West Bank and Gaza: Social Safety Net Reform Project

Overview

The Social Safety Net Reform Project has supported the Palestinian Authority in developing and managing one of the most advanced cash assistance programs in the region. It is also designed to be expanded during crises if needed. The project, after merging with another initiative backed by the European Union, has provided cash transfers to more than 63,000 poor families using an effective poverty-targeting mechanism and database.

Challenge

Improved social assistance mechanisms were needed to reduce malnutrition, and to protect the health and well-being of the Palestinian population, which was confronted by high levels of poverty, unemployment, and population growth in West Bank and Gaza. Yet despite high levels of donor funding, social assistance programs in the area lacked coordination and an effective poverty-targeting mechanism, which together resulted in an inefficient use of resources. There was no national strategy to guide social protection initiatives and the Ministry of Social Affairs had only limited institutional capacity, insufficient for the task of reforming the social safety net and managing an advanced and large-scale cash assistance program. As a result of the recent food and oil crisis, conditions continued to deteriorate further threatening the nutrition, health and well-being of the Palestinian population, particularly those living in Gaza.

Approach

The Social Safety Net Reform Project focused simultaneously on capacity-building within the Ministry of Social Affairs to undertake necessary reforms and on providing cash assistance to the poorest households in West Bank and Gaza. The reform effort supported by the project, and led by the Ministry, established an effective poverty-targeting database, utilized the banking system to provide and to monitor cash transfers. It also created a national cash transfer program, managed by the Palestinian Authority, through the merger of the Social Safety Net Reform Project with the European Union-backed Special Hardship Cases Program. The Social Safety Net Reform Program has

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MORE INFORMATION

- West Bank and Gaza and the World Bank
- Assistance Strategy (pdf)
- Active projects
- Lending summary
- Economic and Sector Work
provided the Palestinian Authority with the opportunity to demonstrate its capacity in leading the difficult reform process and in effectively managing a large-scale and state-of-the-art cash assistance program. Together, these achievements have highlighted the Palestinian Authority’s commitment to helping its people and have improved its overall credibility with donors.

Results achieved with support from the International Development Association (IDA)

With continued collaboration and commitment of the Palestinian Authority and donors, the Social Safety Net Reform Project has supported the following achievements.

- Approximately 5,000 of the poorest households have received monthly transfers ranging from US$85 to US$130 in 2009;

- More than 25,000 of the poorest households received a transfer of US$200 (2009) and will have received a transfer of US$135 by end of 2010 to cope with the global food and oil crisis;

- The accuracy and reliability of the program’s main poverty-targeting mechanism was confirmed in two eligibility reviews, home visits, and a desk verification process carried out by an independent consulting firm (2008 and 2009);

- An effective and reliable social safety net was established (2008) that can be expanded in crisis situations;

- The NPCTP provided cash transfers to more than 63,000 of the poorest households (2010).

Bank financing and other support

The International Association of Development (IDA) supported the original and ongoing Social Safety Net Reform Project through a grant of US$10 million. In 2008, the Trust Fund for Gaza and West Bank provided the project with an additional grant of US$10 million to support the Palestinian Authority’s poverty alleviation efforts, outlined in the Palestinian Reform and Development Program. This was followed by two more grants from the Global Food Crisis Response Trust Fund for US$5.0 million and US$3.4 million in 2009 and 2010, respectively.

Partners

The Bank has drawn upon its strong partnership with the European Union, which is providing parallel financing, and with the WFP, FAO, UNDP, UNICEF, and UNRWA in terms of information-sharing and assistance coordination. Cooperation between the World Bank and the European Union led the merger of two separate projects to create the Palestinian Cash Transfer Program, which is consistent with the 2005 Paris Declaration on Aid Effectiveness and with the Palestinian Authority’s 2010 Cash Transfer Strategy. Collaboration and coordination has been further strengthened by use of a common poverty-targeting database among donors, meetings with stakeholders and efforts of the social protection working group.

Moving Forward

The Bank aims to collaboratively provide support to reforms to the current cash transfer program and to further strengthen the Ministry of Social Affair’s capacity to provide cash transfers to the poor through a proposed two-year project. The recertification process of beneficiary households for cash transfer assistance will be completed in the West Bank and in Gaza. The Ministry will continue to identify and provide other types of assistance to poor
households no longer qualifying for cash transfers. It is hoped that the Ministry of Social Affairs will reduce high benefit levels to enable the cash transfer program to reach a large number of poor families and to secure the program’s long-term sustainability.

Voices

“I’m a widow and have five kids to support, ranging between the ages of 5-and-14. My family has no source of income. We are fully reliant on SSNRP support that helps provide us with the minimal support to meet our daily living expenses, namely food. I am thankful that there is such a program that looks after hardship cases like mine. I sincerely hope that it continues to look after my family under such harsh conditions.”

Shreen Abu Hajaj, 37 years old and a widow, lives in Qarara, Khan Younis, Gaza Strip.

“I’m lonely and live in one room which includes my kitchen and bathroom. Additionally, I have a long-term illness and don’t have any source of income. Prior to the SSNRP support, I used to get intermittent in-kind support from neighbors who used to give me something to eat and that was hardly enough to cover one meal per a day. Neither my age nor my health status enables me to look for a job and even if I were able to work, the opportunity is not there. I started to receive cash benefits about two years ago. Without this support I could not have managed to survive. It enables me to buy food and medicine. It gives me a sense of safety and protection – I no longer worry about being isolated and ignored.”

Salma Zoukmat, 73 years old and a widow, lives in Khan Younis, Gaza Strip.

“I used to work as a street peddler. I’ve been unemployed since 2004 because of my disability, and my family has no source of income. Such absolute poverty and misery has negatively affected my kids’ achievements at school. As a result of this, I became psychologically ill, since I felt helpless and hopeless in facing so many life challenges. I’m currently a beneficiary of the Bank’s cash transfer project. The cash benefit I receive, while quite small, has significantly contributed to alleviating my family’s suffering by providing us with a lifeline of support. This support and continuation has become exceedingly vital, especially for the poor in Gaza.”

Naser Abu Assi, 50 years old, lives in Zaitoun
neighborhood, an overcrowded area in Gaza city. He lives with nine other family members in a very small house of just 50 square meters, and has no access to water or sanitation.