Palestinian National Economic
Empowerment Institution
"PNEEI"

المؤسسة الوطنية الفلسطينية
للتمكين الاقتصادي
"تـمـكـين"

تمكين
PNEEI

To: International Media Organizations and Foreign Correspondents

Subject: Submission of Independent Assessment Executive Summary – Palestine's Unified National Social Protection and Care Program

Dear Editors and Foreign Correspondents,

On behalf of the Palestinian National Economic Empowerment Institution (PNEEI), I am pleased to share with you the **Executive Summary** of an independent assessment of the Unified National Social Protection and Care Program, conducted by **Alvarez & Marsal (A&M)** following the reform of the Social Protection and Care System introduced in February 2025 pursuant to Decree-Law No. (4) of 2025.

This independent assessment examines the roles and responsibilities of PNEEI, the Ministry of Finance (MOF), the Ministry of Social Development (MOSD), the Ministry of Telecommunications and Digital Economy (MTDE), and other relevant stakeholders. It focuses on institutional and system separation, governance arrangements, beneficiary eligibility criteria, data integrity, payment processes, payment integrity, financial controls, and compliance mechanisms following the social protection and care system reforms introduced in February 2025.

The assessment confirms that the Unified National Social Protection and Care Program has been established as a dedicated, poverty-based social protection system, supported by an independent technical platform, clear governance structures, and strengthened operational controls. It further confirms the integrity of the program's systems and processes, including the accuracy of beneficiary data, the application of objective eligibility criteria, the reliability of benefit calculations, the proper implementation of payment procedures, and the separation of the Unified National Program from previous payment mechanisms.

We are sharing this Executive Summary as part of our commitment to transparency, accountability, and open engagement with journalists, international institutions, and stakeholders interested in understanding the reforms undertaken in Palestine's social protection system.

Please find the Executive Summary attached for your reference.

Sincerely,

Dr. Ahmad Majdalani
Chairman of the Board of Trustees
July 13, 2026

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PNEEI

هاتف: 2412411/2 (02) (972+) فاكس: 2412413 (02) (972+) العنوان : عمارة VIP2 شارع هولندا مقابل السفارة الهولندية, البيرة, رام الله.

2 Executive Summary

2.1 Overview

2.1.1 This executive summary provides an overview of each of the agreed workstreams' objectives, key findings and recommendations.

2.2 Workstream 1a: System Architecture Assessment and Data Extraction

1a-1: Pre-kick off meetings

2.2.1 During the week of 11 January 2026, A&M completed detailed information-gathering meetings in Ramallah with PNEEI and other key stakeholders (Ministry of Finance ("MOF"), Ministry of Social Development ("MOSD"), Ministry of Telecommunications and Digital Economy ("MTDE"). We followed up these meetings with video conference calls with PNEEI, the database administrator and the Palestinian Central Bureau of Statistics ("PCBS").

1a-2: System Architecture Assessment

2.2.2 The "CTP System" includes a SQL database, an application layer, user interface and dashboard and web environment facilitating web-based applications. Historically the CTP System was hosted and managed by MOSD on its own servers. From November 2025 (the "cut-off date") a separate duplicate instance was created for the use of PNEEI. The PNEEI instance is hosted at the National Data Centre in MTDE, which provides cloud computing services for the PNEEI program within a virtualized environment.

2.2.3 The A&M team met in person with the MTDE team responsible for the provided services, including Cloud Computing, Gov-SOC, Backup and Recovery System, Information Security, and the MTDE Data Centre and visited the server environment in the basement of the MTDE. They confirmed that they host the CTP System and provide additional services such as conducting security checks on the application, in addition to providing the necessary licenses to secure servers and technical infrastructure. From the databases and CTP functions' perspective the CTP system is administered by the IT head at PNEEI and by the Ultimit company who are the technical developers of the CTP System and provide ongoing technical support. Any system, administrative and user interface tasks related to functions of the PNEEI CTP System are the sole responsibility of PNEEI IT and Ultimit.

2.2.4 Applicants apply for assistance under the CTP by submitting a Service Request through the PNEEI Citizen Portal at https://cp.pneei.ps. MTDE conducted their vulnerability assessment on the source code of the website.

2.2.5 Please refer to sections 5.2 Evolution of CTP on page 70 and 5.3 CTP System infrastructure on page 72 for details.

1a-3: Data Extraction and Validation

2.2.6 A&M requested and received amongst others:

- "Raw Data" data extracts from the MOSD (as of Nov-2025) and PNEEI CTP systems (as of Jan-2026),
- Intake and Questionnaire forms,
- A CTP generated payment file (audited/confirmed by MOF),
- Payments files sent to banks,
- PNEEI General Ledger booking entries for Nov-2025 payment, and
- MOF General Ledgers

2.2.7 We have reconciled the data from the two CTP systems: MOSD and PNEEI and have not detected any discrepancies in household and individuals' data records.

2.2.8 We have also analysed the payment files for the PNEEI Nov-2025 payments and reconciled with the payment instructions and General Ledger entries. Please refer to sections: 5. CTP System environment and eligibility assessment and 6. Eligibility to payment assessment for details.

1a-4: Agreed workplan and engagement protocols with Counsel and PNEEI

2.2.9 We conducted the meetings with counsel and PNEEI and agreed on the workplan and expanded scope with PNEEI and the Presidential Office (6 Feb 2026). The workplan was restructured into simultaneous workstreams and progress reports and expanded to include MOF, MOSD, MTDE.

2.3 Workstream 1b: Systems and data architecture assessment

1b-1: PNEEI Governance and Controls Assessment

2.3.1 From an overarching governance perspective, the transition of the CTP to PNEEI was done transparently, with reference to clearly verifiable legal instruments which articulate the remit and limitations of the CTP within PNEEI.

2.3.2 In addition, the governance and leadership of PNEEI itself was in line with expectations – with an established Board, an active Chairman and a new General Manager. In terms of the organisational structure (including roles and responsibilities) below Board/General Manager level, this was well defined – albeit with certain roles either newly filled or yet to be filled.

2.3.3 In order to deliver the CTP, PNEEI relies on a number of ministries to deliver certain components (notably MOSD, MOF) – these are governed by verified MOU documents outlining the terms for these interactions. The CTP in its new format has various controls built-in as part of the inherent design. These include clear (and partially assessed) PMTF scoring as the sole eligibility criteria, checks delivered by the MOF to ensure that those ineligible for Welfare payments (government employees etc.) were removed from the list, and more. However, the process is somewhat hindered by its fundamentally manual nature in these early stages – it is characterised by a number of manual handoffs which represent potential control weaknesses, and the robustness of which requires further validation. PNEEI plans to develop management procedures and system controls to reduce manual processes and increase automation.

2.3.4 Please refer to Section 3 PNEEI Governance on page 24 for details.

1b-2: Payments prior to the implementation of PNEEI CTP PMTF

2.3.5 We have been provided with a PNEEI General Ledger extract related to Nov-2025 payments and the payment data files sent to Banks and Post Office and we confirm that from the PNEEI perspective, the first and only PNEEI payment run for 2025 was Nov 2025 and it was based on CTP System eligibility criteria and PMTF scoring. Please refer to section 6.4 on page 82 for details.

2.3.6 However, we have not been provided with a full 2025 extract of the General Ledger from PNEEI's Bisan accounting system; therefore, we cannot verify whether there was any earlier activity on the accounts.

2.3.7 We also noted in the MOF General Ledger there were two transactions booked in March and June 2025 related to CTP program "0192600" with description " Social Benefits (Tamkeen)" and

"Tamkeen Allowances (CTP)", with total value of NIS 23,190,760. The nature of these transactions requires further explanation.

1b-3: Organizational structure and procedural frameworks' assessment and their consistency with PNEEI protocols

2.3.8 This analysis and assessment was performed as described in the workstream point 1b-1 above (PNEEI Governance and Controls Assessment / paragraphs 2.3.1 - 2.3.4) and in section 3 PNEEI Governance on page 24

1b-4: Eligibility assessment process and Eligibility Criteria Assessment

2.3.9 To understand the background to the separation of the CTP from the Detainees and Martyrs stipends payment responsibilities we have developed a timeline linked to underlying primary source documents, decrees, laws and other source information. This timeline demonstrates the independent development of the two programs. Refer to section 3.1 for details.

i. The status-based prisoner and martyr payments originated under the PLO from 1965 and ultimately transitioned to the Commission of Detainees and Ex-Detainees Affairs ("CDA") and the Foundation for the Care of Families of Martyrs and Wounded ("FCFMW").

ii. Meanwhile, poverty-based social assistance developed separately through the World Bank and donors under the Ministry of Social Development ("MOSD"), formerly the Ministry of Social Affairs ("MOSA"), consolidating in 2010 under the Cash Transfer Program, which was the first time cash welfare disbursements were made based on a means-tested eligibility mechanism.

iii. In 2020 the CTP – the only monetary anti-poverty measure – was combined with six social welfare dimensions to create the seven-dimension Multi-dimensional Poverty Program ("MDPP"). The CTP and the wider MDPP are poverty-driven programs. In principle they do not include the status of prisoner or martyr family in the eligibility criteria. To date, this is confirmed in our analysis.

iv. Pursuant to the February 2025 Decree, the CTP element of the MDPP has now been separated out again from the MDPP and transferred under PNEEI. Our work to date confirms the separation of the system into a new environment. The February 2025 Decree also mandated that detainees and martyrs' payments by the CDA and the Foundation are discontinued.

2.3.10 Despite at times falling under the Ministry of Finance funding, the CDA (Detainees) & FCFMW (Martyrs) streams and the CTP stream maintained separate beneficiaries and processes.

2.3.11 We performed analyses of the eligibility criteria within the CTP System, by first creating a detailed process and information flow diagram and validating critical steps including assessing the Intake form, Questionnaire, field work and family profile's creation. Please refer to Figure 3 Eligibility Criteria - CTP Application, Assessment, and Case Management Workflow - End-to-End Process Flow on page 97 and Figure 4 Payment Process - CTP Scoring, Payment Run, and Post-Distribution Workflow - End-to-End Process Flow on page 102 for details.

2.3.12 Based on the work performed, we can confirm there are no specific flags or fields within the CTP system that indicate martyrs, prisoners, detainees or wounded. We have validated this against the source code in the CTP System.

2.3.13 However, we noticed that the "martyrs", "detainees", "imprisonment" or "wounded" keywords appear sometimes in Name, Locality or Address fields. There was also a question on the legacy Intake and Questionnaire forms stating: "Has a family member been injured / wounded / martyred by the Israeli occupation", but from the documentation provided it does not appear on the PNEEI intake or questionnaire form. None of this information is used as variables in the PMTF score calculation.

2.3.14 With regards to field work (collection of information about the household), due to security concerns, inability of visiting certain locations, and the situation on the ground in Gaza, the information about households is gathered by the PCBS field team through the phone with head of families and through exchange of information with Ministries of Interior, Health, Labor, and Education, rather than through on-site visit, which may lead to some information not being reflected correctly in the CTP system. Based on the MOU between PNEEI and MOSD, plans to improve synchronization of the beneficiaries' information has been set; implementation depends on funds and resources availability.

2.3.15 Please refer to section 5.8 for further details.

2.4 Workstream 2: Eligibility-to-Payment Compliance Assessment (Sample-Based)

2-1: Assess completeness and integrity of data transfer from MOSD to PNEEI

2.4.1 PNEEI CTP environment was mirrored from MOSD as of 30 November 2025, meaning both systems have initially been in sync. We reconciled the households and persons' records from MOSD (Nov-2025) and PNEEI (Jan-2026) CTP databases and found no issues or discrepancies. We reconciled the number of households and persons' records from MOSD (Nov-2025) and PNEEI (Jan-2026) CTP databases and found no issues or discrepancies.

2.4.2 PNEEI and MOSD are developing an automated synchronization method to keep both databases aligned; Ultimit (developers of CTP environment) were contracted in April 2026 to design and implement these improvements. Until this automation is implemented and documented, minor inconsistencies may occur, particularly where new applicants are added by either MOSD or PNEEI.

2-2: Assess MOF implementation of measures to halt payments under old laws

2.4.3 During our site visit, we met with the MOF to understand the payment that was released by MOF during November 2025 prior to the first PNEEI CTP Payment, which had appeared to be in violation of the relevant decree laws.

2.4.4 Our understanding is that this payment was an allowance paid to the families of martyrs and detainees under the old scheme – and in fact reflected the payment of an amount that had been accrued under the old scheme prior to the February 2025 Decree, but was not paid earlier due to liquidity considerations; therefore, the MOF feel that it was not a continuation of the old scheme.

2.4.5 We reviewed General Ledger transactions for 2020-2025 provided by the Ministry of Finance, with a clear distinction of GL accounts, separate and unique accounts for each of these groups: Martyrs, Detainees, Social Benefits and CTP.

2.4.6 Based on our analysis of MOF General Ledgers activity, this net payment of NIS 579,025,000, included benefits allowances to the families of the martyrs and the wounded and to the families of detainees (which were actually disbursed in November 2025 payment), and which was entirely unrelated to the solely welfare-based CTP delivered by PNEEI in Nov-2025.

2.4.7 Below is the summary of payments (per respective GL account) made by MOF post Feb-2025 Decree but before PNEEI CTP inception and taking over the CTP payments responsibility, i.e. outside of PNEEI CTP.

Table 2: Post-Feb-2025 payments by MOF prior to PNEEI CTP

GL Code	GL Name	# of Trans	Total Debits (NIS)	Total Credits (NIS)	Net Value (NIS)	Last Payment Date	Last Payment Amount (NIS)	Accruals
272106	Salaries of Detainees	31	188,256,718	150,918,079	37,338,639	03/08/2025	16,899,640.29	No
272141	Martyrs' Families Allowances	18	282,027,360	0	282,027,360	13/10/2025	17,254,044.55	No
271101	Social Security cash benefits	191	236,468,241	0	236,468,241	31/12/2025	2,767,144.31	No
272130	Regular Social Assistance - CTP	26	23,190,760	0	23,190,760	04/06/2025	4,305,833.00	No
	TOTAL	**266**	**729,943,079**	**150,918,079**	**579,025,000**			

2.4.8 Based on the clarification letter[2] provided by MOF in June 2026, the ministry admitted and confirmed these payments were made post-Feb-2025 Decree and before PNEEI CTP inception (i.e. outside of PNEEI).

2.4.9 The Prisoners' Affairs Authority (PAA) was responsible for managing budgets and payments for Prisoners / Detainees and their families. PAA submitted monthly payrolls to the Ministry of Finance, and after the successful verification, the payments were transferred to the bank. This measure lasted until the July 2025 salary cycle, which was actually disbursed in November 2025 as a result of the arrangements for the transitional phase based on the Minister of Finance's decision.

2.4.10 Based on the same clarification letter from MOF, the Foundation for the Care of the Families of the Martyrs and the Wounded followed the same procedure as with the Detainees, in providing monthly statements to the Ministry of Finance for review and transfer of payments. Last activity was recorded in mid-Oct 2025, and payment was made in November 2025.

2.4.11 We were advised by MOF that processes had been put in place to prevent further payments of this type and that the GL accounts are closed. We have seen via screen-prints that there is no activity and no balances recorded in 2026 for the GLs of 272106 (Salaries of Detainees)

and 272141 (Martyrs' Families Allowances), with the status of GL accounts set to "Closing Account = Yes", and that the ministry no longer receives any data for beneficiaries related to prisoners nor to martyrs; however, to date, we have not seen to which accounts the balances of closed accounts were transferred and we have not seen evidence or documentation (authorizations, different level of approvals, etc.) confirming that safeguards have been implemented to prevent the re-activation of any future accruals under different accounts/mechanisms.

2.4.12 Please refer to section 4.2 Post February 2025 transactions on page 45 for details.

2-3: Assess whether beneficiaries had valid PMTF scores aligning with eligibility rules

2.4.13 We performed analyses related to PMTF scoring and the Payment Run processes, by first mapping a detailed step-by-step process and information flow.

2.4.14 We looked at the PMTF scoring formula and criteria and we can confirm none of the variables used in the calculations and formulae indicate martyrs or detainees' information. The PMTF score is purely calculated based on poverty related variables and locality criteria. We were able to replicate formulae and calculate the PMTF score matching the PNEEI calculated scores based on a sample selection of the household records from CTP.

2.4.15 Please refer to section 6.2 PMTF Calculations on page 79 for details as well as to Appendix A – Variables defined for the PMTF Formula and Appendix B – PMTF Formula for the actual list of PMTF variables and the calculation formula.

2-4: Assess whether each disbursement is linked to an assessed and eligible beneficiary

2.4.16 We analysed calculation of allowance amounts per beneficiary for sample selected households based on the PTMF score and verified the allowances were allocated correctly.

2.4.17 We analysed the classification of beneficiaries and confirmed they were correctly classified as "Very Poor" or "Poor" thus eligible for CTP benefit payments, or as "Not Poor" thus ineligible for benefits.

2.4.18 We also analysed additional criteria for "Poverty" vs "Social Allowance" categories, which determines whether eligible households will be paid purely based on payment brackets as per PMTF score (Poverty) or per Social Allowance, which provides NIS 250 per number of elderly and disabled members of the family and confirmed based on sample review it was applied correctly.

2-5: Assess completeness and accuracy of payment amounts, timing and delivery methods through cross referencing and reconciliation of relevant data points

2.4.19 We reviewed and reconciled 13 payment files provided to banks with the Payment Export file from CTP and with the reported numbers in the emails to banks.

2.4.20 We analysed the communication between PNEEI Director General and the Banks with respect to the November 2025 payment run and summarized a number of beneficiary families and allowance amounts. We analysed the communication between the PNEEI Director General and the Banks with respect to the November 2025 payment run and summarized a number of beneficiary families and allowance amounts. We compared this list with two extracts from the system, that were created early in January with the Nov-2025 beneficiary payment list, and we noticed some small discrepancies both in the number of families as well as in the allowance amounts. Based on the PNEEI comments, the differences were due to calculating the age as of the Nov-2025 payment date vs our calculations with a January date, such as individuals within a family becoming adult, elderly, etc. Also, the differences in allowance amounts (0.1 % total percentage difference) and in the number of households resulted from the fact that one source was just a pure CTP export file with default amounts and scores calculated and the other source was the actual Nov-2025 Payment file (QC'ed, with MOF adjustments made).

2.4.21 We have also reviewed the bank statements as well as signed reports and General Ledger entries from the PNEEI accounting system, and confirmed the allowance amounts distributed to beneficiaries, returned (inactive accounts or deceased persons) and the entries booked into the accounting system. We noted small discrepancies and amounts reported at various stages, which may be due to the exchange rate between NIS and USD when amounts were reported. For details, please refer to sections 6.5 and 6.6 of this report.

2-6: Cross-check legacy beneficiary lists against PNEEI database to identify potential unauthorized payments

2.4.22 As discussed in workstream 2 point 2-1 above (paragraph 2.4.1) we reconciled the households and persons' records from legacy MOSD (Nov-2025) and current PNEEI (Jan2026) CTP databases and found no issues or discrepancies.

2.4.23 No PMTF variables or criteria used in calculation of allowance amounts refers to martyrs or to detainees and the eligibility for CTP payments is based purely on poverty criteria.

2.4.24 Please refer to section 6.2 PMTF Calculations on page 79 for details.

2-7: Assess MOF financial controls to restrict disbursements outside new system

2.4.25 As described in point 2-2 above (paragraph 2.4.11), we were advised by MOF that processes had been put in place to prevent further payments of this type and that the GL accounts are closed (GL account status "Closing = True"), and there is no activity recorded in 2026, and that the ministry no longer receives any data for beneficiaries related to prisoners nor to martyrs.

2.4.26 Apart from the clarification letter provided by MOF in June 2026, additional evidence or system documentation is needed to confirm the system closure and prevention of reactivating any future accruals in order to validate that any such distribution cannot be reactivated within MOF.

2-8: Identify signs of fraud, error or manipulation

2.4.27 We have reviewed raw data files, PMTF and allowance calculations, payments files and documentation and communication related to bank transfers and GL entries, as well as communication between ministries and we have not identified signs of fraud, error or manipulation within PNEEI/CTP.

2.5 Key observations and recommendations

PNEE Cash Transfer Program

2.5.1 For the sake of balance, whilst this report may seem focused primarily on technical and procedural gaps, it is worth noting the progress achieved, including the clear legal separation between programs, the designed exclusion of ineligible categories, and the establishment of an independent technical infrastructure are an important step toward strengthening integrity and accountability while reinforcing confidence in the reform process.

2.5.2 The household data was, as far as we could establish, successfully transferred / mirrored from MOSD to PNEEI/Tamkeen in 2025.

2.5.3 None of the flags and fields in the PNEEI CTP database and none of the variables used in the PMTF scoring and for the calculations of allowance amounts for the eligible households refer to martyrs, injured, wounded nor to prisoners or detainees. The criteria and eligibility assessment is purely determined by the poverty and locality indicators based on the information stored in CTP for each household and each person.

2.5.4 Based on the reviewed sample the cash allowances were calculated in CTP according to the formula and matched the payment files distributed to 13 banks and the Post Office in the West Bank.

2.5.5 We recommend prioritizing:

i. Implementation of automated synchronization of household information between PNEEI and MOSD (a programme to deliver this has been proposed in April 2026 with the commencement and execution remaining subject to financial limitation) and information exchange between the two sources.

ii. Development of information exchange systems between PNEEI and ministries (especially MOF) to ensure information about the household held by various institutions and sources is synchronized and updated automatically with limited manual overrides or updates.

iii. Enhancing the risk management framework for the CTP, which will provide for clearly documented management of risks related to the CTP, including updating or creating well documented procedures, reporting lines and stricter controls around CTP

PMTF spot-checks, eligibility assessment and payment verifications, with clearly defined responsibilities and reporting lines.

iv. Ongoing robust independent monitoring and documenting of each step in the future payment runs under the CTP to ensure adherence to the designed process and PMTF criteria.

Legacy Martyrs and Detainees/Prisoners Schemes

2.5.6 After reviewing the CTP system documentation and MOF and MOSD budget reports between 2020-2025 we can confirm that there is a separation of the Cash Transfer Program managed by PNEEI from the Martyrs and Detainees welfare payments, managed by the MOF in separate General Ledger accounts.

2.5.7 Based on the information and documentation provided to us we can see transactional activity on MOF GL accounts related to Martyrs and Detainees post the Feb-2025 Decree date, with active transactions and balances until the end of December 2025; MOF confirmed making post-Feb 2025 payment to target groups outside of PNEEI CTP in November 2025 and informed us that the accounts were closed as of the end of December 2025 with no activity on the two accounts in 2026, which was confirmed by a provided extract from the MOF General Ledger.

2.5.8 We recommend for MOF to:

i. Create documented procedures confirming that the legacy payment system with regards to the Martyrs and to Detainees and their families was blocked and suspended and is no longer active and in operation.

ii. Confirm no further activity, transactions or accruals are booked into the GL accounts in the MOF system.

iii. Provide additional evidence confirming the MOF payment system settings were changed and updated effectively to safeguard against the possibility of re-activation (including communication and approvals from/to relevant stakeholders/decision makers/administrators).