

COVID-19 and Recovery

14th April 2020

1. Introduction

This document considers the theme of recovery in the COVID-19 response operation. It identifies elements of a recovery approach which are already included in the revised IFRC Emergency Appeal (EA), and provides guidance to National Societies on how more support for recovery can be included in their wider response operations and in the future as the operation evolves. It also notes some key lessons from previous epidemic responses (see Annex).

2. Key impacts of the COVID-19 crisis and response

- Primary impact is obviously on health; there are also indirect health impacts of the outbreak response (e.g. reduced access to regular health care and intensive care treatment).
- Secondary impacts / socio-economic impacts of the response and control measures:¹
 - Food Security & Livelihoods (FSL) related (loss of household income, causing negative coping strategies, food insecurity, and inability to meet basic needs).
 - Social cohesion / breakdown of trust, psychosocial issues, stigmatization and social exclusion.
 - Worsening security, stability, protection situation (in areas of conflict, civil unrest, protracted displacement, migration).
 - Disruption to education and effect on children's wellbeing.
 - Wider macroeconomic, market and supply chain impacts (including severe stress on government budgets, widespread unemployment).
- Macro-economic impacts on low and middle income countries include not only the obvious domestic impacts, but also indirect international impacts from the global economic slowdown, such as:²
 - Loss of remittances from migrants working abroad, especially for countries for whom they form a major source of national income.
 - Food supply issues and food price inflation for countries who rely on food imports.
 - Loss of export income for countries who depend on primary commodity exports e.g. mining, energy.

¹ See the following key references relating to secondary socio-economic impacts:

Secondary impacts of major disease outbreaks in low- and middle-income countries. K4D Helpdesk Report 756 (DfiD). Brighton, UK: Rohwerder, B. (2020), Institute of Development Studies.

COVID-19 and the world of work: Impact and policy responses, International Labour Organization Note, March 2020

SHARED RESPONSIBILITY, GLOBAL SOLIDARITY: Responding to the socio-economic impacts of COVID-19, United Nations, March 2020.

Economic and food security implications of the COVID-19 outbreak. WFP, 25 March, 2020.

² *Macro-economic impact of COVID-19 on low- and middle-income countries.* IASC, 9 April 2020.

- Collapse of tourism, especially for countries for whom tourism forms a major source of national income.

These economic effects can hit countries even if they do not suffer from the COVID-19 outbreak directly. Both the World Bank and IMF are predicting a global economic recession; the WTO predicts a major drop in international trade; and global poverty is expected to increase significantly, with an estimated half a billion people being pushed into poverty globally.³

The UN has noted how recovery from the crisis needs to be considered as a priority, especially to avoid development gains in the most vulnerable countries being set back.⁴ Recovery forms a key part of UNDPs integrated response to COVID-19.⁵

3. The Current IFRC COVID-19 Operation

- Initial focus of the EA was on the primary health impacts, and NS Preparedness.
- Revised EA of 26 March – now has a 14-month timeframe, and includes some proposed interventions to address the secondary socio-economic impacts, especially on FSL. Cash and voucher assistance (CVA) is expected to be a primary response option.
 - These interventions will be most appropriate for National Societies who, through existing operations or programmes, are already working with highly vulnerable populations in fragile settings. These could be for example: disaster-affected communities, migrants, refugees, other displaced, people living in informal urban settlements etc. The existing engagement with these vulnerable groups will facilitate National Societies to target those who are additionally affected by COVID-19 with emergency FSL assistance.
- Within the short 14-month timeframe of the EA, further support for community recovery will be of limited feasibility for National Societies. However, emergency FSL / cash assistance can be considered as early recovery support, especially if it is implemented *after* movement restrictions are lifted.
- Other aspects of “recovery thinking” evident in the revised EA:
 - Strong focus on National Society Preparedness and ensuring that there are positive outcomes for National Societies as a result of this global operation.
 - Business Continuity Planning for National Societies, to minimise disruption to their delivery of other community services (and on NSD in general), and their ability to respond to new crises.
 - Integration of DRR, both adaptation of existing CB-DRR programmes to incorporate the epidemic risk into community preparedness actions, but also use of DRR & resilience tools and approaches.
 - Strong CEA, risk communication approaches; PGI mainstreamed (although these are not relevant only to recovery).
 - Highlighting the impacts of the crisis on social cohesion and mental health.

³ *Estimates of the Impact of COVID-19 on Global Poverty*. A. Sumner, C. Hoy and E. Ortiz-Juarez. (2020). UNU-WIDER Working Paper. See also: *DIGNITY NOT DESTITUTION: An ‘Economic Rescue Plan For All’ to tackle the Coronavirus crisis and rebuild a more equal world*. Oxfam, April 2020.

⁴ *SHARED RESPONSIBILITY, GLOBAL SOLIDARITY: Responding to the socio-economic impacts of COVID-19*, United Nations, March 2020.

⁵ *COVID-19: UNDPs Integrated Response*. UNDP, April 2020.

4. Key recovery issues NS should consider in the wider COVID-19 response

- The need for National Societies to assist their governments with the recovery of the health system, including supporting community health structures and pre-hospital care to minimise the disruption to other (normal) health care provision.
- National Societies should continue to strengthen their own response preparedness throughout COVID operations.
- Transition & exit from COVID operations: National Societies to integrate epidemic preparedness, including ECV, into all their long-term community-based programmes (e.g. CBHFA, CBDRR, etc.). This can contribute to building resilience at local level. Simple steps for NS can include personal protective equipment (PPE) as part of prepositioned stocks.
- Opportunities to ‘build back better’, especially National Societies supporting their Governments in the building of stronger health systems which are better prepared for future epidemics.
- Considering environmental impacts, and ensuring a “green response” (e.g. dealing with large amounts of contaminated solid waste, like PPE, properly).
- Address secondary impacts: National Societies could support recovery from the socio-economic impacts of the crisis for targeted groups of the most vulnerable, especially in fragile settings. This may be appropriate for some National Societies, depending on mandates, capacities, experience, Government plans, etc. Some options are:
 - Supporting food security and ability to meet basic needs for the most vulnerable
 - Link to / support for social protection mechanisms (using CVA)
 - Protecting livelihoods/assets which are at risk e.g. for farmers and pastoralists
 - Restarting of income generating activities, small business etc
 - Rebuilding social cohesion, addressing stigmas and social exclusion
 - PSP – to health care workers, survivors, those who have been quarantined or stigmatised
 - Using CVA where possible; with digital/mobile payments and data management systems preferred to minimize social contact and risks to volunteers and staff, financial service provider (FSP) agents, and targeted populations.
- At this stage the assumption is that these recovery interventions would target the most vulnerable populations that National Societies already engage with, where they have a community presence to build on, and where the assistance compliments Government actions.

5. Looking to the future and longer-term recovery – considerations for the IFRC Membership

- Secondary impacts of the crisis will most likely continue to grow.
- The EA could be extended and become multi-year, in which case supporting recovery becomes more relevant to the Operation and to National Societies.
- Other funding mechanisms could be relevant in future e.g. regional EAs, for a Region which has been hit hardest, or a Region where National Societies want to engage more in recovery. Bilateral support from long-term Movement partners of National Societies will also be relevant.
- Governments remain the main duty bearer and have the responsibility to respond at national scale to address these secondary impacts on the wider population. This will require considerable fiscal stimulus and assistance from UN agencies and the International Financial Institutions. Within this, there may be a role for some National Societies to take part in national-level recovery plans, implementing community-level aspects.
- Some National Societies will determine that they have a role to play in supporting community recovery from the secondary impacts – if they can identify specific vulnerable groups who are

likely to be excluded from wider Government assistance and will find it difficult to recover. Focus should be on:

- FSL recovery (especially using CVA)
- Engagement and communication with communities which rebuilds social cohesion and continues to provide PSS.
- Specific shelter & settlements needs in urban informal settlements.
- Innovative approaches will emerge from National Societies, including in developed countries, and these lessons should be captured and shared.
- National Societies should take care not to allow FSL/CVA and other recovery interventions to detract from their primary focus on health and risk communication & community engagement. Careful consideration of capacity and experience is required, especially if most IFRC support can only be provided remotely.
- The IFRC Secretariat should capture organisational learning from how this global response was and is managed, and ensure this feeds into preparedness of the entire IFRC-wide system.

6. Technical/sectoral guidance linked to addressing secondary impacts and recovery

There is separate COVID-19 guidance available on FSL, CVA, urban informal settlements, PGI and migration for National Societies who are considering how to address some of the secondary impacts on the most vulnerable.

7. Key developments in the wider humanitarian sector to note

The UN/Inter-Agency Global Humanitarian Response Plan (GHRP) for COVID-19 and the UN Secretary General have both highlighted the importance of considering recovery from the COVID-19 crisis. However, recovery itself is excluded from the scope of the GHRP, which focuses on vulnerable countries with existing humanitarian operations and the additional humanitarian needs which are expected, both health and non-health needs. However, secondary impacts are considered in the GHRP, especially emergency FSL interventions related to food insecurity, loss of income etc, and the inability of the most vulnerable to meet their basic needs.

Wider recovery needs of the worst affected countries, particularly those related to macroeconomic impacts, will be addressed under the new UN COVID-19 Response and Recovery Fund, a multi-donor trust fund. The Fund will cover all low- and middle-income programme countries, in particular those populations not included in the Global Humanitarian Response Plan, helping to support recovery and safeguard progress towards the Sustainable Development Goals (SDGs). There are other relevant funding mechanisms like the World Bank's Support Plan, which provides funding and loans to Governments to address the wider macroeconomic impacts of the crisis, support for the private sector, and funding for health systems. As of early April, the World Bank had approved fast-tracked funding facilities for 20 countries, with another 40 countries in process. Additionally, the IMF amongst other things has called for suspension of public debt payments and debt relief for the least developed countries, and is looking at how to restructure its own loans to Governments.

Regardless of these Plans and Funds, there are likely to be significant gaps in the recovery assistance which is available to the most vulnerable populations, especially in fragile settings, and for people working in the informal economic sector. It is assumed that assistance under the UN Response & Recovery Fund will be primarily channelled direct to Governments.

Annex: Relevant lessons from previous epidemic responses⁶

Among the secondary social impacts of epidemics, the negative impact on social cohesion can be long lasting, and the trauma of outbreak and response measures, and the social stigma that they cause, can persist years after the end of an epidemic. The long-term and disproportionate impact of quarantines on certain categories of people has also been highlighted.

Outbreaks can have a long-lasting impact on national health systems, it is difficult for fragile health systems to cope with regular health issues during an epidemic, and it usually takes a long time for health systems to go back to normal after an outbreak.

Support to livelihoods and economic recovery is a critical component of an effective epidemic response. There is evidence from the Ebola response in West Africa of successful economic recovery support in affected areas, to restart farming and small business activities for vulnerable populations who suffered severe secondary impacts.

Among the general lessons learnt, the following are relevant for any disease outbreak:

- Responses should take a “whole society approach”, attending to people affected by the epidemics as well as their broader communities.
- Responses to be informed by context-specific knowledge of the social dynamics around health care, ethnic minorities, etc.
- Importance of community engagement to reduce the coercive nature of some measures, and to mitigate secondary social cohesion impacts.
- Support to health structures to minimise the disruption to health provision.
- Taking secondary impacts into consideration from the start and providing the necessary funding to address these.
- The importance of intersectoral responses to tackle the multiple (and complex) effects of outbreaks.

For National Societies, some main lessons:

- Importance of integrating Epidemic Preparedness into all long-term programming, including risk reduction and response preparedness.
- Build on branch and volunteer capacity and existing programmes – avoid recovery activities which do not link to or strengthen long-term programmes.
- Leverage support of relevant Movement Partners for recovery.
- An epidemic response is an opportunity to build a stronger National Society – through capacity in community-based surveillance, epidemic preparedness, volunteers etc.
- PSP is crucial, both for affected communities, but also staff and volunteers.

⁶ See the following references:

Evidence and lessons on efforts to mitigate the secondary impact of past disease outbreaks and associated response and control measures. K4D Helpdesk Report 757 (DfiD). Brighton, UK: Kelly, L. (2020), Institute of Development Studies.

IFRC Regional Recovery Framework – Moving to post Ebola Recovery, April 2015, IFRC.
Ebola Synthesis Reference Document, August 2017, IFRC.