Policymakers across the developing world are facing the need to make rapid decisions on their COVID-19 response with little available data or guidance. IGC is working to support these decision-making processes by increasing the supply of data and distilling relevant policy guidance. We are launching a large collaborative data collection effort to provide policymakers with access to the best available data on the spread of the virus and its evolving economic impact so that the policy responses can be tailored to the local context and capacity and adjusted in real time. We are also drawing on the expertise of researchers in economics, development and health to set out provisional guidance based on the limited evidence available so far. This policy guidance reflects our current thinking. It is a living document that will be updated as new evidence becomes available.

Christopher Adam, Professor, University of Oxford
Marcella Alsan, Professor, Harvard Kennedy School
David Atkin, Professor, Massachusetts Institute of Technology
Oriana Bandiera, Professor, London School of Economics and Political Science
Erik Berglof, Professor, LSE; formerly Chief Economist, EBRD
Tim Besley, Professor, London School of Economics and Political Science
Robin Burgess, Professor, London School of Economics and Political Science
Michael Callen, Professor, London School of Economics and Political Science
Katherine Casey, Professor, Stanford University
Paul Collier, Professor, Blavatnik School of Government, University of Oxford
David Cutler, Professor, Harvard University
Dave Donaldson, Professor, Massachusetts Institute of Technology
Edward Glaeser, Professor, Harvard University
Michael Greenstone, Professor, University of Chicago
Astrid Haas, Policy Director, International Growth Centre
Jonas Hjort, Professor, Columbia University
Chang-tai Hsieh, Professor, University of Chicago
Kelsey Jack, Professor, University of California Santa Barbara
Adnan Khan, Professor, London School of Economics and Political Science
Asim Khwaja, Professor, Harvard Kennedy School
Michael Kremer, Professor, Harvard University and Nobel laureate in Economics
Eliana La Ferrara, Professor, Università Bocconi
David Lagakos, Professor, University of California, San Diego
Jonathan Leape, Professor, LSE, and Executive Director, International Growth Centre
Stephen Luby, Professor, Stanford University School of Medicine
Rocco Macchiavello, Professor, London School of Economics and Political Science
Mushfiq Mobarak, Professor, Yale University
Imran Rasul, Professor, University College London
Mar Reguant, Professor, Northwestern University
Nicholas Stern, Professor, London School of Economics and Political Science
Matthieu Teachout, Research Director, International Growth Centre
Nick Tsivanidis, Professor, University of California Berkeley
Andrés Velasco, Dean, School of Public Policy, LSE; formerly Finance Minister, Chile.
Tony Venables, Professor, University of Oxford; formerly Chief Economist, DFID.
Eric Verhoogen, Professor, Columbia University
Leonard Wantchekon, Professor, Princeton University
Christopher Woodruff, Professor, University of Oxford
Overview

1. **The COVID-19 health crisis is an economic crisis:** Limiting social interactions to slow the spread of the virus has also limited economic interactions essential to employment and trade, leading to a collapse in economic activity in developing countries, undermining livelihoods and increasing extreme poverty and hunger. Policies that help deal with the economic crisis are an essential part of the set of policies needed to deal with the health crisis. A functioning economy is crucial to population health, especially in high poverty communities.

2. **The policy responses in developed countries to the COVID-19 crisis do not provide a good model for developing countries:** The imposition of extended blanket lockdowns risks causing widespread deprivation and unintended health consequences in developing countries, which are also experiencing sharp drops in commodity prices, remittances, tourism and trade and have limited fiscal and institutional capacity to support vulnerable households. The COVID-19 policy response in developing countries must take into account these factors and be tailored to the local context in each country.

3. **Containment strategies must weigh COVID-19 health risks against deprivation and long-term economic damage:** In poorer countries, lockdowns are already having devastating effects on incomes and consumption, driving significant numbers of households into extreme poverty and severe deprivation. The COVID-19 response also has other health implications, as immunisations are not being undertaken, mothers are not going to hospital to deliver and other conditions are going untreated. In the longer term, mass unemployment, in the formal and informal sectors, and measures such as school closures risk scarring a generation. Governments must design containment strategies that reduce contagion while limiting the economic, health and social damage.

4. **Supporting livelihoods is crucial:** Direct support to individuals, where feasible, is a crucial element of the policy response. The crisis has already led to a dramatic expansion of social protection in middle income countries. In these countries, expanding coverage should be the priority, as discussed below. In low income countries, however, social protection for the poorest is minimal. Support from the international community is essential. But it is only a partial solution, not least as poor countries have limited capacity to deliver support directly to those worst off, especially where the newly vulnerable are different from traditional beneficiaries. Policies aimed at enabling individuals to continue to be active economically, in the formal and informal sectors, are likely to be the only way to sustain livelihoods in these contexts.

5. **Containment should stop the interactions that create the most contagion risk and allow the interactions that do most to reduce deprivation:** In countries where populations are extremely vulnerable to the economic dislocation created by lockdowns, and where the public sector has limited capacity to provide social assistance, some interactions can be safely banned whereas others must continue. Local knowledge should be used to evaluate the need for an initial short period of lockdown and the role for a wide range of intermediate policies towards interactions. This can enable a smart approach to containment that:

   - Ensures continued access to food, critical health care and other essential items.
   - Limits broad lockdowns, where deemed essential, to short periods of time to reduce the impact on livelihoods.
   - Imposes (and lifts) restrictions locally, taking into account regional and local prevalence and trends in infection rates as well as the economic impact, rather than imposing a uniform national policy.
Promotes physical distancing wherever feasible, and encourages learning by local governments and communities on how best to achieve this.

- Bans large-scale gatherings that provide little economic (or health) benefit.
- Allows economic activities to continue while encouraging appropriate distancing and hygiene protocols.
- Develops tools that will make it safer to end containment policies, such as distribution networks for face masks and PPE, sentinel surveillance and possibly individual testing.

6. Effective messaging is essential to secure community support: Governments must signal the enormity of the challenge as the first step in securing the required change in behaviour and support for public action. Local conditions may suggest that an initial period of broad lockdown is necessary ‘shock therapy’ for this purpose, but there may also be other ways of impressing the seriousness of the challenge. More generally, clear, consistent, and effective messaging – backed by data as it becomes available – across communities and all parts and levels of government will be necessary to secure popular support for containment measures. Achieving high rates of individual compliance with hygiene, distancing and mobility regulations will require effective messaging informed by behavioural science, and working with local leaders to ensure effective dissemination of messaging through communities. Without buy-in from local communities, containment strategies are unlikely to succeed. The messaging should also focus on de-stigmatisation of individuals, so that those who are potentially infected feel comfortable taking proactive measures like self-isolating and seeking medical care, and of specific communities, usually minorities, so they are not targeted as disease vectors.

Policy response: Smart containment strategies

Containment strategy primarily concerns restrictions on human interactions; these restrictions must weigh contagion risks against the benefits of interaction. In this section, we categorise interactions to ban and interactions to permit, and discuss the many interactions where appropriate action depends on local conditions. We also discuss policies that can make interactions less dangerous, like public hygiene and policies that can enable better decision-making about imposing and lifting restrictions on interaction.

1. COVID-19 cannot be fought without data: Policy decisions regarding when, where and how to impose and lift restrictions require data on prevalence, trends and transmission. Data is also necessary to assess growing risks of deprivation or even hunger. Large-scale individual COVID-19 testing may not be feasible in most low-income countries, and so governments must leverage on approaches that provide the most information with limited testing facilities, e.g. pooled testing and measures of hospital utilisation, while urgently investing in other data sources. In addition, data is needed on food prices in local areas to identify shortages and feed into policy responses. These issues are discussed in the ‘data priorities’ section below.

2. Hygiene measures can help reduce the risks from interaction: While physical distancing is the most effective measure for reducing transmission, hygiene measures can help reduce the risks from interactions (while also reducing the risks from other contagious diseases). Priority should be given to hygiene measures that are effective in the local context, backed by effective public messaging to increase social pressure and government and NGO resources to increase access to clean water:

- Handwashing and hand sanitising, possibly supported by free distribution of water and soap.
- Coughing and sneezing into the elbow.
- Disinfecting public places and public transport.

3. Preventing harmful interactions:

- **Physical distancing, isolation, and shielding:** High priority should also be given to physical distancing, particularly in public places, and especially to isolation of infected people and shielding of the vulnerable. Policies must recognise the challenges posed by high density informal settlements, where, for example, isolation may require use of other physical barriers, including face masks, and hygiene measures (especially where no physical barriers are possible). Priority should be given to measures to promote:
  - Physical distancing in public places, as the highest priority measure.
  - Use of face masks, or other facial coverings, where feasible, especially for the infected.
  - Self or family quarantine to isolate the infected or the exposed, where feasible.
  - Shielding of the most vulnerable, through isolation or alternative measures.
  - Special measures in high density settings such as informal settlements where isolation and shielding are most challenging – such as ensuring sufficient water supply without requiring residents to wait in long lines and publicly provided handwashing stations and quarantine spaces, where feasible.

- **Restrictions on public gatherings and higher density interactions:** Restrictions are also needed on events and settings that make physical distancing difficult or impossible, such as large sports or religious events. Caution is needed, however, in applying restrictions to large public markets where these are a vital part of commerce and food supply. Policy priorities are:
  - Imposing a ban on large public gatherings.
  - Ensuring that policy responses to the crisis do not create new public gatherings, by distributing food or cash assistance from central locations, for example.
  - Regulating, not banning, high density markets that are a vital part of the food chain, including spacing out markets where feasible to support physical distancing.
  - Using public hygiene tools, such as handwashing stations, hand sanitiser, free face masks, and disposable gloves to limit contagion risk and supplement physical distancing, which may be difficult to maintain in some markets.

- **Restrictions on large scale migration:** Mass migration can spread the disease to new regions and involve high levels of contact between the travellers. Migration may be particularly risky when it is from a high prevalence region to a low prevalence region, and from low transmission (R0<1) to high transmission areas. Policy should aim to:
  - Limit large scale migration events, such as religious holidays, wherever possible.
  - Consider the appropriate local approach to urban-rural migration taking into account support for livelihoods, food supplies, prevalence rates and transmission rates in cities versus relevant rural areas, as well as whether agricultural labour is needed for harvests.
  - Impose quarantine requirements to limit the risk that migrants bring disease into low prevalence communities.
4. Enabling necessary interactions:

- **Maintaining supply chains, especially for food, healthcare and other essentials:** Where governments lack the fiscal and institutional capacity to support livelihoods directly, measures to maintain supply chains, employment and trade are critical for avoiding mass deprivation. The highest priority should be given to maintaining supply chains in food, health care and other essentials.
  - Containment measures should be designed to minimise disruptions to key supply chains, especially those for food, health care and other essential goods, as the burden for supplying these goods will otherwise fall to the public sector which lacks the capacity to do so at the scale needed.
  - Transmission risk along vulnerable nodes of the food supply chain, such as large markets and transport links, should be reduced through physical distancing, hygiene measures and mask wearing, reinforced by public messaging.
  - Data on food prices in local areas should be monitored to identify shortages and feed into policy responses.
  - Governments should explore co-ordinating their procurement of essential supplies – such as masks, personal protective equipment (PPE) and medical supplies – with other countries to improve supplies and quality during this period when markets are not working efficiently.
  - Border controls should be monitored to avoid unnecessary disruption to international trade and supply chains.
  - Containment measures should minimise disruption to other markets, supply chains, and transport links, with the aim of maintaining internal trade and economic activity where physical distancing and/or hygiene measures can keep the risk of transmission low.

- **Supporting rural areas:** Most poor people live in rural areas, which is also where most food is produced. In some countries, agricultural exports are a key source of foreign exchange, especially now with the collapse of natural resource prices. Agricultural productivity involves collaboration with other farmers and with transport services. Consequently, many rural interactions must continue.
  - Physical distancing must not interfere with planting and harvesting, which determine yearly incomes for farming households, and provides the food supply to keep prices affordable elsewhere.
  - Food distribution must continue to connect rural areas with urban customers. Public hygiene steps, such as face masks and disposable gloves, should be used to limit the spread of contagion along the food supply chain.
  - Rural areas often have the information that they need to set their own containment policies. Whenever possible, rules should be set at the lowest possible level.

- **Maintaining critical public services:** Governments must identify which public services should be prioritised and should ensure the supply of people and goods to provide those services remains robust.
  - The health sector is particularly critical, but also particularly vulnerable. The development of context appropriate practices to reduce risks and the supply of personal protective equipment (PPE) is vital for health workers that interact with COVID-19 patients.
Public safety is at risk during any crisis, especially since the health of police personnel is also at risk. Public sector workers who are needed to maintain public safety should also be prioritised for PPE and hygiene measures, as should vital transport workers.

Data collection and analysis is essential to guide the policy response and target scarce public resources.

Governments must identify which public services to prioritise and the financial and non-financial challenges of maintaining their effectiveness.

5. Complementary policies:

- **Mobility restrictions**: Governments should adopt a local approach to containment, prioritise mobility restrictions on people, and seek to minimise restrictions on the movements of critical goods and services, and on goods more generally.
  - Adopt a local approach to containment, taking local prevalence and trends in infection rates into account when imposing and lifting restrictions.
  - Allow movement to enable economic activities where physical distancing, mask wearing and other measures can be used to manage the risk of contagion.
  - Adopt a cautious approach to imposing restrictions where the risk of long-term harm is greatest (e.g., school closures).
  - Require face masks while travelling, where feasible.
  - Protect movement in the supply chains for food, health care (including health care providers) and other essential services.
  - Protect movement for public safety and other critical public services.
  - Limit large scale movement where not essential.

- **Restrictions on dense but economically important settings such as markets and factories**. Any setting where many people interact creates risk of contagion, but these settings may also be important to economic productivity and supply chains. Priorities vary by sector. Manufacturing demand has collapsed and may not return to same level, so restructuring may be necessary. Demand for urban services remains, as does agriculture demand, so the challenge is to keep supply chains open.
  - Dense settings that are vital part of food supply chains, such as markets, must remain open with the strongest feasible physical distancing measures.
  - Opening low-density capital-intensive factories may be feasible, but opening high-density labour-intensive factories is challenging, even though the impact of closures on livelihoods is greater. Work is needed on whether assistance might be provided leveraging the payroll of these large firms.
  - Allow movement to enable economic activities where physical distancing, mask wearing and other measures can be used to manage the risk of transmission.
  - Monitor changes in global value chains and manage their impact, where feasible.
Policy response: Supporting vulnerable households

Lockdowns are already having devastating effects on incomes and consumption, driving significant numbers of households into extreme poverty and severe deprivation. Therefore, support to vulnerable households during this period is crucial. In this section, we outline different forms support can take, directly to vulnerable households, in the form of food distributions, supporting firms and employment as well as delivering support through international supply chains.

1. **Direct support for vulnerable households**: Urgent action is needed to support households affected by the crisis. Where feasible, governments should prioritise:
   - Increasing eligibility for social assistance: Given the urgency of providing assistance and the lack of information on vulnerability, governments should immediately broaden eligibility for existing programmes, eliminating conditionality altogether where possible, to minimise gaps in coverage.
   - Identification of the newly vulnerable: Lockdowns will create a broad group of newly vulnerable households and increase potential for higher malnutrition and greater within-household inequalities (with women and girls potentially at higher risk). Often, these newly vulnerable will not be covered by existing social protection programs, where they exist.
   - Identification of existing channels for emergency support: Governments should assess who is currently covered by existing social protection programmes, banks and mobile money, and the overlap with newly vulnerable groups. Mobilising and coordinating with NGO and civil society sectors is also critical.

2. **Food distribution**: The limited scope of cash transfer programmes in low income countries and the current food supply chain issues and food price rises mean that establishing effective systems to distribute food safely are a priority. Where there are existing food support programmes, these can be built on. Centralised food procurement can also act as a form of income transfers to poor rural areas. It is important to note that collection from central distribution points could compromise physical distancing; decentralised distributions are therefore preferable. Food distribution can only be a short-term strategy and in the long run ensuring sustainable access to affordable food, through maintaining supply chains will be critical.

3. **Supporting firms and employment**: Providing direct support to firms is unlikely to be an effective way of delivering immediate support to vulnerable workers, where the majority of workers are operating in the informal sector. More work is needed on the scope for targeted assistance to medium and large firms, including through development finance institutions such as IFC and CDC. However, given the impossibility of providing broad wage support, as developed countries have done, more work is urgently needed on innovative ways to support informal sector employment.

4. **Delivering support through international supply chains**: Millions of workers and farmers are employed in the supply chains of global firms, such as apparel retailers and agricultural traders and processors commodities. These supply chains already have in place payment, monitoring and IT systems that can support the timely delivery of cash transfers. International firms should seek to maintain these supply chains to channel support to workers in the short term, where possible, and to maintain employment and purchasing relationships in the longer term, to reduce scarring effects.
Policy response: Exiting lockdown and post-COVID-19 recovery

Work is needed now on how to support and manage the post-COVID-19 economic recovery. This will be an essential element of the exit strategy from containment, but is also important to minimise the long-term economic harm from the crisis and the containment and other measures imposed now. It will require a combination of both a health and economic strategy.

1. **Health strategy:** Governments should start to develop their post-lockdown strategy now. This will require an assessment of the feasibility of antibody testing, antigen testing, contact tracing (both internally and at borders) and mask requirements, as well as triggers for re-imposing lockdown. Since demand will exceed supply for diagnostic tests in the foreseeable future, there is a need for alternative data, such as sentinel surveillance and individual symptoms data, as well as a strategy for prioritising who should receive tests (e.g., health workers, police, essential government workers, those involved in maintaining essential supply chains). Furthermore, international support will be needed to secure access to and distribution of vaccines for developing countries, once one has been developed. Governments should start now to educate people about the vaccine, working to destigmatise and build trust. Community health workers can play a critical role in administering tests and vaccines.

2. **Economic strategy:** Further work is already needed to inform government decisions on the appropriate actions to support economic recovery from the COVID-19 crisis and on long-term economic strategies, which will be different in a post-COVID-19 world. This will include addressing questions such as the role for import protection, food security as well as what can be done to stimulate large-scale job creation following the crisis.

Policy response: Maintaining trust in government

Maintaining trust in government is the foundation of an effective COVID-19 response: During periods of crisis, a lack of trust worsens outcomes – from bank runs, to food stockpiling to compromising physical distancing to get food. Governments must act in ways that reinforce trust in the functioning of basic systems, and maintain popular support for the COVID-19 policy response. Consistent policies and a clear delineation of responsibilities across government for crisis response are important, as are improving data and transparency and effective enforcement and delivery.

1. **Improving data and transparency:** Given the high level of uncertainty around the impact of the pandemic and the policy responses, increasing the supply and quality of data is essential both to inform policy choices and to maintain public support, especially if restrictions extend for a long period (see last section below).

2. **Effective enforcement and delivery:** Given the limits on state capacity, all public services and policy measures must be assessed in terms of the ability of governments to deliver and enforce them. Ensuring compliance is critical.

3. **Enlisting community support:** Given the limits on state capacity, local support and initiative is critical. Local leaders must be well informed and integrated in the national effort. Community groups must see this struggle against the pandemic as their struggle.

Data priorities to support the policy response

A continuous supply of up-to-date data will be important to foster learning and improve the policy response. It is important that government set up mechanisms to track how different levels of government are responding to the crisis. These should be simple and not place extra burden on staff, and should be designed to help the central government support lower tiers.
1. **Local health data:** Local data on prevalence are needed to better understand the spread of COVID-19 and, in particular, to support localised containment strategies. In the absence of an adequate infrastructure for individual testing, other options should be pursued as a matter of urgency. Different data sources will complement each other and allow triangulation. For example:

- Household phone surveys can be useful to capture prevalence of symptoms. IVR can be used to generate sample frames where needed.

- Data collection by community health workers, for example, to record real-time data on symptoms or pneumonia cases (or to capture local food prices, see below).

- Surveys of district hospitals to collect data on pneumonia cases, as an indicator of COVID-19 infections.

- Sentinel surveillance measures (such as tests of waste water for presence of COVID-19 virus) to help ascertain local prevalence.

- Targeted individual testing, where feasible, to calibrate symptoms and sentinel data.

- Smartphone location data to evaluate adherence to physical distancing, travel within cities, etc.

2. **Data on economic activity:** Granular data on the economic impact of the crisis is essential to inform government policies on the imposition, easing and design of containment measures and on the potential need for assistance to support livelihoods.

- **Data on food prices:** Local data on food prices are essential for identifying food shortages and for understanding the pressures on household incomes. Governments need higher frequency data on local food prices, since price variations can be substantial given that markets are often poorly integrated.

- **Data on businesses and households:** High frequency survey data on businesses and households including the informal sector can be used to inform the magnitude of the support needed as well as where support is most needed.

- **Data on customs payments and VAT:** High frequency customs data and the firm-to-firm transactions data from electronic billing machines can provide near real-time indicators of international trade and internal economic activity.

- **Data on logistics, supply chains and border crossings:** Real-time data on truck delays, ports and container availability could help identify bottlenecks. Administrative or GPS data on sub-national transport, particularly food could help identify shortages and supply chain issues.

- **Mobile phone data:** Call detail record (CDR) and mobile money transactions data can provide rich, high frequency information on the economic impact of the crisis.

**Note:** For correspondence regarding this guidance note, please contact Professor Jonathan Leape, Executive Director, International Growth Centre (j.leape@lse.ac.uk and copy-in COVID-19@theigc.org).
The International Growth Centre (IGC) aims to promote sustainable growth in developing countries by providing demand-led policy advice based on frontier research. The IGC directs a global network of world-leading researchers and in-country teams in Africa and South Asia and works closely with partner governments to generate high quality research and policy advice on key growth challenges. Based at LSE and in partnership with the University of Oxford, the IGC is majority funded by the UK Department for International Development (DFID).