UNICEF Gaza humanitarian cash transfer monthly bulletin - September 2024

Key messages

- In September, the total number of trucks entering Gaza –commercial and humanitarian – **has been the lowest since at least March 2024.*** Months of reduced inflows have been depleting reserves and the situation is likely to deteriorate fast.
- Only a **holistic response** combining increased entry of both commercial goods, humanitarian items, and humanitarian cash transfers can avert a further worsening of the conditions ahead of winter - especially in the North.
- Even at current (high) price levels, various essential goods remain accessible. However, only adequate and regular supply from the commercial sector will improve availability and reduce prices of other goods – for instance hygiene items and essential food categories - which have become unavailable or extremely expensive.
- The **digital ecosystem is growing**, as an increasing number of people use digital money transfers. However, there is still significant room for greater adoption by market players. Concerted efforts from all stakeholders are required to accelerate the strengthening of the digital ecosystem.

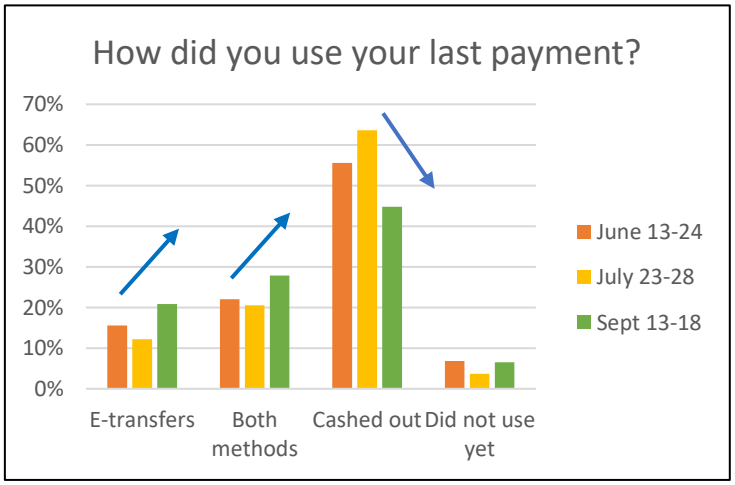
Operational background Since the onset of the escalation on the 7th of October 2023, UNICEF has provided cash assistance to **830,000 people (140,000 families, including 450,000 children)**.

Between the 13th and the 18th of September, UNICEF conducted the **11th round of monthly post-distribution monitoring (PDM) survey** of the Gaza humanitarian cash programme. 15,496 recipients who activated their e-wallets in the last month were randomly selected and invited to participate. **2559 respondents completed the full survey** (16.5%), 44% were located in Khan Younis, 37% in the Middle Area, 10% in Gaza City, 7% in North Gaza, and only 2% in Rafah. Additional data was collected including on prices through structured in person visits to the markets.

Data highlights

- Since the onset of the escalation in October 2023, our monthly surveys have been tracking recipients' perception of the availability of essential goods on the markets. After a drastic worsening of this indicator in June followed by a bounce-back in July, **in September we recorded a moderate worsening in goods availability**. This is the case in all geographic areas but particularly in the North of the Strip.
- A worsening was also detected in the indicator tracking **dietary diversity** of children 6-23 months old and pregnant and breastfeeding women, across all geographic areas.
- The worsening of both 'goods availability' and 'dietary diversity' indicators correlates with **reduction in total volume of goods/ number of trucks** entering Gaza.
- While overall price levels remain very high, the PDM data and market observations paint a picture that differs depending on goods and geographic area. For some goods prices are even comparable to before Oct 7 (e.g. rice or flour in the Middle Area/Khan Younis), while other remain difficult to access or simply unavailable (especially in the North).
- The **share of respondents using digital payments has increased significantly, 1 in 2 people** compared to 1 in 3 in July 2024. This suggests that e-wallets and digital transfers are increasingly used as means to mitigate cash liquidity

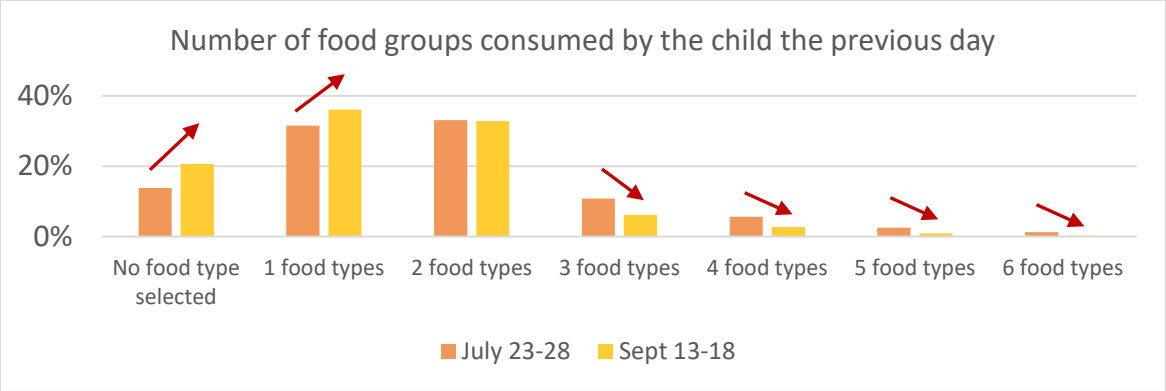




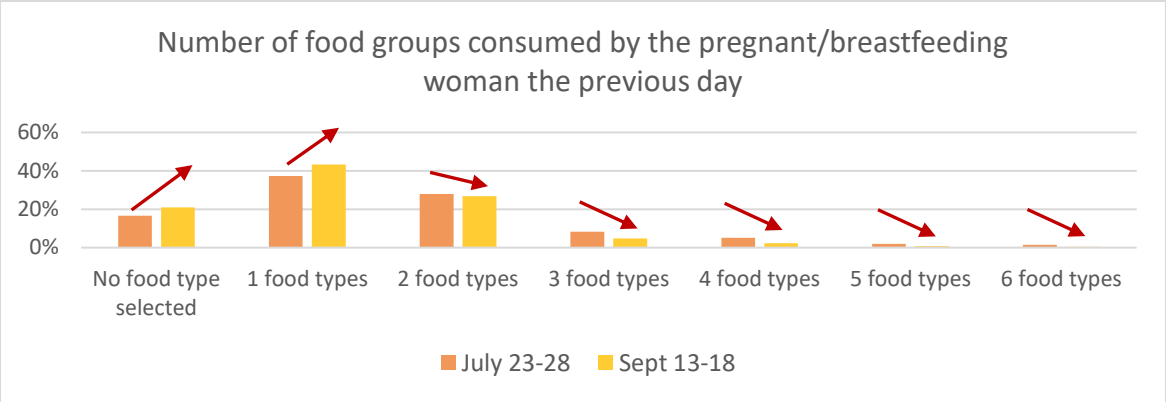
* Projected based on data until Sept 28. COGAT's figures in tons confirm the decreasing trend since April 2024.

Dietary diversity

Dietary diversity – already severely compromised – has further worsened for both children 6-23 months old and pregnant and breastfeeding women, in all geographic areas.



Only 6% of children 6 to 23 months old have consumed some meat the previous day, only 3% in the North.



Only 5% of pregnant and lactating women had access to dairy the previous day, only 1% in the North.

Goods accessibility

Respondents provided an estimate of the price of three goods representative of the most basic food items - short-grain rice, vegetable oil, wheat flour. Respondents had to select between price ranges, and the survey recorded differences of opinion even within the same location: this can be due to daily fluctuations, differences in markets within geographic areas, and response bias (most plausibly, upwards bias)). The evidence from the PDM was also complemented by visits to markets, the box below summarizes some examples.

Rice: extremely expensive in the North (5+ USD/kg) available and affordable in the Middle Area and Khan Younis (less than 2 USD/kg)

Flour: cheap and available both in the North (less than 0.27 USD/kg) and in the Middle area and Khan Younis

Vegetable oil: expensive in the North (5+USD/l), cheaper the Middle Area and Khan Younis (less than 2.5 USD/l)

Sanitary pads (only Middle Area and Khan Younis): available on 5 of 6 markets, prices from +40% to +300% of pre-crisis.

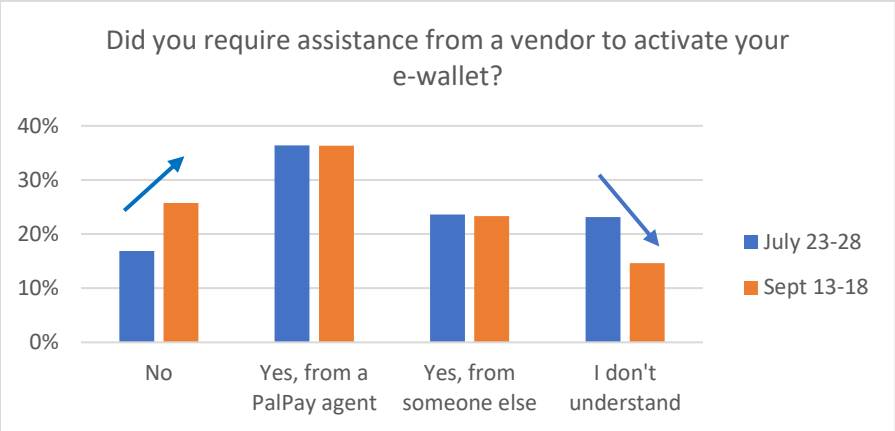




Deir Al Balah, September 2024

Activation of e-wallet

Before receiving their transfer[1] recipients need to activate their e-wallet. This can be done by visiting one of the many vendors linked to the Financial Service Provider but also autonomously through an app – which verifies the identity through the upload of the ID and face recognition. The majority of respondents required support – either by an FSP-authorized vendor (36%) or by someone else (23%). However, compared to July, an increasing percentage of people is activating it independently (up from 17% to 26%) - and less people did not understand what "activating" means (from 23% to 15%). This suggests that there is a better understanding of what "activation" means, and of how e-wallets work.



Usage of digital transfers

The current PDM round detected a significant increase in the usage of digital transfers. In the July survey round, about 1 in 3 respondents stated that they also used (or exclusively used) digital transfers. This time the proportion is up to 1 in 2 respondents. This suggests that e-wallets and digital transfers are increasingly used as means to bypass cash liquidity constraints. However, the result doesn't imply that nothing needs to be done to advance the development of the digital ecosystem in Gaza and eliminate the barriers to adoption of digital payment solutions. Quite the opposite, digital payments from e-wallets are not yet a widely enough accepted means of payment. Through the PDM survey we asked how many of the shops and street vendors accept digital transfers, giving as option a range going from "almost all" to "almost none". The most frequent response is "few" (37%), followed by the slightly more positive "some" (27%).

These last two results are consistent with an environment in which an increasing number of recipients sees the advantages of digital transfers and manages to find vendors that accept them – as also confirmed by visits to markets - while a portion of the market still prefers to stick to hard currency. Such an interpretation has two implications:

(1) for vendors, the sheer number of potential clients seeking to use this payment modality should represent an incentive to start accepting digital transfers.

(2) until the share of vendors accepting digital transfers dominates, cashing out in hard currency at least a part of the humanitarian assistance will remain an understandable choice for many recipients.

[1] This humanitarian cash transfer programme and the regular post distribution monitoring in the Gaza Strip have been made possible with generous support from the European Commission's Civil Protection and Humanitarian Aid Operations department (DG ECHO) and the UK Foreign, Commonwealth & Development Office (FCDO) as well as people and Governments of Canada, Croatia, Norway, Sweden and Switzerland. The deployment and use of UNICEF's HOPE platform - Humanitarian cash Operations and Programme Ecosystem was enabled thanks to the financial support of USAID's Bureau for Humanitarian Assistance.