EXECUTIVE SUMMARY

Ending the COVID-19 pandemic and addressing the long-term secondary and tertiary impacts of the disease will require global commitment. As UN Deputy Secretary-General Amina Mohammed noted, “No one will ever be truly safe until everyone is safe.”

COVID-19 has caused significant backsliding across several, if not most, of the key human development indicators, requiring additional targeted funding to prevent further backsliding, recovery from current trends, and to build resilience to future crises. While treatment and vaccination for COVID-19 is an essential first step, funding to address secondary and tertiary impacts of the pandemic as quickly and robustly as possible will be equally as important to stave off further degradation, and to begin to reverse the damage the pandemic has wrought.

POLICY RECOMMENDATIONS

The US’ $10.8 billion funding to address the urgent and pressing needs of the most poor and vulnerable around the world, brought about by COVID-19 will be an important part of meeting the needs of the most poor and vulnerable. While the funding will only be the start of turning back the estimated 25 years of lost development gains, we offer the following recommendations for how to address the needs of the most poor and vulnerable in this and future spending through US agencies.

1. **Promote equitable vaccine distribution and provide robust support to frontline healthcare workers and healthcare systems.** Stemming the spread of the virus through a comprehensive plan for vaccine procurement and distribution in low-income countries will be critical for getting back on track for positive development trajectories.

2. **Bolster humanitarian assistance, including immediate food assistance and protection for those most in need.** COVID-19 has wrought havoc on people’s individual ability to obtain healthy, life-sustaining food. Humanitarian funding should help provide food relief to the additional 135 million people in need of food assistance.

3. **Address secondary impacts of COVID-19, through recovery and resilience activities.** While addressing the immediate need for global vaccine rollout and acute humanitarian needs are most urgent, if we do not address the secondary needs from COVID-19, we will become trapped in a cycle of exponential humanitarian need with no end in sight.

4. **Protect the most vulnerable, address psycho-social needs and social cohesion.** US foreign assistance, in alignment with Catholic Social Teaching, has always been a beacon of light for those most vulnerable.

5. **Leverage new US development finance capacities in the long-term response.** The new tools available to the USG in the Development Finance Corporation (DFC) create a unique opportunity to sustain and build on the lessons learned and innovations that arose as a result.
of the pandemic to make systems, whether food, health, or social protection systems, more equitable and resilient. The USG should leverage the DFC to invest in enabling a healthy business environment to spur innovation and create dignified work opportunities within the formal sector.

Each dollar that goes to addressing the immense human toll from COVID-19 is precious and will need to be effectively and efficiently utilized. We make the following recommendations for how to optimize the funding to best address the complexities that exist in each country and community.

1. **Fund local actors to carry out COVID-19 response and meet the needs of local communities.** Build on existing funding mechanisms that frontline and local actors already access to move quickly, including topping up existing multi-year grants, add to existing rapid response mechanisms and country/regional pooled funding and other umbrella mechanisms.

2. **Ensure quick and flexible funding.** Early action and quick response are critical. Vaccine distribution will require funding to flow quickly once vaccines arrive at port, to support the activities associated with getting vaccines into people’s arms before they expire. Funding for other needs must allow for projects to respond to situational fluidity, and support decision-making at localized levels.

   Flexibility should support changes in project activities, costs, and accountability and compliance measures, including for keeping staff and project participants safe, as well as integration of COVID-19 response activities through crisis modifiers and modifications and the addition of new activities utilizing existing health projects and partnerships. In some cases, mission-level funding, in the form of new and smaller grants may be the best type of funding. Where possible, issue clear guidance to missions and field offices to ensure flexibility is available and implemented uniformly and without delay in this challenging time.

3. **Funding should be directed by proactive, innovative, and data-informed decision making.** Utilize existing tools like market monitoring and gender and conflict analyses to guide effective COVID-19 response. Utilize technological advances where COVID-19 has disrupted programming. This can move training, education and other knowledge transfer to the digital space for project continuity, which may be the only way to reach those in need of education and protective services.

4. **Funding should be global-minded, coordinated, and integrated.** Coordinate pandemic response funding and decision making through existing global platforms, such as the Global Fund’s ACT-A. Direct funding should complement existing national plans, be driven through multiple funding channels to address common objectives in order to ensure a cohesive plan while avoiding potential bottlenecks of only one funding stream. Where debt relief is granted, ensure that countries invest payments into immediate programs to halt the spread of the disease and stabilize already sparse public service systems. Require clear and coordinated communication amongst international and local actors. Coordinate communication with similar messaging and approaches, as feasible, to eliminate confusion and provide increased support to local and national responders.

For sector-specific recommendations, see the sector analysis in the full paper.
INTRODUCTION

Ending the COVID-19 pandemic and addressing the long-term secondary and tertiary impacts of the disease will require global commitment. The US has proven again to be one of the most generous donors to international assistance in response to COVID-19 and we applaud the US Congress for including $10.8 billion in the America Rescue Plan Act to address the impacts of COVID-19 overseas.1 As UN Deputy Secretary-General Amina Mohammed noted, “No one will ever be truly safe until everyone is safe.”2

COVID-19 has caused significant backsliding across several, if not most, of the key human development indicators, requiring additional targeted funding to prevent further backsliding, recovery from current trends, and to build resilience to future crises.3 While treatment and vaccination for COVID-19 is an essential first step, funding to address secondary and tertiary impacts of the pandemic as quickly and robustly as possible will be equally as important to stave off further degradation, and to begin to reverse the damage the pandemic has wrought.

Catholic Social Teaching advances the idea of Integral Human Development- that all parts of an individual’s wellbeing are important and interconnected.4 Therefore, Catholic Relief Services implements integrated programming where possible, in alignment with this dictum. We seek to understand the impact of COVID-19 on various human development sectors to help inform where additional resources may be allocated most effectively. Also, the mechanisms by which funding is distributed can also help us achieve more impact and an optimal utilization of funds.

COVID-19 HAS TURNED BACK PROGRESS ON ALL DEVELOPMENT SECTORS, EXACERBATING THE IMPACTS ON THE MOST VULNERABLE

POVERTY AND LIVELIHOODS

The COVID-19 pandemic has increased global poverty for the first time in 20 years. The World Bank estimates that in 2020 alone, between 119 and 124 million additional people will become extremely poor.5 This trend is slated to continue, as the Gates Foundation finds that global poverty is expected to increase by 7.1% in 2021.6

COVID-19 has also changed the profile of those living in poverty. The group pushed into poverty by the pandemic, or the “new poor,” are more concentrated in middle-income countries and are “more urban, better educated, and less likely to work in agriculture than those living in extreme poverty before COVID-19.”7 This former middle class has further been hampered by the sharp reduction in remittances during the pandemic, which is a steady income for many.8 As the middle class is pushed into poverty, they increasingly accumulate debt to meet immediate needs, limiting their future mobility and earnings, and limiting opportunities for future generations.

Low- and middle-income country (LMIC) governments themselves have fallen into this debt trap during the pandemic, which restricts their ability to support citizens with acutely needed financial safety nets.9 Countries’ mounting debt and constricting economies are particularly concerning as many need to

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1 Congress previously provided $1.6B for the overseas response to COVID-19 in March 2020 and $4B for GAVI, the vaccine alliance in December 2020.
4 For more information, see CRS’ approach to achieving Integral Human Development.
increase spending to reach the growing health needs of their citizens. The International Monetary Fund (IMF) estimates that some African countries “will need to increase their health spending by 50%” to vaccinate 60% of their population, even though economies in sub-Saharan Africa shrank by 2% last year.\textsuperscript{10}

Overall, increasing global poverty will trickle down to worsen the losses of nearly every other development indicator. Poverty is linked with food insecurity and malnutrition, displacement, poor health, higher rates of gender-based violence, and lower educational achievement— to name only a few. Working to protect individuals and households from falling into poverty due to COVID-19 is one of the most important things to be done.\textsuperscript{11,12}

**POLICY RECOMMENDATIONS:**

- Help families recover assets through cash transfers. Households have sold assets as a coping strategy, and debts will come due, as they will also need to recover those assets (like livestock, tools, cooking implements, etc.) before they can recover livelihoods and rebuild. Where feasible and safe, provide unconditional cash transfers, which are proven to reduce debt avoidance, improve quality of life, and reduce stress – provided goods are available locally for sale and prices are not prohibitive.
- Advance social protection systems and mechanisms where they exist and help facilitate coordination between humanitarian-focused cash responses with social protection support through technical working groups and clusters.

**FOOD SECURITY**

Prior to COVID-19, hunger had been on the rise in recent years.\textsuperscript{13} However, COVID-19 has doubled the number of people facing food insecurity, from 135 million to 270 million.\textsuperscript{14} Exponential growth of food insecurity is of particular concern given reduced incomes, slow food chains or agricultural production, increasing food prices, limited protection of vulnerable groups, increasing political instability, and changes in conflict.\textsuperscript{15}

Global food prices increased by almost 20% between January 2020 and January 2021, partly due to disrupted trade and supply chains as governments have closed or restricted borders in an effort to curb virus transmission.\textsuperscript{16} As prices soar and incomes shrink, vulnerable people in LMICs are most affected because they tend to spend the greatest percentage of their income on food. One survey in 19 LMICs found that 42% of respondents had at least some reduction in the amount of food their family was eating.\textsuperscript{17}

Food insecurity is further complicated by increasing climate change and conflict.\textsuperscript{18} New and worsening climate shocks make it more difficult to maintain a stable food supply as it creates unpredictable agricultural conditions. Increased food insecurity can act as a catalyst for conflict which, in turn, disrupts food supply chains and markets as well as livelihoods and the ability to earn income – creating a negatively reinforcing cycle.

\textsuperscript{10} BBC “Covid pushing 30 million Africans into poverty – IMF” April 15, 2021.
\textsuperscript{11} APA “Effects of Poverty, Hunger and Homelessness on Children and Youth.”
\textsuperscript{12} IFPRI “How is economic security linked to gender-based violence?” December 2, 2019.
\textsuperscript{15} FAO & WFP, 2020.
\textsuperscript{17} 60_decibels “Main COVID-19 Dashboard” Accessed April 2021.
\textsuperscript{18} World Bank Blogs “Responding to a stark rise in food insecurity across the poorest countries” February 11, 2021.
POLICY RECOMMENDATIONS:

- Provide humanitarian food assistance to help support the additional 135 million additional people who face food insecurity. Utilize existing projects that are already set up for quick response.
- Streamline existing efforts to address acute hunger and reduce duplication, such as the UN Secretary General’s High-Level Task Force on Preventing Famine which duplicates the role within the IASC, while cutting out NGOs.  
- Work to minimize interruptions to food chains and ensure functioning and resilience of agri-food system by providing support for food storage, processing, marketing, transport; supporting producers’ groups; or advocating for open trade corridors.
- Engage diplomatic and bureaucratic channels to address barriers to humanitarian assistance including securing cease fires and adequate humanitarian access, as well as addressing bureaucratic barriers that keep humanitarian organizations from being able to operate (e.g., organization registration or visa restrictions).
- Integrate climate adaptation, disaster risk reduction, and conflict mitigation/social cohesion into recovery and resilience activities.

DISPLACEMENT AND MIGRATION

The vulnerabilities of forcibly displaced populations, which make up an unprecedented 79.5 million people globally, continue to be compounded by COVID-19. While camps and settlements fared better against the spread of the disease than expected, the secondary impacts on displaced people’s livelihood prospects and children’s education have been devastating.  

This has been due to a variety of factors, including border restrictions to curb the virus, which has limited the ability of people to work in other countries and send remittances home. The World Bank estimates that remittances to LMICs could drop by 14 percent by 2021, and the WFP has estimated this sharp decrease could leave an additional 33 million people at risk of facing hunger across the countries where it operates.  

Displaced people have similarly been hard hit by a contraction of the informal economy, with informal workers

19 UN Secretary General “With 30 Million Facing Famine, Secretary-General Announces Prevention Task Force, Warns Security Council against Cutting Aid as Solution to Economic Woes” March 11, 2021.
globally losing an estimated 60 percent of their earnings in the month following the declaration of the pandemic.\textsuperscript{22}

Further, displaced populations are currently least likely to access a vaccine. A WHO analysis of National Deployment and Vaccination Programs found that migrants, refugees and internally displaced people (IDPs) are not included in many countries national COVID immunization plans – 72% of countries did not include migrants, 61% did not include refugees and asylum seekers and 63% did not include IDPs.

Economic and climate migrants who exist outside of the formal and legal displacement regime possess vulnerabilities of their own. Border restrictions and transportation lockdowns, such as those in India for example, have kept migrant workers stranded in their host country unable to work or return home, or in other cases migrant workers have been sent home or kept in detention centers.\textsuperscript{23, 24}

\begin{center}
\textbf{Country Spotlight: Venezuela}
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Venezuela has been facing an acute socio-economic, health, displacement, and food security/nutrition crisis, which has escalated exponentially over the past five years. Before the pandemic, Venezuelans frequently faced a scarcity of medicine, food, and basic public services and humanitarian groups were only permitted limited access by the government.

Now the introduction of COVID-19 has brought these struggling systems under even more stress. In a recent study in 12 cities, the Venezuelan Public Services Observatory (OVSP) concluded that only 25% of citizens have access to clean water, creating barriers to the WASH demands of battling COVID-19.\textsuperscript{1} Over 30% of Venezuelans are facing food insecurity and the same amount are undernourished.\textsuperscript{2} The pandemic has introduced food supply chain disruptions and increased poverty for Venezuelans, causing “the most dramatic worsening of their living conditions during the last five years” according to the FAO.\textsuperscript{3}

\begin{enumerate}
\item ESDA “OVSP: ‘Solo un 25,0% de los encuestados en 12 ciudades del país recibe el servicio de agua potable de forma continua’” March 4, 2021.
\item FAO “Venezuela (Bolivarian Republic of) Humanitarian Response Plan 2021.”
\item Ibid.
\end{enumerate}

\begin{center}
\textbf{POLICY RECOMMENDATIONS:}
\end{center}

- Protect refugees, migrants and the displaced who are at particular risk.
- Ensure that camps, settlements and detention centers are up to international health and sanitation standards and provide access to clean water, handwashing stations, and quarantined areas if necessary, and provide adequate protections to keep women and children safe from violence.
- Work through multilateral and bilateral channels to ensure the displaced and migrants are part of governments’ vaccination distribution plans, as well as social safety nets. It is essential for countries to cover these groups as the existing Humanitarian Buffer will not be sufficient to fill these gaps.

\begin{center}
\textbf{HEALTH}
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COVID-19 has taken a massive toll on the world, with over 138 million confirmed cases and nearly 3 million confirmed deaths worldwide (although actual numbers are expected to be much higher).\textsuperscript{25} The continuous effort required to fight against this virus has put essential health workers and the health systems that support them under significant strain.\textsuperscript{26}

\begin{enumerate}
\item https://news.un.org/en/story/2020/10/1074432
\item WHO “Facts on health care workers” Accessed April 2021.
\end{enumerate}
In addition to the acute health impacts of COVID-19, the ongoing pandemic has caused a massive setback in overall health advances of the past several decades. Essential health service delivery has been severely impacted, with 90% of countries in a WHO global pulse survey reporting disruptions, including areas such as routine immunizations, and the diagnosis and treatment of noncommunicable diseases, mental health disorders, and cancer.27

Pregnant and new mothers and children are at particular risk, as an inability to meet their health needs now could result in long-term negative impacts for themselves and their children. Mothers have encountered new obstacles to getting necessary ante- and post-natal care, with an estimated reduction in care of between 18-51%.28 This reduction in care is driven by a variety of factors – including hospitals that encourage mothers to stay home, mothers’ fear of contracting the virus, mobility restrictions, and lack of transportation.29 In addition to access limitations, women are hampered from seeking care due to mental health issues, poor birth outcomes that result in limited antenatal care, and food insecurity.

Children’s malnutrition has also spiked – with an estimated 14% increase in childhood wasting, primarily concentrated in sub-Saharan Africa and south Asia.30 This is often driven and compounded by families’ reduction in income, which results in less money to purchase nutritious foods, as well as school closures, which have shuttered school feeding programs.31

POLICY RECOMMENDATIONS:

- Bolster existing health systems strengthening activities and global health security. Focus on the empowerment of local COVID-19 task forces comprised of public and faith-based providers, health management teams, health workers and community extension agents.
- While addressing immediate responses to the crisis, fund gaps that exist over longer-term horizons to strengthen capacity and provide technical assistance so that health systems can build resilience to future shocks, as well as to better address existing health challenges.
- Utilize development finance where necessary.

EDUCATION

The pandemic has disrupted education for 1.6 billion children over the course of its first year, affecting the learning and well-being of 95% of school children globally.32 COVID-19 has widened previously existing education gaps between LMICs and high-income countries (HICs), potentially causing up to a

Country Spotlight: Democratic Republic of Congo

The Democratic Republic of Congo (DRC), ranked 175 out of 189 in the Human Development Report, has the highest estimated number of food insecure people worldwide – 19.6 million people.2 As the DRC has continued to battle COVID-19 along with the rest of the world over the past year, they began facing a resurgent Ebola outbreak in February 2021. COVID-19 has strained Ebola response, forcing responders to split their time, resources, education, and energy into two – making it more difficult to do either efficiently.

1. UNDP “Congo (Democratic Republic of the) Human Development Indicators” Accessed April 2021.
2. FAO and WFP “Hunger Hotspots FAO-WFP early warnings on acute food insecurity March to July 2021 outlook” July 2021.

29 Ibid.
32 UNICEF “New global tracker to measure pandemic’s impact on education worldwide” March 26, 2021.
63% increase in learning poverty rates.\(^3^3\) As of March 2021, 90 countries still had not returned to fully in-person schools and therefore continue to rely on virtual learning or an in-person/virtual hybrid plan. Inequity in children’s access to the technologies needed to attend school online have only worsened gaps in education.\(^3^4\) A UNICEF study in 2020 revealed that two-thirds, or 759 million, of the world’s school-aged children, do not have internet connection in their homes in order to connect to virtual learning opportunities.\(^3^5\) Students whose schools have been shut down and have no virtual access risk being completely unable to further their education during the pandemic. This digital divide has and will continue to drive inequality as “globally, 58 per cent [of] school-age children from [the] richest households have internet connection at home, compared with only 16 per cent from the poorest households.”\(^3^6\)

Impoverished families increasingly undertake negative coping mechanisms involving their school-aged children who no longer have access to school, due to school closures or lost income for school fees. Children may be sent to work to support the family or may be sent away to be cared for by others. Girls are at particular risk, as 2.5 million additional girls have been married, and an additional 10 million are at risk for the practice.\(^3^7\);\(^3^8\);\(^3^9\) Early marriage not only leads to young girls giving birth before their bodies are ready, leading to increased maternal and child deaths, but also keeps girls trapped in a cycle of poverty as they are pulled out of school, limiting their future social mobility.\(^4^0\) Further, as governments are forced to divert funding to address the ongoing challenges presented by COVID-19, this could limit their ability to invest in expanding secondary schools, which disproportionately affects girls.

**POLICY RECOMMENDATIONS:**
- Support accelerated learning through engagement with Ministries of Education to help children “catch-up” from lost schooling.
- Help facilitate remote learning, utilizing existing and new technologies.
- Provide psycho-social and mental health services and integrate innovative approaches to “safe spaces” for children, especially girls.
- Support countries with schools in emergency and displacement settings to create healthy school environments through interventions focused on WASH, school meals distribution, and addressing overcrowded classroom spaces.

**PROTECTION**

Sometimes referred to as a “shadow pandemic,” COVID-19 has resulted in an increase in gender-based violence (GBV), intimate partner violence (IPV), and violence against children across much of the world.\(^4^1\);\(^4^2\) GBV and IPV are notoriously underreported issues and therefore it is difficult to get the full picture of how pervasive this violence has become. This increase in GBV and IPV can be attributed to a number of complex and interconnected contexts that have been compounded by the pandemic: stay-at-home orders cause women and girls to be confined to home with their abusers; girls whose schools

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\(^{33}\) Learning poverty is an indicator to measure both schooling and learning: defined by being unable to read and understand a simple text by age 10. See [https://www.worldbank.org/en/topic/education/brief/learning-poverty](https://www.worldbank.org/en/topic/education/brief/learning-poverty) for more information.

\(^{34}\) UNICEF, 2021.

\(^{35}\) UNICEF “Two thirds of the world’s school-age children have no internet access at home, new UNICEF-ITU report says” November 30, 2020.


\(^{37}\) Center for Global Development “COVID-19 and Girls’ Education: What We Know So Far and What We Expect” October 2, 2020.

\(^{38}\) Sophie Cousins, “2.5 million more child marriages due to COVID-19 pandemic” The Lancet, October 10, 2020.

\(^{39}\) UNICEF “10 million additional girls at risk of child marriage due to COVID-19” March 7, 2021.

\(^{40}\) Gates Goalkeeper Report


shut down due to COVID-19 have to spend more time at home with potential abusers; and income loss for men is highly linked with both substance abuse and increased risk of violence. Being a victim of or witnessing GBV or domestic violence can be extremely traumatic, particularly for children, and if left unaddressed could create lifelong health impacts. This uptick in violence experienced at home, in addition to job loss, lack of access to friends and family, increased drug and alcohol use, and processing the grief and loss of losing a loved one to the virus have all contributed to increased psychosocial issues for people of all ages – particularly those living in LMICs.43

Women and children experiencing, or at risk of, domestic violence have less access to support services due to restrictions against home visits by case workers, or in-person gatherings of support groups. While some support can be provided virtually, women and children are often much more hesitant to report or raise concerns of violence if they are at home in the presence of their abuser and are at heightened risk of harm when reporting from home. Services for psychosocial and trauma support have also been negatively impacted by the pandemic, at a time when they are increasingly necessary.

RECOMMENDATIONS
• Ensure access to basic health services, and those specific to GBV/IPV response including shelters and safe spaces, hotlines to report abuse, and counseling, utilizing existing and new technologies.
• Provide integrated psychosocial support to women and girls who may have experienced violence.
• Work with local organizations that have an understanding of the context and situation on the ground, and have the trust of their communities, to carry out GBV/IPV response programming.

GENDER
In addition to specific protection concerns, the pandemic has generally worsened existing gender inequalities. Women overwhelmingly endure the brunt of increased, unpaid work in the home, such as caring for children, parents, or sick family members. In some communities, families’ increased need for water to comply with new handwashing standards required women to spend more energy and time collecting the water, which also puts them at greater risk for contracting the disease.44

On the economic side, women have experienced less access to markets and decreased or loss of income and assets – particularly those who work in the informal economy. For example, according to January 2021 market and supply chain monitoring data collected by CRS in Ethiopia, 100% of the women surveyed reported insufficient money to purchase market items, compared to 25% of men, and 100% reported lower income in comparison to 36% of men.45 These results are similarly reflected in the same monitoring data collected in Lesotho, Malawi and Zimbabwe. In another study conducted by Women in Informal Employment: Globalizing and Organizing (WIEGO), average earnings of women in informal work fell by more than half, and experienced a greater decrease than men.46 This has led informal workers to resort to a range of coping strategies to mitigate these losses, including dipping into savings, borrowing money, or selling assets to pay normal living expenses, which are less available for women.

POLICY RECOMMENDATIONS:
• Undertake gender analysis in any programming to ensure that COVID-19 response considers gendered roles, risks, responsibilities, and social norms, as well as accounts for the unique capabilities and needs of vulnerable women’s groups.

44 CRS internal technical report.
45 Market and supply chain data pertain only to the households surveyed by CRS and are not generalizable.
46 IDRC “Promoting equitable COVID-19 recovery in the informal sector” March 5, 2021.
• Include women in decision making in the spectrum of COVID-19 response, from project design and implementation, to representation on national and subnational COVID-19 response teams.
• Recognize care workers (including unpaid), who are predominantly women, as essential workers, ensure their safety at work, and expand social protection for those with care responsibilities.\(^{47}\)

**CONFLICT AND FRAGILITY**

Some evidence indicates that COVID-19 is and will continue to actively contribute to an increase in conflict globally. According to a forecast by researchers at the University of Denver, “an additional 13 countries are likely to see new conflicts through 2022—an increase of 56 percent compared to the pre-pandemic forecast.”\(^{48}\)

The pandemic’s contribution to large-scale conflict comes from a multitude of interconnecting factors. Authoritarianism has broadly risen, fraying the social contract between citizens and the state, and creating a negative cycle in which leaders use the pandemic as an excuse to crack down on their citizens, fueling unrest, which leads to leaders cracking down even more. Additionally, social and economic stressors have increased during the pandemic, including shrinking natural resources, which creates a greater susceptibility to state fragility and thus leads to increased conflict.

Experiences from HIV and AIDS and Ebola epidemics indicate that pandemics fuel armed conflict which, in turn, increases transmission of the virus.\(^{49}\) Additionally, youth experienced the highest levels of unemployment of any group in 2020, which in many contexts is linked to an increase in political unrest and conflict.\(^{50}\;\(^{51}\)

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\(^{51}\) World Economic Forum “COVID-19 is likely to increase youth unemployment in Africa, this is how business can mitigate the damage” June 5, 2020.
A recent UNDP report found that the pandemic has further resulted in fraying of social cohesion both between citizens and the state (vertical cohesion) as well as within communities (horizontal cohesion), as riots, protests, and mob violence increased.\(^\text{52}\) Effective pandemic responses rely on people trusting one another and their government to follow safety protocols, yet this trust has been strained as the pandemic wears on. In some contexts, the pandemic has broken community relationships by increasing stigmatizing and scapegoating across groups.\(^\text{53}\) And while it was initially hoped that isolation measures would act as an opportunity to call for ceasefires and decrease conflict, this was not borne out in reality according to the ACLED COVID-19 Disorder Tracker.\(^\text{54}\) While the means and timelines of conflict actors may have shifted in some cases due to the pandemic, conflict and war continued – with political violence increasing in more countries than it decreased.

**POLICY RECOMMENDATIONS:**

- Utilize diplomatic channels to seek peace in active conflict areas, where the cycle of conflict, exacerbated by COVID-19, are leading to famine.
- Consider how programs can be adjusted to contribute to stronger social cohesion, both vertically between people and authorities and horizontally across groups.
- Ensure sufficient investments to prevent conflict and mitigate fragility that has been induced or exacerbated by the pandemic.

**LOCALIZATION OF COVID-19 RESPONSES HAS FALLEN SHORT FUNDING TO FRONTLINE WORKERS LAGS**

The global community has spent the past year coping with and battling against the impacts of the COVID-19 pandemic and its fall-out. In total, as of April 4, 2021, over $21.3 trillion had been committed to combatting COVID-19 (including governments, bilateral and multilateral donors, development banks, philanthropic organizations, and the private sector), over $12 trillion of which is committed by governments.\(^\text{55}\)

However, while considerable funding has been donated there has been a serious problem getting the funding to frontline workers quickly and efficiently. There is evidence of a widespread global issue with paying frontline healthcare workers sufficiently and in a timely manner, making it difficult to keep qualified talent in these important roles.\(^\text{56}\)

**POLICY RECOMMENDATIONS:**

- Support funding, policies, and systems to support human resources for health.
- Prioritize the safety of health care workers through vaccinations and provision of adequate PPE, as well as address their mental health needs.

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\(^{55}\) CGD “Moving Funding to Frontline Workers Fast in the Time of COVID-19” July 3, 2020. 9

LIMITED LOCALIZATION OF FUNDING AND LIMITED SUPPORT FOR LOCAL LEADERSHIP

Local organizations, particularly those of local faith networks are key players in providing health services. As trusted members of the community, they are uniquely positioned to disseminate essential health information – such as the safety and efficacy of vaccines, as well as have the reach to communities that are far from central or urban areas. While donor’s concern for expediency in dispersing funding is appropriate, using the UN system as a pass-through option to ultimately be implemented by international and local NGOs is actually a much slower path to the local level, as found by a Center for Global Development study. A Caritas Internationalis (CI) study of 60 local Caritas partners addressing COVID-19 around the world echoed this concern, finding that funding was slow to come, or in some cases did not come at all, in particular funding for overhead costs. In several cases, CI partners were forced to reorganize existing funding to support new COVID-19 activities themselves or else go without. When funding was covered through the UN system, local partners experienced timeliness issues with getting the funding. Caritas partners surveyed indicated that private funding was the best source to receive timely funding.

POLICY RECOMMENDATIONS

The US’ $10.8 billion funding to address the urgent and pressing needs of the most poor and vulnerable around the world, brought about by COVID-19 will be an important part of meeting the needs of the most poor and vulnerable. While the funding will only be the start of turning back the estimated 25 years of lost development gains, we offer the following recommendations for how to address the needs of the most poor and vulnerable in this and future spending through US agencies.

1. **Promote equitable vaccine distribution and provide robust support to frontline healthcare workers and healthcare systems.** Stemming the spread of the virus through a comprehensive plan for vaccine procurement and distribution in low-income countries will be critical for getting back on track for positive development trajectories. The US should:
   - Work with the World Trade Organization to secure a Trade and Intellectual Property Rules (TRIPS) waiver to speed and scale up the production of lifesaving vaccines by waiving the intellectual property barriers that prevent more qualified manufacturers worldwide.
   - Ensure that the $4 billion contribution to COVAX for vaccine procurement and distribution is able to reach people’s arms. This includes an estimated additional $4 for every $1 of vaccine doses to train, equip, and support the systems and frontline workers who will administer the vaccine, as well as messaging and public health campaigns to counter misinformation.
   - Support efforts to ensure the ethical and responsible allocation of vaccinations, to optimize vaccine effectiveness in places where COVID-19 variants exist.
   - Donate a portion of its own surplus in vaccine supply which is currently sufficient to vaccinate the US population many times over.

2. **Bolster humanitarian assistance, including immediate food assistance and protection for those most in need.** COVID-19 has wrought havoc on people’s individual ability to obtain healthy, life-sustaining food. Humanitarian funding should help provide food relief to the additional 135 million people in need of food assistance and can be optimized by:

58 Devex “Is it finally time for the localization agenda to take off?” June 3, 2020.
59 CGD
• Utilizing cash and voucher assistance where possible, to bolster weakened market systems, and ensure quick responses. This should be done in conjunction with market monitoring, which can often both act as an early warning of impending food insecurity, but also help avoid disrupting existing markets with low-cost food aid.62

• Working to minimize interruptions to food chains and ensure functioning and resilience of agri-food system by providing support for food storage, processing, marketing, transport; supporting producers’ groups; or advocating for open trade corridors.

• Supporting multilateral efforts to reduce food-related restrictions to allow markets to flow and therefore get food to those who need it most.

• Implementing through local and international NGOs who are closest to the ground, while relying on multilateral agencies (UN, World Bank) to increase joint needs assessments and improve coordinate responses.

• Working through diplomatic and bureaucratic channels to address barriers to humanitarian assistance including securing cease fires and adequate humanitarian access, as well as addressing bureaucratic barriers that keep humanitarian organizations from being able to operate (e.g., organization registration or visa restrictions).

3. **Address secondary impacts of COVID-19, through recovery and resilience activities.** While addressing the immediate need for global vaccine rollout and acute humanitarian needs are most urgent, if we do not address the secondary needs from COVID-19, we will become trapped in a cycle of exponential humanitarian need with no end in sight. We encourage that these efforts:

• Be as integrated and comprehensive as necessary, understanding that the secondary impacts are interconnected and related. The current resilience food security activities (RFSAs) are well positioned to meet these evolving needs and should take account of the impacts of COVID-19 on social cohesion and increased trauma and gender-based violence.

• Utilize unconditional cash transfers where feasible, which have been a proven method to reduce debt avoidance, improve quality of life, and reduce stress – provided goods are available locally for sale and prices are not prohibitive.63

• Help support social protection systems and mechanisms where they exist, to allow those in debt to move forward.

4. **Protect the most vulnerable, address psycho-social needs and social cohesion.** US foreign assistance, in alignment with Catholic Social Teaching, has always been a beacon of light for those most vulnerable. To ensure USG COVID-19 responses further this effort, programs should:

• Address the immediate needs of groups that traditionally fall through the cracks, including those forcibly displaced, women and children, the disabled and elderly.

• Address mental health needs that have come about due to COVID-19, as well as its secondary impacts, including increased violence in the home.

• Address fragility and conflict through social cohesion, peacebuilding and other efforts, integrated into existing programming as feasible.

5. **Leverage new US development finance capacities in the long-term response.** The new tools available to the USG in the Development Finance Corporation (DFC) create a unique opportunity to sustain and build on the lessons learned and innovations that arose as a result of the pandemic to make systems, whether food, health, or social protection systems, more equitable and resilient.

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The USG should leverage the DFC to invest in enabling a healthy business environment to spur innovation and create dignified work opportunities within the formal sector.

Each dollar that goes to addressing the immense human toll from COVID-19 is precious and will need to be effectively and efficiently utilized. We make the following recommendations for how to optimize the funding to best address the complexities that exist in each country and community.

6. **Fund local actors to carry out COVID-19 response and meet the needs of local communities.** Build on existing funding mechanisms that frontline and local actors already access to move quickly, including topping up existing multi-year grants, add to existing rapid response mechanisms and country/regional pooled funding and other umbrella mechanisms.

Funding for local actors should include overhead costs and donors should proactively ensure equitable risk sharing so local actors do not carry undue risk burdens. Faith-based organizations (FBOs), who have broad community recognition and are trusted by people of all faiths should be included as frontline actors in the COVID-19 response. Faith leaders can help with behavior change and vaccine uptake and are critical partners not to be missed. As needed, capacity strengthening should continue alongside direct funding. Donors should also fund local institutional participation in decision making and coordination processes related to the COVID-19 response, including holding a lead or co-lead role in cluster or sector coordination.

7. **Ensure quick and flexible funding.** Early action and quick response are critical. Vaccine distribution will require funding to flow quickly once vaccines arrive at port, to support the activities associated with getting vaccines into people’s arms before they expire.

Funding for other needs must allow for projects to respond to situational fluidity, and support decision-making at localized levels. Flexibility should support changes in project activities, costs, and accountability and compliance measures, including for keeping staff and project participants safe, as well as integration of COVID-19 response activities through crisis modifiers and modifications and the addition of new activities utilizing existing health projects and partnerships. In some cases, mission-level funding, in the form of new and smaller grants may be the best type of funding. Where possible, issue clear guidance to missions and field offices to ensure flexibility is available and implemented uniformly and without delay in this challenging time.

8. **Funding should be directed by proactive, innovative, and data-informed decision making.** Utilize existing tools like market monitoring and gender and conflict analyses to guide effective COVID-19 response. Utilize technological advances where COVID-19 has disrupted programming. This can move training, education and other knowledge transfer to the digital space for project continuity, which may be the only way to reach those in need of education and protective services.

9. **Funding should be global-minded, coordinated, and integrated.** Coordinate pandemic response funding and decision making through existing global platforms, such as the Global Fund’s ACT-A. Direct funding should complement existing national plans, be driven through multiple funding channels to address common objectives in order to ensure a cohesive plan while avoiding potential bottlenecks of only one funding stream. Where debt relief is granted, ensure that countries invest payments into immediate programs to halt the spread of the disease and stabilize already sparse public service systems. Require clear and coordinated communication amongst international and local actors. Coordinate communication with similar messaging and approaches, as feasible, to eliminate confusion and provide increased support to local and national responders.