



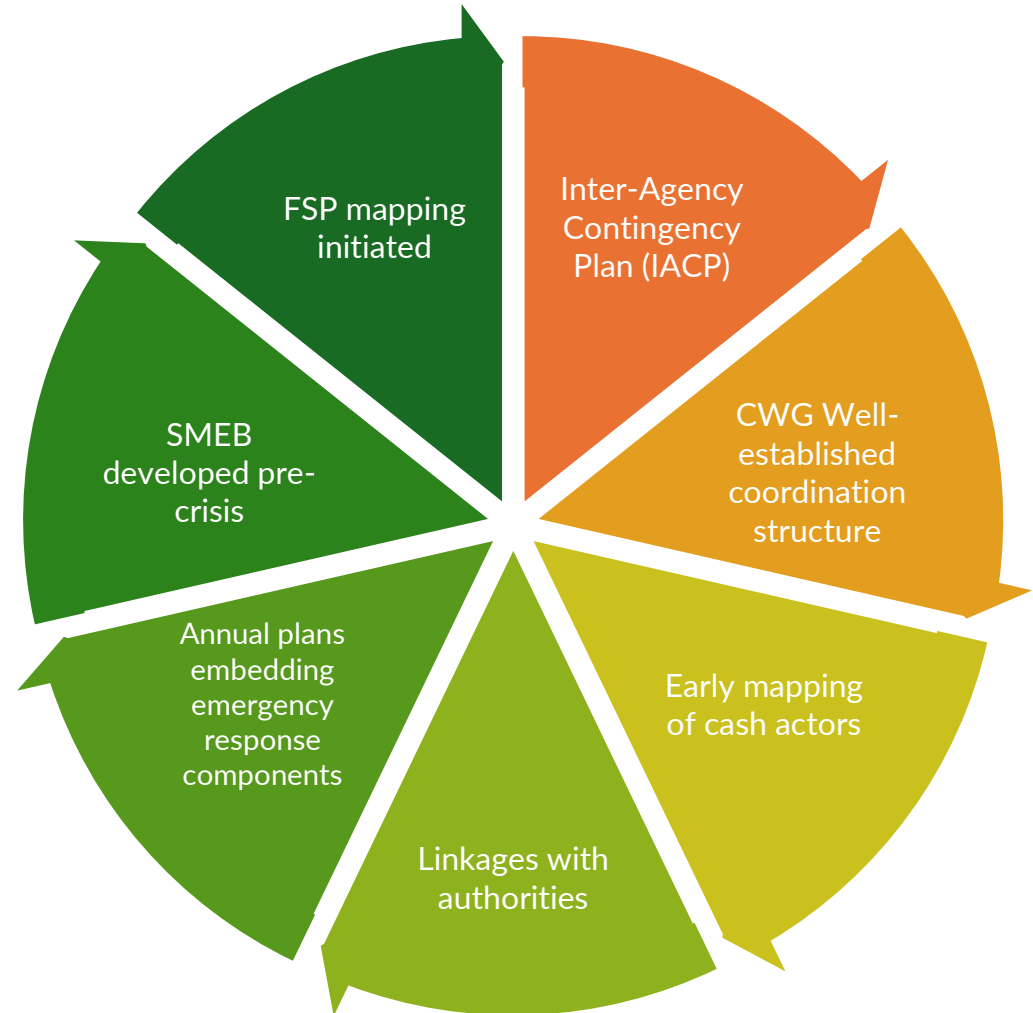
Multi-Purpose Cash response in Gaza

“as long as there is any form of convertible trade in Gaza, cash transfers are relevant”

Context and MPC response

Gaza and CVA Preparedness

- Gaza, occupied in 1967, has been living under siege since 2007.
- It is 365 square km with 2.2 million people, with a significant majority of children and youth.
- It is considered one of the areas with the highest density of population in the world.
- More than half of the population (pre-crisis) lives below the poverty line and 80% was estimated to depend on humanitarian assistance.
- Unemployment rates are among the highest in the world.
- Gaza has experienced 5 major emergencies in the past 17 years.



Context of the crisis

- Conflict started on 7th October – ongoing air, land, and sea bombardment.
- Multiple evacuation orders issued starting 13th October. Currently most areas of the Gaza Strip are affected by direct and indirect evacuation orders. Ground operation initiated on 27th October.
- 2.2 million people (total population of Gaza) are considered in need of humanitarian aid and food insecure.
- 75% of the population is internally displaced – mostly south of Wadi Gaza. Rafah hosts 1.3 million people (pre-crisis population 300,000)
- Risk of famine confirmed through IPC analysis in northern governorates, 95% of the population across the Strip in Phase 3 or above.
- Gaza and West Bank have different governments, contexts, and humanitarian operation systems; but one common SP. Functioning CWG existing in Gaza.



Market and FSP situation

- Formal market system collapsed – **informal market** (street vendors, stalls, truck selling) dominate the economic activities.
- Prices keep witnessing major **fluctuations** across different areas and different moments in time – **generally increased significantly** from pre-crisis levels.
- 22,463 **trucks** entered Gaza since October 07th, representing 32 % of normal entries pre-crisis. Only 10% are from the **private sector**.
- **PalPay** is the only functioning Financial Service Provider (FSP) – able to distribute **across the Gaza Strip** through its agents (250+ pre-crisis, now down to 50/70).
- While cash is available in Gaza, movement of, and access to, **liquidity is increasingly challenging** – BoP working to guarantee cash availability in PalPay agents.



Picture from NY Times website

Characteristics of the MPCA

1. Identification

Joint agreement on common sources of names from day one:

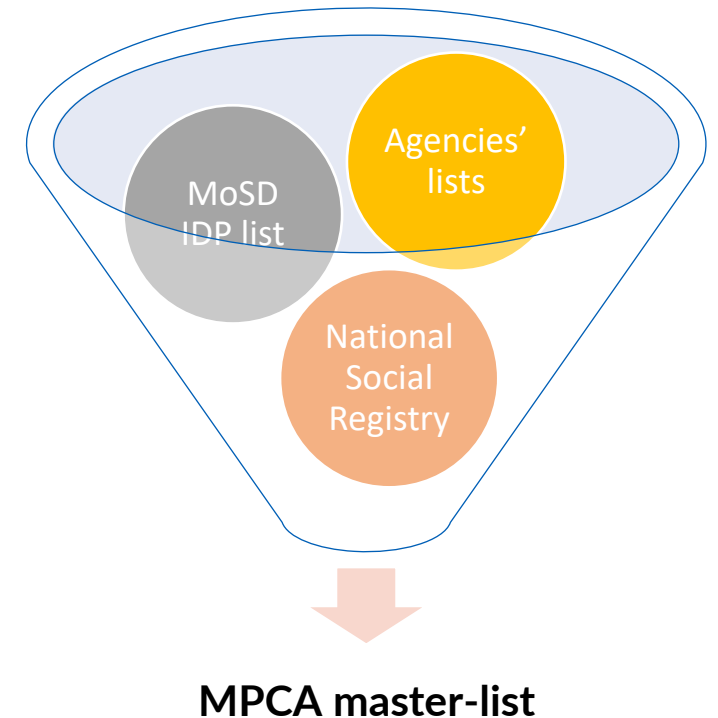
- a. **MoSD IDP list** – register of all IDPs, compiled in Gaza
- b. **Agencies' lists** – from local sources and existing caseloads, compiled in Gaza
- c. **National Social Registry** – pre-crisis information from social protection database, managed in Ramallah
- d. **Referrals**

2. Deduplication

All names identified are deduplicated through the CWG to create a “MPCA masterlist”. CVA organization can a) request lists to distribute EMPCA, or b) share their own lists to be cross-checked. Data protection concerns remain.

3. Targeting

Relaxed principles with freedom for partners to apply internal processes. Criteria evolved over time to accommodate change in the situation and lack of reliable information.



Characteristics of the MPCCA

4. Transfer value

Based on pre-crisis (2022) SMEB: 60% of the SMEB = 754 NIS

Now raised to 80% (1,000 NIS) to accommodate price increases.

5. Frequency

Originally designed as monthly (up to three) – focus shifted to first payment due to size of caseload and operational challenges in delivering aid. The plan in the next months is to provide three payments, considering elapsed periods between payments.

6. Distribution mechanisms

Only one FSP managed to keep some of their services running after October (PalPay). “Cardless PIN codes” to be redeemed at cash out agents across the Strip are the distribution mechanisms used for all cash distributions.

7. Monitoring

Basic monitoring indicators agreed with implementing agencies, capturing info on a) Impact of assistance and distribution process, and b) Usage and expenditure modalities – used as proxies for market understanding. Cash out rates are used as key indicator to monitor feasibility of cash assistance.

Market monitoring efforts

Security and access conditions do not allow for any proper market assessment. **Flexible and creative** approaches have been adopted to retrieve key market information.

1. Initiated but discontinued

- Key Informant interviews with humanitarian workers in Gaza (led by REACH with cash actors support)
- Supermarket monitoring. Cash actors calling supermarkets (also PalPAY agents) to administer quick market survey.
- PalPAY agents daily monitoring. Cash actors calling PalPAY agents, on a daily basis, to assess functionality and cash availability.

2. Ongoing

Informal market assessment continuously conducted by CRS through their staff in Gaza (started Nov 2023)

PDM questions for market understanding. Questions around availability of goods, access, and expenditures, are used as proxies to understand market situation.

Rapid Markets Overview are produced by REACH compiling partners data (points above), authorities' data, and other available market information.

WFP market overviews – recently shifted to informal market assessment.



Picture from NY Times website

Advocacy and fundraising

Key message: in-kind cannot possibly support 2.2 million people, cash is needed.

- [Three publications](#) in the first months of response:
 1. [The moment is now! - Call for funds - 22/10/2023.](#)
 2. [Open call for action with scenario-based recommendations](#) (markets and telecoms) - 07/11/2023.
 3. [Note on importance of private sector for humanitarian aid - 27/11/2023.](#)
- Liaised with RCO to include [cash and markets elements in HC/RC talking points](#).
- [Donors briefings](#) and dedicated reports, including through other Clusters' channels.
- [Internal FAQs](#) for partners to use for advocacy and fundraising
- Background document about liquidity challenges



The Moment is Now

Since October 7th, the Gaza Strip has been facing the most severe escalations of violence since its blockade which started in 2007. As of October 18th, the number of IDPs in Gaza is estimated at over one million, half of which are finding refuge in either schools and hospitals repurposed as collective shelters, makeshift shelters, or with family and friends hosting them. Due to the extremely precarious security conditions and the damages to critical infrastructure, the delivery of needed humanitarian aid is severely hampered. Border crossings for both people and goods have been completely shut for days, leading to a concerning depletion of stocks for many items. The situation has been worsened by the mass displacement of a large portion of the population from the north to the south of the Gaza strip, which resulted in a rapid increase in the size of the population within a limited geographical space. Humanitarian lifesaving needs in this context stand at unprecedented levels.

Despite the tragic situation, markets have proven resilient. Both evidence-based analysis, when available, and empirical observations, have reported that shops and supermarkets continue to work when possible, using existing stocks. Financial Service Providers (FSPs) were affected by the crisis as well but remain functioning to minimum levels. While the markets are functioning now, essential items will no longer be available if immediate access for additional stocks is not granted. It must work in parallel.

Cash and Voucher Assistance (CVA) actors have immediately started organising the response amidst enormous challenges. A coordination system has been put in place to allow efficient and effective delivery of emergency unrestricted cash and other types of CVA, and a few days after the start of the conflict, affected households (HHs) started receiving financial support from active Cash Working Group (CWG) members. The modality and amount of assistance is based on solid technical work by CVA actors in the Occupied Palestinian Territories (OPT).

The continuous re-opening of border crossing and the establishment of a humanitarian corridor is pivotal for delivering all needed assistance to the population, but at the moment the delivery of CVA is among the very few humanitarian activities that are feasible at scale, and one that can truly save the lives of Gazans who are unable to meet their immediate basic needs.

Cash provides a dignified and flexible form of assistance that allows conflict-affected households to meet the unique and diverse needs of their household on their terms. Cash also helps support the local markets which are currently able to provide for the needs of Gazans who lack the financial means to purchase basic necessities.

While the CWG joins the calls of other humanitarian actors on the immediate establishment and expansion of a humanitarian corridor, in the absence of significant access of good entering the Gaza Strip, cash is one of the most vital resources for the displaced population to access existing essential items and services across Gaza. Delivery of cash assistance is still feasible with the very limited power and connectivity of FSPs, and markets can continue operating with current stocks only for few days – so the moment is now.

The CWG calls for donors to immediately pull all available resources and direct them to assist the affected population in Gaza, while still possible.

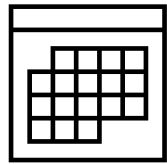
MPCA actors' position

- Consulted people in Gaza reported **preference for unrestricted cash**, consistently confirmed also through PDM findings.

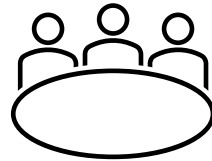
- Cash is working as “**equalizer**”, allowing everyone - who does not get enough, or does not get at all, in kind assistance - to access basic needs through markets.

The stated objective is to support people to get access **whatever is available**, that is **possibly meets some level of need**, even if far from accepted programmatic standards.

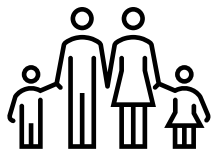
Overview of response - Gaza



Response started on
13th October



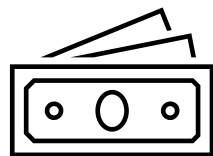
17 agencies
involved



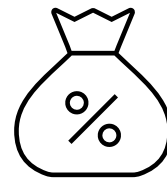
172,619 HHs
delivered



1,176,750
individuals



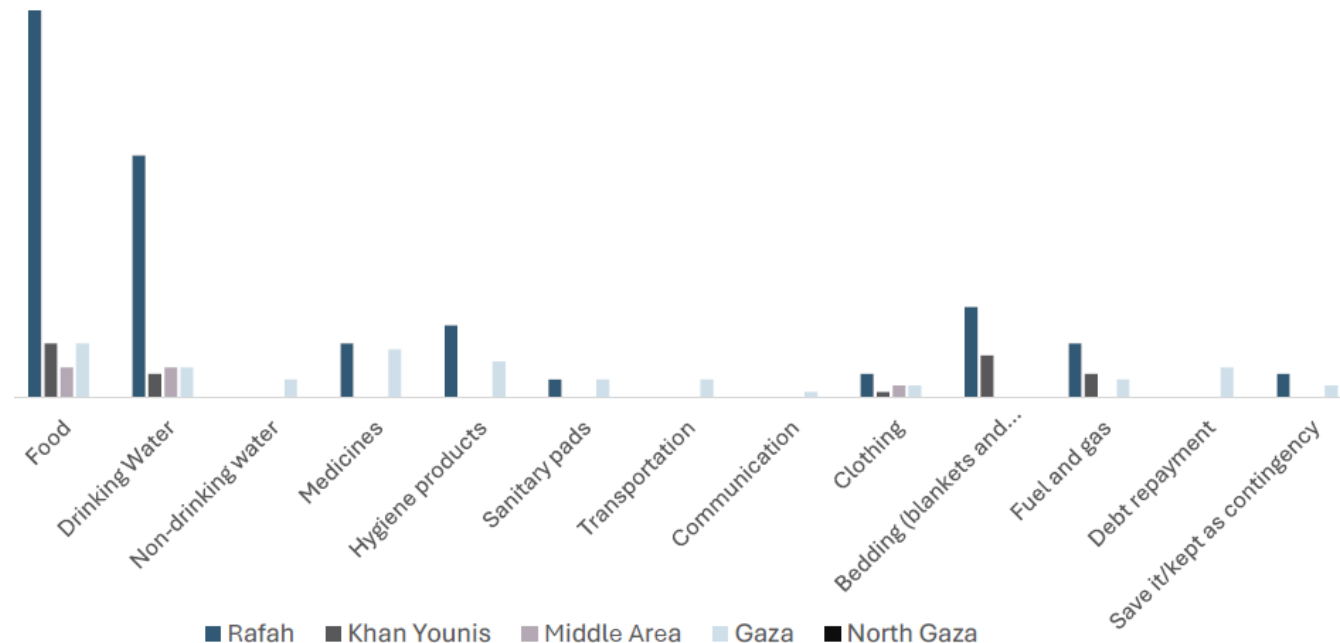
160,000,000 NIS
/ 42,500,000
USD delivered



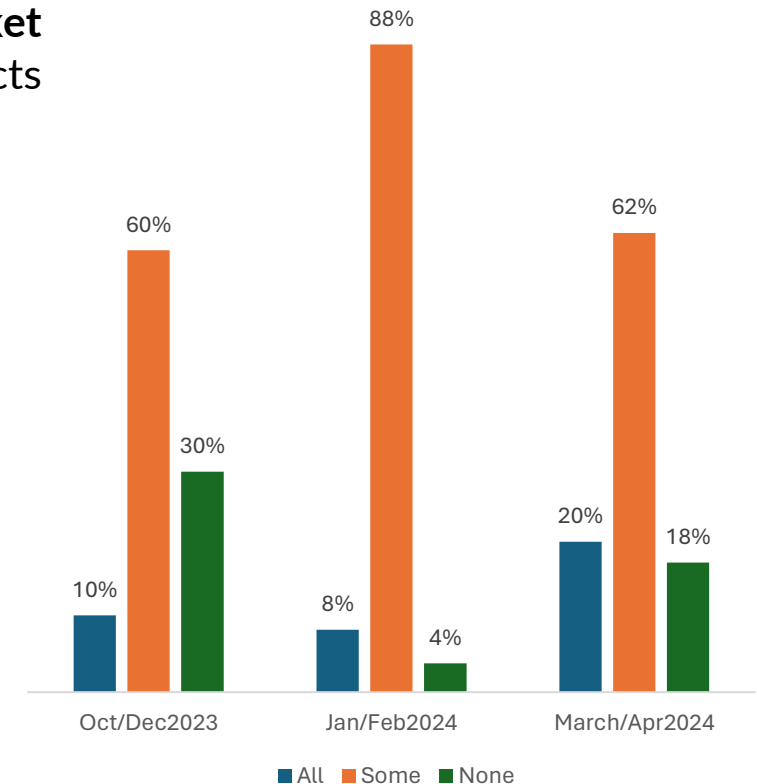
Cash out rates
average **72%**

PDM results

- **Working together:** few days after the start of the response the CWG discussed harmonized monitoring. **Agencies' commitment** to short and agile **common set of questions** to allow response-level analysis.
- Post Distribution Monitoring activities used as **entry point for market understanding**. Making the maximum out of extremely limited contacts within Gaza.



Has MPCA helped you cover some of your urgent needs?



Challenges and lesson learned



Challenges



Security

Ongoing conflict and ground military operation with impact on civilians and infrastructures, including the financial sector.

What did we do?

- 1) Expanded cash out period (up to 2 months),
- 2) facilitated accessibility to cash assistance through massive network of agents, avoiding need for long distances movements).



Electricity and telecoms cuts

Electricity and telecoms cut, largely made on purpose, can affect the whole Gaza Strip or different areas at times leading to complete lack of phone and internet coverage. Phone coverage is needed for cash distributions.

What did we do?

- 1) Included telecoms in CWG advocacy products and key messages,
- 2) Monitored telecoms connectivity through AAP group and ETC.



FSP functionality

FSP agents were also displaced along with the population, and only some were able to continue operating from new locations. Physical infrastructure, safe access to ATMs, and minimal connectivity are needed for agents to work.

What did we do?

- 1) Set up daily monitoring of agents' functionality (dismissed)
- 2) Engaged FSP (PalPay) in ongoing discussion and joint monitoring, and facilitated fuel delivery for PalPay operations.



Extra fees

Due to security situation, perceived risks, and cash circulation bottlenecks, FSP agents were consistently reported as getting extra fees from cash recipients.

What did we do?

- 1) Initiated monitoring on single agents and liaison with FSP HQs.
- 2) Jointly negotiated with FSP on practical and SMART solutions, including temporary increases of fees and reinforced accountability.

Challenges - continued



Liquidity

Liquidity issues are driven by three main factors: 1) the concentration of people in small areas, 2) the immense logistics and security challenges in moving cash, and 3) the irregular trends of deposits of cash from business into banks.

What did we do?

- 1) Supported BoP and PalPay on logistic and security arrangements for cash movements (not happened).
- 2) Working with RCO on setting up high-level Task Team with member states and PA.



Market functionality

The collapse of formal economy and the lack of timely and comprehensive information on markets in different areas poses challenges to design and monitor of MPCA.

What did we do?

- 1) Multiple initiatives to gain understanding of market situation.
- 2) Consolidation efforts to compile information from different sources, including proxies and indirect data.



Data protection

The need for quick response and the lack of pre-crisis solid data sharing systems led to reduced consideration of data protection standards. This remains a gap.

What did we do?

- 1) Centralized data sharing within the CWG, helping to reduce uncontrolled data circulation.
- 2) Recently initiated work to develop proper cross-checking system, enhancing data protection.



Scepticism

Appropriateness of cash assistance has been strongly challenged by actors, including donors, coordination bodies, and other relevant stakeholders, leading to overburdening efforts to advocate for funds and resources.

What did we do?

- 1) Organized information sessions for donors
- 2) Developed internal explicatory notes (FAQ) to provide cash actors with harmonized and agreed-upon messages and information.

Private sector engagement



Regular communication with the Financial sector including Banks – operation capacity, liquidity availability, challenges.. etc



Support on coordination (forming coordination and advocacy groups including donors, UN, gov, member states, and donors



PalPay capacity building/ orientations - humanitarian principles – code of conduct



Regular communication with the business community – supply chain import/export - changes on business modality.. Etc



Logistics support / needs

Coordination

- **MPCA technical group** established for operational agencies to coordinate design and operations; separate (but feeding into) from larger Gaza CWG.
- Strong commitment from MPCA actors to work together from the beginning: **joint programme approach**.
- **Information Management support** included for the first time, mainly to run deduplication).
- Side groups and external support teams for ad-hoc tasks:
 - Group Cash Transfer Task Team established.
 - Emergency CVA group supported advocacy efforts.

Coordinated Plans

- Emergency MPCA featured in the all iterations of **OPT Flash Appeal**
- Two out of three **HF allocations** included Emergency MPCA.

Multi-purpose Cash Assistance (MPCA)



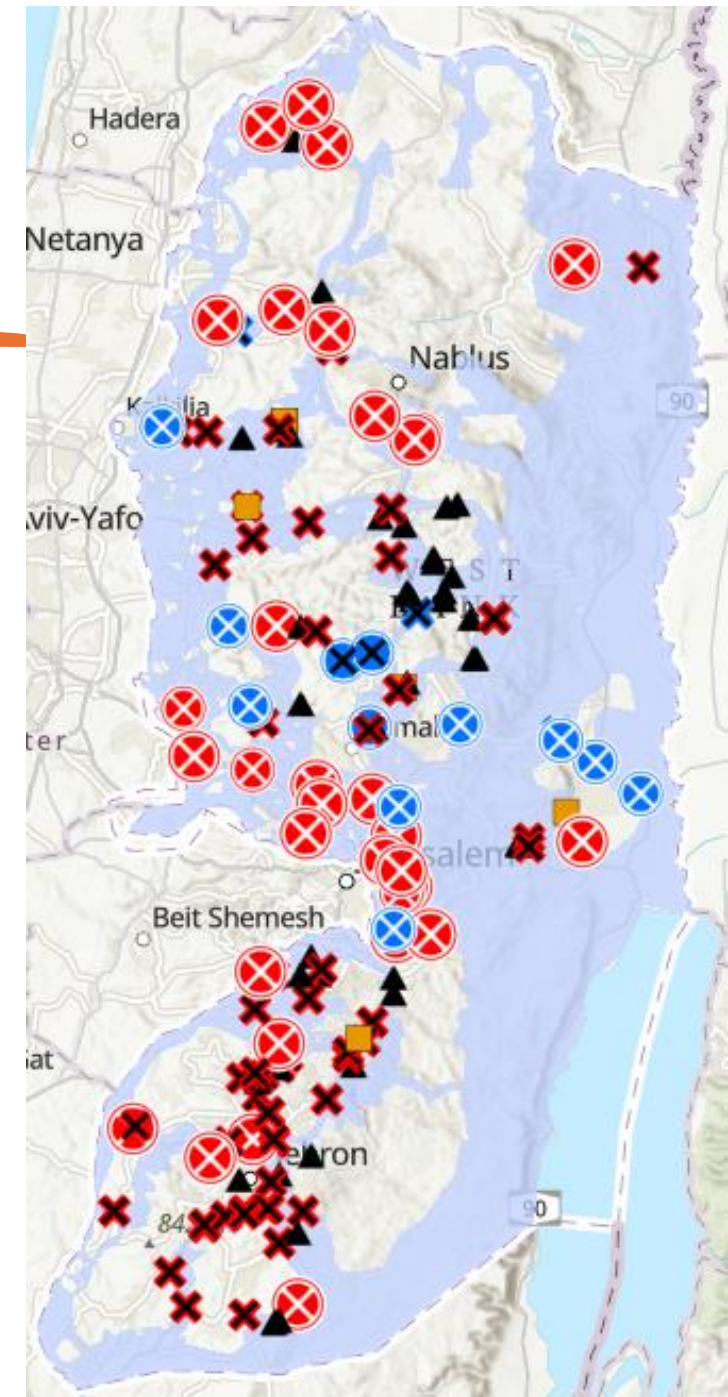
	REQUIREMENTS (US\$)	PEOPLE TARGETED	IMPLEMENTING PARTNERS
OPT	\$244.1M	1.4M	30
GAZA STRIP	\$233.8M	1.4M	21
WEST BANK	\$10.2M	0.01M	9

Early lesson learned

1. **Emergency situations require creativity and flexibility.** Flexibility to adapt tools and practices based on changes in the situation (e.g. market monitoring, impossible to have something comprehensive, we need to compile together bits and pieces)
2. **Preparedness is key for quick response.** Emergency MPCA response kicked off within days from the outbreak of the emergency thanks to pre-crisis preparedness, including well-established cash coordination structure.
3. **Effective and timely communication and advocacy is as important as technical and operational work.** Engagement with all parties relevant to CVA, during all phases of emergencies, is key to ensure sustainability and support to cash response.
4. **Fluidity and context unpredictability require caution in communication and language around cash actors' operations and challenges.**
5. **Avoid complicated decision-making processes.** Need to lighten up decision-making processes, by involving only operational actors who are directly impacted.
6. **It is very challenging to establish referral mechanism during emergencies.** Clear referrals pathways need to be established pre-crisis for effective referrals during emergencies.
7. **Moving as one body.** MPCA response must be homogeneous given activities are the same across all partners, hence the need to work collectively on all elements of response.
8. **Cash coordination needs to be properly resourced to ensure technical and operational efficiency and effectiveness.**

West Bank

- Occupied since 1967, home to around 3 million Palestinians, and over 7,000 illegal Israeli settlers.
- Plagued by a number of different simultaneous emergencies, eroding coping capacities of affected households.
- Limited dedicated funding for humanitarian response, compared to Gaza.
- Settler violence attacks resulting in damage to properties, injuries, and death. Over 1,500 people were displaced in 2023 due to settler violence.
- Repeating military operations inside refugee camps in other communities (e.g. Jenin July 2023, Nour Shams April 2024)
- Movement restrictions across the whole West Bank, also limiting economic activities.
- Impossibility for Palestinians to build anything in Area C (covering over 60% of the West Bank)



Overview of response – West Bank

Set up **MPCA dedicated coordination system** (WB MPCA meeting)



SOP for Emergency MPCA to **displaced communities due to settler violence**



Gazan medical cases stuck in the West Bank



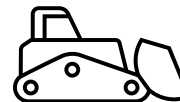
SOP for Emergency MPCA to **households affected by military operations**



Gazan workers deported and stuck in the West Bank



HHs affected by **closures and movement limitations**



HHs victims of demolitions