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The Digitization of Emergency Cash Assistance During COVID-19 in Colombia

In March of 2020, the Government of Colombia expanded existing social assistance programs to help shield households from the economic impact of lockdown orders associated with COVID-19. The programs included the launch of *Compensación del IVA*, an unconditional cash transfer (UCT), supported by value-added tax (VAT) revenue, designed to support Colombian households living in extreme poverty. This case study examines the government's rapid deployment of the cash transfer payments via mobile wallets from March to April of 2020. The goal of deploying the funds digitally was to stem COVID-19 infections and distribute benefits quickly. However, beneficiaries faced technological challenges associated with the mobile wallet, and 23 percent of mobile money recipients reported delays or difficulties accessing the transfer (compared to 10 percent of cash recipients). Lessons from the Colombian government's rapid deployment of digital payments and the consequences of the

digitized UCT for beneficiaries have important implications for the digitization of emergency cash transfers in response to the COVID-19 pandemic as well as future emergencies.

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