

## **Targeting:**

### 1. What are the current selection criteria followed for selecting MPCA beneficiaries in Gaza?

*Agreements for targeting for EMPCA response has evolved over time, leaving flexibility for single organisations to apply specific criteria where needed for internal mandates and strategies. Initial focus was put on IDPs outside UNRWA shelters, as those hosted in DES had access to some level of humanitarian assistance. Following the increase in the number of people moving across shelters and facing multiple rounds of displacement, the group agreed to drop the eligibility criteria of “outside UNRWA DES”, due to the impossibility of verifying the information for all cases. Currently, considering 85% of the Gaza population is internally displaced, EMPCA is delivered through a blanket approach. Single agencies apply specific criteria, most notably, for those identifying cases through the National Social Registry (NSR), pre-crisis socioeconomic vulnerability is the primary criteria for inclusion.*

*In the new strategy (Flash Appeal 2024) vulnerability-based targeting is being increasingly considered. One of the main challenges is the lack of up-to-date information to base the targeting on.*

### 2. How do the partners currently do the geographical targeting (if any)?

*No geographical targeting is happening. On the contrary, thanks to the widespread presence of cash-out agents and their capacity to keep working when displaced, cash has been one of the few assistances to continuously cover the whole Gaza Strip – maximising flexibility for beneficiaries (often on the move between different rounds of displacement) to cash out when and where they want/can/prefer.*

### 3. Is blanket targeting really possible when funding is far below needs?

*A balance needs to be achieved between what is needed, i.e. covering everyone, and what is possible based on available information, but also based on the operational limitations on the ground, e.g. the liquidity, telecoms, single FSP working, etc.*

*Additionally, it must be considered that MPCA is delivered at a household level, in a context where multiple households share shelters and resources, effectively amplifying the reach of the assistance.*

## **Market:**

### 1. Can the informal market absorb and meet the increasing demand?

*The problem is the availability of goods, which almost entirely depends on the number of trucks entering from outside. Informal markets are a result of the collapse of formal markets due to infrastructure damage, disruption of private sector supply chains, telecoms cut, and security concerns for static spaces – but the origin of the goods to be sold is the same.*

## Duplication:

2. Has there been any thoughts to using cutting-edge technologies like blockchain to solve some of the challenges?

*Some initial brainstorming involving cutting-edge technology options took place – to be further considered in the future.*

3. How was the deduplication done? any digital solutions used or was it done manually?

*It has been done manually by a dedicated IM officer so far, who received lists from authorities and partners and deduplicated them to obtain an MPCA master-list. Currently, an IT system is being developed to strengthen the process.*

4. With regards to duplication, how do you ensure the data privacy of aid recipients, while using Excel? Are you using unique identifiers to avoid sharing personal information?

*The unique identifier used for deduplication is the national ID number of the head of household and – where available – the spouse. Data protection has been a gap in the response, especially at the beginning. Data were shared from a central point which was represented by CWG/OCHA. Password protection sheet started being used as well to allow some basic level of protection.*

## FSP:

5. How do PalPay agents access cash themselves for payouts? through that increased cap on ATMs withdrawal for the agents? Since there is an issue with cash movement, is it till the ATMs have liquidity for payout?

*PalPay agents need to have a Bank of Palestine (BoP) account (a requirement to become PalPay agents), and through that access cash through ATMs. The withdrawal limit for agents was raised to 10,000 USD (roughly 37,000 NIS) right after the outbreak of the conflict. BoP managed to refill ATMs, especially in the south, for the first four/five months of the crisis. Currently, only a few are still in operation, and agents are reportedly accessing cash through other channels.*

6. It seems that more and more big vendors are acting as Hawalla, did the CWG assess the possibility of relying on this informal mechanism in addition or completion of palpay?

*Cash agents provide different PalPay services, including private transfers and cash out through PalPay digital wallets (for those with pre-existing wallets) and through BoP ATM cards (through PoS machines). For the purpose and scale of humanitarian cash, the cardless PIN code option is the only viable one at the moment. Hawalla per se was never used for major CVA programmes in Gaza.*

7. With the current challenges of liquidity and the fact that we are depending on only one service provider, considering the scale and duration of the response, has there been any chance to add more FSPs or expand the FSP mapping to add more, if not now, later on when things are settled?

*The pre-crisis situation already featured an increase convergence towards BoP and PalPay services beyond PIN codes – including ATM cards, cash over the counter, and vouchers. Other FSPs were contacted during the crisis but are not able to work at the moment. In the past few days, JawwalPay, a local digital payment solution company reportedly has resumed some level of work – and is currently being assessed by cash actors.*

8. There was a report on PalPay agents discriminating or refusing to pay out and that humanitarian partners were considering increasing % the fee for agents as an incentive for payout; In addition, can you explain the current situation and the challenges when it comes to PalPay agents and delivery mechanism?
9. What is the percentage of fees that NGOs incur for cash transfer transactions?

*Reports of PalPay agents collecting illegal fees from cash recipients (not only humanitarian) have increased in the past months. Agents cited the increased risks they face to keep operations running, and the challenges in accessing cash, as the reason for requesting extra fees. While in a normal situation, the practice of illegal fee collection would have constituted grounds for immediate termination of the contract between the agent and PalPay, the current conditions (only one-fourth of agents working) force a more prudent analysis before the termination of any agent, which might result in the impossibility to assist parts of the population in different areas. PalPay agents get 2 NIS per transaction as a fee from PalPay – regardless of the amount transferred.*

*Some CWG agencies agreed to tackle to issue by negotiating with PalPay an increase in the fees paid by the delivering agency to allow PalPay to pay higher fees to the agents. This is coupled with clear accountability and compliance measures for agents who persist in this illicit practice. The agreement entered into force on the 01<sup>st</sup> of May for a period of three months, after which the results will be assessed to decide on the next steps.*

### **Liquidity:**

10. Could you elaborate on what the liquidity challenges of the past few weeks have been and expectations of whether they might improve/worsen?
11. Regarding liquidity could you give more details? Is only paper cash used or people can also make electronic payments?

*The main challenge is the inability of banks, primarily Bank of Palestine, to transfer cash from Gaza to the south, between branches, and in ATMs. This has increasingly been creating problems in the south, especially in Rafah, where the population has quintuplicated since October. This key challenge is coupled with reported losses of liquidity due to theft, confiscation by the Israeli army, damage due to conflict, and lack of deposits from major traders into working banks in the past couple of months. Suggestions to bring cash from the West Bank have been disregarded by the Palestinian Monetary Authority (PMA) in Ramallah citing risks of affecting fiscal stability in OPT.*

*The issue of liquidity has been escalated at the highest levels of humanitarian management in the country, with the involvement of Palestinian authorities; however, the situation is expected to worsen in the short period unless major conditions shift, e.g. ceasefire.*

*(Expansion of) electronic payments is currently being considered by the PMA. However, it must be noticed that the needed telecommunication and technology infrastructure in Gaza was already very weak before the crisis, and has been massively impacted by the conflict, raising a lot of questions on the feasibility of the plan.*

#### **General:**

12. A number of cash actors are not currently operational in Gaza and are having internal discussions on whether to initiate a cash response, how a response might look like, is there an added advantage that can be made etc. Given noted challenges with movement of cash, volatility of the informal market, limited options for FSPs etc. what would be your advice to such agencies?

*In terms of comparative advantage for MPCA: be ready for the day after, when more and larger distribution will be needed and feasible. For now, try finding your pocket with "sectoral cash", where you can make a difference.*

13. For new INGOs entering Gaza response. Do we have a good understanding of the gap in the cash intervention? and if there is a need for a large-scale cash response?

*Large scale responses are simply not feasible now (though they would be much needed!) due to the FPS capacity, liquidity, and market challenges.*

14. Are other cash modalities being implemented besides MPCA?

*Some cash for work is ongoing (the CWG developed specific [guidelines](#) for this), and there were examples of urgent cash for detainees released at the crossing by Israeli forces.*

15. Do you think cash is a good option for the Gaza response?

*Yes. Despite all the challenges, cash remains a necessary option in Gaza, where the entire population is in need of multisectoral assistance, but where in-kind is insufficient and unable to be distributed everywhere. Cash acts as an equalizer, allowing those not receiving sufficient in-kind assistance, or not receiving it at all, to access life-saving goods and services through existing markets.*

#### **Aid diversion:**

16. How do you ensure that cash-redeemed assistance does not get misused or re-routed for other political means to non-targeted parties...to further reassure donors that cash aid is safe and effective to sponsor?

*Distributed assistance is in the form of unrestricted cash assistance (Multi-Purpose Cash Assistance), which provides recipients with full flexibility to prioritize assistance as they see fit. From*

*PDM data, food is the biggest expenditure for all recipients, followed by drinking water, medicines, bedding, and debt repayments.*

*Cash has been proved multiple times to be not riskier than other forms of assistance.*

17. How does PalPay, Bank of Palestine, and MoSD deal with the concerns of diversion of aid, and mitigation measures put in place to ensure continuity of MPCA?
18. How do you maintain transparency and accountability in fund distribution, and what systems are in place to prevent fraud and corruption? What have been some of the key lessons learned from operating cash assistance programmes in such a complex environment?

*Ahead of distributions, PalPay requires organizations to share the full names of each recipient in English, in addition to other information needed to implement the disbursement, and runs checks through their Compliance and Anti-Money Laundering (CAML) department. As part of standard banking practices, each name included in the distribution lists is checked against sanctions lists of the EU, France, Israel, the UN, and the US.*

*In the case of suspected matches, the CAML department requests extra information about the potential recipient, including a copy of their national ID, in order to perform extra controls. If the potential recipient is confirmed to be included in sanction lists, PalPay informs the organization and does not perform any transaction to the individual.*

*PalPay employs a robust double verification system to ensure the secure distribution of funds to recipients. When beneficiaries are registered, they receive a unique verification code via SMS. Cash-out agents, who are responsible for distributing the funds, have a list of recipients with their names, IDs, and verification codes. When recipients wish to withdraw money, they are required to present their personal identification and the verification code. The cash-out agent verifies this information to ensure that the funds are going to the correct recipient.*

*Each MPCA organisations have access to a PalPay platform/dashboard which allows access to transaction data such as: how much money has been withdrawn by the designated recipient; when it has been withdrawn; and at which PalPay official vendor.*

*Names received from MoSD from the National Social Registry (NSR) have all been vetted by the EU prior to the crisis.*