



# Transforming Cash Transfers:

Beneficiary and community perspectives on the  
Palestinian National Cash Transfer Programme

Part 2: The case of the West Bank

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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**, and 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, or displacement as a result of conflict, and of the role social protection can play in tackling these interlinked socio-political vulnerabilities.

The **unique political, economic and poverty context of the West Bank** 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<sup>1</sup> (PA) is strongly committed to its implementation and has promoted a rights-based approach to welfare, enshrined in law; and the Ministry of Social Affairs (MoSA), the key implementing agency, arguably has relatively high political salience and influence compared with social development ministries in other developing countries. Another important aspect is that senior officials have embraced the importance of ongoing programme strengthening and lesson learning. Key challenges, however, include a weak economy, high levels of unemployment (particularly among women and young people), limited coordination among those providing and funding social protection, a weak monitoring and evaluation (M&E) culture, a lack of social accountability mechanisms, and the continuation of the Israeli occupation, which significantly limits the extent to which families and communities can function normally, both socially and economically.

The **Palestinian National Cash Transfer Programme (PNCTP)** in the West Bank, launched in 2010 and managed by the Ministry of Social Affairs, 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 European Union (EU)'s Temporary International Mechanism (TIM)/PEGASE<sup>2</sup>) and the Social Safety Net Reform Programme (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 households to more than 95,000 households. The PNCTP is a household-level benefit (750 to 1,800 New Israeli shekels (NIS) depending on the level of household poverty) paid quarterly to household heads.

**Eligibility** for the cash transfer is determined through a proxy means test formula (PMTF) that measures 31 variables on different aspects of consumption. There is also specific consideration given to especially vulnerable groups, including households headed by women, people with disabilities, and chronically ill or older people. The number of households who receive the transfer is rationed according to funding constraints, resulting in a waiting list, even among eligible households. A joined-up policy approach means that extremely poor households in the programme are also eligible for free health insurance, food assistance, and school fee waivers, and can apply for a lump sum from the Emergency Assistance Programme.

Drawing on qualitative and participatory research methodologies, this research study focuses on **beneficiary and community perceptions of the programme** 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, Occupied Palestinian Territories (OPT), Uganda, and Yemen) by the Overseas Development Institute (ODI) in partnership with national research teams, commissioned by the UK Department for International Development (DFID). Given the increasingly divergent political and poverty contexts in the OPT, there are two separate reports: this one (Part 2) on the West Bank, and another (Part 1) on Gaza. However, given that the programme is national in scope, the two

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<sup>1</sup> Throughout the report, this term is used in line with the terminology used in the Oslo Accord signed in 1993.

<sup>2</sup> *Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique*

research teams developed joint policy and programme recommendations, highlighting key differences where appropriate.

The **research sample** in the West Bank focused predominantly on female-headed households who, according to national poverty and vulnerability data (and confirmed by poverty monitoring data), are highly vulnerable. Beneficiary and non-beneficiary households were included in the research, as were a smaller number of male-headed households for comparative purposes. The research sampled households within and outside refugee camps in Hebron and Jenin districts, both characterised by high levels of poverty and with an historical legacy of heightened socio-political vulnerability due to proximity to settler communities (Hebron) and associated political tensions and violence and incursions (Jenin). Given the research project's broader focus on socio-political exclusion, a Bedouin community in Jerusalem Governorate, Area C, was included in the sample. 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. Further work would be needed to understand similarities and differences among different vulnerable social groups.

## 2. Programme mechanics and governance

After describing the conceptual framework, the country and programme context, the methods used and characteristics of the two study sites, we provide an overview of **programme mechanics**, including a discussion of the proxy means test-based targeting mechanism, the beneficiary enrolment process, distribution of cash through bank accounts, the transfer amount, coverage rates, linkages with complementary poverty-reduction programmes, and programme funding sources. According to a 2012 World Bank evaluation programme targeting is pro-poor with an acceptable margin of error according to international standards. Even so, a number of beneficiaries and non-beneficiaries alike complained of perceived inclusion as well as exclusion errors; although this may be partially attributed to low levels of public awareness about the programme targeting approach. Overall beneficiaries reported that they greatly preferred the distribution of cash payments to their bank accounts which was much simpler and less time consuming than the previous system, despite often lengthy waits at the bank. However, there were widespread complaints about the transfer amount (especially among those who now received less than prior to the programme reforms of 2010) and frequency (quarterly - which was seen as too spread out). There was also considerable dissatisfaction with the lengthy application process and the often time-consuming paperwork demands it entails; as well as with the on-going reassessments of household assets and consumption patterns which many saw as unnecessarily intrusive. This said, as highlighted below, beneficiaries viewed the programme as an important part of their coping repertoire and also highly valued the linkages to complementary programmes and services which programme inclusion facilitated.

The study then considers key aspects of **programme governance**, covering institutional and human resource capacity, financial sustainability, monitoring and evaluation (M&E) mechanisms, and inter-agency coordination. The findings highlight tensions over the role of social workers, who play a key role in implementation but, because of data collection demands and large caseloads, have little time to support vulnerable families in tackling their multidimensional vulnerability, including facilitating linkages to vital psychosocial services. Due to poor internal and external communication about how the programme works, many people mistakenly believe that social workers decide who is eligible for the cash transfer and the amount they receive; yet social workers are often unable to explain the new poverty targeting approach and how the targeting mechanism works in practice, because of limited capacity-building opportunities. More generally, under-investment in staff **capacity** has been a critical shortcoming of the programme, and will need to be addressed as a priority. In particular, the role of social workers needs urgent attention if they are to play an effective bridging role between programme designers and beneficiaries.

Strong **coordination mechanisms** within and across government, development partners and non-government organisations (NGOs) – a common challenge for social protection programmes everywhere – is arguably one of the weakest areas 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) to avoid duplication of support. While a sector working group has been set up among development partners to coordinate

social protection support and to streamline M&E efforts, a broader range of stakeholders could be included to better reflect experiences of multidimensional vulnerability (e.g. UN Women, given their role in supporting services designed to tackle gender-based violence). Linkages with national and international NGOs providing social services at the district level are also weak. This said, the development of a database, the **national registry system**, represents an excellent tool for facilitating coordination on poverty and vulnerability reduction across government agencies at both central and sub-national levels, and potentially also with NGOs. However, given that it was established quite recently, it has yet to realise its full potential and will require careful attention to legal and data protection issues.

The database also represents an important opportunity for **monitoring and evaluation**. 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 it.

In terms of **delivering accountability**, the programme still has some way to go. A grievance mechanism is in place, but complaints are often not responded to in a timely and systematic way. The Complaints Unit has limited staffing and its electronic database is not yet operational, which means they are only dealing with 40–50% of complaints. Lack of clear guidance on the decision-making role of regional social protection committees, which ‘vet’ new applications, has also caused tensions. Beyond targeting issues, there is a dearth of feedback and social accountability mechanisms (such as community scorecard or social audit approaches) whereby programme implementers regularly listen to the views of programme beneficiaries and other community members.

**Financial sustainability** is also a major concern. The PA and its development partners acknowledge that there are around 150,000 extremely poor households in need of assistance, but the programme is already stretched financially, with thousands of eligible households on a waiting list. Contrary to beneficiary perceptions that the programme is exclusively funded by ‘Europeans’, MoSA contributes around 50% of costs (although the PA itself is heavily reliant on international assistance). As yet, there is also no viable exit or ‘graduation’ strategy for beneficiaries – something that is particularly challenging given the limited job opportunities available to vulnerable groups in the OPT.

### 3. Poverty, vulnerability and coping strategies

Having provided a general overview of the programme, the study next turns to focus on community and beneficiary programme experiences and perceptions.

The research findings confirmed the multidimensional nature of poverty and vulnerability: respondents reported experiencing a range of inter-connected economic, social and health vulnerabilities. The **most vulnerable households** were identified as those headed by refugees, women (including widows, divorcees, single women who never married, and households where the male is absent) and Bedouins, who face particular deprivations in terms of housing infrastructure and basic utilities such as water and electricity. Families with people with disabilities, chronically ill or older people, and (in a growing number of cases) members with substance abuse problems, are also recognised as being particularly vulnerable. Women face discrimination and exclusion in many areas. For instance, women’s participation in the labour force (2010) was just 14%, compared with 67% for men; socio-cultural norms limit their mobility and decision-making autonomy (particularly young women, widows and divorcees), their voice, and their access to services (including legal aid and violence prevention and protection services) or support networks. This is significant, as those individuals or households who lack voice, agency or *wasta* (social connections) were regarded as less likely to receive support through the cash transfer or other programmes.

People reported using a range of **creative coping strategies** to meet the household’s financial needs, including reducing consumption of food, water, electricity, and clothing. Some women tried to take on extra work, where work was available and their family caring responsibilities and socio-cultural norms allowed it. Others reported selling personal belongings or approaching religious organisations or private charities; when circumstances became desperate, some parents admitted to engaging their children in paid work. Some women with large families said they had resorted to trying to marry off their daughters early, even if that meant the end of the girl’s education. When probed,

respondents also talked about the enormous psychological and social burden they face, with female-headed households in particular struggling to cope in the context of the lower socio-cultural status attributed to being poor and being female in the Palestinian context.

## 4. Experiences with the cash transfer programme

The report concludes that **beneficiaries regard the cash transfer programme as an important but limited component of their range of economic coping strategies**. For some of the most vulnerable, particularly female-headed households, it represents a critical safety net. Many used the cash transfer to pay or part-pay debts or take on loans. Beneficiaries also valued the other sources of government support linked to programme membership (e.g. health insurance, waiving of school fees, food aid) as well as the ability to hear about additional avenues of assistance (e.g. from NGOs, religious organisations or private charities). However, local implementing staff, and beneficiaries and non-beneficiaries alike, had limited knowledge of the aims of the programme and the reasons behind the recent reforms.

Some elements of programme design are clearly contributing to **positive impacts at the individual, intra-household, community and state-citizen levels**. At the individual level, the cash transfer is allowing many women to meet their family's basic needs, giving them greater economic independence, and restoring a basic sense of personal dignity. At the household level, it has increased women's decision-making and bargaining power, is helping to smooth consumption patterns, and even allowing some investment in human capital (e.g. education or training) and social capital (such as participation in social occasions like weddings and religious festivals). In some cases, it has also eased intra-household and/or extended family tensions along gender and generational lines. At community level, it has strengthened knowledge of additional sources of support, and facilitated the emergence of informal support networks among some programme beneficiaries. Finally, at the state-citizen level, it is promoting a sense of rights-based entitlement to social support from the state.

However, some **negative impacts** need to be addressed as a priority. These include, at the individual level, creating dependency, linked to the lack of a viable exit strategy for beneficiaries. At household level, the transfer has, in a minority of cases, introduced new tensions and/or exacerbated pre-existing ones within extended families, leading to loss of informal sources of support and even stigmatisation in some cases; misuse of the funds (e.g. for drug or alcohol abuse, which are increasingly prevalent) may also be entrenching negative power relations. At community level, exclusion errors resulting from clientelistic and patriarchal institutions that influence community-based targeting need to be addressed. Finally, the fact that many people are not giving the PA credit for its role in delivering and funding the programme is a missed opportunity to strengthen **citizen-state relations**; given the context of local and regional political volatility, this is an area that needs to be urgently addressed. Part of the problem is under-investment in the government's public communication and outreach approach. However, the research findings also highlighted limited awareness about existing grievance mechanisms, as well as a dearth of other feedback channels and opportunities for beneficiaries to participate in programme monitoring and evaluation – key deficits in terms of the programme's **social accountability**.

## 5. Policy and programme recommendations

The report concludes by presenting evidence-informed **policy and programme recommendations in six areas** (summarised below), divided into 'quick wins', and shorter- and longer-term changes that could significantly strengthen the programme's impact, not only in tackling individual and household poverty and vulnerability but also in strengthening social cohesion and state-citizen relations. Where applicable, the recommendations refer to examples of international good practice (see Annex 4). 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 severe resource scarcity

- Complement PMTF targeting approach with qualitative assessments
- Expedite processing time and streamline support documentation procedures
- Strengthen the mandate and decision-making role of community networks, but simultaneously ensure that there are adequate checks and balances in place so as to minimise opportunities for clientelism
- Introduce a cadre of MoSA data collectors to implement the database development and verification processes, who would complement the role of social workers, freeing up the latter to focus on facilitating referrals to other services and support, to address people's psychosocial vulnerabilities and needs

## **2) Transfer amount and frequency**

- Introduce payments that are inflation-indexed to mitigate spikes in cost of living
- Increase frequency of cash transfers from quarterly to every two months to help beneficiaries 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**

- Invest in capacity-building for social workers involved in the cash transfer programme, focusing on monitoring and evaluation (M&E) and learning approaches, as well as the specific challenges facing the most vulnerable groups (female-headed households, Bedouin communities and people with disabilities)
- Invest in programme awareness-raising and opportunities for cross-agency synergies
- Establish incentives, procedures (including grievances) and monitoring systems to support social workers' professional development and enhance their motivation
- Create and develop linkages between MoSA and UNRWA social workers to foster cross-agency learning, exchange of experiences, and general skills and capacity-building (including through on-the-job training, coaching and mentoring)
- As Gaza is a complex 'remote management' situation, make additional efforts to provide tailored training and support to social workers

## **4) Citizen awareness-raising**

- Invest in awareness-raising efforts with programme beneficiaries and wider communities so as to strengthen programme information flows and accountability, as well as state-citizen relations
- Utilise the bank as a point of interaction between programme implementers and community members to better understand programme features and processes, and also to get access to information about additional programmes and sources
- Communicate programme information and success stories via radio and print media

## **5) Programme governance and accountability**

- Develop a programme governance framework, including greater decentralisation and citizen participation in M&E and social accountability processes
- Strengthen grievance procedures and feedback channels (for beneficiaries and non-beneficiaries)
- 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 international NGOs, especially regarding M&E, information exchange and learning

## **6) Developing tailored packages of social assistance**

- Ensure that the future roll-out of the cash transfer programme 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 cash transfer programme 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 the chronically ill
- Develop and promote the uptake of integrated psychosocial support services, including local community centres where beneficiaries can gather, meet and discuss issues of common concern

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