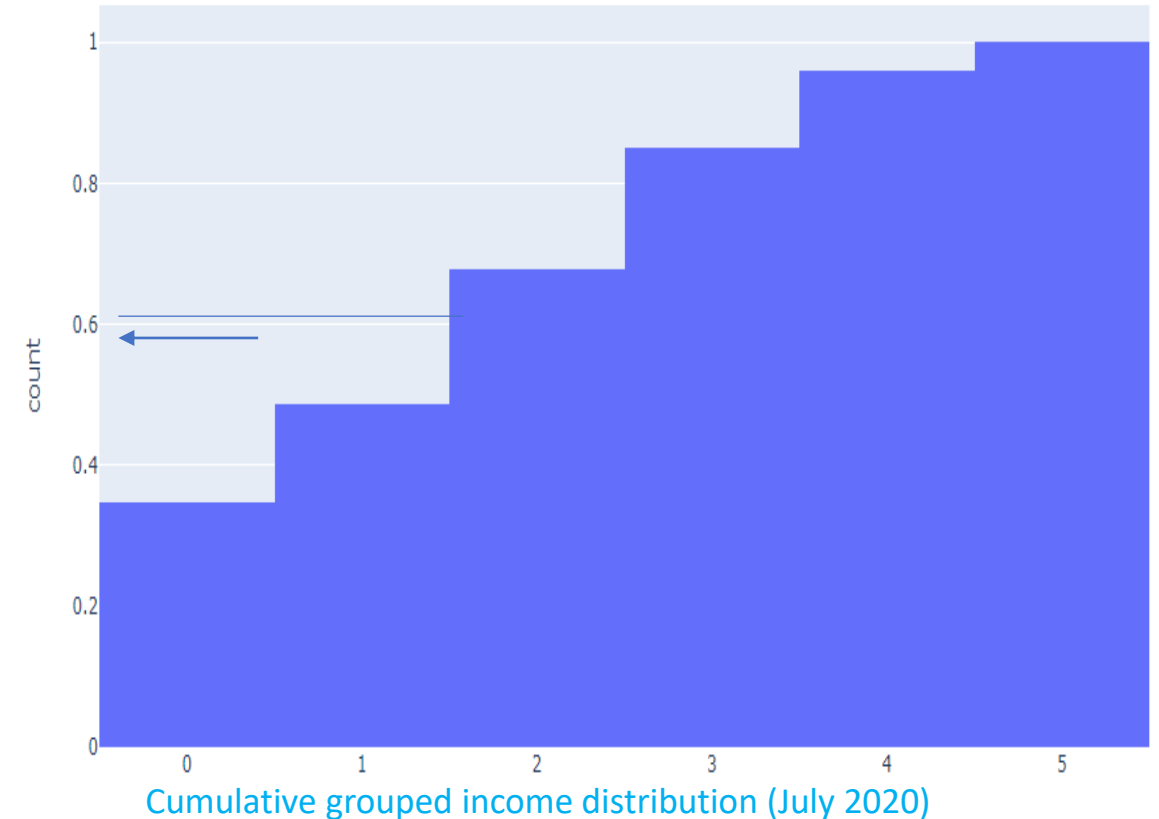
In July , 35% of respondents had no earnings since May 2020 when the first round of the survey was conducted. The distribution of income shifted downwards **signaling increased poverty**.

- There is a significant drop in the share of respondents belonging to the top income group (50K+). This means that the income distribution has shifted downward significantly.
- The findings imply a strong possibility that poverty has gone up, though the change might be temporary.
- Coping patterns of respondents have not changed since May. Most respondents from low income families choose to borrow funds. Middle and high income families choose to use their savings.



Imperatives stronger social protection response- Earnings and livelihoods' loss

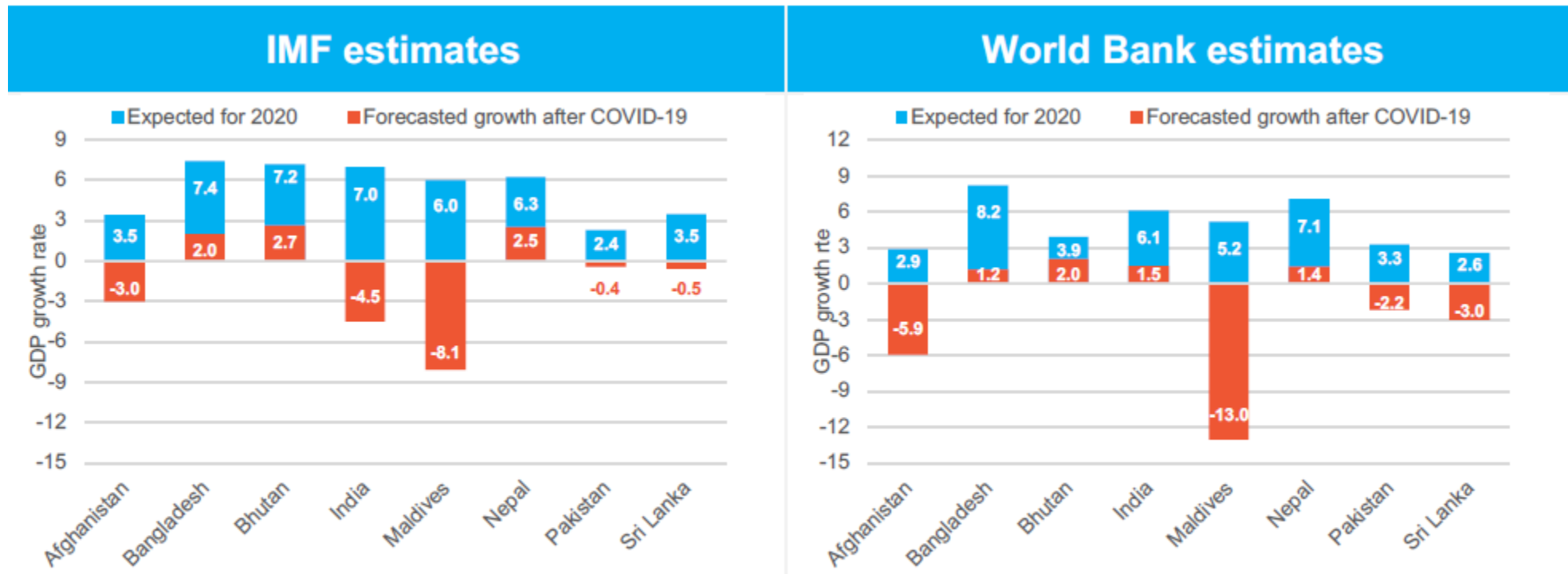
Change in income distribution (comparing May to July) – deepening poverty with decreasing inequality as all groups are facing losses. **Estimated deterioration of poverty (under 10, 000 per month) from 14.5% to 48.6%.**



1-5: Income Groups, 0: No Income (1=<10K,2=10-20K,3=20-30K,4=30-50K,5=50K+)

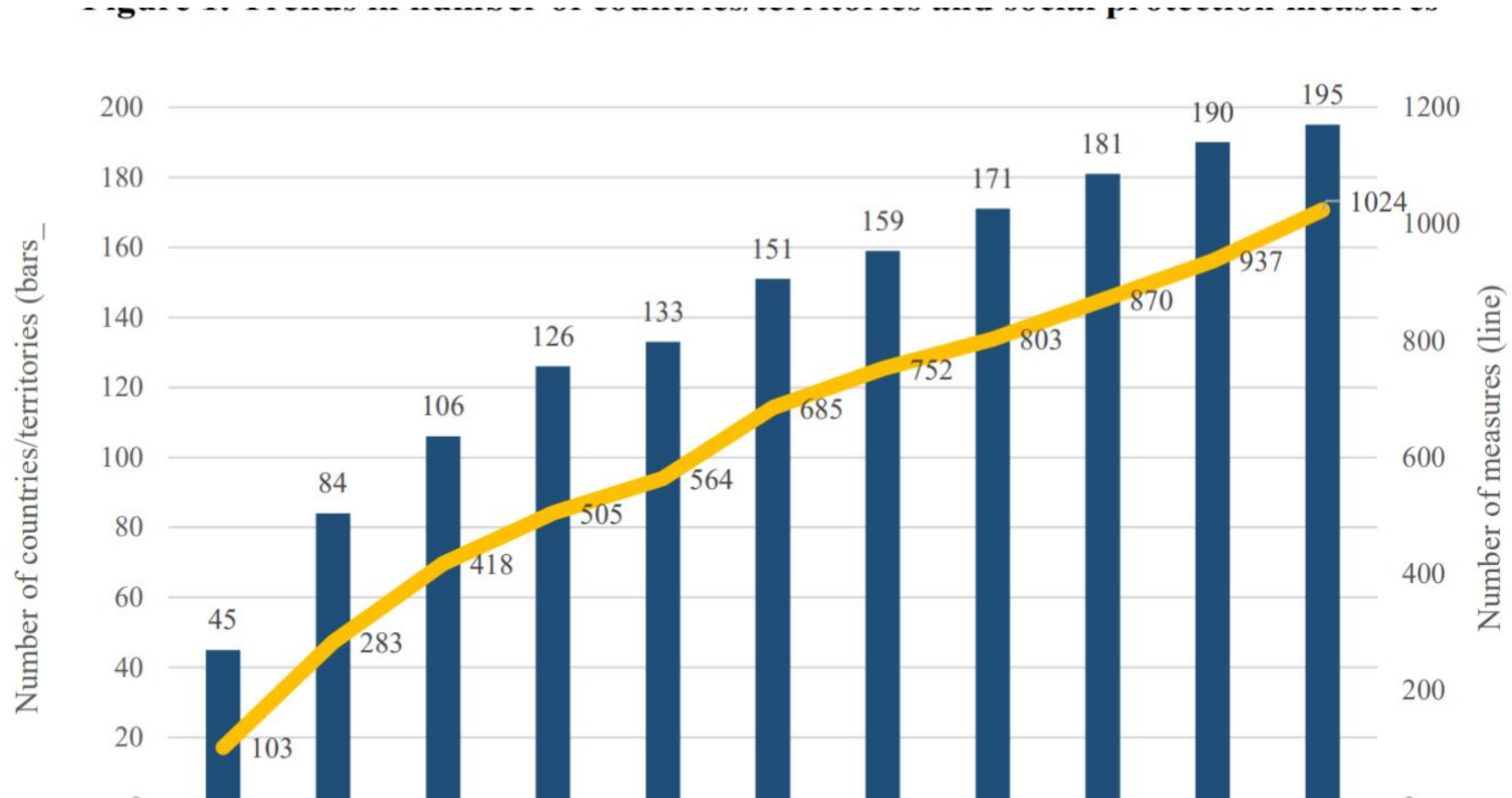
- The graphs illustrate a shift in the income distribution – all income groups adversely affected to some extent.
- In May, hypothetical poverty rate (<10K per month) = **14.5%**
- In July, hypothetical poverty rate (<10K per month) = **48.6%**

Overall impact on growth prospects



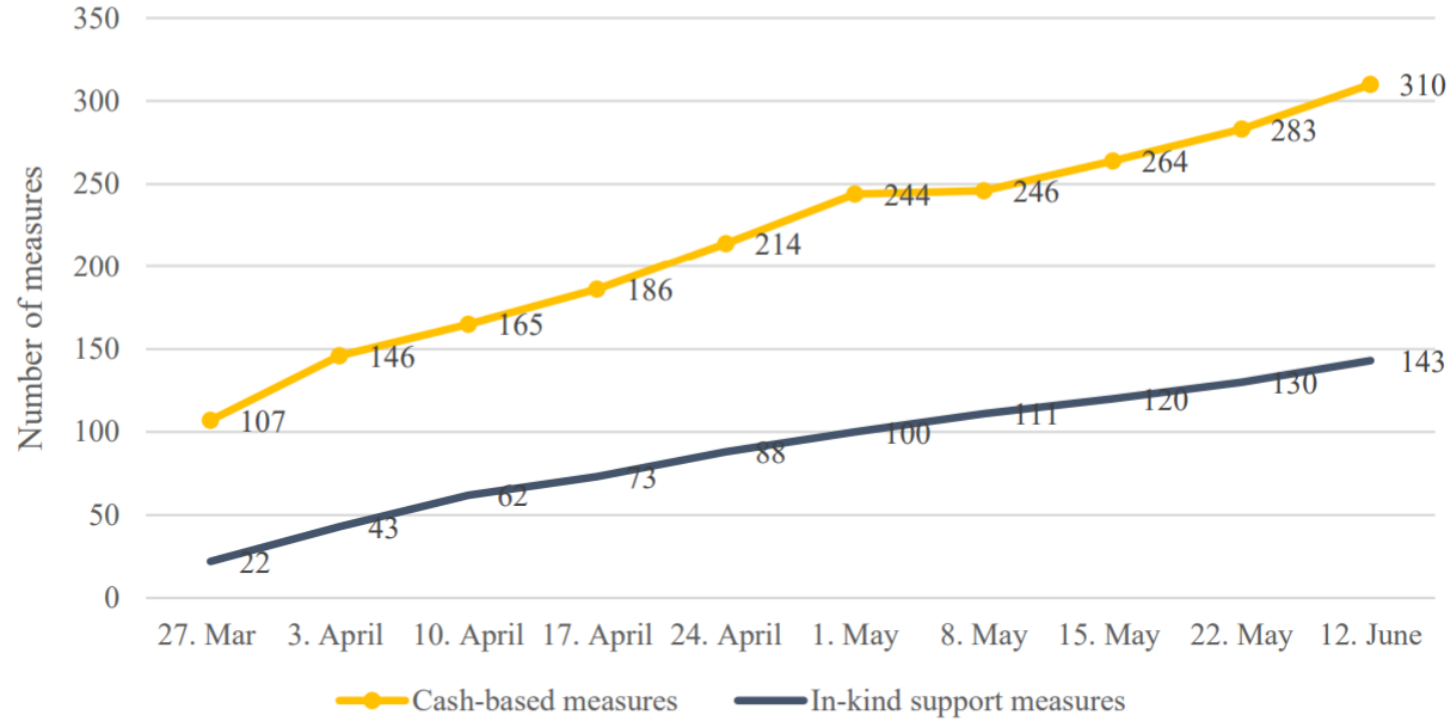
Source: IMF World Economic Outlook, April and June 2020; World Bank (2020)

Global social protection response



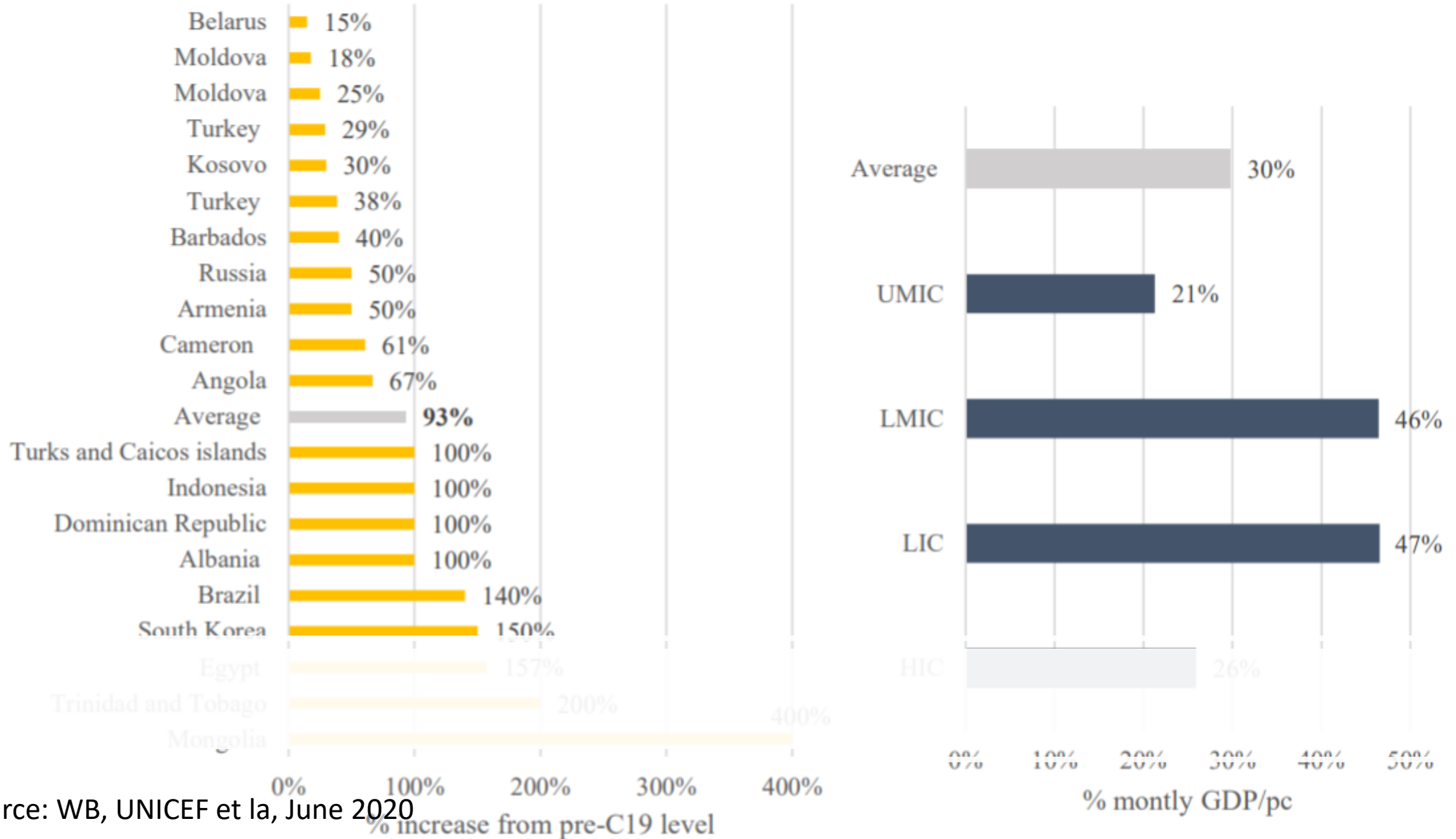
Source: WB, UNICEF et la, June 2020

Global social protection response



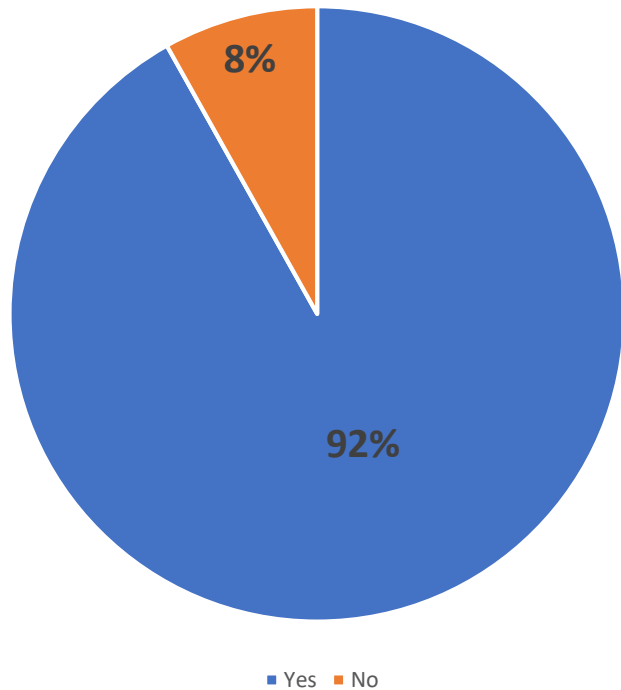
Source: WB, UNICEF et al, June 2020

Global Social Protection Response: In terms of per capita GDP



Source: WB, UNICEF et al, June 2020

UNICEF Innovation-Assessing demand: Cash transfer in Nepal for mitigating COVID -19 related hardship



- 92 % of responded would like to receive cash grant
- With majority of respondents opting for Bank Transfer or Money Transfer as preferred method of payment.

UNICEF Innovation- Cash Response through CFT



Child & Family Tracker

Tracking the Socio-Economic Impact of COVID-19 on Children and Families in Nepal

2nd Monthly Household Survey
July 2020 Findings



- Leveraging an ongoing monthly household survey- Child and Family Tracker to track the socio-economic multi-sectoral impact of COVID-19 on children and families in Nepal, involving about 7000 families in 650+ palikas

UNICEF Innovation

objectives:

1. To support these families meet their nutritional and other emergency needs and promote financial inclusion
2. Inform larger Social Protection Programmes, especially regarding delivery options and enhance flexibility within the system to access households in similar emergencies

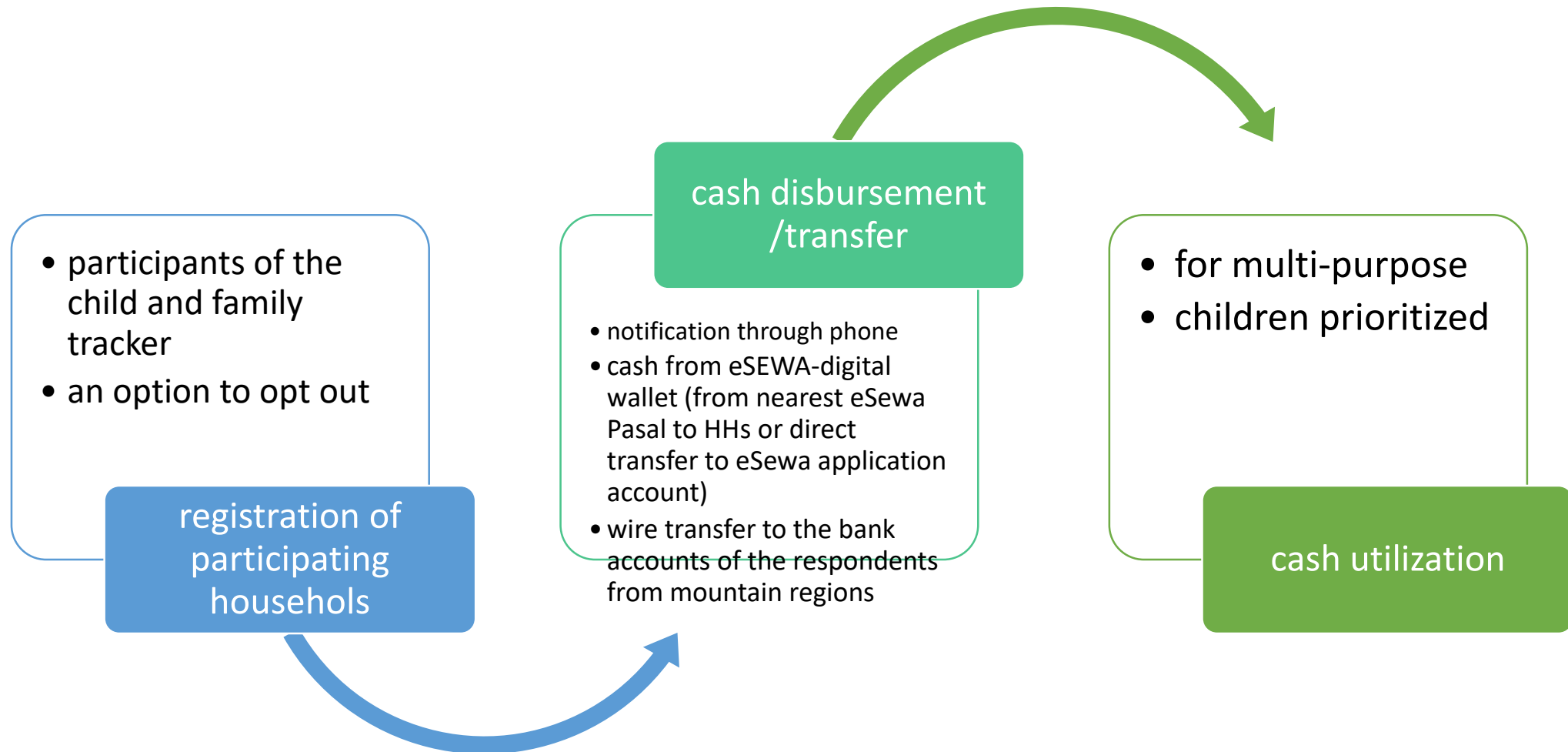
Riding on monthly household survey-
Child and Family Tracker

10,000 children; 6500 families

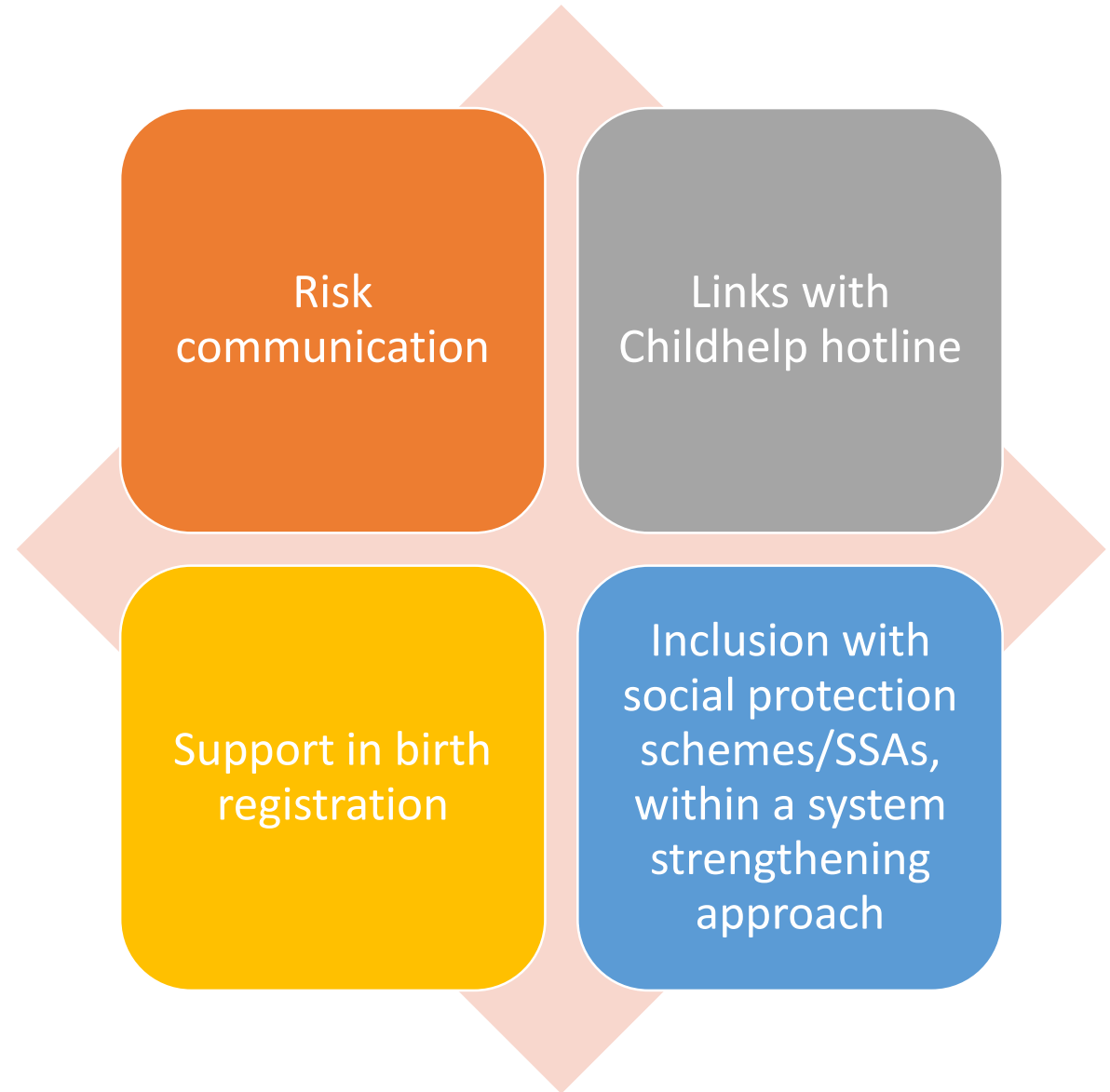
Each child gets 450 NPR, twice

Cash transfer partner/platform is Esewa-
a mobile enabled money transfer
company

Essential design



Cash plus approach

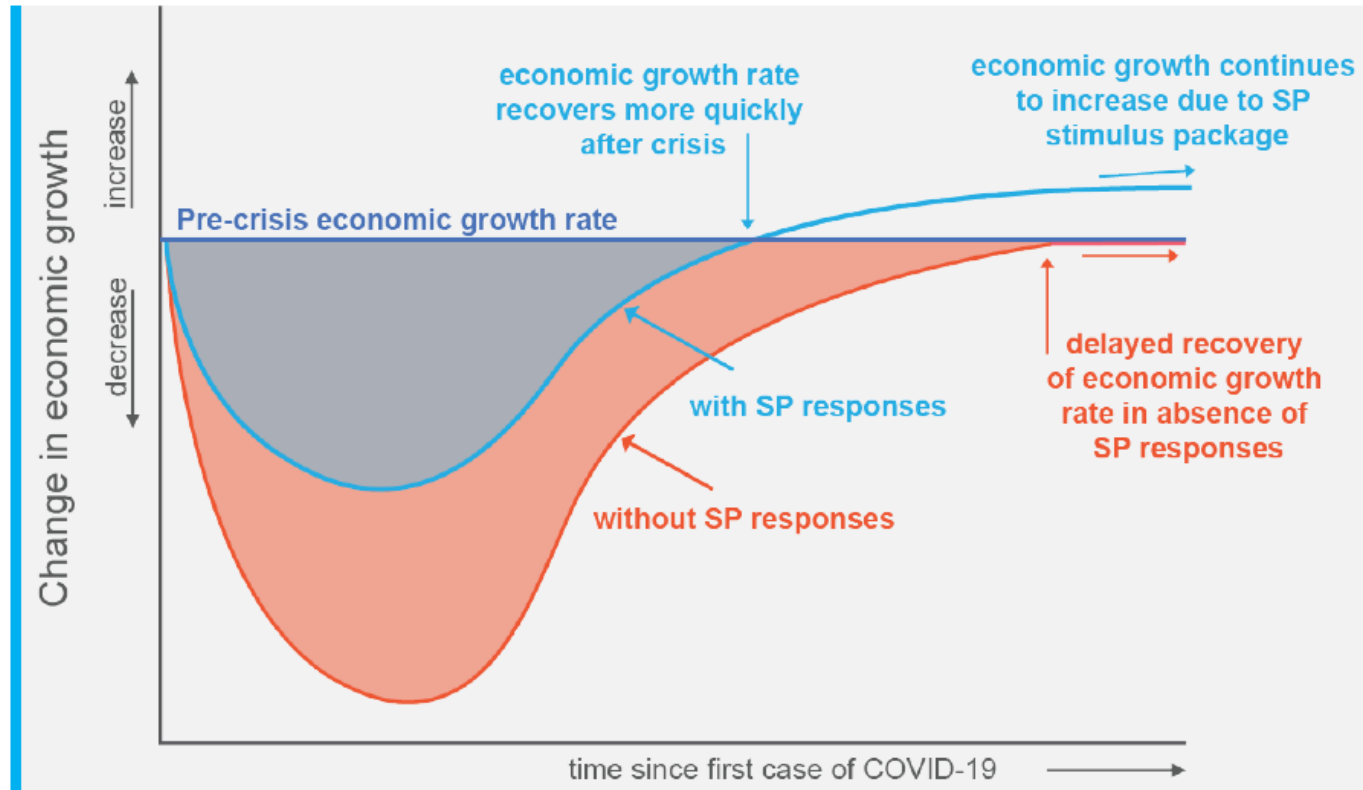


Potential if used more widely

- Enables the families to meet essential needs
- Protects human capital –eg- prevents malnutrition
- Discourages asset depletion
- Protects the future of the child, family, community and nation



Overall- it means quicker recovery!



Source: Authors' adaptation of a graph that appeared in World Bank (2020).

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**Thank you!!
Comments?
Questions?**

