



Transforming Cash Transfers:

Beneficiary and community perspectives on the
Palestinian National Cash Transfer Programme

Part 1: The Case of the Gaza Strip

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Executive summary

1. Study context and methodology

There is **growing evidence of the impact of social protection on reducing poverty and vulnerability**. Social protection measures are increasingly being implemented in developing countries as a buffer against severe economic shocks or continued chronic poverty, especially targeting vulnerable groups. Many countries in the Middle East region have a long history of social protection rooted in a safety net approach. But there has been limited recognition of the social inequalities that perpetuate poverty, such as gender inequality, unequal citizenship status and displacement as a result of conflict, and the role social protection can play in tackling these interlinked socio-political vulnerabilities.

The **unique political, economic and poverty context of Gaza** – a narrow sliver of land between Israel and Egypt, home to more than 1.6 million people packed into one of the world’s most densely populated areas – presents opportunities as well as challenges for implementing a social protection programme that addresses the multidimensional nature of poverty and vulnerability. On the plus side, the Palestinian Authority (PA) is strongly committed to a social protection agenda and to a rights-based approach to welfare in Gaza, despite the difficulties arising from the internal political division between the West Bank and Gaza governments, and the ongoing Israeli imposed blockade. Importantly, too, senior officials embrace the importance of ongoing programme strengthening and lesson learning. Key challenges, however, include: the growing political and territorial isolation resulting from the relentless imposition of increasingly stringent barriers to mobility of people and goods; the long-drawn-out Israeli-Palestinian conflict and internal factional conflict between the two main Palestinian political parties; a strangled economy and dwindling job opportunities; limited coordination among the wide array of actors providing and funding social protection and relief; and a lack of social accountability mechanisms. All these factors have resulted in a state of deep deprivation, soaring rates of unemployment, particularly among women and young people, and chronic humanitarian needs interspersed by periods of acute violence, war and displacement.

The **Palestinian National Cash Transfer Programme (PNCTP)** launched in 2010 in the West Bank and in 2011 in Gaza is the largest unconditional cash transfer programme in the Occupied Palestinian Territories (OPT), is managed by the Ministry of Social Affairs (MoSA) and aims to reduce poverty in the West Bank and Gaza, focusing on extremely poor households. The programme is the result of the 2009–10 merger of two pre-existing programmes: the Relief and Social Services Social Safety Net (funded by the TIM/PEGASE mechanism) and the Social Safety Net Reform Project (funded by the World Bank). The reformed programme involved an important shift to poverty-based targeting and quickly achieved a substantial increase in coverage – from 55,000 to more than 95,000 households.

Eligibility for the PNCTP is determined through a proxy means test formula (PMTF) that measures 31 variables on different aspects of consumption. There is also specific consideration in determining the eligibility of especially vulnerable groups, including households headed by women, and those with members who are disabled, chronically ill or old. A joined-up policy approach means that extremely poor households in the programme are eligible for free health insurance, food assistance, waiver or reduction of university fees, and lump sum disbursements from the Emergency Assistance Programme. In addition, as access to the Gaza Strip remains difficult - as a result of both ongoing blockade and internal factional divisions-, the management and decision-making structure of the PNCTP is handled centrally in MoSA Ramallah, while delivery and implementation of the programme takes place in Gaza, with some degree of coordination with the Hamas-run MoSA in Gaza. This ‘remote management’ solution has allowed the inclusion of poor and extremely poor Gazan households in the PNCTP.

This qualitative and participatory perception study, commissioned by the UK Department for International Development (DFID), focuses on **beneficiary and community perceptions of the PNCTP** and on beneficiaries’ experiences of the multidimensional nature of poverty and vulnerability. It is part of a broader research project in five countries (Kenya, Mozambique, OPT, Uganda and Yemen) by the Overseas Development Institute (ODI) in partnership with national research teams. Given the increasingly divergent political and poverty contexts in the OPT, there are two separate reports: this one on the Gaza Strip and another on the West Bank. However, given that the programme is national in scope, the two research teams developed joint policy and programme recommendations, highlighting key differences where appropriate.

The **research sample** in the Gaza Strip included both beneficiary and non-beneficiary households (129 in total), and focused on female-headed households (FHHs) – widows, and divorced and separated women. A smaller number of male-headed households were also selected for comparative purposes. FHHs are a major target group of the PNCTP and, according to national poverty and vulnerability data, are highly vulnerable (as confirmed by poverty monitoring data). While every effort was made to ensure that the research participants reflected a cross-section of the sample communities (e.g. in terms of age, family type, length of programme involvement), the research sample should not be seen as nationally representative. As the study focused mainly on FHHs, the transferability of findings to other groups is also limited. Further work would be needed to understand similarities and differences among different vulnerable social groups. The ‘no contact policy’ of the UK’s Department for International Development (DFID), which prohibits contact with the Gaza *de facto* authorities, has prevented engagement with the Hamas-run MoSA established in 2007 following Hamas’ takeover of the Gaza Strip. As a result, key informant interviews with MoSA managers and social workers affiliated with Hamas were not conducted and their perceptions, opinions and experiences have not been included in this study.

The research sampled households in two urban and peri-urban areas of the Strip, including refugee camps: Rafah (Rafah governorate) and Beit Lahia (North Gaza governorate). These sites were selected based on the prevalence of general poverty profiles – the highest percentage of extreme poverty in the Strip is found in these two governorates – and specific vulnerabilities arising from their locations near the borders with Egypt and Israel respectively. Rafah and Beit Lahia have been exposed to repeated and highly destructive large-scale Israeli military operations and incursions accompanied by deaths and injuries, and particularly acute displacement, loss of assets, and livelihood sources.

2. Programme mechanics and governance

The aim and rationale underpinning recent reforms, and the PNCTP in particular have not been fully appreciated by the vast majority of respondents (beneficiaries and non-beneficiaries). There is general realisation that the programme has undergone some changes and that it is currently targeting the poorest families in Gaza, but the vast majority of respondents lack good understanding of **programme mechanics**. Most remain largely unaware of the shift from categorical to poverty-based targeting and of the introduction of the PMTF to determine eligibility and retention in the programme. Instead, many are under the impression that eligibility criteria are linked to vulnerable categories (e.g. disability, chronic illness, large family size) and/or to social workers’ assessments, but also to political affiliation and/or the pervasive system of patronage or *wasta*. Terms such as ‘injustice’ and ‘unfairness’ were also frequently used during discussions on targeting, eligibility criteria and retention in the programme particularly when describing the weight given to housing conditions and family size, and cases of transfer of ownership of the cash transfer (for example from FHHs to other family members, most often their male kin whom they live with).

Programme governance in Gaza is fraught with challenges as the result of the political and territorial division between Ramallah and Gaza since 2007 and the establishment of a parallel MoSA institution in Gaza. There are particular problems around human resources, inter-agency coordination, monitoring and evaluation mechanisms, information flow, and fiscal sustainability.

The capacity of social workers is especially weak. This is due to the sudden and continuing large-scale evacuation of qualified staff from their positions in the wake of Hamas’ takeover of Gaza and the lack of capacity-building support as a result of the ‘no contact’ policy with Hamas. Because of high data collection demands, very large case loads, limited capacity and low number of staff, social workers, who play a key role in implementation, can offer limited support to households in tackling multi-dimensional vulnerability. Furthermore, under-investment in both staff capacity and the **sharing of information at different levels** has meant that many beneficiaries mistakenly believe or suspect that eligibility criteria are linked to political affiliation and/or the pervasive system of patronage or *wasta*. Many believe that social workers decide who is eligible for the cash transfer and the amount they receive. Social workers however are often unable to explain to beneficiaries the poverty-targeting and rights-based approach underpinning the PNCTP or how targeting works in practice, and struggle to efficiently carry out their bridging role between programme designers and beneficiaries. Poor

investment in human resources capacity is a particularly critical shortcoming of the programme, and needs to be addressed as a priority. This should include discussions on how to reinstate at least some of the workers who were operating before Hamas' takeover, and who are still at home.

Strong **coordination mechanisms** within and across government, development partners and NGOs – a common challenge for social protection programmes everywhere – is a weak area of programme governance. Links with some ministries (e.g., women's affairs, justice, and labour) have yet to be established, although there is growing cooperation with the United Nations Relief and Works Agency (UNRWA) in an effort to avoid duplication of support. Linkages with the wide range of national and international NGOs providing relief and social services in the Strip are also weak. An added layer of complexity is the coordination between MoSA Ramallah and MoSA Gaza, which appears to be mostly *ad hoc* and does not follow systematic and consistent procedures. Further work is needed to strengthen cooperation between the two ministries.

This said, the development of a **national registry system or database** represents an excellent tool for facilitating coordination on poverty and vulnerability reduction across government agencies at both central and subnational levels, and potentially also with non-government organisations (NGOs). Given that the establishment of the database is quite recent, this potential is yet to be realised and will require careful attention to legal and data protection issues. The database also represents an important opportunity for **monitoring and evaluation** (M&E). MoSA has been cooperating proactively with development partners in a range of impact assessment initiatives on various aspects of the programme, but a clear M&E strategy, including participatory approaches, has yet to be embedded.

In terms of delivering accountability, there is some way to go yet. A **grievance mechanism** has been established by MoSA Gaza, but complaints are often not responded to in a timely and systematic way. Most beneficiaries either ignore the existence of grievance channels or find them unhelpful, and most have reportedly struggled to have their concerns addressed or simply answered, with many receiving contradictory information when contacting MoSA Ramallah and MoSA Gaza. Some merely opted for accepting the situation and preferred not to lodge a complaint. Again many were under the impression that grievance mechanisms are also linked to political affiliation and/or *wasta*. In the absence of regional social protection committees in Gaza, household eligibility is predominantly determined through the PMTF which is run in Ramallah. However, given the political division between the Palestinian Authority (PA) and Hamas, there appear to be very limited, if any, possibilities for MoSA in Ramallah to further investigate the consumption situation of applicants and beneficiaries in Gaza. Beyond targeting issues, there is a dearth of **feedback and social accountability mechanisms** (e.g. such as community scorecard or social audit approaches) whereby programme implementers listen to programme beneficiaries and other community members' views on a regular basis.

Financial sustainability is also a major concern. The PA and its development partners acknowledge that there are around 125,000 extremely poor households in both the West Bank and Gaza in need of assistance, but the programme is already stretched financially, with 15,000 eligible households on a waiting list in Gaza. As yet, there is also **no viable exit** or 'graduation' strategy for beneficiaries, something that is especially challenging given the prevailing political context and the limited job opportunities available to vulnerable groups in Gaza in particular.

3. Poverty, vulnerability and coping strategies

The research highlighted the severe impacts of macro structural and political influences on household-level coping strategies and confirmed the multidimensional nature of poverty and vulnerability, and the persistence of humanitarian needs in Gaza. There were frequent mentions that poverty is widespread throughout Gaza as a direct result of the ongoing blockade, recurrent conflict, displacement, and destruction of livelihood sources and assets. Loss of dignity and humiliation were widely associated with these processes. The **most vulnerable households** were identified as: those where the household head is unemployed; those with many children; those with disabled or chronically ill members; and FHHs. Like most Gazans, the vulnerability of FHHs to poverty is linked to: highly constrained job opportunities; strained informal social protection mechanisms; dwindling assets and skills base; and rising psychosocial ill-being. In addition, the vulnerability of FHHs in Gaza is also strictly linked to the multiple gender and community norms that profoundly constrain their ability to

move freely, take up paid jobs outside the home, and in general exercise their agency to choose the course of their lives and that of their children.

People reported using a range of **coping strategies** to meet the household's essential needs (indeed, many used the cash transfer to pay or part-pay debts or take on loans), including reducing consumption of food, selling personal belongings, buying essential items on credit, and approaching Islamic organisations or other I/NGOs for help during the most difficult times. Support from nuclear and extended family members and other social networks was also frequently mentioned. However, many were quick to add that this was more common and more reliable in the past as rising poverty levels and poverty risks have affected the majority of households in Gaza and in turn the ability of networks to extend support. Despite high levels of deprivation, families – both female- and male-headed households – placed great value on ensuring that their sons, and in particular their daughters, were able to gain higher education, with parents often stretching their household resources to make sure that their offspring went to university.

When probed, male and female respondents often talked about the enormous **psychological and social burden** they face as a result of the blockade, unemployment, and ongoing violence and conflict. Drug addiction as a way to escape the grim reality and cope with feelings of powerlessness and frustration appears to be on rise among young and adult Gazan men, whose familial and societal role as male breadwinner is increasingly challenged. Destitution and desperation were the main reasons pushing boys and young and adult males to engage in livelihood activities that carried huge risks to their safety and well-being, such as rubble collection near the buffer zone in Beit Lahia and work in the 'tunnel industry' in Rafah. FHHs are caught in poverty traps, and appear to be highly isolated, struggling to cope in the context of the low socio-cultural status and limited options associated with being poor and female in the Palestinian context.

4. Experiences with the cash transfer programme

The findings of this study indicate that beneficiaries regard the cash transfer programme as an important but limited component of their overall economic coping strategies. For some of the most vulnerable, particularly FHHs, it represents a critical safety net. At the same time all beneficiaries also indicated that the amount of cash is too little to cover basic household needs, especially in large families, and that without additional sources of assistance (formal and informal) they would not be able to cope by relying on the PNCTP only. While the cash transfer is widely perceived as a reliable and regular source of household income, all beneficiaries strongly expressed their preference for cash to be distributed on a monthly rather than quarterly basis so that they could better manage their debts and ensure a more frequent influx of cash into the household.

Some elements of programme design are clearly contributing to **positive effects** at the individual, intra-household and community levels, and there were frequent mentions of the disastrous repercussions that withdrawal of assistance would have at all levels. At the individual level, the cash transfer is allowing divorced, separated women and widows to meet the basic needs of their families, giving them greater economic independence and a valued sense of security and enhanced psychological well-being. At the household level, it has helped to smooth consumption patterns, allowed the purchase on credit of essential household items and basic services, and has also allowed some investment in human capital, particularly higher education, and social capital (such as participation in social occasions like weddings and visits to newborn babies).

That said, **negative effects**, at the individual and household levels, included creating dependency, linked to the lack of a viable exit strategy for beneficiaries. At the household level and community levels, tensions and feelings of envy towards beneficiaries were reported as a result of the new source of income. These sentiments also spilled into the community sphere and generated some levels of intra-community tension and discontent. While these feelings were not escalating into overt violence, they need to be addressed through improved communication to beneficiaries and community members about programme functioning and targeting mechanisms – particularly in light of the decreased social cohesion and fragmented social space that Gazan communities are experiencing.

5. Policy and programme recommendations

The report concludes by presenting evidence-informed **policy and programme recommendations in six areas**, divided into 'quick wins' and shorter- and longer-term changes that could significantly strengthen the programme's potential impact, not only in tackling individual and household poverty and vulnerability but also in strengthening social cohesion and state-citizen relations. The findings provide further support for the view that, without tackling broader inequalities and the marginalisation of certain groups who are excluded from full social and political participation, meaningful and sustainable approaches to poverty reduction are likely to remain elusive.

1) Targeting

- Take steps to reduce inclusion errors in a context of high resource scarcity, including complementing the PMTF targeting approach with qualitative assessments and facilitate programme access for eligible households on the waiting list.
- Establish inter-agency social protection committees, but simultaneously ensure that there are adequate checks and balances in place so as to minimise opportunities for clientelism.
- Expedite processing time and streamline support documentation procedures so as to reduce acute deprivation and anxiety.
- Ensure that the cash transfer is disbursed in the name of the female head of the household.
- Review the PMTF to ensure it is context-specific.
- Introduce a cadre of MoSA data collectors to implement the database development and verification processes. These would complement the role of regular social workers, especially the latter's ability to facilitate referrals to other services and support, including regarding psychosocial vulnerabilities.

2) Transfer amount and frequency

- Introduce payments that are inflation-indexed given spikes in the cost of living.
- Increase frequency of cash transfers from quarterly to every two months to smooth expenditure and consumption patterns.
- Consider options to reallocate resources within existing budget parameters, including from other social transfer initiatives which are less pro-poor.

3) Capacity-building

As Gaza is a complex 'remote management' situation, additional efforts must be made to train and support social workers to deal with particular challenges they and potential beneficiaries face:

To overcome the complexities of funding and deliver training to social workers in Gaza, consider the possibility of outsourcing the training function to a third party.

Consider the implementation of management procedures such as setting up a buddy system to increase support among social workers and address feelings of isolation.

Establish incentives, procedures and monitoring systems, to improve the efficiency and professional development of social workers, address grievances and enhance motivation.

Create and develop linkages between UNRWA and MoSA social workers to foster cross-agency learning (also through on-the-job training, coaching or mentoring), exchanging of experiences, and general skills and capacity-building.

Invest in programme awareness-raising and opportunities for cross-agency synergies.

4) Citizen awareness-raising

- Invest in awareness-raising efforts with programme beneficiaries and wider communities to strengthen programme information flows and accountability, as well as state-citizen relations.

Increase the number of bank branches in Gaza from which beneficiaries can access cash to reduce overcrowding and long queues.

Utilise the bank as a source of community-programme implementer interaction.

Communicate programme information and success stories via radio and print media.

5) Programme governance

- Strengthen coordination and communication between MoSA Ramallah and MoSA Gaza, particularly around targeting (reviewing the recent introduction of pre-conditions for

application to the PNCTP and the PMTF); the system of promotions and rewards of social workers and other staff; and discussions on how to re-instate at least some of the workforce that is currently at home.

- Develop a programme governance framework, including greater decentralisation and citizen participation in monitoring and evaluation and social accountability processes.
- Strengthen citizen grievance procedures and feedback channels.
- Strengthen coordination across government agencies, NGO and religious organisation service providers, facilitated by the national registry system and a mapping of complementary services and programmes.
- Strengthen coordination among development partners and INGOs, especially in relation to M&E/information exchange/learning.

6) Development of tailored packages of social assistance

- Ensure that the future roll-out of the PNCTP is embedded within a broader social protection strategy that includes linkages to complementary forms of social assistance (e.g. asset transfers, fee waivers), social security and social services.
- Undertake district-specific mappings of available public, private and NGO services to identify potential synergies as well as critical gaps; develop a costed action plan to address these.
- Promote shifts in gender norms, roles and expectations to strengthen the contribution of the PNCTP to tackling gender-specific vulnerabilities.
- Develop employment counselling units within MoSA to support beneficiaries to supplement their income and gradually exit from the programme.
- Develop and implement tailored social assistance and social services to people with disabilities and those who are chronically ill.
- Develop and promote the uptake of integrated psychosocial support services, including local community centres where beneficiaries can meet and discuss.
- Provide opportunities to undertake voluntary work to support MoSA activities so as to improve citizens' sense of self-worth, identity and potentially longer-term employability.