

## A Response, Recovery & Resilience Facility (R3F) to address the Socio-Economic Impacts of COVID-19 in the Central African Republic (CAR)

### 1. Rationale

COVID-19 represents far more than a health crisis: it is already placing immense socio-economic strains on particularly fragile African countries such as CAR, confronted with a multidimensional crisis with difficult economic and political conditions including persistent insecurity, limited state authority and presence, weak capacity to provide basic public services, extreme poverty, fragile public health systems, insufficient access to safe water and sanitation, very high level of unemployment, as well as limited fiscal and policy space.

Beyond the immediate life-saving and health-related imperatives, COVID-19 poses significant risks to CAR's economy, which is under a two-fold threat, both from the global economic declines and through the direct impact of the measures taken locally to stem the spread of the epidemic. According to the World Bank, the impact of COVID-19 could more than halve the country's economic growth projections for 2020<sup>1</sup> and the consequences for its export-based economy heavily relying on imported goods, services and know-how, will be felt for several years to come. The crisis only further highlights the country's pre-existing vulnerabilities, in all development sectors, including health, in a context of protracted crises.

The closure of small and informal businesses is already having a significant impact on the least resilient segments of the population, especially women. Should the number of COVID-19 cases significantly expand in the country, a decision to confine the entire population to their 'homes' will be very difficult if not impossible to enforce in CAR, where the majority of the workforce operates in the informal sector, in a sparsely urbanized area, without decent housing. Moreover, the 'hand to mouth' daily living of the vast majority of the population, who heavily relies on small commercial market-centered activities, and the lack of social safety nets make preventive measures such as social distancing very difficult to implement. The risks are that with more stringent measures, the already fragile social fabric of the country could further break down. Social distancing measures, coupled with social disruption and widespread stigma fuelled through social media may negatively affect social cohesion and lead to inter/intra-community tensions. A prolonged measure of school closure may further accelerate school-age-children drop-out, with the risk that an increased number of girls would never get back to school. Domestic and gender-based violence, including against children, may also further impact gender inequality. Moreover, the pandemic erupts at a sensitive and critical time when the country is preparing the 2020/2022 general and local elections, only one year after the signing of the Political Agreement for Peace and Reconciliation (APPR) between the Government and 14 armed groups. **In sum, the country stands at risk of losing critical development and peace gains thus far achieved with the most vulnerable populations suffering the most impact.**

The UN's dual imperative consists in acting urgently to stymie the impact of the crisis, and in helping government and populations respond in a way that builds a better – and different – future. At the request of the Government, the UN has designed a two-pronged approach in terms of immediate, medium- and longer-term development actions, based on a socio-economic response, articulated around three scenarios, to complement both the humanitarian and direct health responses.

### 2. UN Response Strategy

#### Theory of change: a 'nexus' approach for success

The ability to complement and shift from emergency humanitarian and health-based responses to a multi-dimensional comprehensive approach, with development and peace at its core approach, is determined by the willingness and capacity of development and Government partners to collaboratively create, fund and integrate successful recovery and resilience solutions both during and in the aftermath of the COVID-19 crisis. With recovery interventions adequately and timely integrated into the overall crisis response framework, the Government and the population will acquire the capacity to **Build**

<sup>1</sup> From 3.2% to 1.8%. The World Bank estimates a possible decline in GDP of at least 1% point.

**Back Better (BBB)** their health and the whole spectrum of development assets, including food security, access to basic services etc, as early as in the aftermath of the crisis, reducing dependency, increasing the resilience of affected population, consolidating peace dividends, and looking to solve long standing problems that may have contributed to exacerbate the crisis in CAR. The crisis is providing an important opportunity to support the government and communities to mount sustainable and transformative solutions, breaking, to the extent possible, the dependency cycles.

#### **Alignment of the Response; Coordination and Partnerships:**

The UN socio-economic response and resilience plan articulates the UN's contribution to the Government's National Response Plan and is being developed in close coordination with all partners, including the humanitarian community and the World Bank, to avoid duplication and ensure immediate yet sustainable results. The proposed integrated interventions are embedded in the UN's overall support to CAR as outlined in UN Development Assistance Framework Plus (UNDAF+). Moreover, these are fully aligned with the UN Framework for the Immediate Socio-Economic Response to COVID-19 of April 2020, the purpose of which is three-fold: (i) tackling the immediate emergency; (ii) focusing on the social impact and the economic response and (iii) 'recovering better'. The UN agencies in CAR will align their integrated interventions on the 5 Pillars of the Framework, namely (1) Health first: Protecting health services and systems during the crisis; (2) Protecting people: social protection and basic services; (3) Economic Response and Recovery: Protecting jobs, SMEs and the informal sector workers; (4) Macro-economic response and multilateral cooperation and (5) Social cohesion and community resilience. The UN's response thus will also directly contribute to the implementation of the National Recovery and Reconciliation Plan (RCPCA) and the Peace Accords (APPR).

#### **A two-pronged approach: a socio-economic analysis & a comprehensive Integrated Programme based on socio-economic interventions.**

##### (i) A comprehensive socio-economic impact analysis

Under the leadership of the RC, the UN System in CAR and all technical and financial partners (IFIs and EU), as well as Regional institutions (UNECA) are coming together to produce a socio-economic evaluation of the impacts of COVID-19 on the country. The UN System in CAR<sup>2</sup>, in partnership with the relevant line Ministries, under the helm of the Ministry of Economy, Planning and Cooperation, is producing a quick, short term analysis of the socio-economic impact of COVID on the country, along with a much longer term document, to inform Government's actions and the particular areas where partners' support is needed.

##### (ii) An Integrated Programme based on socio-economic and development interventions

Under the leadership of the RC, the UN Country Team<sup>3</sup>, is producing a comprehensive Integrated Programme of interventions taking into account 3 types of evolving scenarios<sup>4</sup>, with a menu of development actions to not only 'fit' these scenarios but also ensure that the country **prevents, responds, recovers and builds further resilience** out of the crisis, through complementary activities. The Integrated Programme includes (i) **An Enhanced Preparedness**: strengthening the health system and the government's capacity to coordinate, plan and remain operational in times of crisis, including through public and community infrastructure building; (ii) **An Inclusive Response**: continuity of state services and public administration, continuous access to education, food security, WASH, the continuity of regular health services, including for pregnant women, immunization services and income-generating activities particularly for youth, ensuring that no one is left behind, with a focus on women, people living with HIV, the elderly and people living with disabilities; (iii) **Recovery**:

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<sup>2</sup> The RC nominated UNDP and IOM as Lead and co-Lead of this Economic Task Group.

<sup>3</sup> Through the Programme Management Team (PMT), led by UNDP and co-led by UNFPA, with the support of IOM

<sup>4</sup> Scenario (c): Limited number of cases mainly in Bangui, with limited containment in place (the current situation and immediate to short term); Scenario (d): Larger outbreak of cases mainly in Bangui but also possibly outside of Bangui, especially at border points; Scenario (e): Massive outbreak of cases in the entire country.

using the results of the long term socio-economic impact analysis to design, *inter alia*, livelihoods opportunities to revitalize the economy, ensure the sustainable provision of basic social services and build/strengthen key infrastructures. All interventions will take gender dynamics into consideration as well as the disproportionate impacts of COVID-19 on men and women.

Moreover, social Protection interventions will feature in all scenarios and across sectors, be it in the form of cash transfers, cash compensation, in-kind and food transfers as well as longer-term social safety net programmes based on a government Policy. Beyond these interventions, the goal is to support the country establish a proper social protection mechanism, based on a robust policy, building on the government's work already done in this respect.

- In the **immediate to short-term recovery process**, vulnerable groups, that is, elders, women, children and youth, persons with disabilities, persons in detention, IDPs, people living with HIV and those other with pre-existing medical conditions, small farmers, pastoralists, as well as rural / urban workers in informal and formal sectors ,with no to little social protection, will be more affected than others by the pandemic.

Using seed/catalytic funding where available, the UN-prioritized interventions will target (a) *Health system strengthening*: to maintain essential health services and the systems that support them, to provide policy support and technical guidance, to support community-based organisations in sensitisation, prevention and care initiatives, including equipment such as masks, soap and gel, integrating socio-cultural analysis and approach to identify socio-cultural behaviours to facilitate the dissemination of appropriate information and fight stigma and misinformation (community radios, social medias, etc.); to support the rehabilitation of infrastructures, including build pilot facilities to revitalize the local economy post crisis; support the health workforce and frontline professionals, and train personnel, support community and civil society efforts to promote accountability and compliance with human rights and bioethics principles in the response to COVID-19 including through instruments such as the *National charter on the quality of care and the rights of patients in the Central African Republic* ; (b) *Focus on livelihoods and immediate social safety nets*; with a focus on income-generating activities to safeguard the informal sector economy, increase input distribution to augment food and seed availability, providing cash transfers where appropriate etc.; (c) *Provision of equipment and materials* including to ensure the continuity of State and administrative services delivery in all sectors include Justice and Electoral Management Bodies and schools to facilitate distance learning. This may include renewable energy installations.

The **medium-term recovery** interventions will be informed by the above-mentioned socio-economic impact analysis (to include all social aspects of development). This phase will include building government's resilience to shocks, strengthening institutional capacity, developing standards on disaster-risk reduction etc.

The UN medium term response to COVID19 in CAR will prioritize social protection and access to public services with focus on the following areas: 1) Scale up and expand resilient and pro-poor social protection systems including cash transfers; 2) Maintain essential food security and nutrition services; 3) Ensure continuity and quality of water and sanitation services; 4) Secure sustained learning for all children, preferably in schools; 5) Support the continuity of social services and access to shelters; 6) Support victims of Gender-Based Violence (GBV); 7) Building resilience through the development and application of sustainable livelihoods approaches to strengthening strategic prioritized value chains; 8) Support to COVID-19 survivors and affected SMEs to enhance life skills and competencies to help re-start an economic activity including through income-generating activities leading to sustainable incomes. Moreover, with a view to ensuring sustainability of gains and promoting resilience of even the most vulnerable, the UN will support the Government in finalizing a national Social Protection Policy.

- **The long-term recovery** could include measures to reduce the risks associated with a return of COVID19, through better sustainable management of natural resources, alternative livelihoods and income-generating activities, and sustainable food production, among other measures to reduce risk and vulnerability and support state restoration in CAR. There are also

important gender dimensions. But we also need to go further. In “***Building Back Better***”, the crisis provides an opportunity to develop and implement policies along the provision of basic services to the population, ranging from water & electricity supplies, to decent medical and state-run infrastructures, roads, technological services and the sustainable management of natural resources.

The **long-term recovery response** will therefore include a) Providing integrated, country-specific policy advice and programme support to Government and the population focusing on protecting workers and sectors who are most impacted by the crisis, to prevent the collapse of economic activity and jobs; b) Scaling-up employment intensive programming including through supporting young people/women and social partners on building professional competencies, entrepreneurial skills and social innovation; c) Proposing nature-based solutions for development, including for SMEs; d) Digital and technological innovations, starting with digital payments and the strengthening of internet networks and coverage; e) Empower community resilience, participation, early warning and service delivery as well as support measures to ensure access to food for the most vulnerable segments of the population who will be hardest hit by the impending economic downturn caused by COVID-19 and e) Support to governance, social dialogue and cohesion and the rule of law. The longer-term response must also necessarily include larger-scale programmes aimed at providing the population with sustainable essential basic services including water and energy, building critical infrastructures for the delivery of and access to these services (including medical).

These interventions would necessarily build on and expand beyond the scope of the **Global HRP COVID19 Plan** (April-December 2020), and in particular **Strategic Priority 2** (“Preserve the ability of people most vulnerable to the pandemic to meet their food consumption and other basic needs through their productive activity and access to social safety nets and humanitarian assistance”).

### 3. Transparency & Accountability Framework for Results

Under the overall strategic guidance of the RC, the UN System in CAR will ensure accountability for this joint, integrated response, with a robust monitoring and reporting system, to effectively monitor progress towards intended outputs, ensuring that resources entrusted to the UN agencies and partners are utilized appropriately. The implementation of this Integrated response recovery and resilience plan will be mainly guided by an accountability framework, with strategic indicators and targets. Consistent with the UN framework and its efforts towards a human rights-based policy response to the crisis, strategic indicators will serve to ensure a strong shared and mutual accountability framework among all stakeholders, and guarantee continued national ownership and alignment. The accountability framework will be operationalized through regular meetings to ensure stakeholder engagement, as well as regular progress reports setting out achievements, budget implementation, and finding solutions to operational bottlenecks. Risks logs will be maintained and reviews undertaken as per the established UN project management standards. Reports will be shared with all relevant stakeholders, including through newsletters, and lessons learnt exercise will be conducted to inform any future response.

### 4. Management Arrangements

To implement the above Integrated Programme, the UN in CAR will use an already established pooled fund facility – the “Ezingo Fund” which will be re-purposed accordingly, to implement short-to-long term recovery activities that will contribute to addressing the root causes of vulnerability and build resilience to future disasters. Specifically, national, local and community capacities will be strengthened, and all recovery interventions will be led by Building Back Better (BBB) and resilience principles. The communities most affected and those most vulnerable to COVID-19 will be prioritised. In accordance with the UN Framework for the Immediate Socio-Economic Response to COVID-19, extra care will be taken to ensure that the interventions taking place under this programme are different from those featuring under the Global HRP Covid-19 and that there are no overlaps or duplication. The UN has a comparative advantage in terms of its large development portfolio to build on. A significant proportion of programmes portfolio are being adjusted and this can be accelerated to meet urgent needs in terms of social protection, and psycho social support, immediate socio-economic activities, and more.