



Sustaining Change

**Relief and Social Services Department
Amman HQ**

For consideration at the Advisory Commission meeting – November 2011

Table of Contents

Acronyms	4
1. Executive Summary	5
2. RSS Background	9
2.1 Construct of RSS	9
2.1.1 Relief Services	10
2.1.2 Social Services	11
2.1.2.1 Community Based Organisations (CBOs)	11
2.1.3 Eligibility and Registration of Palestine Refugees	12
3. RSS Evaluations	13
3.1 Staff Survey	13
3.2 Exploring Alternative Models for UNRWA’s Social Safety Net Programme (2009)	14
3.3 Review of the Relief and Social Services Programme (RSSP) (March 2010)	15
3.4 Organizational Development at UNRWA (June 2010)	17
3.5 UNRWA Social Safety Net Programme (SSNP): Exploring an All-Cash Approach (March 2011)	18
4. Challenges to Reform	21
5. Reforms	22
5.1 Overview	22
6. Specific Programme Reforms	23
6.1 Overview	23
6.2 Food as a Social Transfer	24
6.3 Identifying and Targeting the Poor – the Poverty Analysis Unit	24
6.4 Cash as a Social Transfer to Mitigate and Alleviate Poverty	25
6.4.1 Overview	25
6.4.2 Benefits and Limitations	25
6.4.3 Cash Transfers in Practice	29
6.4.4 UNRWA's Experience	30
6.4.5 Operationalization	31
6.5 Cash-for-work and Job Creation Programming	34
6.5.1 Overview	34
6.5.2 Cash-for-work in Practice	35
6.5.3 Benefits and Limitations	36
6.5.4 Operationalization	36
6.6 Conditional Cash Transfers (CCT)	37
6.6.1 Overview	37
6.6.2 CCT in Practice	37
6.6.3 Operationalization	38
6.7 Organizational Development	39
6.8 Family Initiative Programming	41
6.8.1 Overview	42
6.8.2 Operationalization	42
6.8.3 Monitoring and Evaluation	43
6.8.4 Benefits	43
6.10 Youth Programming	44
6.10.1 Overview	44
6.10.2 Operationalization	44

6.10.3 Monitoring and Evaluation	45
6.10.4 Benefits	46
7. The Role of RSS HQ Going Forward	46
7.1 Background	46
7.2 Strengthening UNRWA Poverty Capacities	47
7.3 Poverty Unit	47
7.4 RSS Programme Unit	48
7.5 Poverty Working Group	49
Appendix 1: Actionable Items	50
Bibliography	52

Tables and Figures

Table 1. Areas of RSS Reform	6
Table 2. Relief and Social Services Sustaining Change Intervention Logic	7 – 8
Figure 1. Proposed New Structure at HQ: Social Protection Department	15
Figure 2. Proposed New Structure at the Field level: Social Protection Programme	16
Table 3. The costs of delivering food aid against the estimated costs of using alternative delivery options under an All-Cash Approach (Jordan, Syria and West Bank)	19
Table 4. Summary of Recommended Cash Delivery Mechanisms	20
Table 5. Results of the Poverty Screening Surveys of the SSNP Populations (using Poverty lines and PMTF), 2008 and 2009 by field	22
Box 1. TVET as an example	40 – 41
Table 6. Internalizing and Externalizing Symptoms of Mental Health	47
Figure 3. Proposed RSS Organizational Chart	51

Acronyms

AdCom	Advisory Committee
AFO	Area Field Office
ATM	Automated Teller Machine
AUB	American University of Beirut
BoP	Bank of Palestine
CAT	Capacity Assessment Tool
CBO	Community Based Organization
CBRC	Community Based Rehabilitation Center
CBS	Commercial Bank of Syria
CCT	Conditional Cash Transfer
CMF	Community Managed Fund
CPDMF	Cash Post-Distribution Monitoring Form
CPI	Consumer Price Index
DFID	Department for international Development
EC	European Commission
E & R	Eligibility and Registration
FIS	Family Income Supplement
FIP	Field Implementation Plan
HDG	Human Development Goal
HIP	Headquarters Implementation Plan
HQ	Headquarters
HQ(A)	Headquarters Amman
HQ(J)	Headquarters Jerusalem
HR	Human Resources
HRM	Human Resources Management
INGO	International Non-Government Organisation
JCP	Job Creation Programme
JPC	Jordan Postal Company
MTP	Medium Term Plan
MTS	Medium-Term Strategy
NAF	National Aid Fund
OD	Organizational Development
oPt	Occupied Palestinian Territory
PMTF	Proxy Means Test Formula
PO	Programme Officer
PPD	per person per day
RRIS	Refugee Registration Information System
RSS	Relief and Social Services
SHAP	Special Hardship Assistance Programme
SHC	Special Hardship Case
SSNP	Social Safety Net Programme
TVET	Technical and Vocational Education Training Programme
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UVP	Urban Voucher Programme
WBFO	West Bank Field Office
WFP	World Food Programme

1. Executive Summary

UNRWA conservatively estimates that 1.2 million of the 5 million refugees it serves across the five fields are in absolute poverty, unable to meet basic food and non-food needs. More than 20 percent of UNRWA refugees are poor. More disturbing, an estimated 700,000 refugees are abject poor; unable to meet even their basic food requirements.

Poverty undermines all UNRWA investments, imposing burdens and impacting outcomes in education and health. Data collected in West Bank Field Office (WBFO), as an example demonstrates that for each 1 % increase in food insecurity 135 additional children will leave school to find employment and the number of yearly health consultation will increase by 67,000¹. Data collected by the Lebanon Field Office (LFO) and the American University of Beirut (AUB) finds negative coping strategies adopted by the poor in south of Lebanon include taking children out of school to go to work in menial jobs – a strategy that increases immediate family income but inevitably sentences the child and his progeny to poverty.

UNRWA, with the support of donors, has made considerable strides in its ability to identify and evaluate poverty amongst the refugee community. The Agency has also completed considerable groundwork to underwrite change, including evaluations of the RSS programme and structure as well as seminal programme delivery change possibilities. Responding to the findings of evaluations, equipped with a better understanding of poverty amongst Palestine refugees, and amid a raft of organizational and operational changes, UNRWA is responding with proposed reforms to the Relief and Social Services Programme, the tenor of which is reflected in Table 2 which present the Department's Sustaining Change Intervention Logic. The objective of these reforms is to enable the Agency to provide more services with greater positive impact to vulnerable refugees.

Proposed reforms include the following:

1. UNRWA will continue to provide food as a social transfer to food insecure refugees living in areas where access to food is an issue, notably at present Area C herding communities in the West Bank and in the Gaza Strip.
2. Identification and targeting of refugees classified as absolute and abject poor will be through use of a Proxy Means Test Formula on the platform of the Refugee Registration Information System (RRIS). The work in rolling out this system will continue in a gradual manner.
3. A shift from food to cash as the universal currency of UNRWA social transfer to the poor.
4. Cash transfer programmes will address both the traditional concept of 'relief' and the concept of development and empowerment. Therefore, cash transfer programmes will target the poor who are likely to require ongoing unconditional assistance, for example the elderly and/or the disabled. Cash transfer programmes will also encourage development and empowerment through cash for work and jobs programmes and conditional cash transfers.
5. RSS programming will seek to model and facilitate an attitude shift within UNRWA towards service to vulnerable refugees in line with UNRWA's emphasis on its protection

¹UNRWA (2011): "Field Implementation Plan: UNRWA West Bank Field Office 2012 – 2013", UNRWA Public Information Office: Jerusalem.

mandate. In this regard, programmes will be built on a rights-based approach that recognizes the agency and dignity of all refugees.

6. A greater emphasis on development/empowerment programming and a more integrated analytic approach to addressing poverty amongst Palestine refugees will be reflected in programmes encouraging and supporting refugee family initiatives and youth.
7. RSS will seek to build and strengthen its engagement with civil society in the five Fields and to benefit from partnerships with other actors.
8. RSS at the Headquarters level will restructure significantly to (a) reduce costs, (b) reflect a new menu of programmes and activities, and (c) provide more effective and valued technical and surge capacity to the Fields.

Table 1. Areas of RSS Reform

Traditional RSS	Reformed RSS
Focus on needs and deficits of the poor	Focus on building upon and expanding social capital, leadership, expertise, strengths and capacities in the community
Focus on centrally managed food programme	Focus on more effective social transfers such as cash/incentives
Little technical capacity to support development, humanitarian, or emergency response programming	Focus on quality technical support and surge capacity to support field programmes addressing poverty
Inadequate incorporation of gender, disability, protection, and emergency into poverty programming	Building better connections between Education and Health Programmes as well as Agency capacities and staff in the areas of emergency, protection, gender and disability through a poverty working group
'Department' approach to poverty as opposed to 'Agency' approach	Support and encourage Agency move towards analysis, assessment, and address of poverty on a field wide approach as opposed to looking at the historical SHC population
Central programme approach as opposed to OD decentralized approach	RSS HQ supports Field approaches to poverty calibrated to context and political realities
HQ TOR of decreasing relevance to the field	TOR that responds to identified needs in the Fields in order to improve UNRWA responses to poverty

Table 2. Relief and Social Services Sustaining Change Intervention Logic

Intervention Logic	Indicators	Sources of Verification	Assumptions
Reform Goal	Xxxxx Identified most vulnerable refugees receiving support and assistance sufficient to meet basic needs at the household level Xxx Refugees advantaged by economic empowerment and development programming	Field monitoring; poverty surveys, ;underlying causes of poverty analyses	Modicum of stability allows UNRWA staff to move around and work in each field UNRWA management and staff support reform plans
Protection of most vulnerable refugees strengthened and effective			
Reform Outcomes	Most vulnerable refugees identified and classified; meaningful interventions to protect vulnerable households poverty from shocks; quality interventions to support sustainable refugee livelihoods	External evaluation Field monitoring Project evaluations	UNRWA is able to effectively and successfully communicate and convince stakeholders, including host governments, refugee populations, and donors of the benefit of the reforms
Reform Outputs			
1.1 UNRWA able to identify and classify poverty amongst refugees in each of five fields	1.1 Regularly updated PMTF and poverty surveys for each field supports decision making.	1.1 Poverty Surveys; Host government data	Adequate funding for implementation of reforms can be secured and resources to provide technical support to fields in terms of poverty surveys and associated data collection/analysis activities is available. Fields will work with HQ to effect harmonized assistance to the poor Capacity and competencies at all
1.2 Social safety net relief interventions modified to constitute more meaningful assistance at the household level	1.2 UNRWA policy and practice on cash assistance agreed and implemented; assistance package modified to meet household needs; referral system structured and quality of services improved	1.2 Assistance records; external evaluation; customer satisfaction surveys, field monitoring	
1.3 Partnerships and networks to support and assist the most vulnerable are built and structured	1.3 MOUs in place with external provider partners	1.3 MOUs; Agreed referral methodologies in each field and between UNRWA program silos	
1.4 UNRWA partner Community Based Organizations (CBOs) deliver services demonstrated to be of quality and value	1.4 Youth programming delivers objective results in terms of pro-social integration; 1.4 Economic empowerment delivers results in terms of jobs/income generation	1.4 Reporting, evaluations	

1.5 Beneficiaries are able to hold RSS accountable for services.	1.5 Complaint/Appeal mechanisms in place and functioning	1.5 Evaluation, review and report by UNRWA internal auditor, volume of appeals/complaints processed by appeal committees.	levels are sufficient to implement reform programme
1.6 Registration services for Palestine refugees is efficient and respectful	1.6 All elements of the RRIS are functioning reliably in all fields in a manner that protects the rights and preserves the dignity of all refugees	1.6 Survey of RRIS staff; # of system bugs decreasing; # RRIS staff trained; RRIS staff HR actions concluded; # facilities refurbished	
1.7 RSS capacity and mandate to support all parts of UNRWA in terms of pro-poor programming is built	1.7 Field programmes and HQ departments rely RSS staff for support and expertise	1.7 # requests for RSS assistance; evaluations of quality of RSS support and expertise	
1.8 Services and assistance to the poor are uniform and rational at the field level	1.8 Services and assistance are harmonized and field specific, regardless of assistance source	1.8 # harmonized program; poverty mapping, census documents, situational analysis, underlying causes of poverty reports, agreements on assistance packages as matter of policy	
1.9 Build and strengthen RSS capacity to support refugee efforts and initiatives to create and sustain livelihoods through economic empowerment/development programming	1.9 # quality programs being implemented 1.9 RSS HQ restructured	1.9 Evaluations, Programme and field monitoring, documents, economic empowerment packages designed, customer satisfaction surveys	
1.10 RSS human resource performance management system meets standards set by UNRWA Performance Management Policy.	1.10 All RSS staff complete full Annual Performance Cycle according to the policy	1.10 Performance review records	

2. RSS Background

Established in the wake of the 1948 Arab-Israeli conflict, the United Nations Relief and Works Agency (UNRWA) has served its mandate, 'to help Palestine refugees achieve their full potential in human development under the difficult circumstances in which they live,' for over sixty years.² Growing from an initial 750,000, the number of Palestine refugees registered with the Agency now numbers nearly 5 million, located throughout the Gaza Strip, West Bank, Jordan, Lebanon, and the Syrian Arab Republic – UNRWA's five 'Fields'. As the population has grown and a tenable political solution has failed to materialize, UNRWA has evolved from an emergency provider of basic humanitarian relief to a quasi-governmental entity, operating programmes in education, health, infrastructure, microfinance, and broader social services.

The Relief and Social Services (RSS) department has attempted to meet the basic needs of the most vulnerable Palestine refugee families largely through the provision of food. A review of Commissioner General reports from the 1970's and early 1980's reveals a programme which has historically been based on food distribution and that donor contributions to the programme were, until fairly recently, in kind and not in cash. Thus, for at least four decades, RSS funding has been largely outside the General Fund. Over the years and facing the reality of prolonged refuge, UNRWA RSS has also moved towards programmes aimed at achieving empowerment and socio-economic development of Palestine refugees. That said, the flagship activity of RSS, food distribution was conceived as an emergency response and now appears somewhat anomalous.

RSS directly contributes to UNRWA's Human Development Goals 3 (a decent standard of living) and 4 (human rights enjoyed to the fullest extent possible) for the most vulnerable of the Palestine refugee population. While at present RSS operates many programmes, its key goal has remained the provision of support for families unable to meet their basic food and shelter needs.³

2.1 Construct of RSS

With over 30,000 staff, UNRWA is one of the largest and oldest humanitarian organizations in the world. One of three main programmatic departments, RSS plays an important role in ensuring poverty and the needs of the most vulnerable refugees remain central areas of the Agency's work. Over time, the work of the department, particularly its historic role in emergency response and food provision, has become synonymous with the plight of Palestine refugees. The RSS food distributions are a visible and tangible demonstration of the commitment of the international community to a just solution for Palestine refugees, and therefore deeply emotive. The RSS stated mission is

² UNRWA's mandate is laid out in United Nations General Assembly resolution 302 (IV) of 8 December 1949.

³ Shelter construction and maintenance were originally the responsibility of RSS. Most of the concrete-block shelters seen today in the refugee camps were constructed by UNRWA in the 1950s to replace the tents in which many refugees had lived since fleeing their homes in Palestine. Now, however, since the Organizational Development Plan, the newly created office of Infrastructure and Camp Improvement facilitates shelter construction and repair in the camps.

- To provide direct relief and social services to the most economically deprived refugees;
- To administer and update the Agency's Refugee Registration Information System;
- To promote the socio-economic advancement of groups with special needs, particularly women, disabled persons, and youth;
- To build the capacities of the existing UNRWA-affiliated Community-Based Organizations (CBOs) to become self-sustainable

2.1.1 Relief Services

Food Distribution: From SHAP to SSNP

Historically, RSS's chief programme has been food distribution, a programme that originated in 1950 as a universal provision, but was gradually limited as resources diminished and the Palestine refugee population grew. In 1983, budget constraints and a growing awareness of the inequality of needs within the refugee community pushed RSS to restrict rations and direct relief only to those families undergoing severe economic hardship. In moving from universal provision of services towards a poverty-targeting approach, RSS began to identify the poorest and most vulnerable of the Palestine refugee population. Classified as Special Hardship Cases (SHC), poor families were identified through their inclusion in a series of categories, for example those lacking an able-bodied male head of household. SHCs were initially enrolled in RSS's Special Hardship Assistance Programme (SHAP) through which food rations were provided on a monthly basis. While SHAP varied in scope, it consistently served close to 5% of all registered refugees at any given time, acting as RSS's core programme.

Recognizing the arcane aspects of targeting in a categorical manner and responding to best practices in protection, humanitarian assistance, and development, RSS began a gradual process in 2006 to replace the SHAP with a Social Safety Net Programme (SSNP) in 2009. As part of the SSNP, a Family Income Supplement (FIS) was introduced some fields in 2008 to cover the poverty gap faced by the abject poor⁴, taking into account all other assistance provided to SSNP families. Driving this new effort was a vision of shifting from a status-based targeting approach to a poverty-based approach made possible through the development of the Proxy Means Test Formula (PMTF) which allows for more accurate targeting of beneficiaries. At this writing, UNRWA is implementing two different programmes for reasons of political context, resource availability, and logistical considerations. Some fields are well advanced in rolling out the SSNP programme based on the RSS PMTF, while others have declined to adopt the approach, opting to continue either with the SHAP or to use alternative poverty targeting tools. For this reason, both SHC and SSN will be referred to throughout this document. It is probably worth noting that while the reformed RSS program has been referred to as a 'social safety net', SSN, the nomenclature itself may give rise to greater expectations of its reach, flexibility, and depth than resources are ever likely to permit.

The average amount of the SSNP's current food and cash assistance is \$150 - \$185 per year per person, depending on the Field, and is distributed in quarterly installments to nearly 300,000 SHCs, 5.8% of the Palestine refugee population. As noted above, more than 20% of registered refugees in the five fields are poor, meaning that RSS is meeting only a fraction of the need. It is

⁴ The abject poor are defined as those who are unable to meet food consumption needs (i.e. average nutritional needs).

important to note that UNRWA's current food basket is equivalent to 630 calories per person per day (ppd) in Syria, Lebanon, and Jordan. In Gaza and the West Bank it is equivalent to 1800 calories ppd – in all instances serving as a supplement to meeting food needs. A cohort of circumstances compelled RSS to implement the SHAP and SSNP, thereby tailoring the beneficiary pool more tightly. Rising food prices, diminishing global food surpluses, and a lack of adequate funding play a role, but also germane is the urgency of bringing UNRWA services to the poor up to speed with globally accepted best practices based on lessons learned in the development community over more than half a century.

With improved targeting measures available and RSS SSN programming, already limited in terms of the benefit it provides, moving the focus to the abject poor, there are limited options for reducing services aside from further cutting numbers of beneficiaries or reducing the already inadequate food package. Both approaches entail considerable humanitarian and political risk and, obviously, are inimical to UNRWA's goal of a decent standard of living.

RSS has responded to the growing pressure on the programme as currently configured by considering the efficiency and effectiveness of an all-cash approach. Cash approaches are widely used internationally by UN Agencies, governments, and non-governmental humanitarian actors with excellent outcomes observed in numerous contexts. In fact, the Palestinian Authority, Government of Jordan, and Government of Syria all operate cash programmes as a form of social transfer to the poor. In 2009, RSS commissioned Cécile Cherrier to conduct a cost-efficiency study of the RSS's food distribution efforts. The study recommended carrying out pilot-tests of cash-based delivery models. In-kind food delivery mechanisms were identified as potentially stigmatizing and degrading for beneficiaries while cost inefficiencies in the model were also noted.⁵ In 2011, RSS followed up on the recommendations of the Cherrier report through a consultancy that further explored the potential efficacy of a cash-based model social transfer system for the SSNP.⁶ Both studies are summarized in Section 3.

2.1.2 Social Services

In 1989, a memorandum introduced at the UNRWA General Cabinet Meeting proposed a conceptual modification of the 'welfare' model through inclusion of development programming intended to recognize and build on social capital already existing in refugee communities. In 1990, the Welfare Department was absorbed into what was then called Relief and Social Services. The implication was that RSS would act more as a facilitator of programmes, rather than simply a service-provider. With the change in title came also a shift, albeit partial, in the outlook of RSS and the approach by which the department addressed longer-term socio-economic rehabilitation of Palestine refugees.

2.1.2.1 Community Based Organizations (CBOs)

Women's Programme Centers have existed in UNRWA since the 1950s, providing education and support to women on economic and nutritional matters. They also provided a locus for income

⁵ Cherrier, Cécile (2009): "Exploring Alternative Delivery Models for UNRWA's Social Safety Net Program: Final Report." Commissioned by UNRWA.

⁶ See: Carpio, Maria A. (2011): "UNRWA Social Safety Net Program: Exploring an All-Cash Approach." Oxford Policy Management.

generation and the preservation of Palestinian culture through activities such as traditional cross-stitch embroidery. Incorporating these centers into a broader community empowerment initiative in 1989, RSS supported the formation of other community based organizations (CBOs) to target the most vulnerable Palestine refugees, including women, the disabled, and children to help promote self-reliance and aid them in addressing their own socio-economic priority needs. Since the 1980s, the management committees of CBOs have been provided with technical and limited financial assistance from UNRWA. Financial incentives are provided to some 'volunteers' while the majority of CBO manager salaries are paid', the level of remuneration of both incentives and salaries determined by the management committee of each CBO. For the most part, incentives and salaries are drawn from a CBO's own budget, though in some cases these salaries have now come under the Agency's Job Creation Programme in the West Bank and Gaza. These financial arrangements, as well as the opaque legal status of the CBOs gives rise to questions about the quasi civil society status of the CBOs. Today, RSS partners with a wide range of service-oriented CBOs including 60 Women's Programme Centers, 35 Community Based Rehabilitation Centers, and 7 Community Development Centers. 37 of these organisations also operate Community Managed Fund Schemes, whereby micro-credit services are managed by CBOs with technical and financial assistance provided by RSS's Micro-Credit Community Support Programme.

A recent internal evaluation of CBOs, conducted through the assistance of the Australian Volunteers International (AVI) programme, found that despite positive contributions to the communities that CBOs serve, their purported role in addressing the underlying causes of poverty has proven to be limited. Many of the services offered by the CBOs such as embroidery and beauty training courses bear limited relevance to the Programme's goals concerning poverty alleviation and provide skills-training in areas with little economic value. The study notes that the majority of SHC and SSNP recipients interviewed therein, "did not use CBOs, citing a variety of reasons, including prohibitively expensive fees and favoritism" (UNRWA 2011: 50). While recent reforms centered on the utilization of a tailor-made Capacity Assessment Tool (CAT) distributed to Fields in the middle of 2011 will attempt to improve CBO services through improving organisational capacities, the cost/benefit equation of UNRWA's relationship with the CBOs, as currently configured, should bear much closer scrutiny. This task is best led by the respective Fields, supported by RSS headquarters.

2.1.3 Eligibility and Registration of Palestine Refugees

Registration Records

An important RSS function is the maintenance of the registration records system for more than 5 million registered persons⁷. Records are updated through a centralized, integrated database system, accessible at the field level on-line as refugees request amendments and changes to their registration documents reflecting births, deaths, marriages, divorces, and physical movement.

The multi-year project to migrate the registration system from an overly cumbersome manual system which did not allow real time access to data to a modern database that allows real time

⁷ Registered persons includes all categories eligible to be registered with UNRWA for services. The largest of these categories is Palestine Refugees, who number, as of June 2011, 4,747,863.

registration actions and access to important population data has faced significant delays. Challenges remain and the system does not function at the level hoped as yet. That said, it is up and running, staff and refugees are benefiting from efficiencies, information is being generated, and efforts to address remaining difficulties continue. In the autumn of 2011 UNRWA will undertake an external evaluation of the system in order to validate future decision making on the management of and investment in the RRIS.

Associated with UNRWA's registration of Palestine refugees and other eligible categories is the work to preserve the estimated 17.5 million historical documents contained in the Family Files, protecting them from deterioration by electronic scanning, indexing and archiving, a task which has been largely completed over the past six years. The Archives, however, are not uploaded to the RRIS as yet and therefore archival documents cannot be digitally linked to family files. This task is an aspiration for the future.

For the purpose of this document, reforms and change in the registration system of UNRWA are already well underway and will continue for the medium-term. Any decision about whether the RRIS should remain under RSS management or be housed elsewhere in the Agency remains under discussion.

3. RSS Evaluations

3.1 Staff Survey

In August 2011 the Monitoring and Evaluation Officer of RSSD HQ(A) administered a survey to gauge the perspectives of RSSD and non-RSSD staff regarding the current challenges and future directions of the programme and, in particular, the role of RSSD HQ(A). Recognizing the disconnect between field offices and RSS HQ(A), and as part of the ongoing Sustaining Change initiative, the survey was seen as an opportunity for staff to canvas their ideas and expectations for the programme going forward. Surveys were completed by a variety of stakeholders including HQ(A)-based RSS staff, RSS field staff, and non-RSS staff (including staff from HQ(J)). Though some notable differences exist between the different groups of respondents the results broadly suggest that the provision of technical assistance on poverty related issues should be a central function of RSSD HQ(A) going forward.

The survey results provide a number of insights concerning Agency perceptions of the role envisaged for RSS HQ(A) going forward. Though respondents from outside the department emphasized the need for RSSD HQ(A) to shift and focus explicitly on poverty (dynamics, monitoring and updating of poverty lines), viewpoints from within the department remained grounded in past and current practice. When asked "If there is no money to distribute food and cash to refugees in 2012 and beyond, in what areas would you suggest RSSD at HQ develop new programming for the abject poor?", 50% of RSS staff respondents provided responses that suggested RSS improve the way it works, compared to 73% of non-RSS respondents suggesting improvements. Despite the question being explicitly framed in the context of likely funding shortages, 38% of RSS staff suggested that the department continue providing short term relief compared to only 13% of non-RSS respondents. This rigidity is further reflected in responses to Question 5: "In which of the following areas would it be useful for the Relief and Social Services Divisions at HQ to provide staff with technical assistance?" Again, RSS staff provided responses

largely in line with current practices, emphasizing social protection (63%), monitoring (53%) and poverty dynamics (47%), with only 11% of respondents identifying cash transfers as an important area of focus. These responses contrast significantly to those provided by non-RSS staff who emphasize the need for RSSD HQ(A) to shift towards recognised best practices and take a leading role in providing technical assistance on poverty related issues⁸, livelihood approaches (57%), cash transfers (43%) and assisting fields with the identification of and programming for the socially excluded (52%).

Respondents from both within and outside of RSSD HQ(A) noted the importance of combining a focus on the poorest refugees with targeted interventions that seek to address the long-term structural causes of poverty. Though some within RSSD HQ(A) emphasized the continuing importance of short-term relief (food) in open-ended responses the results from Question 5 (stated above) suggest that there is a recognised need to provide technical assistance on livelihoods approaches (78% of respondents within RSSD HQ(A), cash transfers (78%) and the monitoring and updating of poverty lines (78%).

3.2 Exploring Alternative Delivery Models for UNRWA's Social Safety Net Programme (2009⁹)

In 2009, and corresponding with the transition from a status-based to a poverty-based approach underlined by the introduction of PMTFs, RSS commissioned an external consultant to undertake a scoping study of potential alternative delivery systems. The cornerstones of RSS's efforts, food and limited cash transfers, were analyzed to determine their cost-efficiency and impact. Notably however, beneficiaries were not consulted for their input on and preferences of transfer methods.

Borne by the momentum gained from UNRWA's Medium Term Plan 2005 – 2009 (MTP) and the Organizational Development (OD) initiative, one of the primary findings of the Cherrier report is that social cash transfers are highly effective and may be quite applicable to the fields in which UNRWA works. It noted the emerging evidence of the effectiveness of cash programmes in promoting economic growth and human development as well as contributing substantially to the reduction of monetary poverty, highlighting that social cash transfers have a “greater potential than food transfers to tackle poverty.”¹⁰ Benefits of cash programmes include empowerment, increased convenience, improved status of women and other marginalized groups, and multiplier effects within local markets. Cash transfers were also found to lessen costs to beneficiaries, an important observation given UNRWA's concentration on the abject poor. The Cherrier report recommended that UNRWA adopt cash social transfer system and delivery modalities were examined and analyzed.¹¹ Reasons for moving towards a predominantly cash-based transfer system presented in the report include: the stigmatization involved in food delivery, the cost inefficiencies of food transfer programmes post-2007 food

⁸ Including poverty dynamics (81%), monitoring and updating of poverty lines (62%) and addressing poverty at a household level (57%) .

⁹ Also known as the Cherrier report.

¹⁰ Cherrier, Cécile (2009): “Exploring Alternative Delivery Models for UNRWA's Social Safety Net Program: Final Report”, p. 8.

¹¹ Similar recommendations were also made periodically in EU External Reviews of UNRWA programmes. See: Valjas 2008; Valjas 2011.

price hikes, and the simplification of distribution a technology-linked cash transfer programme would provide.

The report noted the expense of food transfer programmes; where transportation and distribution of food stuffs result in the Agency incurring significant expenses and the base price of the food items being a fraction of the total cost. For beneficiaries, the negative impact of opportunity costs involved in the distribution process should also be taken into account.

Using data collected from the various Fields documenting the cost of each element of the transfer processes, the report suggests that if the cash portion of the aid package was increased and the food portion reduced, total costs to UNRWA would decrease by 2.5% while maintaining the level of transfer to beneficiaries. Further comparative analysis suggested that a move to cash transfers would result in significant savings for the Agency across all fields, particularly in the West Bank where costs associated with administering food versus cash transfers were estimated to be 47% and 6% for food and cash respectively. In order to realize such savings and effective service provision, the study noted that it is essential to index cash subsidies to the Consumer Price Index (CPI) of the host country.

The study also noted the fact that cash transfer programmes cannot and should not be applied universally, highlighting that such programmes are only effective in contexts where market conditions permit. A rapid review of UNRWA Fields concluded that markets in Jordan, Syria and Lebanon were effective, but that in the oPt market stability could represent a problem.

It was determined that UNRWA's administrative capacity was sufficient to manage a cash transfer programme. The report also noted that a move to cash transfers could help mitigate stigmas and protection issues associated with food delivery. Utilizing technology to move towards 'push' mechanisms by way of ATM cards, mobile phone transfers or commodity vouchers was concluded to offer greater developmental potential.

The Cherrier report recognised a number of methodological limitations, in particular noting the concern that the consultant had inadequate opportunity for beneficiary consultation. She also pointed to the potential political ramifications that could result from a shift given the symbolic importance of the food transfer programme. In line with this argument, the study drew attention to the lack of communication between SHAP beneficiaries and UNRWA staff regarding preferences and general feedback on programmes.

3.3 Review of the Relief and Social Services Programme (RSSP) (March 2010)

This most recent review of RSS was conducted under the aegis of Organizational Development (OD) through consultation by Social Development Direct Ltd. and Delta Partnership Ltd. The review notes the need to move towards a development approach as opposed to merely relief programming. The review highlights the need for "effective and targeted 'promotive' interventions for those who have the potential to graduate out of poverty"¹².

¹² Social Development Direct and Delta Partnership (2010): "Review of the Relief and Social Services Programme: Final Report - From Relief to Development: Transforming UNRWA's RSSP into a Dynamic Social Protection Programme". Final Report, March 2010, p. 9.

As a core recommendation, the review calls for implementation of a context-specific approach to food assistance programming implemented through an all-cash model combined with enhanced economic opportunities targeted at the abject poor and other vulnerable groups. In general, the review recommends RSS focus on several key areas: economic empowerment, concentration on protection and rights, enhanced targeting¹³ of the social safety net, and social services to the poorest. The review calls upon UNRWA to craft a social protection identity of its own, ensuring refugee rights are respected through the programmes it administers.

Regarding UNRWA's current efforts in strengthening civil society (the CBOs), the review suggests UNRWA increasingly delegate this work to INGOs and strong local NGOs and that the UNRWA affiliated CBOs regularize their status under host government enabling frameworks

As part of a broader reform of RSS and UNRWA's organizational structures, the review recommends transferring the Eligibility and Registration (E&R) oversight elsewhere in the Agency given its broad relevance to all UNRWA programmes. The review also recommends a transfer of responsibility for the medical and education elements of Community Based Rehabilitation Center (CBRC) services to the Health and Education departments. The importance of a more protection oriented needs approach to SHCs, as supposed to supply drive, is highlighted, echoing Cherrier.

Data collection, monitoring, and evaluation – and the ability to analyze and make decisions on an evidence base – is pointed to as an RSS weakness. Ultimately, the review suggests RSS develop a strategic plan in order to organize more efficiently and effectively to address the issues mentioned above. As part of this reform, the report recommends restructuring RSS functions at both the HQ and Field levels (see Figures 1 & 2 below, respectively); establishing new roles and positions aimed at better achieving UNRWA's shift from a relief to development approach. While the suggested restructuring and nomenclature are not necessarily the way forward, the finding points to the need to assure RSS is able to meet demands and challenges.

¹³ Improved targeting measures are called for in light of the inequality of services administered to various poor households, some of which had access to both Host Authority benefits and UNRWA programmes due to their more favored political status.

Figure 1. Structure at HQ: Social Protection Department as proposed in the March 2010 External RSS evaluation

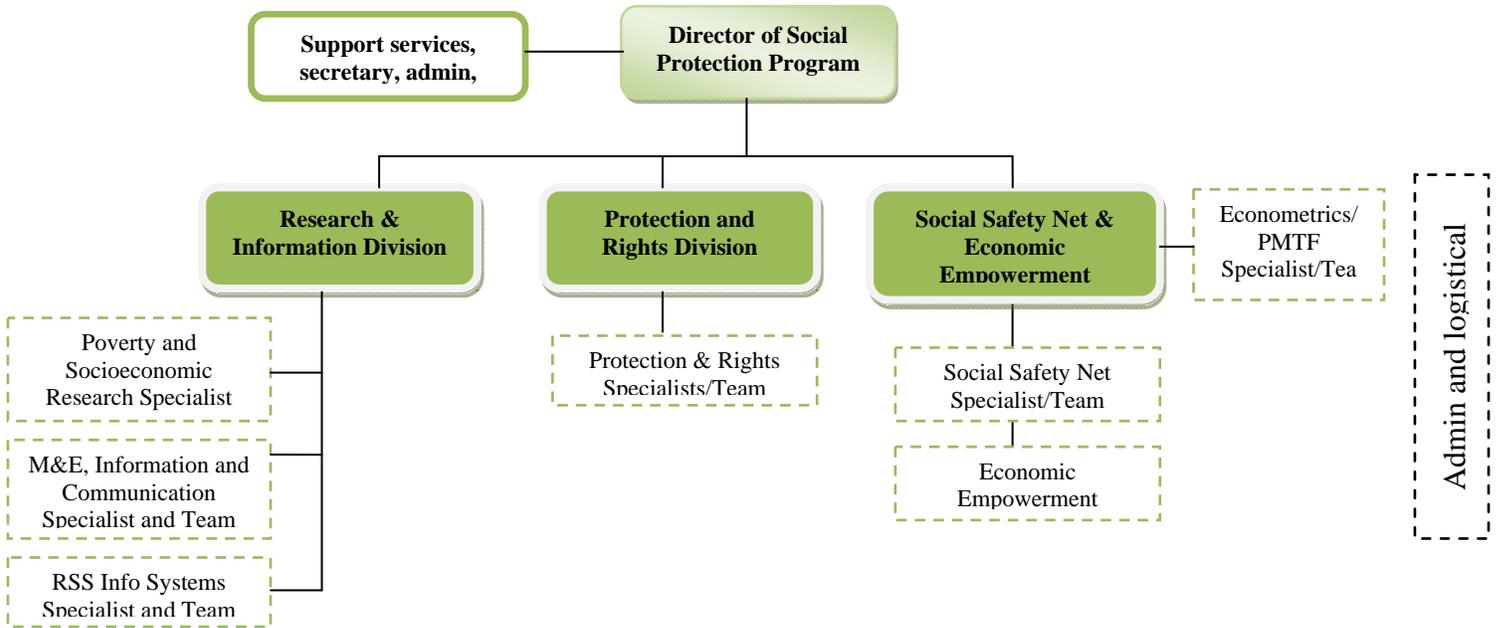
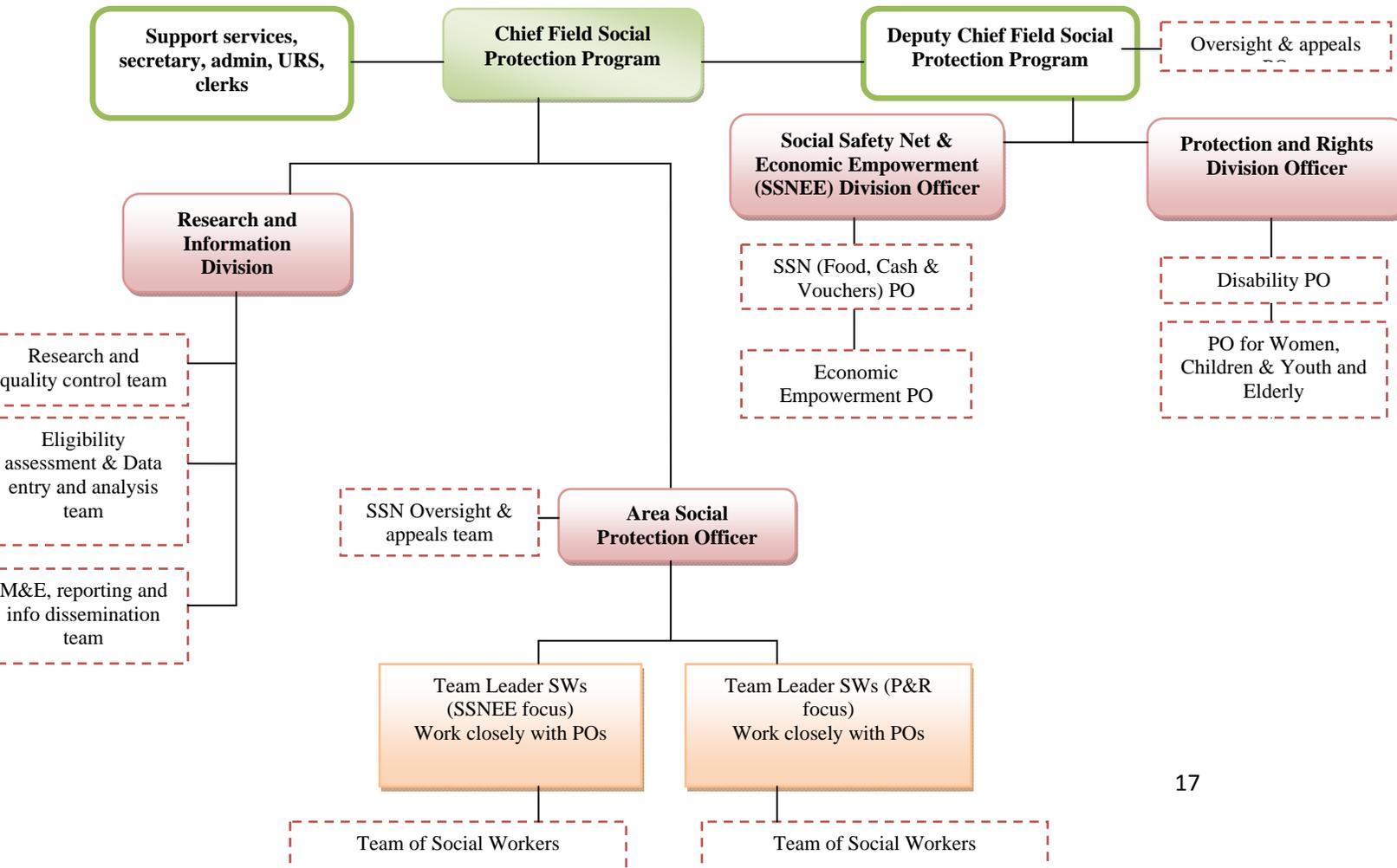


Figure 2. Structure at Field level: Social Protection Programme as proposed in the March 2010 External RSS Evaluation



3.4 Organizational Development at UNRWA (June 2010)

A light touch evaluation of the 2006 Organizational Development plan compiles OD's periodic progress reports with the purpose of informing the Advisory Committee (AdCom) of progress in its implementation. This includes the adoption of the SPARE paradigm¹⁴ whereby HQ adopts a role focused on broad, strategic and policy-oriented planning while field management concentrate on project development, specification, and implementation.

Though some necessary restructuring has occurred (creation of new posts and roles in HQ and field offices), the OD plan did not call for restructuring per se, but rather a shift in responsibilities and increased flexibility. The report noted the need for clarity and unity in vision in creating and meeting cross-programme strategic goals.¹⁵

3.5 UNRWA Social Safety Net Programme (SSNP): Exploring an All-Cash Approach (March 2011)

Building on the recommendations in both the Cherrier report (2009) and the Review of Relief and Social Services Programme (2010), this study examines the feasibility of implementing an all-cash approach to target the abject poor. UNRWA sought a clear understanding of what would be the most cost-effective delivery model for cash social transfers to SSNP beneficiaries. The consultant was able to visit the field in West Bank, Jordan, and Syria.

The study presents the development and humanitarian community's global critique of food aid over the last decade due to its enormous expense and the negative impact on local markets. Recognizing the appropriateness of food transfers as a response to commodity market failure, the study observes that cash transfers have been noted "to have the capacity to trigger a wider set of development outcomes,"¹⁶ allowing beneficiaries to set their own priorities and obtain both food and non-food essentials. The report noted that most abject poor in the three fields visited have access to local markets and operate in economies that are monetized.

In examining the conditions of the national markets utilized by SSNP populations, the study notes that Jordan, Syria and, in particular, Palestine are classified by the World Food Programme (WFP) as being especially vulnerable to higher world food and fuel prices in recent years. Beyond the added cost of food distribution in this context, higher prices may mean markets are ever more susceptible to inflation. To counteract this risk, the study recommends cash transfers be indexed to inflation, echoing the findings of the Cherrier report (2009), though recognizing the limitations of such an approach given the flexibility in funding required and the difficulty of frequently adjusting transfer amounts.

¹⁴ The SPARE paradigm emphasizes results-based management and budgeting, robust accountability, streamlined and flexible processes and a measured tolerance for risk.

¹⁵ See: Social Development Direct Ltd. / Delta Partnership Ltd. (2010): "Review of the Relief and Social Services Program (RSSP): From Relief to Development: Transforming UNRWA's RSSP into a Dynamic Social Protection Program." Final Report, March 2010.

¹⁶ Carpio, Maria A. (2011): "UNRWA Social Safety Net Program: Exploring an All-Cash Approach." Oxford Policy Management, p.3.

Noting the need for acceptance by relevant stakeholders and addressing the noted limitations of the Cherrier report (2009), discussions were held with beneficiaries, UNRWA staff and external stakeholders to collect their feedback on the proposition of an all-cash approach. These consultations yielded common concerns highlighting a need for: clarification of the changes this shift in model will bring, a better understanding of beneficiary spending behaviors, and an identification of desired impacts resulting from such a shift. For beneficiaries, change was sometimes associated with risk, and a negative connotation was attached to any shift in model design.

In the West Bank, beneficiaries voiced support for the all-cash approach whilst those in Syria and Jordan were more reluctant, citing fears of price inflation, the impact of receiving cash transfers on other entitlements¹⁷ and noting the symbolic importance of food transfers. Upon clarifying that an all-cash approach meant converting the value of the food basket to cash, beneficiaries interviewed in Syria were overwhelmingly in favor of an all-cash approach due to the flexibility it would provide. Households with more family members have been shown to prefer cash over food aid because of the ease with which they can access local markets (Ahmed, et al. 2009). Along the same lines, smaller households in this study articulated a reluctance to shift to an all-cash approach. In April 2010 the Northern Management Unit in Lebanon, responsible for providing assistance to Nahr El-Bared Camp (NBC) displaced and returning families, gave the 4,000 families it assists the option to receive cash rather than food parcels. Although fewer than 5% of families opted for cash during the first distribution round, by the end of 2010 25% of families were choosing cash over food noting that it gave them the flexibility to buy what they wanted, when they wanted. The families opting to cash tended to be larger in size, due to the scales of economy, with the vast majority of 1-2 person households opting to continue to food assistance. Due to the cost of providing these larger families with cash rather than food, the inability of UNRWA to increase the value of the cash assistance to the local market prices and therefore reduced demand for cash, the Northern Management Unit will no longer be offering cash and all families will be returned to a food parcel. Although it is unfortunate that UNRWA could not sustain the cash option for NBC displaced this experience shows that there is an interest among the refugee community to receive cash rather than food, and that it is imperative the refugees' purchasing power be protected from shocks to the market.

The range of beneficiary and staff responses can largely be attributed to their levels of familiarity with cash transfers, with both beneficiaries and Agency staff in the West Bank particularly familiar given the prevalence of such programmes there. Understandably, Field Procurement and Logistics staff were concerned about the job losses that would take place and the need to retain UNRWA's reputation and identity which they believe are strongly tied to effective food delivery.

External stakeholders echoed much of the feedback collected from UNRWA staff. UNRWA's role is seen by many to center around food distribution and many external stakeholders feared a

¹⁷ In Jordan, refugees receiving assistance from the government's National Aid Fund (NAF) would receive reduced benefits should their food baskets be converted to cash because the NAF factors in cash received from other sources, but not food, when calculating a family's entitlement.

potential backlash should a shift in services be pursued, despite similar cash transfer schemes already being implemented across Jordan, Syria and the West Bank¹⁸.

The primary aim of this study was, however, to evaluate the cost efficiency of an all-cash approach, including a comparison of different delivery methods. It was found that the costs of storage, transportation and distribution of food represent, on average, 19% of the actual purchase cost, ranging from 53.3% in the West Bank to 9.3% and 11.2% in Jordan and Syria, respectively. Compared to food distribution, the study concluded that an all-cash approach would result in significant cost savings in terms of delivery. (See Table 2)

Table 3. The costs of delivering food aid against the estimated costs of using alternative delivery options under an All-Cash Approach (Jordan, Syria and West Bank)¹⁹

Fields	Total cost of food distribution (excluding purchase cost)	All-Cash Approach: alternative delivery options	Total estimated cost of alternative delivery option	Difference (cost savings)
Syria	\$256, 040.07	ATM cards	\$85, 217.50	\$170, 822.57
Jordan	\$401, 435.60	Jordan Postal Company as pay point	\$134, 109.00	\$267, 326.60
West Bank	\$1, 488, 680.25	Bank of Palestine ATM cards	\$126, 052.50	\$1, 362, 627.75

The study also examined the potential methods could be used, by Field, to execute cash transfers. Three widely-used methods of delivery were examined: bank ATM cards, post offices as pay points, and commodity vouchers (or, near-cash transfers, Cherrier (2009)). The study determined that for Jordan, the best option would be post office pay points, with ATM cards considered the most appropriate delivery method for both Syria and West Bank . Table 3 (page 18) reflects these findings, delineating the costs and limitations of the recommended approaches in each field.

Table 4. Summary of Recommended Cash Delivery Mechanisms

	Jordan	Syria	West Bank
Delivery Mechanism	Post office pay points (JPC)	ATM cards	ATM cards
Upfront Costs	Minimal (JPC currently administers NAF payments)	Minimal	Minimal
Beneficiary Costs	Minimal (JPC are widespread)	Transaction costs in setting up accounts;	Minimal

¹⁸ Cash transfer programmes operating in the region include the NAF, the Social Welfare Fund in Syria, and the Cash Transfer Programme of the Ministry of Social Affairs in Palestine. Transfer programmes are also currently operated by UNHCR and WFP in Syria, Jordan and the West Bank.

¹⁹ Note: The estimated cost of using alternative delivery options under an All-Cash Approach are based on the following key assumptions: (a) the number of beneficiary accounts is equivalent to the number of beneficiary households served in 2010 (consistent with the data for food distribution); and (b) cash transfers will be made in a quarterly basis (Carpio 2011).

		ATM withdrawal fees	
Limitations	Beneficiaries could only access funds during JCP business hours	Poorly functioning ATMs; constraints on withdrawing small amounts of cash	Area C residents do not have access to banks

The study concludes by noting other issues that should be considered when implementing the all-cash approach, emphasising the time needed to plan, implement, and coordinate a new system. In making a shift to an all-cash approach, the report concludes by outlining a number of recommended stages:

- (a) a design stage;
- (b) a pre-launch or planning stage;
- (c) the actual pilot; and
- (d) full implementation of the Programme

4. Challenges to Reform

There are many inhibitors to reform in the volatile and politically charged environment in which UNRWA operates. UNRWA’s unique mandate exists between temporary and sustained relief and development and thus the nature and objectives of the programmes are often difficult to define. Communication will be critical during any reform of RSS programmes; beneficiaries, UNRWA staff and stakeholders will need to be informed and on-board prior to any changes in service provision.

There are three issues or requirements for RSS evolution moving forward.

1. Resistance to change is going to need to be addressed at all levels of the organization, in refugee communities, and with host authorities. Some of this can be addressed by RSS HQ staff working in concert with the Fields, for example in establishing methodologies for identifying and classifying who is eligible for assistance and what assistance packages entail for families who are more or less vulnerable. However, if UNRWA is going to significantly change historic practice, for example moving from food distribution to cash or tailoring assistance to refugees to account for benefits that they may be able to access elsewhere (from host authorities for example), robust engagement by Agency leadership will be required. Without this it will be difficult for RSS to move.
2. As noted above, decentralization has generally been an advantage to the Agency but RSS HQ is left with few tools through which to build consensus and identify generally agreed-upon approaches. In this regard, it may be worth noting that RSS position is somewhat unique within UNRWA. If one looks at the example of education reform, an enormous challenge and undertaking whose importance and difficulty are not to be underestimated, the focus is primarily on improved teachers and teaching at the classroom level. There is a strongly unifying factor here – teachers and the knowledge, skills, and attitudes required to be a teacher of excellence. For RSS, the unifying theme could be seen to be poverty. However, a household’s poverty is multi-dimensional – no one poor person is like another and poverty lines, determinants, and maintainers all differ according to context and hence is specific to each of UNRWA’s five Fields. Thus

- RSS HQ is dealing with five quite independent Fields who are, quite appropriately, tailoring programmes to their local realities. At times, this decentralized approach is to the detriment (or in the absence of) any clear UNRWA policy or minimum standards, and limits the Agency's ability to quantify and evaluate outputs and impact at an overall level. Accordingly, there is a salient need to strengthen and define the balance between HQ and fields, a task RSS looks forward to constructively participating in with the Fields and Agency leadership.
3. For UNRWA to effectively continue to provide meaningful assistance and services to the growing numbers of deeply vulnerable refugees, resources are necessary. Ethically and politically, the Agency can only move from food assistance to cash if the benefit is adjusted to inflations on a timely basis. This is likely to mean that the monetary value of assistance will grow every year. Such discussions should be framed by a wider consideration; UNRWA is mandated to serve refugees, many of whom are in abject poverty, unable to meet their basic food needs. Not only is the size of this population growing, the poverty is deepening. Clearly, greater resources will be required if UNRWA is to provide genuinely meaningful assistance to the most vulnerable refugees.

5. Reforms

5.1 Overview

UNRWA's "purpose can be summed up in three words: *servicing Palestine refugees*."²⁰ The reality is that poverty is a cross cutting theme for Palestinian refugees and that UNRWA must be able to effectively address the poor. Relief and Social Services Department (RSS) oversees those programmes intended to protect the most vulnerable refugees from the impact of chronic poverty and shocks which can push them into poverty.

UNRWA's ability to effectively mitigate and alleviate poverty has a direction:

1. UNRWA (RSS) must develop the ability to identify and classify poverty in the refugee population. If UNRWA is unable to identify the poor as an impact group, it is unable to effectively plan and deliver services or advocate effectively.
2. A practical strategy and vision must be implemented in order to deliver meaningful assistance to the poor as well as effective development and economic empowerment interventions for those who have the potential to graduate out of poverty.
3. UNRWA (RSS) must harmonize its approach to assistance and services to the poor in each of its five Fields, informed by the context. This harmonization must be cognizant of the assistance and services of host governments, both as comparators and as potential partners.
4. Services must be rationalized and of proven effectiveness.
5. UNRWA (RSS) needs to better structure relationships internally and externally to assure that beneficiaries are being referred to quality service providers and that the referral system, particularly internally, is rational, effective and feasible.
6. The RRIS is a core UNRWA function and responsibility and it must function effectively.

²⁰ UNRWA (2005): "Serving Palestine Refugees More Effectively: Strengthening the Management Capacity of UNRWA - UNRWA's Organizational Development Plan 2006-09", p. 4.

The 2010-2011 core objective of the RSS SSNP is the reduction of poverty within the Palestine refugee population, specifically the abject poor. With its full implementation, the SSNP would directly address MDG 1: eradication of extreme poverty and hunger (Valjas 2008). Recent poverty surveys utilizing the PMTF demonstrate that services by UNRWA in this realm are urgently needed as the number of extreme poor remains unacceptably high.

Table 5. Results of the Poverty Screening Surveys of the SSNP populations (using Poverty Lines and PMTF), 2008 and 2009 by field

Field	Abject poor (%)		Absolute (%)		Non-poor (%)	
	Individuals	Families	Individuals	Families	Individuals	Families
Gaza (2008)	65.9	38.9	33.1	56.9	1.0	4.2
West Bank (2009)	31.7	48.3	54.0	44.0	14.3	7.7
Lebanon (2009)	52.3	63.6	37.4	29.4	10.3	7
Syria (2009)	33.3	37.2	52.5	45.6	14.2	17.2
Jordan (2008)	23.1	13.0	64.3	68.2	12.6	18.8

In order to achieve UNRWA's goals of targeting the abject poor, greater effort needs to be placed upon catalyzing lasting socio economic development. At the same time, UNRWA has an acknowledged mandate and responsibility to Palestine refugees who have no practical path out of poverty and therefore humanitarian assistance will necessarily remain part of the equation.

The proposed reforms will concentrate on improving UNRWA's ability to target and serve the abject poor through the programmes it administers. RSS will pursue the utilization of a PMTF in all fields to improve the accuracy of poverty targeting. PMTF usage across all fields will permit the Agency to build common understandings of poverty amongst Palestine refugees and formulate appropriate Agency wide policies that can be understood by a wide range of stakeholders, including the beneficiaries and host governments whilst providing space for Field's to pursue programmes tailored to unique contextual conditions and challenges.

Consensus on who the poor are, where cut-off lines need to be drawn, and assistance that is meaningful is important. Absent this consensus, it is difficult to see how UNRWA will achieve efficiency and be able to demonstrate evidence based impact.

6. Specific Programme Reforms

6.1 Overview

1. UNRWA will continue to provide food as a social transfer to food insecure refugees living in areas where access to food is an issue, notably at present Area C herding communities in the West Bank and in the Gaza Strip.
2. Identification and targeting of refugees classified as absolute and abject poor will be through use of a Proxy Means Test Formula on the platform of the Refugee Registration Information System (RRIS). The work in rolling out this system will continue in a gradual manner.
3. A shift from food to cash as the universal currency of UNRWA's social transfer to the poor.
4. Cash transfer programmes will address both the traditional concept of 'relief' and the concept of development and empowerment. Therefore, cash transfer programmes will target the poor who are likely to require ongoing unconditional assistance, for example the elderly and/or the disabled. Cash transfer programmes will also encourage development and empowerment through cash for work and jobs programmes and conditional cash transfers.
5. RSS programming will seek to model and facilitate an attitude shift within UNRWA towards service to vulnerable refugees in line with UNRWA's emphasis on its protection mandate. In this regard, programmes will be built on a rights-based approach that recognizes the agency and dignity of all refugees.
6. A greater emphasis on development/empowerment programming and a more integrated analytic approach to addressing poverty amongst Palestine refugees will be reflected in programmes encouraging and supporting refugee family initiatives and youth.
7. RSS will seek to build and strengthen its engagement with civil society in the five Fields and to benefit from partnerships with other actors.
8. RSS at the Headquarters level will restructure significantly to (a) reduce costs, (b) reflect a new menu of programmes and activities, and (c) provide more effective and valued technical and surge capacity to the Fields.

6.2 Food as a Social Transfer

UNRWA will continue to deliver food as its primary social transfer throughout 2012, funding levels permitting. Continued stability of this historically symbolic provision is necessary to permit time to negotiate, communicate, and manage change with a very vulnerable beneficiary population, political groups, and host governments. Realistically it will take at least this amount of time to identify and secure funding for reform programmes and the political context in which UNRWA operates makes it inadvisable to suddenly end something which has come to be viewed as an entitlement. In addition, UNRWA has significant capacity for bulk food procurement and distribution, and this capacity will need to be taken off-line in a planned and strategic manner.

After 2012, UNRWA proposes to reduce food assistance in favor of cash as a social transfer mechanism, as described below. However, UNRWA will continue to offer food support to selected refugee communities based on their inability to access secure food markets or the vulnerability of food pipelines. Examples of communities to whom UNRWA plans to continue to offer food support are herding communities based in Area C in the West Bank and to the Gaza Strip.

6.3 Identifying and Targeting the Poor – the Poverty Analysis Unit

RSS proposes continuing and intensifying the Agency’s work to date in being able to identify and target the poor in a more consistent and effective manner. This work requires two things – capacity and political will. A description of the capacity part of the equation is found in 7.3, below. In terms of political will, the Agency must come to consensus that targeting should be uniform, allowing the Agency to analyze, report, and advocate about poverty amongst Palestine refugees with a degree of reliability and authority.

6.4 Cash as a Social Transfer to Mitigate and Alleviate Poverty

6.4.1 Overview

Relief to Development

In shifting UNRWA’s focus from emergency relief assistance towards development strategies, cash transfer programming can yield positive results. Providing assistance in this form would afford beneficiaries the opportunity to focus on their most pressing needs while simplifying distribution efforts.

Where markets are viable and food obtainable, financial assistance enables those in poverty to execute personally-relevant coping mechanisms in order to gradually lift themselves out of poverty. With long-term poverty reduction goals in mind, cash transfers can be used for individualized investment and relief while providing an important introduction of capital into local markets as noted in several RSS evaluations (Cherrier 2009; Social and Delta 2010; and Carpio 2011). Current limited cash transfers distributed in combination with food have been found to be used predominately for paying debts, healthcare expenses, and household essentials.²¹

Social Protection

In attempting to serve the needs of the abject poor, RSS’s commitment to the protection of the population is paramount. The stigmatization and loss of dignity that occur as part of the food distribution process, being identified as a recipient of the aid, and the implicit assumption subsistence is ‘good enough’ can be socially debilitating. Cash transfer programmes allow beneficiaries a more private, discreet form of assistance and empowers them to make dignified choices.

6.4.2 Benefits and Limitations

All poverty reduction strategies have advantages and disadvantages and there are trade-offs to be considered in examining a cash transfer scheme as compared to commodity-based

²¹ See: Relief and Social Services Department (2011): “Results from Social Safety Net Program Satisfaction Survey in Three Fields of UNRWA Operation: Gaza, Syria and Jordan. UNRWA Amman HQ.” Unpublished report.

alternatives.²² A Humanitarian Policy Group study examined cash transfer projects in various countries (Harvey 2005). Its findings concluded that overall, cash transfer programmes are effective in their aim of reducing the poverty gap and enabling beneficiaries some measure of support in obtaining higher household incomes on a sustained basis, as detailed below. More recently, DFID has examined the impact of cash transfers noting that “The theoretical case for transfers is straightforward. While poverty is multi-dimensional, low and variable income is central to the problem. Modest but regular income from cash transfers helps households to smooth consumption and sustain spending on food, schooling and healthcare in lean periods without the need to sell assets or take on debt. Over time, transfer income can help households to build human capital (by investing in their children’s nutrition, health and education), save up to buy productive assets, and obtain access to credit on better terms. Cash transfers can thus both *protect* living standards (alleviating destitution) and *promote* wealth creation (supporting transition to more sustainable livelihoods). Depending on context, they may also help *prevent* households from suffering shocks and *transform* relationships within society, and between citizens and the state.”²³

Benefits

Cost efficiency: The low costs of transportation, logistics, and general distribution of cash transfer programmes enable funds to be utilized predominately in the form of actual aid as opposed to administrative planning and execution. Further, beneficiaries are able to obtain their entitlements at lower cost. With an increased number of distribution sites and much greater flexibility in collection times, receiving cash requires less time and energy to physically acquire than commodity-based aid.

It is also true, however, that certain substitutions for in-kind food assistance may actually increase the costs of aid, as the World Food Programme’s (WFP) Urban Voucher Programme (UVP) in the West Bank has shown. Local products prove more expensive to acquire than bulk quantities on the international market.²⁴ Nevertheless, this increase in costs is seen to result in higher efficiency overall, as beneficiaries are more easily targeted, dietary diversity is better achieved, and flexible numbers of beneficiaries can be served (Hedlund 2009: 5).

Flexibility: By affording beneficiaries the opportunity to use their transfers as they so chose, cash allows each household to meet its own specific needs whether they are food, medical care, or household essentials. This is crucial as it allows beneficiaries to invest in overall livelihood security as opposed to a single element. Beneficiaries are given the freedom to define their own needs and tailor their expenditures to support these which also instills a sense of empowerment as a result.

²² For a list of advantages and disadvantages of cash transfers see Hadziyiannakis, Yiannis and Michel Leblanc (November 2005): “Evaluation of the 2003 and 2004 Food Aid and Cash Assistance Program.” EU/UNRWA, Annex 15.

²³ DFID, 2011. Cash Transfers. DFID Evidence Paper: April 2011. p. i.

²⁴ See: Prout, John, Van Den Briel, Tina and Issa Sanogo. (May 2010): “Cash and vouchers cost effectiveness review” WFP PRRO 200037. West Bank, oPt. Also reference for suggestions on how to analyze cost efficiency and effectiveness of voucher programmes in the Fields versus in-kind food assistance.

Reduced beneficiary costs: In addition to the flexibility afforded beneficiaries through a cash transfer programme, their transaction costs are also greatly reduced as compared with in-kind programmes. This fact was noted as one of the key benefits in WFP's current UVP operating in the West Bank (Prout et al. 2010: 32).

Increased dignity; reduced stigmatization: As mentioned above, queuing in line for in-kind distributions can be stigmatizing. The use of cash transfers allows for not only flexibility in usage, but in so doing also helps avoid the loss of dignity in-kind distribution may cause.

Women's empowerment: Cash transfer programmes have been shown to help improve the status of women and marginalized groups as they receive and spend their aid (Creti and Jaspars 2006). Cash transfer delivery mechanisms do not treat them as passive recipients of relief.

Multiplier effects: Within local communities and economies, multiplier effects are realized; as beneficiaries spend their cash locally, merchants and traders benefit along with their families and a chain of transactions multiplies the economic benefits. Analysis of cash transfer programmes has proven this effect; communities encompassing impoverished populations have been shown to benefit economically from each purchase cash transfer recipients make, albeit in a gradually decreasing manner (Devereux 2008). In areas suffering from food insecurity, this multiplication effect may also motivate further agricultural production. It must be noted however, that long-term economic benefits can only be secured by long-term cash transfer programmes.

Improved local economies: Cash transfer programmes tend to avoid disincentive effects, supplying the poor with cash and not directly discouraging local trade or production through externally-procured commodity transfers. For economies that are suffering, these injections of cash have potential benefits for local markets and trade especially as poor communities are monetized. Certain modalities of cash transfers may also be programmed to encourage purchases of locally-produced products²⁵.

Limitations addressed

There are risks to cash transfer programmes which should be addressed throughout the planning and design phases of cash transfer planning.

Damaged local economies: Though studies show this effect is limited in practice, injections of cash into local economies that are weak may cause prices of goods to rise, harming the local economy and reducing the purchasing power of the cash transfer (Fiszbein and Schady, et al. 2009).

Difficulty in consistent distribution amounts: Vulnerable beneficiaries can be harmed by the erosion of purchasing power caused by inflation and other market fluctuations. This risk must be mitigated by indexing the benefit against CPI scales for the locality. UNRWA and Palestine refugees have already experienced this negative effect in the small cash subsidy programme

²⁵ Cash programmes may contain a voucher component which mandates voucher redemption on locally-produced products.

associated with SSN and SHC families. This is one of the primary concerns of RSS in proposing cash transfers and is likely to be a concern of the refugees and the host governments as well.

Addressing the problem:

- In order to address this concern, a contingency fund should be established from which RSS may draw extra cash in emergency cases of rapid inflation. Additionally, UNRWA will need to conduct accurate economic forecasting on a sustained basis to support requests to donors for increases or decreases of funds pending the levels of inflation existent in local markets. The economic forecasting will couple with careful monitoring and evaluation to assure the security of the programme and to assess impact.

Misuse of money: An oft-expressed concern with cash transfers relates to who in the family will use the money and how. Suspicions that money will be wasted on anti-social uses (i.e. alcohol, cigarettes) rather than used for the betterment of the family are raised.

Addressing the problem:

- While the misuse of any transfer is a legitimate concern – and the known monetization by beneficiaries on unfavorable terms of the current UNRWA food package demonstrates that misuse is possible no matter how the benefit is transferred – there is little evidence in practical experience and the literature to substantiate this concern. Beneficiaries have been shown to consistently invest in assets that provide long-term support, in addition to purchasing goods to meet their most immediate needs (Fiszbein and Schady, et al. 2009; Devereux 2008; Creti and Jaspars, et al. 2006; Harvey 2005; Dietz and Weighill 2005; and Arnold, Conway and Greenslade 2011).
- In analyzing dozens of studies carried out on similar programmes elsewhere in the world, the World Bank has found that where cash transfers have become a substitute for food distribution, beneficiaries have spent their funds predominately on food-related necessities and nutrition has improved.²⁶ Thus, contrary to suspicions, funds are generally used for immediate needs and later for investment in goods that promise return in the future (Fiszbein and Schady, et al. 2009).

Gender concerns: Concerns are raised that in households women may control domestic food supplies and men cash and that cash distributions may therefore disempower women, although there is little evidence in literature to support this concern.

Addressing the Problem:

- **Women can be specifically targeted as the recipients** of cash transfer, and evidence from cash transfer experience indicates that women remain in charge of household expenditures. In fact, where women are targeted for the cash transfer (usually the wives of the head of the household) family health and poverty levels demonstrate great improvement (Fiszbein and Schady, et al. 2009).

²⁶ From conclusions made in a joint SDC-IFRC review: “Experience has shown that poor people and people under severe economic stress are very well capable to handle cash responsibly.” (Dietz and Weighill 2005, p. 34).

Security risks: Transporting of benefits of any kind involves security risk, proportional to its value and the desperation of the population. Obviously, the security risks involved in cash transfer transportation are quite high.

Addressing the problem:

- This issue can be mitigated through electronic transfers of cash and ensuring quantities disbursed are small and frequent as opposed to large and periodical. While this planning is a necessary component of a cash transfer programme, analyses of recently implemented programmes show little evidence of security-related incidents (Creti and Jaspars, et al. 2006).

Targeting difficulties: Because cash transfers are an attractive form of aid in the eyes of potential beneficiaries, targeting is at a premium, not just for the donor and the implementer, but also so that the beneficiary population understands the basis of selection. Given the PTMF system, an accurate targeting of beneficiaries is well within the capabilities of RSS.

Addressing the problem:

- The PMTF system allows UNRWA to target delivery on a per capita basis as opposed to a household or a household-banding basis. This will help avoid ‘under-funding’ small households and ‘over-funding’ large households, a problem that developed for UNRWA in the cash transfer programme at Nahr al Bared.
- The amount of the cash transfers will be index-linked to a specified basket of goods in each of the fields’ local markets and adjusted periodically. The hypothetical basket that is the basis for establishing the amount of cash transfer will largely be based on food, since food prices are the most subject to volatility and because UNRWA’s intention to target and prioritize the abject poor e.g. those unable to meet basic food needs.

Potential Pitfalls:

- 1) *Implementation schedule:* Adherence to predictable implementation schedules has been identified as a key factor in the success of cash transfer programmes in a comprehensive World Bank study of cash programmes.²⁷ Keeping implementation on track enhances the credibility of the programme in its early stages, and is critical over the longer-term in terms of protecting vulnerable people from shocks. Implementation schedule planning has to mitigate for scenarios such as financial crisis, political volatility, and armed conflict.
- 2) *Financial crises:* A separate comprehensive World Bank assessment of cash transfer programming noted financial crises as serious potential hazard.²⁸ Traditionally, programmes lack flexibility to deal with emergencies that push large numbers of people below the poverty line – sometimes resulting in unserved poor who are in more dire

²⁷ See: Rawlings, Laura B.B. and Gloria Rubio (August 13, 2003): “Evaluating the Impact of Conditional Cash Transfer Programs: Lessons from Latin America.” World Bank Policy Research Paper No. 3119. Accessed August 28, 2011 from: <http://ssrn.com/abstract=636482>.

²⁸ See: Fiszbein, Ariel and Norbert Schady, et al. (2009): “Conditional Cash Transfers: Reducing Present and Future Poverty”. The World Bank: Washington, D.C.

positions than those served. Any cash programme should thus be complemented by contingency planning in case of financial crisis.

- 3) *Distrust and lack of information*: Many analyses of cash transfer programming note the need for extensive communication and information-sharing with beneficiary communities. A UNDP report of a conditional cash transfer programme in Nicaragua makes note of the positive difference public information campaigns could have had in reducing mistrust of the new programming (Moore 2009). This risk and need for mitigation is acute in the UNRWA context.
- 4) *Sustainability*: Studies of cash transfer programmes have shown that when the assistance ceases, many of the benefits triggered by the cash disappear (Adato 2007: 1). Though beneficiaries rarely return to pre-assistance levels, it is often difficult for them to maintain the progress they have made while receiving the cash. Thus, as part of the implementation schedule, sustainability should be taken into account as well as components to help make growth lasting. One way to address this potential pitfall is to condition cash transfers on developments in human capital as outlined below.

6.4.3 Cash Transfers in Practice

Over time, cash transfer programmes have been shown to produce not only a more efficient use of resources, but also a sense of empowerment that is necessary to overcome the pressures of abject poverty. Overhead costs can be relatively low and existing power structures are challenged (Dietz and Weighill 2005).

The literature on cash transfer programmes throughout the world highlights their **success**.²⁹ Most have involved systemic efforts to measure their effectiveness and impact and through these analyses benefits and risks have been identified (Harvey 2005). A recent Oxfam evaluation of nearly twenty cash transfer programmes concluded that they were effective, efficient, and most importantly, that they served their purpose lifting beneficiaries out of poverty. An in-depth 2011 DFID Evidence Paper looking at cash transfers is illuminating.

DFID “Cash Transfers Evidence Paper”

DFID’s recent global synthesis of the evidence on the impact of cash transfers is compelling.

- Over the past 15 years, a ‘quiet revolution’ has seen governments in the developing world invest in increasingly large-scale cash transfer programmes. These are now estimated to reach between 0.75 and 1 billion people. . . ., transfers are seen to play a role in reducing *transitory poverty*. Secondly, there is growing evidence that transfers can help people escape *chronic, often inter-generational poverty*; in part by leveraging gains in non-income, human development outcomes, accelerating progress towards Millennium Development Goal (MDG) targets. Finally, there is recognition that in situations of chronic food insecurity (e.g. Ethiopia), institutionalised transfer programmes are more efficient and effective than repeated annual emergency food aid.

²⁹ As an example: Cash transfer programmes were successfully employed in Malawi as an effective substitute and supplement for in-kind food distribution (Devereux 2008). Post-distribution analysis demonstrated that cash transfer funds were spent with minimal misuse.

- Evidence for multiple forms of impact Cash transfers are one of the more thoroughly researched forms of development intervention.
- There is convincing evidence from a number of countries that cash transfers can reduce inequality and the depth or severity of poverty.
- There is an increasing volume of research into how cash transfers might support 'graduation' from poverty for those of working age.
- There is robust evidence from numerous countries that cash transfers have leveraged sizeable gains in access to health and education services,
- Well-designed and implemented cash transfers help to strengthen household productivity for income generation.
- There is very little evidence that cash transfers in developing countries have had negative effects on labour market participation or fertility.
- Transfers are likely to contribute to long-term growth by raising the human capital of the next generation.
- Transfers can influence gender relations and empower the poor to make their own decisions to improve their lives. (DFID 2011, Cash Transfers, pp i-iii)

WFP's West Bank Urban Voucher Programme (UVP)

WFP's UVP has improved dietary choices, boosted local economic activity, and aided vulnerable populations to cope with rising food prices (Hedlund 2009: 3). Its secondary impact, increased employment and higher overall economic productivity, has also been noted (Prout et al. 2010: 29). The plastic cards used to redeem food credits electronically are reported to have given beneficiaries a sense of pride and empowerment and support monitoring efforts. Terminals are located in selected stores³⁰ where beneficiaries may use their cards to purchase certain food products, required to have been produced locally. Amounts of assistance are determined through the Ministry of Social Affairs' utilization of a PMTF as well as a food consumption score which analyzes the composition of the potential beneficiary's diet. Beneficiaries are assessed on a quarterly basis to ensure they are still eligible for the voucher programme.

A drawback to the WFP UVP in the West Bank is that the targeting measures are reported to be not wholly effective and efficient. Amounts of assistance are based on household size, with only 3 categories used. This potentially creates incentives for families to have more children, particularly if a family is only one child below the threshold for increased assistance. In addition, the cost incurred by purchasing the voucher terminals and providing an adequate and semi-nutritious menu of food items for beneficiaries to choose from is quite high. Costs are in fact greater than they would be with in-kind food distribution, though the overall effect is a more positive one when taking into account the empowerment and nutritional benefits as well as the multiplier effects on the local economy, given that beneficiaries are required to redeem vouchers for locally produced food.

6.4.4 UNRWA's Experience

³⁰ Stores are selected based on their size and proximity to clusters of beneficiaries and can be expected to serve approximately 100 beneficiaries. Store owners are audited on a random basis by WFP cooperating partners in addition to the digital monitoring that takes place through the data collected and transmitted by the electronic terminals.

Family Income Supplement (FIS)

Currently, the small-scale FIS programme is providing small cash supplements to abject poor in addition to food and limited cash transfers. The PMTF has facilitated accurate targeting of FIS and allowed for the provision of invaluable support to recipient families. An expansion of this programme is posited to have a positive impact on the poverty gap (Valjas 2011).

Emergency Cash Pilot Programme

The West Bank Field Office (WBFO) recently undertook a cash transfer pilot programme through emergency funding in the wake of a spike in food prices. UNRWA beneficiaries applied and were analyzed through Da'am, the WBFO's contextualized PMTF. Using this system, beneficiaries were selected on a variety of factors and were deemed eligible only if their household contained no members able to participate in the WBFO's Job Creation Program.³¹ Cash Monitors conduct visits to the households that meet the criteria to determine eligibility for emergency cash assistance and to explain the options of assistance the family may have.

Households receive a quarterly check, delivered by the Cash Monitor. Verification of eligibility is reviewed and regulation and close monitoring allows data collection regarding concerning changes in household status, how funds are being used, and beneficiary perceptions.

Palestinian Iraqi refugees in Syria

In Syria, UNRWA has successfully implemented a cash transfer programme for Palestine refugees seeking recourse in Syria from the conflict in Iraq. The programme serves approximately 800 families who receive ATM cards in order to access their indexed benefit, set against the Syrian minimum wage. Through monitoring and evaluation of the programme, it has been found that most of the cash is used to pay for food items and housing rental fees.³²

The programme successfully provides refugees with flexibility in meeting self-defined needs but there are also important limitations. The Syrian minimum wage, against which the benefit is indexed, does not keep up with inflation and market fluctuations; thus, the purchasing power of the transfer is impinged. Beneficiaries note that the amounts they receive are often inadequate to meet their basic needs, while donors are concerned about committing support to a programme which will grow with inflation every year.

Nahr El Bared, Lebanon

In 2009, a cash transfer option was provided to refugees living in Nahr El Bared camp in northern Lebanon. While families opting for cash had their benefit calculated on a per capita basis, food benefits were allocated per household. As a result, larger families benefited disproportionately from the cash program, and opted for it in lieu of food aid. Smaller families tended to select food, correctly recognizing it as the higher value benefit for them. As a result, the programme was far more expensive than anticipated and was subsequently discontinued.

³¹ Ineligibility would thus mean that "all working age (18 to 64 years) members in the household conform with one or more of the following criteria: elderly; disabled; have a chronic disease or illness that prevents work; currently in school; are women (e.g. female headed household); are otherwise unable to work in a JCP position (e.g. if JCP doesn't work in the community for the whole year)." See: UNRWA (June 2011): "Emergency Cash Pilot Guidelines." West Bank Field Office: East Jerusalem.

³² UNRWA RSS Syria. Emergency Response Projects for Palestinian/Iraqi refugees.

6.4.5 Operationalization

Cash transfers have been shown to be most successful in scenarios where strong banking structures and markets exist, security and stability are prevalent, and where corruption is low (Creti and Jaspars, et al. 2006). These factors help determine both whether a cash programme is appropriate as well as what type of system should be used for disbursement.

In launching cash transfer programmes in the fields UNRWA will need to address the following issues:

Acceptance by relevant stakeholders

RSS will need to consult relevant stakeholders including beneficiaries, UNRWA staff, donors, and host authorities about a cash transfer programme.³³ For beneficiaries, not only is consultation going to be important – a phased approach where families are coached through the transition will be critical to avoid additional shocks to household economies.

Addressing hosts and donors is obviously important. As an example, the WFP UVP, won donor and Palestinian Authority support through evidence that cash transfers positively impact the private sector and improve nutrition and empowerment (Prout et al. 2010: 31).

All stakeholders are going to need to be reassured that a cash transfer programme is sustainable and will do no harm. Refugees have a good reason to be circumspect. The UNRWA RSS cash subsidy, introduced in 1997, was intended to supplement in-kind food donations. Since, the un-indexed subsidy has experienced “considerable erosion in purchasing power due to price inflation” (Hadziyiannakis and Leblanc 2005). UNRWA and its donors need to be able to make a convincing argument that resources will be available for a sustainable, indexed benefit.

In this regard, a false dichotomy is going to need to be addressed. The oft-presented dichotomy is that of the choice between cash or food. The conservative argument rests in an ‘it’s not broken so let’s not fix it’ logic as pertains to food. In other words, in an environment of uncertainty, let’s just deliver food. This logic is proved flawed when one recognises that the Agency does not face such an either/or proposition. The reality is that donors for UNRWA’s food programme are few with some key donors growingly reluctant given the increasing recognition that food is an ineffective tool against poverty. It may be argued that the Agency must change tack in order to deliver any kind of benefit to the poor. That said, it is clear that if the Agency and its donors are uncertain on the sustainability of cash, there is little or no incentive for any kind of change since that implies a dual shock to vulnerable households – the loss of a traditional entitlement and then the loss (either in absolute or in purchase value) of the replacement entitlement.

Furthermore, UNRWA can expect resistance from the Palestine refugee population when food transfers are gradually withdrawn in favour of a cash transfer system due to the symbolic political importance attached to food aid, emphasizing the need for careful communications and information planning and execution.

³³ Consultations such as these were conducted in March 2011 as part of the Oxford Policy Management study (Carpio 2011). These should be taken into account and leveraged, rather than simply starting from scratch.

Beneficiary Targeting

As with the delivery of any benefit, accurate targeting will be critical to assure low leakage rates, impact, and credibility for the programme. RSS HQ has a PMTF being used by some of the Fields. WBFO also has the Da'am PMTF. Either of these systems can be used in any of the fields, with appropriate modifications to local context.

Market Assessments

Cash programmes can be easily disrupted by market failure resulting from conflict or blockade. Markets need to be functioning and accessible and stocked with sufficient amounts of the basic and affordable items that beneficiaries will purchase with the cash transfers they receive.

Determine an appropriate method of delivery³⁴

Various delivery methods exist, all of which allow for some measure of collaboration between UNRWA and private/public sector entities. Preferred partnerships drawn from similar external efforts and UNRWA-led pilot programmes include banks (both private and public), post office authorities, and mobile phone companies.

The UNRWA-commissioned Oxford Policy Management study identified cost-effective RSS delivery methods.³⁵ The report analyzed the profiles of target SSNP beneficiaries and, with the exception of Area C in the West Bank, found the economies within which they live to be monetized and appropriately suited for cash transfer programmes. Households were shown to be both using cash and having adequate access to markets. These findings and any subsequent interventions will need to be contextually tailored to local circumstances, including in Lebanon and Gaza Fields.

Currently existing cash disbursement mechanisms can be examined to determine the best method according to the field in question. UNRWA's Microfinance Department in the West Bank currently utilizes checks which are given out through a series of security procedures and which cannot be cashed by anyone other than the consignee.³⁶ While the costs are minimal in such a disbursement mechanism, the checks and balances required to ensure security are quite extensive, and burdensome on the Agency. The Job Creation Program in Gaza uses BoP bank accounts wherefrom beneficiaries can withdraw their salaries at their own convenience. Voucher programmes are being utilized by WFP in the West Bank in order to help encourage the purchase of nutritious food and mitigate the misuse of this cash.

Minimize Security Risks

Irregardless of the method of delivery, all cash transfer programmes will require some form of security mechanism in their operation. Through consultation with distribution staff and partners, security measures should be an important element of any programme design. Smaller

³⁴ Appropriate delivery systems for Jordan, Syria and the West Bank were analyzed and recommended as per the report discussed above. See: Carpio, Maria Abigail (March 2011): "UNRWA Social Safety Net Program (SSNP): Exploring and All-Cash Approach," Oxford Policy Management.

³⁵ For Jordan, through collection at Jordan Postal Company (JPC) offices; in Syria, via Commercial Bank of Syria (CBS) ATM cards; and in the West Bank, by way of the Bank of Palestine (BoP) whose ATM cards are currently being utilized by the UNRWA JCP (Carpio 2011).

³⁶ Kharoufeh, Volteire, Chief, WBFO Microfinance Department. August 22, 2011. Personal Interview.

but more frequent transfers will minimize security risks as well as potentially supporting household budgeting of the benefit.

Monitoring and Evaluation

UNRWA has much to gain from careful evaluation planning and close monitoring of the proposed cash program for results, targeting, and impact. Furthermore, the implementation of a programme where the indexing of the benefit is crucial implies careful and regular monitoring of the market to support adjustments to the value of the benefit.

Other important operational considerations:

Targeting Women

Practice has shown that distributing cash to women is highly effective.³⁷ Women's roles controlling much of their household essential expenditures and documented predilection to making family-oriented decisions mean that targeting women for the cash transfer is the most effective way to combat poverty. Part of the preparatory work for the roll-out of the programme will include examining the question of cash disbursement to women will be raised in order to determine whether this would be an acceptable method according to beneficiaries.

Keep amount of cash transfers smaller in favor of more frequent disbursement

The size of the cash transfers will ideally represent the difference between the cost of the essential goods and services the household needs and what they are able to acquire through existing income (Creti and Jaspars, et al. 2006). Smaller amounts of money but distributed more frequently can help beneficiaries manage their funds more efficiently and helps protect against long periods of no cash in case transfers are spent too quickly.

Actionable Items:

- Identify and secure adequate funding for cash as a social transfer programming, including a contingency fund for cash transfers during emergency cases of rapid inflation
- Risk analysis and mitigation plan developed
- Consultation of relevant stakeholders regarding cash transfer programming
- Explore the cultural applicability of targeting women as the household recipients of cash transfers
- Select distribution modality for each field
- Develop accurate, and routinely-updated monitoring and evaluation practices
- Baseline market surveys in all of the Fields
- Continue to seek implementation of the latest version of the PMTF
- Establish reliable economic forecasting, an actionable implementation schedule, and large-scale information sharing campaigns

6.5 Cash-for-work and Job Creation Programming

6.5.1 Overview

³⁷ For further analysis of women's roles in cash transfer programmes, see: (Fiszbein and Schady, et al. 2009; Devereux 2008; Creti and Jaspars, et al. 2006; Harvey 2005; Dietz and Weighill 2005; and Arnold, Conway and Greenslade 2011).

Cash-for-work programmes provide benefits in terms of improved beneficiary household incomes, dignity, potential social value to the larger community resulting from the works, and a boost to the local economy in terms of cash injection and economic stimulus (multiplier effects). These programmes can also have knock on effects in terms of improved community services or better economic infrastructure. Depending on how the project is configured, it can also support private sector growth through increased availability/affordability of human resources.

6.5.2 Cash-for-work in practice

RSS proposes cash social transfers through an additional modality, building on UNRWA experience in cash-for-work and job creation.

The Job Creation Programme (JCP) in Gaza has helped “over 700 small businesses re-launch minimal operations...”; supported the UNRWA education program by employing nearly 1,700 teachers; and provided the agricultural and fishing sectors with 2,000 workers annually who aid in irrigation system construction, fish net repairing, rehabilitation of greenhouses, and harvesting of crops (UNRWA Field 2011). In the West Bank, most of the projects on which beneficiaries work are identified by local community councils. Partnerships formed with municipalities, village councils, NGOs and government institutions and projects are designed to benefit local communities³⁸. Almost 30% of the current projects are protection-oriented, helping communities establish themselves in order to minimize the impact of Israeli land seizures and keep community members safe from settler violence.

JCP functions as the upper tier of a cash transfer network designed to alleviate poverty. It matches cash-for-work projects with beneficiaries who have applied. Utilizing a PMTF system, the applicants are poverty ranked and assigned to jobs based on their priority level, location, and any skills they may possess. In addition to the salaries paid, JCP also provides many of the tools and materials needed to complete the project—usually around 65% of project needs—while the remainder of the labor and materials are provided by the community.

The duration of the jobs that are provided ranges from 1-6 months based on the applicant’s level of poverty and skill level, and salaries are paid on a quarterly basis throughout the year. Though slightly lower than normal day-labor wages, the security of the duration of employment makes JCP quite popular. These salaries represent a far greater amount than the household would have received through a non-conditional cash or in-kind commodity transfer and thus programme participants are barred from receiving other forms of UNRWA assistance when employed. In addition, monitoring ensures that participants are not receiving support from other aid organizations.

³⁸ For example, two projects in the West Bank village of Beit Dukko were visited and found to include significant positive effects for the local community. The green house rehabilitation project will result in organic produce distributed amongst the community’s residents and the food packaging facility obtains 90% of its fruits and vegetables from local farmers with profits going towards its women’s committee. In addition, the crops that are purchased by the food packaging center are predominately from farmers whose fields lie on the opposite side of settler roads and fences meaning their must harvest late. Because other crops have already flooded the market by this time, these farmers would face losses if it weren’t for the packaging center’s purchases.

In the West Bank, cash disbursements are made by checks made out to the programme participant, and a robust series of checks and balances ensure security. In Gaza, UNRWA arranges a bank account for each employee in which their salary is deposited and which is closed upon termination of employment. For the check-based system, protection elements are impinged as beneficiaries are forced to queue in order to withdraw their cash. These administrative procedures impose a burden on UNRWA. Bank accounts, on the other hand, give beneficiaries a sense of empowerment and also a vital asset with which they may be able to obtain loans, or seek further employment.

JCP currently operates only in the West Bank and Gaza Fields, supported by emergency funding. However, nothing mitigates from similar programmes being introduced in Jordan, Syria and Lebanon if the requisite funding is available.

6.5.3 Benefits and Limitations

Benefits

An abjectly poor refugee that obtains sustained employment results in an additional six family members able to meet basic food requirements (UNRWA Field 2011). In the West Bank, the Al-Sawsan Environment Initiative contributes to environmental sustainability by reducing pollution, encouraging recycling, and developing organic solutions to agricultural problems meaning that the positive knock-on effects of JCP are greater than simply employment opportunities. RSS suggests that an employment programme could be utilized in support of activities proposed below to interdict negative social behaviors contributing to intergenerational poverty. An April 2009 evaluation of JCP reported that 83 percent of respondents were satisfied by the programme (UNRWA Job Creation 2011).

Limitations

Two significant challenges in cash for work/employment programmes is that focus can be on work that doesn't lead to future employment opportunities outside the assistance programme and that work is menial in nature. In terms of women's empowerment, too often programmes are barely more than extensions of women's traditional roles in the home – food preparation and needlework – thereby failing to underwrite real economic empowerment, opportunity, and access. While somewhat contradictory objectives to this kind of programme will need to be balanced – creating donor funded opportunities for people to earn an income for their families versus building marketable job skills and true entrepreneurial opportunities – careful planning and adequate funding can help address these issues.

An important lesson learned from JCP is that a more robust evaluation system, supported by careful monitoring to validate efficacy of targeting and impact of the programme in terms of its affect on poverty and any sustained gains for participating households, is needed. Such a mechanism will be prove useful to ongoing programme interventions and allow for a better understanding of how salaries are spent by participants. It will also be important to address a reported lesson from JCP regarding actual willingness to work and performance issues of beneficiaries.

6.5.4 Operationalization

Cash-for-work programmes are limited in scope and length and it is important that these programmes are not seen as long-term employment opportunities. Concomitantly, cash-for-work programmes are most relevant and useful in situations where communities are facing emergency, change, or circumstances that are temporary in nature.

Actionable Items

- Identify and secure adequate funding for cash-for-work programmes
- Risk analysis and mitigation plan developed
- Use the lessons of the current JCP programmes to plan targeted, managed, and monitored operations in the other fields prior to implementation
- Consult with relevant stakeholders including, but not limited to, refugee communities, civil society, donors, host governments, private sector and development partners to identify most appropriate 'works' options
- Assure appropriate integration of gender and disability analysis
- Determine payment scales and modalities
- Continue to seek implementation of the latest version of the PMTF as a method of accurately targeting vulnerable households

6.6 Conditional Cash Transfers (CCT)

6.6.1 Overview

Cash transfers can also be linked to progress in human capital formation, preventative health-related measures, and empowering families to lift themselves out of poverty. Social transfers in this kind of scheme are linked to the attainment of agreed-upon and verifiable benchmarks. Conditional cash transfers do not necessarily have to be mutually exclusive of cash transfers as a social safety net or cash for work scheme.

6.6.2 CCT in practice

RSS proposes a programme of conditional cash transfers focused around the achievement of desired outcomes.

CCT programmes have been utilized by many countries in their efforts to combat poverty and provide a social safety net for the most vulnerable in their societies. When tied to certain eligibility criteria, CCT-triggered outcomes of improved education and health performance of poor children have been demonstrated in many different contexts.³⁹ A 2009 World Bank report found that CCT programmes have had positive effects on household consumption and on

³⁹A detailed evaluation of the Familias en Acción implemented in Colombia demonstrated the positive effects of its CCT programme. Data was collected from health clinics regarding child growth and development and school attendance records were collected. In comparing the population receiving CCTs to control group villages, the effects of the CCT programme were shown to have increased the health and growth levels of children. In addition, data comparison showed strong statistically significant increases in school attendance amongst the CCT population as compared to the control group. See: Attanasio, Orazio, et al. (2005): "How Effective are Conditional Cash Transfers? Evidence from Colombia." The Institute for Fiscal Studies. Briefing Note No. 54. University College London, UK.

poverty, and have clearly increased school enrollment and use of preventive health services (Fiszbein and Schady, et al. 2009). In Mexico, the Progresa CCT programme was immediately followed by a 6 percentage point increase in school enrollment for boys and a 9 percentage point increase for girls (Adato 2007: 1). CCT programmes consistently trigger decreases in child illness, increased school enrollment amongst girls, and a significant reduction in the poverty gap (Barrientos and DeJong 2004).

A risk, however, of CCT programming is that if not well planned and managed, reverse or negative incentives can be created. Where beneficiaries see health-related goals, they may keep their children from meeting these goals for fear of losing their benefits afterward. To mitigate this risk, CCT payments should be linked to progress, and avoid distribution being tied solely to status and/ or the fulfillment of the desired goal(s).

Another issue with this kind of programming is that it can be seen as demeaning and paternalistic. As Adato and Hoddinott caution, “if poor people’s preferences differ sufficiently from the conditions placed on their behavior by the government, the restrictions that conditionality imposes may actually reduce total welfare gains” (2007). This is a risk mitigated by thorough consultation with the beneficiary community and an awareness of the contextual challenges and needs. In essence, allow the community to define what it believes to be the problem to be addressed.

6.6.3 Operationalization

Internationally, CCT programmes usually focus on preventative health and school attendance, emphasizing the social capital represented by children and youth. RSS has undertaken an initial consultation with the Health and Education Programmes in this regard. To implement a CCT program, UNRWA will need, at the Field level to identify where linkages exist between poverty and school attendance or health outcomes and where, therefore, there may be opportunities to reduce maintainers of poverty through proper design and targeting.

Education Collaboration

A significant indicator for the UNRWA Education Programme is pupil survival rates. Illustratively, and in collaboration with Fields and the Education Program, families could be offered incentives to keep children in school. Another possibility is that financial incentives for families could be provided in the form of TVET scholarships to ensure the student graduates from the TVET programme and is able, in theory, to obtain a job to improve the family’s income. With increased coordination with a JCP-type programme, employment could be better guaranteed, and additional training and career counseling could be provided through CBO services.

Influencing Sustained Positive Outcomes

CCT programmes can, if resources are available, lead to complementary strategies to assist beneficiaries after the formal CCT goals are completed and include links to long-term social protection interventions. Programmes run in other contexts have included scholarships for students to attend university or secondary school after completing primary education utilizing

the CCT programme⁴⁰ (the aforementioned coordination with TVET in this regard would be highly effective).

Monitoring and evaluation will be important to ascertain whether desired impact is being achieved and how cash is spent by CCT beneficiaries. These evaluations should include information about: “household socio-demographic structure, dwelling conditions, household assets, education, use of healthcare services, children’s and mother’s anthropometric indicators, household consumption, labour supply, income and transfers” (Attanasio 2005).

Actionable Items:

- Identify and secure adequate funding for Conditional Cash Transfers
- Work with Fields, Education Program, Health Program, and beneficiary communities to identify ‘condition’ targets
- Risk analysis and mitigation plan developed to assure conditionality does not create perverse incentives
- Assure appropriate integration of gender and disability analysis
- Determine payment scales and modalities
- Continue to seek implementation of the latest version of the PMTF as a method of accurate targeting of vulnerable households
- Research to link poverty to potential social capital debilitating behaviors such as school drop-outs and poor attendance
- Pre-implementation analyses to ensure proposed CCT programmes focus on progress in conditions set, rather than simply status

6.7 Organizational Development

For reforms to make a sustained positive change, it will be necessary to further transform RSS and UNRWA’s organizational structures. Intradepartmental coordination must be promoted while best practices and lessons learned can be shared amongst similarly-oriented programmes in each of the departments. As part of this, Field and HQ offices should also increase communication to ensure both are on the same page. Increased communication must also be realized between UNRWA staff and beneficiaries.

Recent organizational reforms triggered by the OD Plan have resulted in a largely decentralized Agency. While programmes must necessarily be tailored to be appropriate in field-specific contexts, it is also important that RSS address the issues that affect all fields with unified effort and consensus. Cooperation on the methods for targeting is crucial for organizational clarity and equality of services. The manner in which stakeholders perceive the distribution of aid matters. Efficiency and effectiveness must be bolstered by a collective competence within UNRWA that is verifiable through improved monitoring and evaluation methods, made more accurate through some measure of unity in practice amongst the five fields. If RSS is to be able to overcome the funding and political-related challenges it currently faces, a strong and collaborative voice will be required.

⁴⁰ Rodriguez-Novoa, Luz Stella, former Project Planner with Familias En Accion CCT programme in Colombia. August 18, 2011. Personal Interview.

The decentralization that has been pursued thus far has created many benefits for RSS, but has left the Department as a whole somewhat disorganized with minimal coordination and harmonization of programme approaches. RSS HQ has been left with few tools through which to build consensus and generally agreed approaches. In order to promote poverty alleviation Agency-wide, building off of best practices and lessons-learned from each of the fields, HQ will need to play a stronger coordination and administration role. HQ will focus its efforts on programming and monitoring impact, suggesting goals, parameters and interventions. From a menu of proposed interventions then, the Fields can choose those they deem appropriate for their context. In this way, the specifics of Department-wide programmes will be determined in the Fields while the overall planning and guidance will emanate from HQ.

Focusing on long-term change and shifting towards self-empowerment of the abject poor, RSS must continue to streamline its projects to include the most vulnerable. The changes in office organization suggested in Figures 1 and 2 above will be carried out and RSS staff roles will be re-defined to engender a culture of poverty alleviation. In examining RSS's structure and programming, evaluations of CBOs must be acted upon to ensure social services are being provided to target beneficiaries.

On top of these intradepartmental and organizational structure reforms, a renewed concentration on interdepartmental coordination and cooperation is sorely needed. As the Agency seeks to pursue poverty alleviation through its various programmes, a multifaceted approach is necessary. Working with the Education, Health⁴¹, Microfinance, and other departments, RSS should play a role in helping UNRWA programmes better target the poor. RSS can help identify beneficiaries and aid other departments in infusing poverty alleviation and prevention elements in their programmes. Poverty is often most effectively combated and prevented through improvements in education and health; RSS must recognize this and allocate its resources and efforts accordingly.

⁴¹ Where in-kind food transfers are continued, RSS should partner with Health to form a more nutritious food basket, improving health outcomes. Should a voucher, or partial voucher program be implemented, coordination on this front would similarly be necessary.

Box 1: TVET as an example

An example exists in the Education Department's administration of the TVET programme. Delivering scholarships to attend training in various skill sets, both in trade and technical-oriented programmes, TVET increases employability of its participants. Trade-oriented courses attract mainly school-dropouts and socio-economically disadvantaged youth while technical-oriented courses require a baccalaureate.

Though SHCs are given special preference when applying to the programme, TVET's poverty targeting has significant potential to be improved.⁴² The current system is based off of qualitative considerations while social protection elements are not well integrated. RSS must move to better assist the Education Department by utilizing social workers to help determine the root causes of the poverty experienced by Palestine refugees and how they might be mitigated through Education's efforts. The programme has recently been placed under HDG 3 (a decent standard of living) though its operations have changed little and links to the labor market remain insufficient.⁴³

RSS could aid in this regard by coordinating Job Creation Programme employment (in the West Bank and Gaza), increasing CBO job skills training and career guidance provisions, and utilizing its social workers to meet with TVET participants and graduates who may be vulnerable. Further, RSS can tap the Community Managed Fund (CMF) scheme to help impoverished beneficiaries cover education, hospitalization and basic project costs. Microfinance could also be engaged to help TVET graduates employ their new-found skills productively. There are many areas where interdepartmental coordination is not only relevant, but called for.

Increased interdepartmental coordination should also focus on a broad conversation about shifting responsibility for the poor to host governments and NGOs. As mentioned above regarding UNRWA's relationship with CBOs, there are many areas in which UNRWA's provisions of services and support may not be necessary or appropriate in the current context. In light of increased budgetary constraints and a need for broad-based reforms, RSS must narrow its focus and efforts accordingly.

Actionable Items

- Concentrate on intra-agency cooperation on targeting measures
- Improve monitoring and evaluations measures as a part of each program
- RSS's organizational structure should be altered and staff roles redefined to better focus the department on poverty alleviation
- Improve interdepartmental coordination and planning to better address poverty holistically with health and education
- Assist Education with better targeting and poverty alleviation outcomes for its TVET program

⁴² This observation was made by the Education Field staff interviewed in the West Bank Field Office, August 22, 2011.

⁴³ UNRWA (2011): "Tertiary Education Reform: Towards a Self-Reliant Confident Youth." Draft. UNRWA West Bank Field Office: East Jerusalem.

- Conduct and evaluation of RSS services determining which beneficiaries and services are better and more appropriately served through NGOs and Host Authorities' programs

6.8 Family Initiative Programming

UNRWA has a well-established history of attempting to mobilize community social capital through community based organizations. Moving forward, it will be important to clarify, rationalize, and regularize UNRWA's relationship and partnership with civil society. Work in this regard is currently underway in the Jordan Field Office. The poorly defined and structured UNRWA/CBO relationship creates expectations amongst beneficiaries that are difficult to meet as the beneficiaries view the CBOs as part and parcel of UNRWA. CBO fundraising can be impeded by this relationship due to widespread perceptions that the CBOs are being completely financially and materially supported by UNRWA (UNRWA 2011: 37).

A recent, modest evaluation of the performance of the UNRWA affiliated CBOs noted that many CBOs charge fees for participation, therefore making themselves and their services inaccessible to the most vulnerable. In addition there is a perception of many CBOs as 'closed circle' - organizations with a lack of rotating leadership thereby inhibiting inclusion and negating the principle and practice of 'self-help'.⁴⁴ UNRWA Social Services' inclusion goal—to focus “particularly on the participation and social inclusion of people with disabilities, women from poor and disadvantaged families, and children and the elderly”—is not being served adequately (UNRWA 2008: 3-4). The imposition of fees and resulting difficulty of access for poor beneficiaries also means another Social Services goal is not being met: “to reduce poverty among those families living in transient poverty” (UNRWA 2008: 4).

To promote self-sufficiency, CBOs offer training, but the skills are not particularly marketable and do little to help the poor enter the workforce. CBO planning must recognize the “relatively limited market for certain skills such as sewing, weaving and beauty care,” and re-direct CBO skills training (UNRWA 2011: 41). No matter what action is taken, an Agency-wide analysis of CBOs should be conducted in order to assess their impact on poverty.

That said, the Agency should be cognisant of the significant history and relationships within served refugee communities used to support work in partnership with civil society and other development partners that focuses on development and contributes to weakening the structural causes that maintain poverty.

6.8.1 Overview

UNRWA will seek to place greater emphasis upon, and achieve better measurable results on development that encourages and rewards refugee initiative, builds social capital in refugee communities, and relies on resident leadership and expertise. This approach incorporates learning about the strength of social networks, a sense of empowerment, and 'positive deviance' as tools to beat poverty. RSS proposes piloting Family Initiative Programming based on

⁴⁴ See: UNRWA (2011): “Considering the Impact of UNRWA's Partner Community Based Organizations.” Draft. UNRWA: Amman HQ, p. 36.

a similar and quite successful model in the United States.⁴⁵ The focus of such programming is empowerment; specifically, facilitating self-empowerment through existing family and community structures. This proposed initiative builds on structures, experience, and relationships already in place through UNRWA's working relationships with community based organizations in each of the five fields and, very important, on social relationships already extant in the communities themselves. It suggests a different way of doing business but capitalizes on community initiative and knowledge and investments already in place.

6.8.2 Operationalization

Pilots of the programme will focus on families who are working poor. Families will be encouraged to work in self-help cohorts in identifying solutions to problems that they have identified. In this model, families take the lead in terms of selecting and achieving goals, including problem solving, but receive structure, encouragement, and reinforcement from UNRWA.

Goals are intended to be modest steps focusing largely on quality of life issues that can translate into degrading forces that contribute to poverty such as poor educational outcomes, and poor health. Careful planning and monitoring are hallmarks of the approach and families receive small stipends for their contribution to the extensive data collection on their own efforts. Cohorts of families might elect to focus on better school outcomes for children, improved health through exercise, debt reduction, housing improvement activities or joint entrepreneurial efforts. Family cohorts identify each other, facilitated by UNRWA staff, meet regularly to identify the problems they want to work on together, and then establish a schedule of verifiable benchmarks. UNRWA staff do not facilitate problem or solution identification – that comes from the families themselves. Small incentives or matching payments are made for achieving benchmarks, up to a ceiling level over a period of time.

RSS proposes, as part of its Sustaining Change Initiative to pilot this approach on a modest scale in each of the five fields starting with no more than three cohorts of families in each field initially. Each family cohort will include a maximum of five families. Training and technical assistance in the approach will be identified by RSS HQ and provided to Field staff.

6.8.3 Monitoring & Evaluation

Careful monitoring and evaluation will need to be conducted to help understand the role of choice in empowering families to choose their own path out of poverty – and an important aspect of this approach is that families are directly involved in monitoring and reporting, working in close cooperation with UNRWA social workers. Both qualitative and quantitative data can be drawn from these families' experiences as income and expenditures are recorded by UNRWA staff and families' decision-making processes are analyzed through monitoring interviews, and outcomes evaluated.

6.8.4 Benefits

⁴⁵ See: Kubo, Melanie M., et al. (January 2011): "Family Independence Initiative: The Role of Control, Options, and Social Connectedness in Lifting Families Out of Poverty." Boston Baseline Report conducted by See Change.

The family initiative programme should be effective for beneficiaries and relatively easy to execute for UNRWA staff. Rather than imposing solutions on the refugee population, UNRWA acts as a facilitator to community identified solutions to community identified problems. The programme rewards personal and group initiative by modestly financially incentivizing achievement of refugee-identified and UNWRA-agreed benchmarks. By allowing them the freedom to determine their own needs and the most effective way by which to meet them, personal initiative will be rewarded.

Current aid systems are often seen to penalize success through the corresponding reduction in relief support that accompanies success. Care should be taken to ensure families enrolled in Family Initiative programmes are not separated from other forms of aid for which they may qualify. Similar programmes have shown extraordinarily positive results in improving household incomes, leading to diversification of income sources even after payments through the programme cease.⁴⁶

Actionable Items:

- Project design for Family Initiative programme
- Seed funding for a Family Initiative programme is identified and secured
- RSS in the fields consult with the community and CBOs
- Core families exhibiting leadership/community network interests and skills identified
- Explore potential linkages to RSS microfinance
- Explore potential linkages to CCT

6.10 Youth Programming

6.10.1 Overview

The long-term and complex trauma experienced by children living in the conflict areas that characterize most UNRWA fields or that is experienced through profound deprivation can have a lasting impact. It is not just a matter of these children showing signs of Post-Traumatic Stress Disorder. It is likely that growing up in this type of environment is having a profound effect on many aspects of the development of these children. Traumatized children and adolescents tend to exhibit aggressive and violent behavior, engage in high-risk behaviors, and suffer difficulties at school and in social relationships. One does not need to extrapolate far to realize that youngsters living in this kind of environment are suffering from a host of symptoms and are likely to resort to violence as a preferred option for conflict resolution. For children to mature with pro-social values that are critical to the healthy functioning of any community, a different course must be encouraged and reinforced.

6.10.2 Operationalization

⁴⁶ In the United States, Family Independence Initiative programmes similar to these have successfully operated in impoverished neighborhoods in Boston, Sand Francisco, Oakland, and Hawai'i. The first of these, in Oakland, produced a 27 percent average increase in household incomes during the two-year program period. In the first year of the most recent Boston program, average incomes have increase by 13 percent (Bornstein 2011).

The programme objective is to intensify UNRWA's focus on youth and in particular youth from the most vulnerable families in the five Fields, leverage better outcomes of UNRWA education investments, and erode forces that maintain intergenerational poverty. The programme, working with development partners, including CBOs, will develop structured extracurricular programmes that are truly *safe spaces*- physically and emotionally- for children to come to build positive relationships, gain confidence, express themselves and feel a sense of belonging to a special community. The design of this intervention is based on three specific *agents of behavior change*:

1. **Programme:** Intentional and progressive activities that engage children in learning through an experiential learning format. Each activity is designed with specific goals and outcomes.
2. **Relationship:** The unique and powerful connection between children and a caring young adult. These young adults are drawn from the children's immediate community, provided high quality training in the specific approach, and carefully mentored. They are paid modestly, facilitating a possible linkage to the cash for work programme.
3. **Culture:** The best youth programmes are more than collections of activities. They have a distinct culture and this culture in and of itself can serve as a remarkable positive influence on behavior.

The design for this intervention draws on research from:

- Current literature identifying key protective factors that foster resilience among children.
- Leading approaches in behavior change, conflict mitigation and promoting positive child development.
- Cutting edge practices in working with populations affected by complex trauma.

The design also pays particular attention to local norms and culture, as well as lessons learned from previous interventions working with young Palestinians and other children living long-term in conflict areas. A 'camp-style' framework is used to design the intervention with an intentionally heavy emphasis on **Relationship** and **Culture** as the primary agents for behavior change.

Specifics of the Intervention:

- **Target Population:** Children ages 9 to 13
- **Frequency of the Intervention:** Children attend the programme 3 times per week for approximately 2.5 to 3 hours each session
- **Duration of the Intervention:** 6 months
- **Total No. of Intervention Hours:** Children will have approximately 200 hours of programme time during the 6 month intervention (Holidays and other events during the 6-month intervention will reduce the total number of hours)

The programme is implemented at CBO facilities:

- Each CBO is within walking distance of all of the children who attend the programme
- Mentors are recruited from within each specific community
- Each child is assigned to a small team of peers. Teams of 4-5 children have one Mentor. Teams of 6 to 10 have two Mentors
- This team of peers forms the child's "home base" and remains intact throughout the 6-month programme

- Mentors work within a detailed program framework defined as the “Caring Mentor Framework”

6.10.3 Monitoring and Evaluation

To evaluate and monitor impact of the programme, an in-depth approach to monitoring and evaluating all aspects of the programme will be adopted, including a pre- and post- Child/Parent Report, attendance tracking, focus groups and documenting their “most significant changes” as reported by participants. A Parent Report utilizes the Child Behavior Checklist (CBCL), which has been tested with several thousand children and parents across cultures. The CBCL assesses 8 symptom areas, four that assess mental health symptoms inside the child (internalizing) and four that assess symptoms in the child’s behavior (externalizing). They are:

Table 6: Internalizing and Externalizing Symptoms of Mental Health

Internalizing Symptoms	Externalizing Symptoms
1. Anxiety	1. Aggressive Behaviors
2. Depression	2. Attention (Hyperactivity)
3. Body Complaints	3. Rule-Breaking (Non-compliance)
4. Thought Problems (Negative Thoughts)	4. Social Problems (Withdrawal)

6.10.4 Benefits

The methodology has been piloted in the Gaza Strip with impressive results experienced by participating children. Children showed very significantly reduced levels of the kinds of feelings and behaviors that would interfere with their ability to function effectively in school, social networks, and at home. In addition, it links potentially at-risk children into a network of people and institutions that can support the child and intervene before the child/family make choices that potentially harm or limit a child's present or future.

7. The Role of RSS HQ Going Forward

7.1 Background

There is consensus at the HQ and Field levels in UNRWA that the growing depth and breadth of poverty and vulnerability amongst Palestinian refugees requires a cogent and timely response. There is, furthermore, agreement within UNRWA that in order to address poverty and vulnerability and to effectively advocate and fundraise the Agency must develop the ability to identify and classify poverty in the refugee population. If UNRWA is unable to identify the poor as an impact group, it will consequently be unable to effectively plan and deliver services or advocate effectively. The Agency must also be able to develop practical strategy and vision to deliver meaningful humanitarian assistance to the poor as well as effective development and economic empowerment interventions for those who have the potential to graduate out of poverty. In order to nuance, plan, and budget assistance in this manner, UNRWA requires a more detailed understanding of poverty in each of its five fields.

Relief and Social Services Department (RSS) has traditionally been mandated with service delivery to the most vulnerable refugees and assistance has included food, cash, and social

services. In light of recent reform initiatives and faced with continued funding challenges, the Department seeks to continue to focus on the poorest and most vulnerable whilst pursuing interventions with increased effectiveness, efficiency and, perhaps most importantly, proven impact.

The Organizational Development process has resulted in a much more decentralized UNRWA with empowered and dynamic Fields. The 'light touch' review of the OD programme found that in general decentralization has been very positive in terms of both operational efficiency and energizing managers across the Agency. The review, however, noted that for decentralization to be successful over the long term, it will require not just strong Fields, but also a strong center – headquarters. This requires a 're-balance'.⁴⁷ The need to find newly evolved and appropriate roles between fields and headquarters in 21st century organizations is not a challenge unique to UNRWA.

RSS presents this concept proposal as part of its work and evolution to 're-balance' the role of HQ in relationship to the Fields. To this end, RSS headquarters seeks to move beyond a service provision role focused simply on the traditional Special Hardship Case (SHC) families population to a broader role that supports the Fields in identifying and classifying poverty amongst refugees, providing technical assistance in designing, maintaining, and implementing interventions that effectively and meaningfully protect the most vulnerable and, to the degree practicable, assure their rights in a harmonized manner appropriate to the context of each Field. RSS believes that it can add value by evolving towards a more dynamic role in terms of supporting Fields in identifying, resourcing, and implementing development and economic empowerment interventions that target vulnerable households before they slip into abject poverty.

RSS has been responding to changing realities in terms of laying the ground work to be able to effectively identify and classify poverty amongst refugees, rationalize assistance delivery – for example by moving from food to cash assistance, and strengthening partnerships and networks for better service provision to vulnerable refugees.

It is clear from consultations from the field and direction of Agency management that RSS HQ needs to revise its staffing patterns and skill availabilities to respond to Agency needs.

7.2 Strengthening UNRWA Poverty Capacities

RSS proposes significant changes in its human resource configuration at the Headquarters level to (a) improve the Agency's ability to identify, target, and address poverty and (b) make maximum use of scarce resources available.

RSS HQ will include a Poverty Unit, elaborated above in section comprised of staff positions already available. This action is, therefore, cost neutral. These positions are currently consultant positions, supported by the European Commission and will be transformed to regular UNRWA staff positions supported by the General Fund. No addition positions or funding is required to for this.

⁴⁷ Doran, Kevin (2010): "UNRWA Review of Organisational Development Programme". Oxford Policy Management. June 2010.

RSS HQ will also include a Programme Unit designed to provide leadership on issues surrounding poverty throughout the Agency and to support the fields with quality technical assistance in development and humanitarian assistance and to provide surge capacity to fields when and as required.

A Poverty Working Group will contribute to better integration of poverty as the cross-cutting theme that it is for UNRWA and encourage better pollination between key theme areas such as protection, gender, disability, and emergency and the work of RSS.

7.3 Poverty Unit

RSS proposes the creation of a dedicated Poverty Unit whose purpose is to support the Agency in identifying and classifying poverty. The Unit is new in the sense that it responds to a growing and articulated need by (a) providing more capacity both in terms of expertise and manpower, (b) restructuring within RSS HQ to assure efficient and able response to agency information and analysis needs on the issue of poverty, and (c) fulfills part of the vision articulated in Sustaining Change.

The other part of the vision articulated in Sustaining Change – the evolution of RSS HQ to be able to support Fields more effectively in terms of rationalized humanitarian assistance and development interventions, is as important as the Poverty Unit, and reliant on the data, analysis, targeting and impact group data the Poverty Unit will produce.

Specifically the Poverty Unit would have the following functions that will be conducted in coordination with relevant stakeholders, internal and external:

1. Monitor, analyze and interpret trends in the level, composition, and correlates of poverty; and the characteristics of the poor and vulnerable
2. Analyze broader factors underlying the trends in poverty and vulnerability and to review the likely consequences of current and alternative economic and social policies
3. Improve the collection of economic and social statistics on Palestine refugees in the five fields of UNRWA operations
4. Mainstream the analysis of poverty data, including the production of an annual poverty and social indicators monitoring report
5. Establish and update poverty lines
6. Update Proxy Means Testing Formula(s) as needed based on representative household data

The Poverty Unit will comprise the following staff:

1. Senior Poverty Researcher/Analyst (P5)
2. Statistician (Grade 17)
3. Information Technology Specialist (on retainer)

7.4 RSS Programme Unit

The RSS programme unit will include professional staff with depth of background in development and in humanitarian assistance. The unit responds to the realities of Organizational Development, decentralization, and the views expressed within the agency in a recent poll in terms of where RSS HQ can be value added. The TOR for the RSS Program Unit includes:

- technical assistance to fields
- surge capacity to support fields
- more leadership and capacity in poverty mitigation and alleviation
- advocacy
- support to fundraising

Clearly this implies skills not necessarily currently available in RSS HQ. No new positions will be necessary and the transition will be very gradual, taking place during the new biennium. The result will be an RSS HQ able to actually support fields as they design and implement measures to address poverty, provide leadership in terms of formulation of Agency policies regarding poverty. The outcome will also be a smaller and more cost effective team at the HQ level.

7.5 Poverty Working Group

The Poverty Working Group is a proposed mechanism to better integrate key interests and skills within the Agency into the work on poverty and RSS without actually changing reporting lines or adding personnel. Illustratively, the Poverty Working Group which will act as an advisory group to RSS will be chaired by the Deputy Commissioner General or the Director of RSS and will include professional staff focusing on emergency, protection, gender, disability, education, health, and camp infrastructure – working alongside selected RSS staff.

Appendix 1: Actionable Items

1. UNRWA and RSS: Effective Poverty Alleviation Programming

a. Organizational Development

1. Increased intradepartmental coordination and communication
2. Interagency cooperation on targeting measures
3. Improved monitoring and evaluation measures as a part of each programme
4. RSS's organizational structure should be altered and staff roles redefined to better focus the department on poverty alleviation
5. Improved interdepartmental coordination and planning to better address poverty holistically
 - a. Assist Education with better targeting and poverty alleviation outcomes for its TVET programme
6. Conduct and evaluation of RSS services determining which beneficiaries and services are better and more appropriately served through NGOs and Host Authorities' programmes

b. Evaluating CBO Effectiveness

1. Conduct an Agency-wide evaluation of CBOs and their ability to serve poverty alleviation goals

2. Cash Social Transfers

1. Establishment of adequate funding for job creation programming, including a contingency fund for cash transfers during emergency cases of rapid inflation
2. Develop accurate, and routinely-updated monitoring and evaluation practices
3. Explore the cultural applicability of targeting women as the household recipients of cash transfers
4. Continue to seek implementation of the latest version of the PMTF
5. In preparing to implement a cash transfer programme, RSS must seek to ensure: accurate economic forecasting, an actionable implementation schedule, and **large-scale information sharing campaigns**
6. Cost-effectiveness surveys must be conducted prior to cash programme implementation
7. All of the parameters mentioned in this review should be taken into account in pre-implementation planning
 - a. A consultation of relevant stakeholders regarding cash transfer programming should be completed
 - b. Baseline surveys will need to be conducted in all of the Fields prior to implementation
8. The check modality of cash disbursement present within microfinance, FIS, and WBFO emergency cash programmes should be analyzed in regards to cost effectiveness and compared with alternative distribution modalities

Cash-for-work and Job Creation Programming

1. Note shortfalls of current JCP programmes and make preparations for better targeted, managed, and monitored operations in the other fields prior to implementation
2. Monitor the progress of the WBFO's pilot private partnership project

Conditional Cash Transfers (CCTs)

1. RSS must engage both Health and Education to discuss appropriate conditionalities in each of the five fields
 - a. Further research should be conducted to determine how to target dropouts, non-attendees and primary school youth
2. Pre-implementation analyses should be conducted to ensure potential CCT programmes focus on progress in conditions set, rather than simply status
3. Potential beneficiaries should be consulted to determine the acceptance of the conditionalities proposed by UNRWA

Family Initiative Programming

1. RSS must engage both Health and Education to determine attainable goals families could reach in limited amounts of time
2. An analysis of the debt levels and characteristics of the abject and absolute poor should be conducted to determine the appropriateness of debt reduction as an FI goal
3. RSS must meet with Microfinance and JCP employees to determine how participating families might be linked with their programmes

Bibliography

Adato, Michelle and John Hoddinott (2007): "Conditional Cash Transfer Programs: A 'Magic Bullet' for Reducing Poverty? 2020 Focus Brief on the World's Poor and Hungry People." Washington, DC: International Food Policy Research Institute.

Ahmed, Akhter, et al. (2009): "Comparing Food and Cash Transfers to the Ultra Poor in Bangladesh." Research Monograph 163, International Food Policy Research Institute, Washington D.C.

Arnold, Catherine, Tim Conway, and Matthew Greenslade (2011): "DFID Cash Transfers Evidence Paper." DFID: Policy Division: London, UK.

Attanasio, Orazio, et al. (2005): "How Effective are Conditional Cash Transfers? Evidence from Colombia." The Institute for Fiscal Studies. Briefing Note No. 54. University College London, UK.

Barrett, Chris and Daniel Maxwell (2005): "Food Aid after Fifty Years: Recasting its Role." Routledge, London.

Barrientos, Armando and Jocelyn DeJong (2004): "Child poverty and cash transfers." Childhood Poverty Research and Policy Centre Report No 4, Save the Children.

Bornstein, David (2011): "Out of Poverty, Family-Style." Opinionator. The New York Times: New York, NY. Accessed online, July 14, 2011.

Carpio, Maria A. (March 2011): "UNRWA Social Safety Net Program (SSNP): Exploring and All-Cash Approach." Oxford Policy Management.

Cherrier, Cécile (2009): "Exploring Alternative Delivery Models for UNRWA's Social Safety Net Program: Final Report." Commissioned by UNRWA.

Creti, Pantaleo and Susanne Jaspars, Eds. (2006): "Cash-Transfer Programming in Emergencies." Oxfam, GB. London, UK.

Devereux, Stephen (2008): "Innovations in the Design and Delivery of Social Transfers: Lessons from Malawi." Institute of Development Studies, Sussex.

Dietz, H. Martin and Marie-Louise Weighill (2005): "Joint SDC-IFRC External Review on In-Kind and Cash Distribution Projects in 2003 in Zavkhan Aimag, Mongolia." SDC: Bern, Switzerland; IFRC: Geneva, Switzerland.

Doran, Kevin (2010): "UNRWA Review of Organisational Development Programme". Oxford Policy Management. June 2010.

Fiszbein, Ariel and Norbert Schady, et al. (2009): "Conditional Cash Transfers: Reducing Present and Future Poverty." The World Bank: Washington, D.C.

Hadziyiannakis, Yiannis and Michel Leblanc (November 2005): "Evaluation of the 2003 and 2004 Food Aid and Cash Assistance Program." EU/UNRWA, Annex 15.

Harvey, Paul (2005): "Cash and vouchers in emergencies." Humanitarian Policy Group, the Overseas Development Institute. London, UK.

Hedlund, Kerren and Megan McGlinchy (November 2009): "Midterm Review of WFP urban food voucher project in the oPt." WFP Emergency Operation 10774.0: Emergency Response to High Food Prices in the West Bank. World Food Program: Jerusalem Office.

Kharoufeh, Volteire, Chief, WBFO Microfinance Department. August 22, 2011. Personal Interview.

Moore, Charity (2009): "Nicaragua's Red de Proteccion Social: An Exemplary but Short-lived Conditional Cash Transfer Program." International Policy Center for Inclusive Growth, Country Study no.17.

Kubo, Melanie M., et al. (January 2011): "Family Independence Initiative: The Role of Control, Options, and Social Connectedness in Lifting Families Out of Poverty." Boston Baseline Report conducted by See Change.

Prout J., Van Den Briel T. and Sanogo I. (2010): "Cash and vouchers cost effectiveness review: A case study of voucher based interventions in the West Bank of the occupied Palestinian territories (oPt) to inform corporate decision making on selection of transfer modality and the way forward with PRRO 200037". WFP. May 2010

Rawlings, Laura B.B. and Gloria Rubio (August 13, 2003): "Evaluating the Impact of Conditional Cash Transfer Programs: Lessons from Latin America." World Bank Policy Research Paper No. 3119. Accessed August 28, 2011 from: <http://ssrn.com/abstract=636482>

Relief and Social Services Department (2011): "Results from Social Safety Net Program Satisfaction Survey in Three Fields of UNRWA Operation: Gaza, Syria and Jordan." UNRWA Amman HQ. Unpublished report.

Rodriguez-Novoa, Luz Stella, former Project Planner with Familias En Accion CCT program in Colombia. August 18, 2011. Personal Interview.

Sabates-Wheeler, Rachel and Stephen Devereux (2010): "Cash transfers and high food prices: Explaining outcomes on Ethiopia's Productive Safety Net Program." *Food Policy* 35: 274-285.

Social Development Direct Ltd. / Delta Partnership Ltd. (2010): "Review of the Relief and Social Services Program (RSSP): From Relief to Development: Transforming UNRWA's RSSP into a Dynamic Social Protection Program." Final Report, March 2010.

UNRWA (2005): "Serving Palestine Refugees More Effectively: Strengthening the Management Capacity of UNRWA - UNRWA's Organizational Development Plan 2006-09". XXXXXXXX

UNRWA (2011): "Considering the Impact of UNRWA's Partner Community Based Organizations." Draft. UNRWA: Amman HQ.

UNRWA (June 2011): "Emergency Cash Pilot Guidelines." West Bank Field Office: East Jerusalem.

UNRWA (2011): "Field Implementation Plan: Gaza Field Office, 2012-2013." UNRWA Public Information Office: East Jerusalem.

UNRWA (2011): "Field Implementation Plan: UNRWA West Bank Field Office, 2012 – 2013". UNRWA Public Information Office: East Jerusalem.

UNRWA (January 2011): "Job Creation Program: Cash for Work Project." Fact Sheet. West Bank Field Office: East Jerusalem.

UNRWA (April 2008): "Social Services Policy and Guidelines." Relief and Social Services Department.

UNRWA (2011): "Tertiary Education Reform: Towards a Self-Reliant Confident Youth." Draft. UNRWA West Bank Field Office: East Jerusalem.

USAID (2010): "USAID/DCHA/FFP Annual Program Statement (APS)." No. FFP-FY-10-001 APS for Emergency Food Security Program.

Valjas, Arto (2008): "2008 External Review of UNRWA's Programs funded by the European Commission." Italtrend: Reggio Emilia, Italy.

Valjas, Arto (2011): "2010 External Review of UNRWA's Programs funded by the European Commission." Italtrend: Reggio Emilia, Italy.