

Novissi solidarity fund: Exemplary cash transfers during Covid-19

From 1 April - 30 June 2020, as part of the National Solidarity Fund, the Togolese government rolled out [Novissi](#), an emergency monetary transfer scheme targeting the people most affected by COVID-19 restrictive measures. The program's goal was to minimise the trade-off between health and income during the pandemic, and provide vulnerable informal workers with financial support to meet basic needs and keep them safe. By 1 July, almost 1.4 million people in the Grand Lomé and Tchaoudjo regions had registered, and over 575,000 had received cash transfers. Designed from scratch around social equity, and strategically using available resources, the Novissi program represents an exemplary case of social protection in response to the coronavirus pandemic in Africa. Below, the key features which contributed to the success of the program are highlighted, along with challenges and considerations for sustainability, expansion and replication going forward.

Distinctive features of the Novissi Scheme

- 1. The use of [digital identification, registration and payment](#) increased the accessibility, efficiency, safety and transparency of transfers.** Individuals were screened using voter cards from the February 2020 presidential election, which indicated location and economic sector. This made the program accessible to almost all adults of Togolese nationality, and allowed the accurate and rapid identification of informal workers. Registration and payments via mobile phones eliminated transaction costs and upheld social distancing rules, enabling timely and safe delivery to poor and marginalised households. Moreover, cash flows were digitally monitored, reducing the risk of corruption and increasing accountability.
- 2. The program was [built from scratch](#), allowing it to be moulded to the current context and preventing existing flaws in the social protection system from becoming exaggerated.** The Togolese government was able to design and implement the initiative focusing on equity, efficiency and effectiveness instead of just coverage. Novissi took more time and resources to create compared to countries which built upon existing welfare infrastructure (e.g. South Africa, where 30% of the population already received cash transfers) and reached less of the population than other COVID-19 social protection schemes (12% compared to 51% in Botswana and 50% in Zimbabwe). However, the government was able to set context-appropriate targets and criteria, and partner with unusual actors (the telecoms firms Togocom and Moov) to achieve implementation.
- 3. A [social equity and gender-sensitive approach](#) helped to quickly reach the most vulnerable.** All beneficiaries of Novissi worked in the informal sector, and 65% (375,000) were women, due to the relatively high share of women in Africa who work informally. Transfer values ranged from 10,000 FCFA (around 15 euros) to 12,500 FCFA (around 20 euros) per month depending on economic sector and gender, to account for varying losses in income and empower women, who are suffering a high burden of care due to the pandemic. Targeting was deemed necessary given the urgent need to reach poor households within extreme resource constraints, and the ability to circumvent screening costs using technology.
- 4. The combination of cash transfers with electricity and water subsidies created a more robust system of social protection.** [Integrated policies](#) have been shown to work best for reducing poverty and stabilising income, since having multiple safety nets can catch those who fall

through the gaps in a single program. In Togo, transfers were given to many households that lacked access to the national water or electricity grids and therefore could not benefit from the other free services offered.

5. **Real-time program adaptations helped to minimise error and maintain impact.** Initial congestion of the digital platform was fixed with rapid upgrading by telecom operators. On July 1, Novissi was discontinued following the ease of restrictions, then amended to align with the national response strategy. The new scheme focuses on specific geographic regions, since pandemic interventions are now imposed at the district level, and is based on the demand for income support.

Box. Key lessons and consideration for social protection moving forward

- **There is a key trade-off to be made between program coverage and the adequacy to support household health and income.** The Novissi transfer was approximately one third of the Togolese minimum wage (35,000 FCFA), which may be insufficient to protect informal workers from having to work to meet basic needs. On the other hand, increasing the amount of cash given, without a higher budget, would require decreasing the total number of beneficiaries. Crucial in this decision is to consider the overarching program goals (e.g. reaching the poorest vs. stimulating productivity).
- **More sustainable financing methods are needed to scale up social protection programs to lengthen their duration and reach more vulnerable households.** Two months after its launch, Novissi had cost over 11.3 billion FCFA (approximately 17.25 million euros), much of which was sourced from [international donors](#), including 2 billion FCFA (3 million euros) from the French agency AFD and 6 billion FCFA (9 million euros) from the European Union. Without new ways to mobilise domestic resources, the long-term benefits of social protection may not be reached.
- **Despite effective targeting, certain program design aspects, including digitalisation and eligibility criteria, mean that certain vulnerable groups remain excluded.** The use of voter registries disqualifies non-Togolese citizens, including refugees and economic migrants, from receiving emergency social protection. Fully digital transfers can be a problem for people living remotely, with poor mobile service or no mobile money accounts. Novissi also excludes previously non-poor formal workers who have suffered income losses and risk falling into poverty.
- **The approach in Togo is currently limited to social assistance, when other forms of social protection, like insurance or labour market policies, could increase social resilience.** Cash may be the most feasible short-term option given restricted transport, social distancing and institutional capacity. Moving forward, elements of the Novissi program could be used for providing services which [complement cash transfers](#). The Ministry of Agriculture already plans to launch a [digital platform](#) which provides farmers with e-vouchers to acquire inputs to boost their production.
- **Technology amplifies the power of data for policy usage, but the impact on development depends on [how this power is used and distributed](#).** Although smart technology and data usage significantly increased program capacity and effectiveness in this case, it raises issues of privacy and safety when handling data in social protection programs to ensure that identities, rights and security are protected. The risk of increasing certain inequalities also shows the need to invest in digital literacy, financial inclusion and digital infrastructure.

Read more about the Togo case [here](#) (article in French), or watch an IPA webinar discussion [here](#).