A mapping of cash-based assistance in the Gaza Strip

a preliminary output of an external review for Oxfam GB

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Introduction

This report one of several planned outputs from a consultancy process managed by Oxfam GB and funded by ECHO, and run in coordination with the Food Security Sector. The review process includes the following elements:

- A mapping of current cash programming in Gaza
- A focus on preparedness for using cash in future emergencies in Gaza
- Several workshops with cash practitioners
- Technical support to agencies interested in strengthening their work in this area

Context

The economic situation of Gaza cannot be normalised until the blockade comes to an end, people can move freely, and products can be exported. Until this time, humanitarian and development actors can only work to provide an interim solution. The situation is considerably complicated by the no-contact rules, which have forced the creation of parallel systems.

The components of the current situation include the private sector, the public sector, a formal safety net, parallel employment creation schemes, a range of short term and ad-hoc assistance, and informal social safety nets. This nature of each component has evolved over time, in response to changing circumstances and in some cases, detailed evaluation findings. However, it remains piecemeal, incomplete and reactive, as opposed to a joined-up holistic approach guided by best practice.

The cash-based projects mapped and discussed in this report form part of this evolved landscape, which embraces both the economy and the assistance sector. It is hoped that this report can contribute towards a more strategic vision for assistance within Gaza, at least as long as the blockade persists.

If the safety net were fully funded and well targeted, then the work of agreeing this strategy would be considerably easier. Instead, the status quo involves a substantial overlap between the safety net, development programming and humanitarian response.

Methodology and limitations

This report is based primarily on secondary data provided by humanitarian agencies, although the opinion and insight of practitioners has been sought and included. The Cash Technical Working Group undertook a survey of work in Gaza in 2014, which provided valuable baseline information and a list of potential contacts. A common framework was used then to collect data on individual projects and remote interviews were held with programme managers to clarify details and explore associated issues.

It was not possible to visit Gaza during this phase of the project, and this was a constraint to data collection and validation – although the consultant has conducted research and evaluations previously in Gaza, which mitigated this in part.

Fortunately, it was possible to conduct a preliminary workshop simultaneously in Ramallah and Gaza with a video link. The workshops were very well attended: the 37 participants¹ included representatives of several line ministries, NGOs, UN agencies, donors and cluster coordination. This report is not a record of the workshop, but does include aspects of the discussions that took place.

The report is the independent work of the consultant: it does not represent the views of Oxfam GB or the workshop participants.

¹ There were 26 participants in the main Gaza workshop, and 11 in the Ramallah extension.
The framework used to consider cash projects

Project data was collected through a detailed matrix including up to 29 fields for each project. The structure below is a simplified version of the matrix, and provides a convenient way to think about cash transfer projects.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project purpose</td>
<td>The purpose relates to the intended objective of the project, and describes the change that is anticipated the project will achieve. This includes the distinction between developmental objectives, safety nets and support to those most affected by the chronic situation, and immediate relief to sudden-onset shocks.</td>
</tr>
<tr>
<td>The transfer value</td>
<td>The financial value of each transfer; the number and frequency of the transfer, and any variations based on the situation of the recipient (for example, larger households getting more assistance). In addition, the justification for setting the value at this level.</td>
</tr>
<tr>
<td>Targeting criteria</td>
<td>Who is eligible for the transfer? How are these people identified and validated? Targeting typically includes geographic and vulnerability criteria, and may include other factors such as refugee status.</td>
</tr>
<tr>
<td>Contribution from beneficiary</td>
<td>The contribution which a beneficiary household agrees to make in order to qualify for the assistance – often in the form of labour, but occasionally in other forms including financial contributions.</td>
</tr>
<tr>
<td>Restrictions on expenditure</td>
<td>Limitations placed on the expenditure of the transfer, defining what the money can (or cannot) be spent on.</td>
</tr>
<tr>
<td>Transfer process and partners</td>
<td>The means by which the money is transferred to the beneficiary – as physical cash, through a paper voucher or other token, or as some form of electronic transfer: to a bank account, through a stored value card, or through a virtual wallet system held on a mobile phone.</td>
</tr>
</tbody>
</table>

Note: The term ‘conditional’ is frequently used to describe some types of cash transfer, but in two distinct and potentially confusing ways – described above as contributions and restrictions. To avoid this confusion, this report avoids the word – although the term ‘unconditional’ remains useful, describing a transfer where neither form of constraint is applied.
**Cash projects involving a labour contribution**

There are subtle but significant differences between the various programmes in this category.

The employment creation programmes for graduates and professionals are seen as distinct from mainstream CfW, and this distinction is expressed both in their purpose, and their application. They ensure that people with technical skills are able to put those skills to use. At the graduate level, such programmes also provide new graduates with an opportunity to gain experience of the workplace.

The majority of the mainstream CfW projects have quite strong coherence. All seek to provide cash income to well-targeted vulnerable households, and do so at broadly similar levels of assistance, as a result of some successes in coordination and the cluster level. But in terms of their duration and the assets they support they vary quite widely, with some emphasising public assets, good and services, and others investing into privately held assets of farmers, small business people and individuals. In addition, at least one project pays artisans to work on their own small businesses, presumably allowing them to build up some form of financial buffer.

While recognising these distinctions, this report uses the term *cash for work* as convenient shorthand for all projects that require a labour contribution from the participants.

**Challenges associated with traditional CfW**

Cash for Work has a long history in both development and emergency response globally, and some of this history is rather chequered. The following issues can affect cash for work projects:

- Lack of clarity about objectives
- Amount of daily wage may not be equivalent to the income gap
- Pulling participants away from seasonal employment
- Other opportunity costs associated with full time engagement with the project
- Targeting, especially for households with limited labour potential
- Poor overlap between households working and households benefiting from the asset
- Poor correlation of target asset with community priorities
- Access to and ownership of the completed asset

Many of these difficulties can be addressed in well-designed projects – especially where the project purpose is very clearly defined, and the project design is adapted to reflect the context.

**The duration of cash projects with a labour contribution**

**Variation in duration**

There is no standard sector-wide guidance on the appropriate duration for cash for work projects: it tends to reflect the project purpose or the time taken for the physical works, as well as practical considerations such as seasonality and overall budget.

The projects within the study fall into two very distinct groups for this part of the exercise. UNRWA’s employment creation projects tend to provide longer-term support, while NGO projects tend to be of shorter duration – although there are quite dramatic variations.

For the purposes of this report, rather than trying to untangle the purpose of each project from its supporting documentation, an objective (but fairly arbitrary) distinction will be made: projects offering income in exchange for labour will be classified as cash for work if they are for less than 100 days, and employment creation if they are offer more than 100 days of work. One UNRWA project falls below this threshold (unskilled labour) and one NGO project falls above it (Islamic Relief Graduate project).

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3 The term ‘asset’ describes the focus of the work programme – usually physical assets such as roads, ponds, drainage canals, water harvesting systems, protective dykes, and so on.
consistent with the commercial sector – and actually better than the market for agriculture and construction sectors.

The majority of projects target vulnerable households with an income gap, and many have additional factors that are considered in the targeting process. But all pay skilled workers (who are described in different ways) more than they pay unskilled workers: the payment amount is set based on the marketplace and the capacity of the worker, rather than by the vulnerability of the household.

Figure 3: daily rate

It is worth clarifying that the projects shown on the chart can be very different in terms of scale. Some employ only a few tens of people, and others employ thousands. The points on this chart relate to current projects from 2014-15 only.

Findings

The consistency in wage rates in the NGO sector is impressive, and has reportedly come about through effective coordination, leadership and example. The difference between the rates paid by NGOs and UNRWA is harder to explain, as both sets of projects are firmly grounded in the employment market (rather than being driven by income gaps).

Opportunities exist to:

- Clarify the purpose and objectives of these two groups of projects, to understand if these are truly distinct or could be harmonised
- Consider the perspective of participants and beneficiaries, on whom these fine distinctions are likely to be lost anyway
- Clarify the position of the legal ‘minimum wage’ and determine how it applies to humanitarian CfW projects
- Focus on providing a wage that is fully appropriate to the context and the intent of the project, as opposed to a compromise that is broadly acceptable to most partners.
Gender issues in CfW programming

Gender and programmatic decision-making
Designing gender appropriate projects is challenging in Gaza, and agencies have adopted different approaches to targeting, entitlements, and the choice of recipient within the household.

For example, the approach of one CfW agency is to apply different project durations for male and female participants. It is recognised that there are clear justifications for targeting female-headed households, but this may be a separate matter from the gender of the person who takes part in the work programme.

The outcome of this gender-based distinction is that female participants work for twice as long as male participants, and earn twice as much overall. But while it is clear that female-headed households are more likely to be vulnerable, it’s not obvious that their needs are automatically greater, or that more protracted support is appropriate. The basis for targeting is distinct from the basis for determining the appropriate value of the cash transfer.

Aid agencies often deliberately target women as recipients of assistance, and projects in Gaza have often adopted this approach. More recently, though, some agencies have been rethinking this. There is qualitative evidence available that suggests that men’s loss of the traditional breadwinner role (as a result of the economic blockade and resulting lost opportunities) has been psychologically damaging, and even that levels of household violence have increased as a result. Some targeted female beneficiaries of unconditional grants have specifically requested that their husband be registered as the recipient of the cash payment, to restore their role as ‘breadwinner’.

There is, of course, an important distinction between the gender of the person identified (in public) as the breadwinner, and the balance of power within the household when it comes to (private) financial decision-making.

Findings
Gender analysis appears to vary quite markedly between agencies, and consequently there are differences of opinion about the best way to apply such analysis to the area of project design.

Opportunities exist to:

- Strengthen the quality of gender analysis, looking at a range of factors and situations, and disaggregating findings by socio-economic group where necessary, through new and focused sector-wide research.
- Strengthen the understanding of the findings of such research, and agree within the cluster the most appropriate way to apply them to programming.
Where responses took place, they built on existing capacity and projects, and funded their responses with a mixture of new money and redirected funds. The next phase of this consultancy project will consider the swift use of cash based responses as part of contingency planning for future shocks.

Two of the three projects made transfers that were scalable with household size, as substantial Gaza-based research (and common sense) suggests that needs increase roughly proportionally with household size: ACF made a flat payment, but at a higher transfer value. Oxfam GB and PU-AMI each provided a total of 600 NIS per capita: Oxfam GB paid this in two tranches, while PU-AMI delivered it in one go. PU-AMI explained that the amount was based on a monthly payment of 100 NIS per head, calculated over a six-month period, and distributed as a lump sum.

To date there have not been evaluations of these responses – it might be interesting to evaluate them jointly.

**Figure 7: UCT conflict-affected overview**

This graphic shows a range of data for the three agencies that made unconditional cash transfers after the conflict.

The vertical bars show the range of payments possible with each agency, and they are located along a horizontal date axis.

The upper end of these bars reflects the largest household size per project: 13 for Oxfam and 14 for PU-AMI. Average household sizes were 3.9 (OGB) and 4.6 (PU-AMI): average payment amounts are shown with a white dot.

The pink circles show the total scale of each agencies programmes, measured in terms of the number of households reached.

**Findings**

UCT has been tested as a means of post-conflict response. Agencies are happy with the results, but projects have not yet been subjected to external evaluation.

UCT has also been used in response to winter storms, but not as widely.

Opportunities exist to:

- Evaluate the effectiveness and impact of the UCT responses to conflict undertaken so far, leading to further consideration of appropriate total amounts and phasing of the UCT. Which approach is most effective?
- Within this evaluative process, identify the factors that allowed timely response, and the factors that delayed the response.

**Unconditional cash and the safety net**

Unconditional cash transfers have been a part of most CfW projects for many years. Where a household qualifies for the programme, but has no labour capacity, they are either given the transfer ‘for nothing’ or else given lighter duties such as childcare or catering – and this rarely causes any difficulties with the labouring households. The CfW projects in Gaza generally follow this pattern.

This section, however, considers UCT used in isolation of CfW projects.

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**Findings**

In medium term programming, UCT and CfW have very similar objectives. The effective ceiling on CfW payments (created by the fixed daily rate) means that in some cases they will be insufficient to close the income gap, and the objective will not be met.

Opportunities exist to

- Consider ways of increasing CfW income into the household, such as allowing multiple members to work at the same time,
- Consider combining CfW with UCT, so that larger households can get an income from CfW and a UCT top-up
- Reconsider the purpose, effectiveness and duration of the six-month exclusion rule.
Beneficiary preferences
There is much talked about beneficiary preferences, and it is an area which is very difficult to unpack. Both beneficiaries and programme managers tend to express preferences for the modality they are most familiar with, and the manner of questions being asked can strongly influence outcomes.\(^6\)

Preferences for the nature of the assistance
It is proposed to use a proportional piling exercise with small groups of beneficiaries, drawn from multiple agencies’ lists, disaggregated into specific categories. The framework for the piling would be something like this, using 25 counters per row:

![Figure 9: Exercise 1-4 - preferences for the type of assistance](image)

<table>
<thead>
<tr>
<th>Cash for Work</th>
<th>Conditional cash</th>
<th>Unconditional cash</th>
<th>Commodities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal times</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>During conflict</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immediately post-conflict</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural disaster</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Preferences for transfer mechanisms
A good range of transfer mechanisms have been tested in Gaza across different programmes, including:

- Cash in hand
- Money paid into bank account
- Money transferred to the bank, and collected against ID
- Electronic voucher, held on plastic card, redeemable in specific shops with POS device
- PalPay (Needs more information)
- Paper voucher, exchangeable with specific traders for named commodities or fixed value

Because of access constraints, there was no opportunity for the consultant to meet with beneficiaries during this visit to explore preferences, but this is planned for the next phase.

![Figure 10: Exercises 5-8 - preferences for the means to make the transfer](image)

<table>
<thead>
<tr>
<th>Plastic card</th>
<th>Transfer to bank account</th>
<th>Collect from bank showing ID</th>
<th>Cash in hand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal times</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>During conflict</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immediately post-conflict</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural disaster</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It would be important to ensure that each group has a mix of experiences, and that each of the options is well explained in advance of the exercise, and reference material is available if necessary to act as a reminder.

\(^6\) A useful new evaluation tool from HPG/ODI recognizes exactly this challenge: 
Cash Based Programming in the Gaza Strip

Figure 11: the impact of the six-month rule

<table>
<thead>
<tr>
<th>Describe the conditions</th>
<th>duration / months</th>
<th>effective duration</th>
<th>proportion coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 month programme, no exclusion period</td>
<td>6</td>
<td>6</td>
<td>100%</td>
</tr>
<tr>
<td>6 month CfW, 6 months exclusion period</td>
<td>6</td>
<td>12</td>
<td>50%</td>
</tr>
<tr>
<td>4 month CfW, 6 months exclusion period</td>
<td>4</td>
<td>10</td>
<td>40%</td>
</tr>
<tr>
<td>3 month CfW, 6 months exclusion period</td>
<td>3</td>
<td>9</td>
<td>33%</td>
</tr>
<tr>
<td>2 month CfW, 6 months exclusion period</td>
<td>2</td>
<td>8</td>
<td>25%</td>
</tr>
<tr>
<td>1 month CfW, 6 months exclusion period</td>
<td>1</td>
<td>7</td>
<td>14%</td>
</tr>
</tbody>
</table>

The majority of NGO CfW projects last 2 or 3 months only. And few households will be able to transition immediately onto a new assistance project at the end of their exclusion period.

Redistribution within the family

Another area that has received little attention is that of redistribution within the wider family. It is broadly assumed that this goes on, but it is hard to measure the scope and scale of such redistribution.

There is a tendency within the humanitarian sector to frown on redistribution, or to pretend it doesn’t happen. We are ‘experts’ at targeting and redistribution undermines our effectiveness. In some cases this may be true, especially where local culture insists that everyone gets the same regardless of need, or in cases where the chief gets half and the other half gets shared around his buddies.

Neither of these scenarios rings true in Gaza, where the situation is rather more complicated. Resources certainly flow within family networks in Gaza, and mostly from the more to the less wealthy. Providing assistance to one part of the family (for example, one household) is likely to influence that flow: reduce it, stop it altogether, or even in extreme cases reverse its direction.

Such sharing is no bad thing – it strengthens social capital and provides a last line safety net. It’s also probably true that family are better judges of the financial situation of their relatives than our proxy indicators.

Redistribution and exit strategy

This kind of sharing and redistribution is probably why we don’t see households go into financial collapse at the end of CfW projects, for example.

To explain this by way of a simple example, let us consider a situation of three similar households within one family: A, B and C. At any time, one of these households is receiving assistance, and sharing some of this assistance with the others. This mitigates the impact of the six-month exclusion period - but it also has the effect of reducing the benefit to the targeted household for the duration of the project. Or seen another way, it increases the effective household size by a factor of three without changing the transfer value.

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7 This was briefly discussed in a previous evaluation report for Oxfam which can be found here: [http://www.cashlearning.org/resources/library/310-unconditional-cash-transfers-in-gaza-an-external-review](http://www.cashlearning.org/resources/library/310-unconditional-cash-transfers-in-gaza-an-external-review), see pages 24 to 26.
Targeting and strategy

A fairly wide range of targeting approaches are used in cash-based programming in Gaza. The main ones are:

The Proxy Means Test Formula (PMTF), used by MoSA and UN agencies, is a way of generating a proxy for household means on the basis of a set of objective observable indicators. It is used to determine a threshold for inclusion in the safety net, while lower thresholds determine access to varying levels of assistance.

NGOs often use the PMTF too, albeit indirectly, by focusing on the households that are not receiving safety net assistance. In addition, they use a mixture of geographic criteria, specific vulnerability and economic criteria and household demographics. Some NGOs use MoSA lists as a starting point; others use household surveys, and some advertise their programmes and invite applicants.

In sudden onset emergencies, additional targeting criteria come into play, that focus on those especially affected, in terms of geographic location and physical damage.

In many cases agencies also use a process of community validation of their beneficiary lists. However, it seems clear that neither proxy indicators of household means on their own, nor specific indicators of vulnerability provide a complete description of the household situation, and even together may be insufficient for finely tuned targeting. Specifically, we don’t know enough about the movement of resources within the family.

A question of coverage

Agencies invest a lot of time and energy into targeting. It has been suggested, above, that the six-month exclusion rule serves in some way as complementary to the challenges of effective targeting: to ensure that all qualifying households get a chance. If targeting could be more precise, then the rule may become redundant. But agencies have different priorities, and different understanding of vulnerability, and an investment in finer resolution of poverty may not pay dividends, especially if the family networks redistribute a proportion of the assistance anyway.

There is another way to consider this, which is hinted at in the introduction: a shift from the reactive to the strategic. Much of the current activity of the humanitarian agencies, quite understandably, seeks to bridge gaps in the safety net. It would of course be better if the safety net were fully funded, and the humanitarian agencies could focus on groups with particular vulnerabilities, specific sectoral or cross-cutting projects – including innovative projects to promote economic development – and emergency preparedness. At the current time, the western donors cannot easily fund the safety net because of the no-contact rules, but other donors can, and the overall support should be complementary.

Findings

Opportunities exist to:

- Advocate with non-western donors to fully support the MoSA safety net, allowing a stronger and more focused approach to humanitarian assistance