Government to Person Transfers

On-Ramp to Financial Inclusion?

AUTHOR
Guy Stuart

CENTER *for* FINANCIAL INCLUSION | ACCION

Acknowledgments

This report would not have been possible without the close collaboration and support of the Pakistan Microfinance Network, particularly Mohsin Ahmed, Ali Akbar, and Nafey Khan, and in Colombia the Centro de Formación Empresarial, Fundación Mario Santo Domingo—Accion International, especially Ángela Liliana Ríos Forero. Within Microfinance Opportunities, this research effort received considerable support from Gustavo Zanabria, Conor Gallagher, and Eric Noggle. I am also grateful for the funding provided by the Center for Financial Inclusion at Accion, and to Elisabeth Rhyne and Sonja Kelly for their thoughtful comments on the research and early drafts.

Cover Photo Credit:
Microfinance Opportunities

Contact Information

Center for Financial Inclusion
1101 15th St NW, Suite 400
Washington, DC 20005
United States of America

center@accion.org

1-202-393-5113

Guy Stuart
Executive Director
Microfinance Opportunities

1701 K Street NW, Suite 650
Washington, D.C. 20006
United States of America

guystuart@mfopps.org

1-202-721-0050

Foreword

International organizations and national governments are heralding the linking of government-to-person (G2P) payments to accounts as an entry-point to engage more people in the formal financial system. The CFI Fellows Program was set up to investigate some of the most critical issues facing financial inclusion. We chose the question, "Are G2P payments an on-ramp to financial inclusion?" as a topic for the program's inaugural year because we saw a significant disconnect between the rhetoric surrounding electronic G2Pand the reality. Specifically, there is enthusiasm about G2P electronic payments as a way to include many people at once, but we do not see convincing evidence to support such enthusiasm. We selected Guy Stuart of Microfinance Opportunities as a CFI Fellow this year to investigate the question.

The hypothesis that G2P provides an on-ramp to financial inclusion begins with the observation that many people who are financially excluded receive a government welfare payment. Traditionally these payments were made in cash, but technology now allows them to be made electronically, into bank accounts. Payment into accounts provides an opportunity to encourage access to financial services while simultaneously increasing efficiency in the payments system. The World Bank estimates that by shifting payments directly into accounts, governments can increase the number of an adults with an account by at least 160 million. In theory, with these accounts as an on-ramp, recipients can begin to actively use financial services—such as saving, using the accounts for other payments, or borrowing.

Stuart's background research underlines the value of the welfare payments to the recipients, and he notes that this value includes greater use of financial services. However, that greater value does not appear to depend on whether the payment is delivered in cash or digital form.

Stuart's field-level research shows that, at least in Pakistan and Colombia, getting the mechanics of electronic payment delivery right is a prerequisite to deeper financial inclusion. This task is very much still in process. The electronic systems need to function smoothly and reliably, and the processes need to align with customer life patterns (which posed significant issues for women in Pakistan). Only then can attention turn to the question of deeper financial inclusion.

This report confirms our healthy skepticism, but it also gives us some directions for future action. We hope that you will find it to be a valuable contribution to the conversation on G2P electronic payments and financial inclusion. We look forward to continued work on this topic.

Elisabeth Rhyne
Managing Director

Sonja E. Kelly
Director of Research

Introduction

This report focuses on the confluence of three different movements to improve the economic well-being of low-income individuals and households in developing countries: financial inclusion; digital financial services; and government-to-person payments (G2P payments). It seeks to answer the question: Can G2P payments provide an on-ramp to financial inclusion? Inclusion, in this case, means not just having a formal account but using it as a result of being a G2P recipient.[1] More specifically, we look at the role G2P payments play through some sort of digital payment system, such as a debit card linked to a bank account or a mobile money transfer to an m-wallet, in increasing the use of formal financial services by low-income beneficiaries of such payments.

The report draws on a variety of data: a review of other studies on G2P payments, the World Bank Global Findex[2] survey conducted as part of Gallup's global survey in 2014, observations of G2P transactions conducted at mobile money agents in various locations in Pakistan, and focus groups conducted with G2P payments beneficiaries in Colombia and Pakistan. We analyze these data using a conceptual framework that outlines the different ways in which G2P payments might lead to greater financial inclusion.

Based on a review of the secondary literature and the field research we conducted in Colombia and Pakistan, in this report we explore a number of different mechanisms by which G2P payments can result in deeper financial inclusion.

Each of these mechanisms can result in a G2P payment serving as an on-ramp to financial inclusion. The experience of the touch point with the formal financial system may lead to an increase in the trust and confidence an individual has in the system (Cohen 2013), and, specifically, in the parts of the system that are able to reach them at low cost, increasing the likelihood that they will use the system for other financial needs. Related to this, the touch point offers the representative of the system the opportunity to cross-sell to the recipient other services they might need, or the recipient may simply learn about other services vicariously. The additional functionality the financial tool offers can enable a recipient to use the tool for other purposes, such as saving money, paying a utility bill out of a bank account, or sending or receiving money from someone else into or out of a mobile money account.

G2P payments are very likely to increase the economic resources of beneficiaries' households. This improved economic condition might lead the recipient to engage more fully with the formal financial system because they find that their improved economic condition enables them to save in or even borrow from a financial service provider or to participate in some sort of community-based savings and credit group. Furthermore, the fact that a G2P payment can constitute a "useful lump sum" may enable the recipient to buy or invest in something they would not otherwise be able to out of their regular cash flow. This could result in an even greater improvement in the economic condition of beneficiaries' households that, again, leads them to engage more fully with the formal financial system.

The key mechanisms are:

1. Receipt of a G2P payment that results in an interaction between a person from a low-income household and some representative of the formal financial system—G2P as a "touch point."

2. If a G2P payment is made through the digital transfer of money, the payment is associated with a financial tool, such as a bank or mobile money account, which has functionalities above and beyond simply delivering cash into the hands of the recipient. The most obvious functionalities are the ability to retain a balance on the account or the ability to transfer money digitally to and from the account or make a payment from the account.

3. A G2P payment through a formal account that creates a relationship between a low-income individual and a formal financial service provider (FSP), which could translate into the uptake and use of other services offered by the FSP.

4. A G2P payment that constitutes a much-needed addition to the resources low-income households have for their day-to-day survival.

5. Finally, related to the previous mechanism, a G2P payment that can constitute a "useful lump sum" because it is paid periodically in an amount that constitutes an unusually large cash inflow at one point in time.

Our analysis suggests that currently there is little indication that G2P payments do result in increased financial inclusion through any sort of direct mechanism related to the delivery of those payments through formal financial service providers. There are a number of reasons for this:

- The G2P payment system itself did not always work smoothly although, generally, participants in the focus groups liked the debit card or mobile money systems through which they received money.
  - In both Colombia and Pakistan, participants in the focus groups complained about a lack of communication from the government about when they would receive their payments.
  - In Pakistan, women beneficiaries were often excluded from the process of collecting money, and their male relatives who conducted the transactions often received or required extensive help from a third party in conducting the transaction.
  - In Colombia, the women beneficiaries conducted the transactions for themselves with ease. Their only complaint was that there were long lines at the ATMs when it was time to collect their money and the ATMs would sometimes run out of cash.
- The beneficiaries withdrew all the money they received at one time and did not use the account through which they received payments to save any of the funds they received or make further transactions. This was because:
  - They did not know that they could leave money in their account.
  - They invariably needed all the money at the time they received it.
  - They preferred to keep the money at home because it gave them easier access to it.
  - If they did know that they could leave money in their account, they often did not trust that the money they left would still be there later on.
- There was very little effort on the part of the G2P programs and their financial service provider (FSP) partners to market other financial services to the beneficiaries.
- There was no appreciation by beneficiaries that there was any advantage to being a G2P program member in terms of securing other services from the FSP from which they withdrew their payment.

Nevertheless, there is ample evidence that G2P payments increased the economic well-being of their beneficiaries and, as a result, could lead to greater financial inclusion through that improvement in well-being. Furthermore, there may be some specific mechanisms by which the "lumpy" nature of G2P payments and their use for children's education may result in greater financial inclusion.

As a result, this report recommends that policy-makers and funders focus on ensuring that the G2P payments systems work well and that beneficiaries feel comfortable withdrawing their money. Only once this has been achieved can efforts be made to test initiatives that might increase financial inclusion. This does not mean that those advocating for the greater use of digital financial services to make G2P payments are necessarily on the wrong track. It just means that there needs to be more focus on getting the basics right and understanding that, as in Pakistan, this process may bump up against very entrenched cultural norms that have to be addressed.

In the next section of this report we look at G2P from a global perspective. We then present the findings from the field research conducted in Colombia and Pakistan. We end with a discussion of the data presented and some recommendations about how policy-makers and funders can better leverage G2P payments to promote financial inclusion.

Global Perspective on G2P

There is an increasing number of G2P payment programs being implemented across the developing world that focus on low-income and marginalized populations. It is these programs that have gained the attention of policy-makers, donors, and other stakeholders interested in promoting financial inclusion, because it is the populations they target that are most likely to be financially excluded.[3] In this section, we discuss what we currently know about how these systems are working and how they are promoting financial inclusion. We draw on two sets of data to do this: reports on various G2P initiatives across 19 developing countries; and the Findex global database that includes questions about financial service use and the receipt of G2P payments.

What we know about G2P payments and financial inclusion globally

To gain a sense of the issues that have arisen in the past few years relating financial inclusion to G2P payments, we conducted a search for reports on this topic since 2010. We identified reports that covered 19 different countries. Our review found the following key observations that will be important to keep in mind as we discuss the Colombia and Pakistan programs in more detail (see the Appendix for a more expanded discussion of these reports):

- In reports on only three countries (of 19) did the authors *not* report operational problems with the G2P programs themselves. These countries were Brazil, Fiji and Niger.
    - Of those three, only Fiji's programs displayed any signs of bolstering financial inclusion.
- It was common across countries for people who received G2P payments through some sort of account to withdraw all the money right away.
- Though many G2P accounts offer additional services, most beneficiaries do not use them.
- Digital G2P payments are becoming increasingly popular as governments see them as a way to boost financial inclusion and reduce the costs of providing grants. But the reports on these initiatives identified a number of factors that inhibit G2P beneficiaries from taking advantage of them.
    - Poor national infrastructure is one factor that limits the functionality of a G2P delivery service.
    - Underdeveloped agent networks also prevent G2P programs from achieving success.
    - Clients' lack of trust in the systems hinders uptake.
    - A lack of understanding by clients of how the systems work and how to use them with confidence likewise limits growth.

In sum, a review of reports on the relationship between G2P payments and financial inclusion paints a picture of systems that are, or were at the time of the reports, experiencing teething problems. This meant that a majority of the programs faced basic operational problems in delivering payments to their intended beneficiaries in a timely manner.

Digital financial systems offer the prospect of being able to reach people cheaply, effectively, and transparently, but these systems have run into extensive operational problems related to sustaining an extended network of agents in countries with inconsistent electricity, poor roads, and low education levels. These problems are exacerbated by the lack of trust low-income people have in formal financial systems, and in turn exacerbate their lack of confidence in dealing with those systems.

Findex results

The Findex data set from 2014 is comprised of data from 142 countries. The data include questions about the financial services use of the respondents, including whether they received government transfers and how they received those transfers; whether they received those transfers through a bank account; and whether they already had a bank account when they received their payment. The data also present information on various types of financial services use and the age, gender, educational attainment, and income of the respondent.

The Findex data set categorizes countries into one of six groups. One group contains all high-income/OECD countries and the remaining five groups organize low- and middle-income countries based on geographic regions. Our analysis included the 95 low- and middle-income countries.

We conducted three comparisons to determine the impact of receiving a G2P payment. The first comparison looked at differences in financial behavior within the group of respondents who had no formal accounts and compared those receiving government payments with those not doing so. This comparison gives us a baseline understanding of how receiving a G2P payment is associated with the financial behavior and economic well-being of the beneficiaries. In our analysis we refer to this as "Comparison 1."

We also looked at people who already had a formal account and compared those who received their G2P payment through an account to those who received their G2P payment in cash. This comparison gives us an understanding of how a G2P payment through a bank account is associated with the financial behavior of people who had already demonstrated a propensity to at least have a formal account. In our analysis we refer to this as "Comparison 2."

Finally, we looked at people who were receiving G2P payments and compared a group receiving them through accounts specifically opened to receive the payments to a group receiving them in cash, who had no bank accounts. This final comparison allowed us to look at the specific association between opening an account to receive a G2P payment and the financial behavior of G2P payment beneficiaries. In our analysis we refer to this as "Comparison 3."

We looked at the financial behavior of people who:

- In the past 12 months, saved, or set aside money for:
  - Farm or business
  - Old age
  - School fees

- In the past 12 months, saved or set aside money in:
  - A formal financial institution account
  - An informal savings club

- Have a loan from a formal financial institution used to purchase land or housing

- In the past 12 months, have borrowed from:
  - A formal financial institution
  - Store credit
  - Family or friends
  - A private lender

Figures showing the results of this analysis can be found in the Appendix. They show what percentage of respondents in each category (G2P recipient in cash, etc.…) reported the behavior in question. To ensure that the differences we observed are real and not the product of confounding variables, we ran a probit regression model that included controls for education, income quartile, gender, and country. It should be noted that the education, income, and gender variables were all associated with increased financial inclusion in ways that we would expect—people who are more educated or have higher incomes, or are men, are more financially included.

There is a strong association between receiving a G2P payment in cash and having an improved ability to save and borrow, although the potential size of the impact of G2P payments is relatively small.

Our analysis suggests that, as might be expected, people receiving a G2P payment were more likely to have reported saving for a business or farming, for old age, and for school fees in the past 12 months. They were also more likely to have reported saving in a savings club in the past 12 months. Finally, they were more likely to report having borrowed from a formal financial institution or family and friends and using store credit. It should be noted that although these differences were statistically significant, substantively the impact of a G2P payment on the financial behavior of the financially excluded was not great. The base, i.e., the level of activity of people without an account and not receiving G2P payments, was very low to begin with and the G2P payments never lifted it by more than eight percentage points.

There were far fewer differences in the financial behavior of people who had a bank account but received their G2P payment in different ways: i.e., through an account vs. in cash. The former were more likely to report having saved for old age in the past 12 months and having saved in a formal financial institution. Otherwise, their behavior was very similar.

Finally, comparing the G2P beneficiaries who opened an account specifically to receive their payment and those beneficiaries who received their payments in cash, we see some differences in behavior. Three behavioral differences that make sense given the difference in relationship with a financial institution between the two groups is their self-reported ability to use the services of formal financials institutions. Those who opened an account to receive their payment were more likely to report having saved in a formal account in the past 12 months, having a land- or housing-related loan, and having borrowed from a formal institution in the past 12 months. They were also more likely to report having saved for old age and to have used store credit in the past 12 months.

This last set of findings contradict the general consensus of the reports on the relationship between G2P payments and financial inclusion. But a closer look at the Findex results may explain why. The differences in behavior, though statistically significant, were not great, in most cases, and they were in comparison to a very low base. For example, the analysis shows that people who opened an account to receive a G2P payment were more likely to have reported saving for old age than those who simply received a cash G2P payment. But the percentage of people reporting this behavior was 17 percent and 14 percent in each category, respectively. The difference was small—less than four percentage points—and the base was small. Only 14 percent of G2P cash recipients reported saving for old age. The one exception to this general pattern of small difference and small base was the response to the question about saving in a formal financial institution: there was a 16 percentage point difference, but the base was very small, with only two percent of G2P cash recipients reporting that they had saved at a financial institution in the last 12 months.

In sum, these data suggest that there is a strong association between receiving a G2P payment in cash and having an improved ability to save and borrow, although the potential size of the impact of G2P payments is relatively small. In the case of someone who already had an account and who subsequently received a G2P payment through an account, there seems to be little difference in behavior from what we see from someone who had an account and was receiving payments in cash. Finally, there is a difference in the behavior of individuals who opened their first account to receive a payment in comparison to individuals who had no account and received their payment in cash. As one might expect, that difference was most apparent in the extent to which they reported conducting transactions with a formal financial institution.

TABLE 1

Financial behavior and G2P transactions

	WAS THERE A DIFFERENCE IN FINANCIAL BEHAVIOR BETWEEN ...		
	1: G2P vs. No G2P	2: G2P to existing account vs. G2P in cash	3: G2P-specific account vs. G2P in cash
In the past 12 months saved, or set aside money for:			
Farm or business	Yes	No	No
Old age	Yes	Yes	Yes
School fees	Yes	No	No
In the past 12 months saved or set aside money in:			
A formal financial institution account	No	Yes	Yes
An informal savings club	Yes	No	No
Have a loan from a formal financial institution used to purchase land or housing	No	No	Yes
In the past 12 months have borrowed from:			
A formal financial institution	Yes	No	Yes
Store credit	Yes	No	Yes
Family or friends	Yes	No	No
A private lender	No	No	No

Comparison 1: No account, G2P in cash vs. No G2P

Comparison 2: Existing account, G2P through account vs. G2P in cash, but have an existing account

Comparison 3: Opened account for G2P through account vs. G2P in cash

* In all cases where a difference exists ("Yes" in the table), the category of individual who is mentioned first in the descriptions of the comparisons showed more of the financial behavior described in the table. For example, under Comparison 1, individuals receiving a G2P payment are more likely to have saved for a farm or business, old age, and school fees than a person not receiving a G2P payment.

Results from Colombia

To evaluate the linkages between G2P payments and financial inclusion, we conducted 10 focus groups in three different regions of the country: Bogota, Barranquilla, and Cartagena. In each region we conducted group discussions in both urban and rural areas. The average size of the group was 12 women.

The data from the focus groups in Colombia suggest that even though all the beneficiaries have either a bank or mobile money account through which they receive their G2P payments, they do not use that account except for withdrawing the cash they receive from the government and, on occasion, leaving some money in the account for withdrawal at a later date. Even this last activity may not be a deliberate use of the account to save, but rather the result of the ATMs from which they withdrew money placing a minimum on how much they can withdraw. When the amount they had in the account was less than that amount (e.g. the ATM could not deliver a note smaller than 5,000 pesos), they were forced to leave it in the account. Even though there is little to suggest that there is a direct connection between receiving a G2P payment and using financial services, the data do infer some indirect associations between G2P payments and financial inclusion. In this section we provide more detail on why the direct connection between G2P and financial inclusion does not play out, and then discuss the indirect association between the two phenomena.

The *Familias en Accion* program in Colombia is a conditional cash transfer program for low-income, indigenous, or displaced families. The women beneficiaries must ensure that their children go to school and receive regular health check-ups in order to qualify for a transfer. In 2015 there were almost 2.6 million families participating in the program, including 4.66 million children. They received six payments a year, once every two months, in the amount of about 140,000 Colombian pesos ($US 44) per payment.

Transaction experience

The beneficiaries of the program generally stated that the process of collecting their money is simple and practical. Most of the participants in the focus groups received their *Familias* payment through a Banco Agrario account. They used the debit card attached to that account to withdraw cash at ATMs owned by the bank or connected to the Red Servivanca[4] network, or at the POS devices of bank correspondents, which included grocery stores and other retailers. Initially, they were nervous about using the card and received help from a member of their family or someone else, but through repeated use they grew comfortable using the card and found that they did not have to get help from bank or *Familias* support staff. This was true across all the areas where we conducted focus groups:

"… I have the money today and we can withdraw it in just 5 minutes, right? I think it is easy."

LA CALERA, BOGOTÁ, URBAN

When the participants fail to get the right information into the right hands, they do not receive their Familias payment. If this happens, they often blame the program, failing to understand that as far as DPS is concerned, they are not in compliance with program requirements.

"I like it more now because in the past, one had to go with your identification card personally. While with the debit card, one can go to Banco Agrario in Choachi or La Calera or you can ask a favor of someone else to withdraw the money."
LA JUNIA, BOGOTÁ, RURAL

The *Familias* program is a conditional cash transfer (CCT) program that requires participants to ensure their children go to school and have regular health check-ups. If they do not meet these requirements, they do not receive their *Familias* payment. The focus group data suggest that the women, in most cases, understand the requirements of the program. Nevertheless, some of the participants did not make sure that their compliance had been verified and that the *Departamento para la Prosperidad Social* (Department of Social Prosperity, DPS) had that information. When the participants fail to get the right information into the right hands, they do not receive their *Familias* payment. If this happens, they often blame the program, failing to understand that as far as DPS is concerned, they are not in compliance with program requirements. In many cases, the "mother leader" ("*madre lider*") of the community and the municipal liaison ("*enlace municipal*") were able to ensure that the women were in compliance with the requirements, helped them get the appropriate verification, and made sure the information was delivered to the DPS.

"[With respect to the delay in payments], for example, I have to receive the money this month and they do not pay me. They take away the money of these two months and do not pay me… that money never comes back."
BOSA, BOGOTÁ, URBAN

"Usually, Amalia [municipal liaison] is aware of that [payments and compliance with the program requirements]. She keeps track of children's check-ups and she says if we can receive the payment or not. Thus, one can receive the payment because she keeps track of check-ups."
LA CALERA, BOGOTÁ, URBAN

"In the past, in the neighborhoods, we always had a mother leader who collected the documents of children, civil registries, and growth and development certificates. But, as everything here is politics, now we have a new mayor and he has not designated a new mother leader by neighborhood who supports us."
SANTO TOMÁS, BARRANQUILLA, RURAL

One of the beneficiaries' repeated criticisms of the program was that no fixed schedule existed for when payments would be made. They also noted that there were delays in payments in terms of days, weeks, or even months. But it is likely that these delays were related to women's lack of compliance with the program requirements rather than a failure on the part of the program to pay on time.

"We would like that the mayor's office and people who have more communication with Bogotá meet more with us in order to guide us and give us a schedule. We are in the air, we do not know anything."
SANTO TOMÁS, BARRANQUILLA, RURAL

Nevertheless, some beneficiaries seem to have worked out a system for managing the uncertainty about when the payments arrived:

The beneficiaries tend to try to withdraw their money right away because they need it, and because they fear that if they do not do so the government will take the money back.

"I know what day they pay, more or less. So, I go to the bank with my identification card and I ask if I already have the money [in the account]. Thus, when one knows what day they pay, more or less, then one can go to ask about the money."

The government deposits the *Familias* payment into the beneficiaries' bank accounts every two months, at the start of the month. The beneficiaries tend to try to withdraw their money right away because they need it and because they fear that if they do not do so the government will take the money back. As a result, there are often long queues at the ATMs, and often the ATMs run out of money. The women can go to other cash outlets, including bank teller windows and stores with POS devices. There are also people at the ATMs who offer to help the women get their money more quickly, without waiting, in exchange for a fee. The women reported that there were no bank or program staff at the ATMs to help things work more smoothly. Those who were there helping (and charging a fee) were not affiliated with the bank or the program.

"No sir, sometimes it is necessary to go to the bank counter. They give you the money when the ATM does not work."
LA JUNIA, BOGOTÁ, RURAL

"One takes one hour to reach the nearest ATM. But, while one withdraws the money and buys what one needs, one can take the whole day until 6 p.m."
TUNJAQUE, BOGOTÁ, RURAL

"When they send the text message, we go to make a line [in front of the ATM]. And this line is so large that we take two, three and four hours withdrawing the money."
SAN JACINTO, CARTAGENA, RURAL

"For example, farmers come to withdraw [the money]. They cannot handle an ATM and there are people who take advantage of this situation because farmers do not know what an ATM is. When they withdraw the money, these people tell them that they have to pay a fee of 5,000 pesos per transaction. Can you imagine a person who receives 30,000 pesos and has to pay a fee of 5,000 pesos? I would agree that there should be a person from the program or the same bank aware of these situations, because it is a scam."
JACINTO, CARTAGENA, RURAL

One focus group was dominated by women who received their payment through DaviPlata,[5] a mobile money service. Some of the women said they liked this service better than the debit card linked to a Banco Agrario account because they received a message when their account was credited with the *Familias* payment, but others noted that this did not do them much good because there were still long lines at the ATMs and banks when they went to withdraw their money. The women were aware that they could withdraw their money in grocery stores and other shops and use their m-wallet to pay utility bills and for mobile top-ups and merchandise.

"With DaviPlata, [it is an easy withdrawal process] because we had already used [mobile money]. The debit card I have not used, but it is even easier."
BOSA, BOGOTÁ, URBAN

G2P account functionalities

A majority of the participants in the focus groups who received their *Familias* payment through Banco Agrario were unaware that they had a savings account linked to their debit card. They did not know they could save in the account. If they did have information about the account, it was often inaccurate. For example, they thought that the account was limited to receiving and withdrawing *Familias* payments in limited amounts. In the same way, those beneficiaries who received their payment through DaviPlata did not always know they had a mobile wallet, and, as a result, an account which they could use to send and receive money and make deposits. Other participants who knew about the mobile wallets thought that they could only be used for the purposes of the program. Furthermore, the women thought that if they were temporarily suspended from the *Familias* program, or no longer participated in the program, their accounts would be closed.

"... When they gave me the debit card, they told me that I had a savings account and could save there."
LA CALERA, BOGOTÁ, URBAN

"... I knew [that I have a savings account] but I have never used it because, as they make the payments, I withdraw them. And some people say that if you do not withdraw the money in a certain period of time, they take it away. Well, I do not know if it is true. But, I have always withdrawn it before it passes the time."
LA CALERA, BOGOTÁ, URBAN

"They told us in that workshop that if you need, you can receive a transfer or someone can make a deposit into your account from somewhere else. They can make a deposit into your account in order to withdraw it later."
TUNJAQUE, BOGOTÁ, RURAL

"Someone told me that this saving account was only for purposes of *Familias* program."
CIUDAD BOLÍVAR, BOGOTÁ, URBAN

"Once I left 20,000 pesos and then what she said, happened. I tried to withdraw the money and there was nothing there. I asked the *Familias* program and they told me that that I should not have left it there."
CODITO, BOGOTÁ, URBAN

"When we received this debit card, they told us that we could save money there and nothing will happen. But, we fell into the trap and they took the money away. The same happens when we withdraw it."
CODITO, BOGOTÁ, URBAN

As noted above, the participants reported that they are most likely to withdraw their entire payment at once. One of the principal motivations for doing so, other than their need for the money, was their fear that they would lose any money they saved. The participants reported hearing many stories about "lost money" that involved other beneficiaries. Those stories pointed to problems with the ATMs, hidden bank fees, and penalties imposed by the program for not withdrawing the funds, amongst others.

"People know about these things as hack [DaviPlata account] and steal the money. So, it is better that whatever you want to buy for your child, buy it right away. Invest that money before you lose it."
SAN JUAN DE NEPOMUCENO, CARTAGENA, RURAL

"I do not [save money], because once I lost the phone with the sim card and lost the money."
SAN JUAN DE NEPOMUCENO, CARTAGENA, RURAL

"An aunt told me, one day when we went to claim with the debit card, that I could not leave money there."
CODITO, BOGOTÁ, URBAN

"I have not left [money there] because of something that happened to my sister in Barranquilla. She left money there intentionally in order to save it. But, when she went to withdraw it, she could not. They gave her just half because nobody can leave many minimum wages, nothing more than a minimum wage."
SAN JACINTO, CARTAGENA, RURAL

But some participants noted that one advantage of the debit card attached to an account was that you could leave money in the account, whereas if you receive a payment through a giro check you cannot.

"It is better now because you can withdraw it and save money too. But, in the past [with the money order], you have to withdraw everything the same day. Now, you can withdraw money with the debit card any Saturday or Sunday."
TUNJAQUE, BOGOTÁ, RURAL

"It is better with the debit card [than with the money order] because if you get everything in cash, it is spent faster. While with the debit card, you can have savings."
TUNJAQUE, BOGOTÁ, RURAL

A number of women reported leaving small amounts in their account:

"…because there is a need to withdraw everything. If not, as my friends say, I wait and withdraw it when I need it. At least, at this time when there is no need for children's transportation, one can leave savings for the future."
TUNJAQUE, BOGOTÁ, RURAL

"When they gave us the debit card, they told us that we could leave balances there as long as we wanted. They told us that nobody will take away a peso from there. So, I leave money there sometimes. I have had the debit card six months."
CIUDAD BOLÍVAR, BOGOTÁ, URBAN

"There are always little balances there. I hope that with the next payment, I have more than 10,000 pesos. I always verified if the balances are there. They are increasing little by little and nobody has taken them away."
SABANA GRANDE, BARRANQUILLA, RURAL

There was also the issue of what to do with small remaining balances that could not be withdrawn because they were below the ATM minimum withdrawal. Different women had different approaches:

"I leave [less than 10,000 pesos in the account], but then I go to "Exito" [supermarket] and buy stuffs with balances depending on what it is worth to me."
CIUDAD BOLÍVAR, BOGOTÁ, URBAN

"For example, I leave 5,000 pesos [in the account] and I cannot withdraw it with the debit card. So, I wait for the next payment, which arrives in two months."
TUNJAQUE, BOGOTÁ, RURAL

"What is left over, I [use to] make a top-up on [my] cellphone."
SAN JACINTO, CARTAGENA, RURAL

The women preferred keeping their money at home in a piggy bank (alcancía) or in their purses for easy access to cash to pay for day-to-day necessities or to deal with an emergency.

It was also clear from the focus group discussions that the women preferred keeping their money at home in a piggy bank (*alcancía*) or in their purses for easy access to cash to pay for day-to-day necessities or to deal with an emergency. They did not like using banks or other types of financial service providers because they thought they had minimum deposit rules, or simply because they were not accessible.

"It is safer in the house because you know you have it there."
CODITO, BOGOTÁ, URBAN

"Very rarely, you have enough to save. The piggy bank is used to save money but if there is any need, it is used to pay bills or whatever you have to pay."
CIUDAD BOLÍVAR, BOGOTÁ, URBAN

"[I do not save on DaviPlata because] money is needed urgently on a specific weekend for example and the bank is closed. In addition, there is no ATM."
SAN JUAN DE NEPOMUCENO, CARTAGENA, RURAL

"We save small amounts of 1,000 pesos, 2,000 pesos [in the piggybank]…. The bank does not accept smaller amounts."
SAN JUAN DE NEPOMUCENO, CARTAGENA, RURAL

"The piggy-bank [is better] because when I withdraw money from the ATM, it charges me a fee."
SAN JUAN DE NEPOMUCENO, CARTAGENA, RURAL

Relationship with an FSP

There was a general perception among the participants that banks did not offer products that were suitable for them because of their high costs (fees and interest rates) or because they were out of reach for someone of their socio-economic status. However, some participants, despite not using their *Familias* account regularly, knew about and used other financial services offered by other banks and financial service providers not linked to the *Familias* program. In many cases, they had received information about financial products from the providers themselves or from members of their family who told them that it was possible to access loans, insurance, and other services.

"They lent me 600,000 pesos, I have to pay around 88,000 pesos [monthly]. It is better than "Paga Diario" (daily payment borrower). With the daily-payment borrower, you have to re-pay every day. Instead, with the bank, the payment is monthly. With crafts, one can gather the money."
SAN JACINTO, CARTAGENA, RURAL

"I prefer a bank. Some banks have come to me as "Banco de la Mujer," but I am afraid of commitments. Maybe, for businesses…"
SAN JUAN DE NEPOMUCENO, CARTAGENA, RURAL

"One needs to have a business or something in order for the bank to lend to you… but not so much, just a minimum amount. If the person is listed in the credit bureau, the bank does not lend you."
SABANA GRANDE, BARRANQUILLA, RURAL

There was no sense that being part of the Familias program provided any benefit in gaining access to bank credit. The women said they preferred to borrow from family or a local, informal lender when they needed money urgently.

The general perception among the women was that participation in the *Familias* program had nothing to do with increasing their financial inclusion. They did not see receipt of the payment through a bank account in this light, nor did they see the program helping them gain access to other services as a result of, for example, helping them build a credit history or building a relationship with Banco Agrario.

"No matter if you are from *Familias* program. [A bank] did not help me with the mortgage loan."
CODITO, BOGOTÁ, URBAN

There was a small group of women who had savings accounts, loans outstanding, or had borrowed in the past. In large part, these were women who had their own business and were better educated than the other participants in the focus groups. Again, the women stated that there was no connection between their use of these other services and their participation in the *Familias* program.

"When I had the opportunity to have my business, I asked for a loan, but in "Bancamía." The first loan was for 2 million pesos and I had to pay 150,000 [pesos] monthly."
CODITO, BOGOTÁ, URBANO

"I have a loan with Banco Agrario because I wanted to buy some pigs to sell."
SAN JUAN DE NEPOMUCENO, CARTAGENA, RURAL

"I took some loans for my own hair salon."
SAN JUAN DE NEPOMUCENO, CARTAGENA, RURAL

The participants in the focus groups had a favorable view of banks and thought they could be useful in helping finance large purchases such as a home, land, or a business. In their view, the banks offered lower interest rates and better terms (lower installments spread over a longer period of time) than other, informal sources of credit to which they had access. Nevertheless, given their economic status, the women did not think they would meet the requirements of the bank, but hoped that some day in the future they might be able to use them. Furthermore, there was no sense that being part of the *Familias* program provided any benefit in gaining access to bank credit.

"For me, [a bank] is important because, for example, if you end up paying 600,000 pesos, if you did well, you can multiply your loan next time."
SAN JACINTO, CARTAGENA, RURAL

"Yes, [the banks are important] because they can give you a loan for your business or housing. I can not do this because…I do not have a credit rating."
SABANA GRANDE, BARRANQUILLA, RURAL

Consistent with this attitude towards banks, the women said they preferred to borrow from family or a local, informal lender when they needed money urgently. Local informal lenders had an advantage over the other sources because they were able to lend money quickly, but those lenders also charged high interest and required timely repayment. Family sources might take a little longer to get the money but did not charge interest and were flexible about when they were repaid. Banks were not a good source of credit because of the paperwork involved, collateral and/or guarantee requirements, and the time it took to get the money.

"I would like to have a loan, but one does not go [to the bank] because one does not have a credit score, no references, no assets. Therefore, they do not lend you money."
SAN JUAN DE NEPOMUCENO, CARTAGENA, RURAL

"For a loan, the bank asks you many requirements."
SABANA GRANDE, BARRANQUILLA, RURAL

"The bank asks you some requirements... You have to earn more than a minimum wage for a loan, and at the end, you can get a loan for not more than 500,000 pesos. They analyze what expenditures you have at home, and suddenly they answer that you are not eligible for that loan. If you do not have a credit score, it is impossible."
CODITO, BOGOTÁ, URBAN

"Because when you go to the bank, they say you need a guarantor or something as guarantee. Sometimes I can sell my crafts and other times not. So, sometimes I cannot make the loan payment every month."
SAN JACINTO, CARTAGENA, RURAL

Many of the women reported having opened a bank account for their children, and this was something that was encouraged by Banco Agrario and the *Familias* program. They liked the accounts because the bank did not charge any fees for the use of the account. The data suggest that the women who had opened such accounts were generally more financially literate.

"I opened a savings account for my daughters in Banco Agrario and once I made a transfer from my account to their account. I took it out from the program account and I passed it to their account. The amount was something that I did not need."
LA CALERA, BOGOTÁ, URBAN

"I opened an account for my children... and what I received in December, I saved it for school materials. I was not working that month."
LA CALERA, BOGOTÁ, URBAN

"They told me in Banco Agrario that I could open a free account for my two minor children. That was part of the *Familias* program. One goes to the bank personally."
TUNJAQUE, BOGOTÁ, RURAL

"They told me that I could open an account and, if I wanted, I could open another account for my child."
SABANA GRANDE, BARRANQUILLA, RURAL

Improved economic condition

The women reported that participation in the *Familias* program was very important to them. For most of the women, the *Familias* payment was their main source of income, while in a minority of cases the women had other sources of income from regular or casual labor, a micro-enterprise, or agricultural production.

The women reported using the payment for day-to-day expenses and to help out in emergencies. They stated that the amounts they received were not sufficient to enable them to save, and what money they did save they kept at home so they could have ready access to it.

Results from Pakistan

We conducted nine focus groups in Pakistan, of which two were with women and the rest with men. The discussions with women took place in Karachi, where we also conducted a focus group with men. The rest of the focus groups were conducted in urban and rural areas of Punjab, Khyber Pakhtunkhwa, and Sindh.

The data from the focus groups in Pakistan suggest that even though all the participants had either a bank or mobile money account through which they received their G2P payments, they did not use that account except for withdrawing the cash they received from the government and, on occasion, leaving some money in the account for withdrawal at a later date. Nevertheless, as in Colombia, even though there is little to suggest there is a direct connection between receiving a G2P payment and using financial services, the data do suggest some indirect associations between G2P payments and financial inclusion. In this section we provide more detail on why the direct connection between G2P and financial inclusion does not play out, and then discuss the indirect association between the two phenomena.

The Benazir Income Support Program is an unconditional cash transfer program for low-income families. In 2015 there were just over 5.6 million families participating in the program. The women beneficiaries received four payments a year, about once every quarter, in the amount of Rs. 4,500 ($US 45).

Transaction experience

Observational data

Microfinance Opportunity's field research partner in Pakistan conducted observations of transactions at eight sites, over three days, in three provinces: two in Punjab and three each in Sindh and Khyber Pakhtunkhwa (KP).[6] Each observation was conducted at a mobile money agent's shop that was authorized to disburse the quarterly payment of the Benazir Income Support Program (BISP). We selected locations of agent sites based on a combination of random selection of places with a high beneficiary count (places with above 50,000 beneficiaries/district and 20,000 beneficiaries/sub-district or *tehsil*) and recommendations from BISP's banking partners.[7] Each observation was scheduled to last for 8 hours, and information was noted on various indicators covering both BISP and non-BISP customers. Our methodology was passive in nature and did not involve any direct interaction between the agent and observer.

The observation template consisted of two parts. The first part contained the information about the shop's customers, such as gender and approximate age, and type and duration of transaction. The second part was completed only for BISP beneficiaries, and contained questions about (but not limited to) wait time in queue, familiarity with agent, knowledge of PIN, and problems encountered during the transaction.

The observations covered 778 transactions, of which 324 (42 percent) were transactions in which an individual conducted a BISP-related transaction. Of these, 32 transactions failed

Women conducted just over half the transactions in a program ostensibly targeted at women. In addition, in all transactions the person who actually carried out the transaction was the agent—it was he who swiped the card and entered the PIN.

due to a variety of reasons, including: problems with the card and PIN number; a shortage of cash in the agent's shop, or no balance on the card; problems with the beneficiary's identity card; or the fact that the beneficiary was not present to conduct the transaction herself. There were also 229 mobile top-up transactions and 100 mobile money transactions (29 and 13 percent of the transactions, respectively).

Almost 97 percent of the transactions unrelated to BISP were conducted by men and took just over two minutes to complete. Men performed just over 2/3 of the BISP-related transactions, and the average time it took for all such transactions was five minutes.

We were able to gather detailed information on 203 of the BISP transactions we observed. The information covered: who came to the agent's shop, who accompanied them, who conducted the transaction, what role the agent played, and whether they conducted transactions other than the BISP transaction while they were at the agent's shop. Of the 203 transactions, 75 (37 percent) were conducted by women on their own. Another 73 (36 percent) were conducted by men on their own. The remaining 55 transactions were conducted by someone who went to the agent's shop either accompanied by one other person, or in a group. In those situations, women conducted 32 of the transactions (16 percent of the total), while men conducted the other 23 (11 percent of the total).

In all cases, the agent swiped the card and entered the PIN number, written on a slip of paper, given to him by the person conducting the transaction. In 100 (51 percent) of the 195 transactions completed and for which we have data, the agent handed the person conducting the transaction a receipt related to the transaction, while in the rest of the transactions no receipt was given.[8] There was a clear pattern in the data regarding the giving of receipts—three agents we observed gave receipts in all but six of the 96 transactions they conducted, while the rest of the agents gave receipts in only 10 of the 99 transactions they conducted.

In sum, women conducted just over half the transactions (53 percent) in a program ostensibly targeted at women. In addition, in all transactions the person who actually carried out the transaction was the agent—it was *he* who swiped the card and entered the PIN.

Focus group data

The observation data suggest that the process of picking up the G2P payment is fairly easy—the average transaction time was about five minutes. The focus group participants generally agreed that the process is easy and better than the old system, which entailed the distribution of funds through the postman. Nevertheless, behind this consensus about the ease of the process was a wide variety of experiences, including "work-arounds" for people who were not able to use the technology themselves.

The women's focus group participants described different experiences, from conducting transactions on their own, to doing them in groups with other women, to accompanying a male relative who conducted the transaction on the woman's behalf, to simply having a male relative go on her behalf.

TABLE 2

Status of women and their G2P transactions: Focus groups in Karachi

STATUS	SAMPLE QUOTES
Woman alone	"I go to the bank and enter card in the ATM machine. There, an option of 'Yes' and 'No' comes. I select the 'Yes' option." "We can get the money by ourselves. Even our husbands don't know about it and we withdraw the money and use it."
Women in a group	"We go there altogether and help each other in withdrawing money. Our husbands work as laborers and have no time for withdrawing money. So we all go to the bank." "We go together to collect money from Benazir Income Support. Some people, after watching us, ask, 'Are you going to collect Benazir Money? I will send my mother as well'." "When someone knows that money has been deposited in the account, then 3 to 4 women go there together."
Woman accompanying a male relative	"I give card to my son. He withdraws money from the ATM machine. He is studying in 5th class." "I go with my: son/nephew/husband/brother." "My husband withdraws money from the ATM machine. He withdraws money and I stand a little distance than him. I sit in the sitting area in the bank."
A man going on behalf of a woman	"We understand this process through our knowledge. If someone for example an old person does not know how to withdraw money, she sends her son or someone else to withdraw money from ATM machine."

In cases where the men reported using an ATM to withdraw cash, many of them reported paying a guard at the ATM to withdraw the money for them, because they were uncomfortable using the technology themselves.

The men's focus group participants also reported a variety of experiences, but these were driven more by the technology used in the transaction: a card inserted into an ATM, a card swiped through a POS at an agent's shop, or a mobile phone-based system. In cases where the men reported using an ATM to withdraw cash, many of them reported paying a guard at the ATM to withdraw the money for them, because they were uncomfortable using the technology themselves.

One participant, for example, not only reported being able to conduct an ATM withdrawal for himself, but also reported doing it on behalf of others:

"I withdraw my money myself. The people there ask me to get it withdrawn for them. I don't take even a single rupee from anybody. I help as many people as I can. Sometimes the guard takes Rs. 200 from me."
MITYARI, RURAL

There was also considerable nervousness amongst participants about using ATMs:

"Bank ATM [debit card] systems seems to be better, but we don't have knowledge about them. We don't know how to use the card in the ATM."
SWAT, RURAL

Another respondent added:

"It requires entering a code number. The ATM can capture the card and it can get stuck."
SWAT, RURAL

Respondents in another focus group stated:

"The method should be easy enough to enable us to get the money ourselves."
MITYARI, RURAL

"We should know the method of withdrawing money."
MITYARI, RURAL

"It should not get into the hands of others. Rather, we should withdraw the money ourselves."
MITYARI, RURAL

As a result they rely on others to withdraw the money for them:

"When we see someone withdrawing money successfully, we ask him to do it for us, too. He helps us for free. But when the rush increases, we have to give Rs. 200 to someone to get the money withdrawn."
MITYARI, RURAL

The fear the participants had was that they would make a mistake when withdrawing money and, as a result, have their card blocked. One participant recounted the consequences of having a blocked card:

"Yes, I used it twice. In the first instance I got the amount successfully, but in the second instance I entered the wrong code and the card was blocked. After almost one year [I got the money back]. I contacted their office in Karachi, but I couldn't get it then. The agent who helped get the card back got Rs. 4,000, while the rest of the amount came to me."
SWAT, RURAL

The participants who got their money from an agent seemed much more comfortable with the process. Consistent with the observational data, they visited the agent's shop, handed their wife's card to the agent along with a slip with the PIN on it, and the agent performed the transaction for them. For some there was a social aspect to the transaction with the agent, who is known to the men who go to pick up the money for their wives. In fact, one participant who stated that he found it easy to withdraw money from the ATM stated that, nevertheless, he went to an agent:

"No, I'd rather go to the shop. The shopkeeper is my acquaintance and he entertains me with priority. I don't have to wait there."
SWAT, RURAL

But another person in the urban focus group in the same province had a more distrustful perspective on the role of the shopkeeper in the transaction:

"The shopkeeper tells us about arrival or non-arrival after he swipes our card through the machine. If the money has arrived, he asks the pin code from us and pays us the money. But the screen's direction is towards him and we can't know how much money has arrived. People don't know about the amount and it's at the agent's discretion to give us any amount by lying."
SWAT, URBAN

One focus group was composed of men whose wives received their BISP payments through a mobile money account attached to a SIM card issued to the women by BISP. The group's discussion of how the system worked provides valuable insights into how illiterate people manage in the face of a text-based payment system. The men reported that they kept the BISP SIM card separately. When they hear that BISP has issued a payment they insert their SIM card in their phone to see if there is a message. They know that it is from BISP by the number, 8257, from which it was sent, and they also look for the number "4,500" in the body of the text to verify the content of the message, although, as one participant stated:

"Just 8257 is enough for us. We don't read the message."
LAYYAH, RURAL

The men then take their phone with the message on it to the agent, who processes the payment.

Whether a man picking up a payment has to be accompanied by the woman who is formally the recipient seems to be a product of a mix of the agent's discretion and the technology used. For example, in rural Swat a participant stated:

"It's a village and we go to him every three months. The shopkeeper knows us well. So, he doesn't demand our original ID card."
SWAT, RURAL

But in Layyah, where the participants received their payments via mobile phone, the participants in the focus group indicated that they had to bring the recipient with them because the agent needed a thumbprint or signature to release the funds.

Finally, all the participants in the focus groups reported preferring the current payment system to the previous one, in which the postman delivered payments directly to beneficiaries in the village. Though this system constituted, essentially, "doorstep" service, it also came at a price—all participants who described the old system said that the postman took a "commission" of between Rs. 50 and Rs. 200. The problem of middlemen charging a commission has not completely disappeared with the new system. The participants reported that guards at the ATMs conduct transactions for people in exchange for Rs. 200. But there were no reports of agents charging such a commission.

In sum, the focus group data suggest that the beneficiaries of BISP payments and their male relatives have found ways to make the system work for them, but they do not have full command of it. Men often conduct transactions on behalf of female BISP beneficiaries, but when the men do so they often rely on (male) agents or guards to complete the transaction. One irony in all of this is that the focus group participants who seemed to have the most control over their transactions were some of the women in Karachi, who reported using an ATM to withdraw their money.

They withdrew all the money each time because they needed it.

G2P account functionalities

The BISP payment comes through a bank or mobile money account. Depending on the financial service provider, the accounts have different functionalities, but the majority only allow for withdrawals, not deposits (Oxford Policy Management 2014, 24). There was considerable confusion amongst the participants in the focus group discussions as to whether they could leave money in the account and for how long.

In rural Swat, some respondents stated that they withdrew all their money, and one noted, **"Withdraw all so that the money does not get spoiled in the card."** [*All laugh*]

But another participant in the same group said that he had once left Rs. 500 in the account because the ATM was not issuing Rs. 500 notes. And a little later in the discussion when the moderator again asked about leaving money in the account, two different participants stated:

"We fear that the remaining amount will be confiscated," and "The program might end any time and we won't get the left-over amount."
SWAT, RURAL

On the other hand, in both discussions with women in Karachi, no one reported that you could not leave money in the account, and some suggested that they had left money:

"So that it is not closed. There should be some money left in our account."
KARACHI, FEMALE 1

The following interchange between a moderator and a couple of participants in rural Mityari shows that the participants' confusion had to do with the nature of the account itself:

PARTICIPANT: **"It's not an account."**
MODERATOR: **What happens in an account?**
PARTICIPANT: **"We can deposit and withdraw money in an account at our own will."**
PARTICIPANT: **"We can have money through cheques in a good way."**
MODERATOR: **If you don't think of the card as an account, then what is different in an account?**
PARTICIPANT: **"In a bank account, we have a check book."**
MODERATOR: **Then what is the difference between an account and this card?**
PARTICIPANT: **"The difference is that the money remains in the account even if you don't withdraw it for 3–4 months. And in the case of this card, the amount is reversed if you do not get it the first time."**
MITYARI, RURAL

But later on, another participant in the same group recounted how he had left money in his account and later withdrew it.

But for most of the participants this issue was moot—they withdrew all the money each time because they needed it. For example, a participant from rural Layyah stated:

"Rs. 4,500 arrives after three months. How much can we leave? We are poor people and have to feed small children. Some of us have four children, and some five. We make both ends meet with much difficulty. What can we save out of it?"

This same sentiment was repeated in the other focus groups, consistently.

Agents focus solely on processing the BISP transaction and do not discuss the option of opening a different kind of account with the bank.

Relationship with an FSP

The observational and focus group data are very clear and consistent with respect to the extent to which banks and mobile money providers attempt to cross-sell financial services to BISP beneficiaries—they do not do so. The observational data suggest that the agents focus solely on processing the BISP transaction and do not discuss the option of opening a different kind of account with the bank. None of the participants in the focus group discussions mentioned receiving information from a bank about the possibility of opening another account, though some did have an account with a bank unrelated to their household's participation in BISP.

Improved economic condition

The participants in the focus groups were very clear about the direct impact the receipt of the G2P payments had on their households. As was noted above, one reason the participants gave for not leaving funds in the BISP account was the fact that they needed the entire Rs. 4,500 right away. In this section, we focus on three particular issues that emerged from the discussions: the importance of the program in helping support the education of the participants' children; the use of the G2P payment to invest in income-generating assets; and the use of the payment to pay store credit.

Investment in childrens' education

There was a striking difference in the extent to which the female and male focus groups talked about their children's education. When asked about the benefits they gain from BISP, especially when thinking about the future, the women talked about their hope that their children will receive an education and lead a better life. Here is what women in one group said:

"We think that we can use this for the education of our kids. There are so many expenses of kids in a year. If we can fulfill those expenses from this money, it will be good."

"We can use the money on better food for kids, and for better education. We spend life in lot of stress and tension; at least kids can have better life due to this."

"When we sit and think about the things we can do from this money, we always think about things related to our kids."

"We can give children better education and help them to have a better life."

"We prefer to spend this money on food and to pay the fees of children."

"If we are not able to pay the [school] fee, they expel the kid from school. It causes embarrassment for kids and parents. They send a receipt for fee to home. So we have to be careful."
KARACHI, URBAN

In contrast, the discussions amongst the men only mentioned education occasionally, if at all—in four of the other focus groups, words related to the education of children, such as "education," "school," and "fees," were either not mentioned at all or only mentioned once.

BISP and store credit

In all the focus group discussions except for those in Karachi (which included the women's groups), at least one participant mentioned that they received credit at their local shops, and used BISP funds to pay off the credit. A number of participants in different groups said they were able to obtain the credit because the shopkeeper knew they were BISP beneficiaries and that they would pay their debt once they received their BISP payment:

"We're daily wagers. If we get wage work regularly, we use the BISP amount when we get it. And if the wage work is not regular in a month, we have used the amount in advance. We go to the shop and ask him to sell goods on credit, and we commit to him to pay back the credit after the BISP amount is received. It is like a salary for us."
LAYYAH, RURAL

MODERATOR: **Why does the shopkeeper advance you credit?**
PARTICIPANT: **"He knows that we receive money from BISP after every three months, so he allows credit willingly. Everyone in the village knows each other."**
MITYARI, RURAL

"I buy groceries from the shopkeeper on credit. When the BISP money comes, I give it to the shopkeeper to clear the account."
SWAT, URBAN

Investment in goats

In two of the focus groups, one or two of the participants discussed how they used BISP funds to invest in a goat. In one discussion, a participant explained to the moderator why he bought a goat using BISP funds:

PARTICIPANT: **"I got a goat for Rs. 7,000. Rs. 4500 came from BISP, while the rest, Rs. 2,500, I managed from some other source. It is still with me and I'm taking care of it."**
MODERATOR: **What will you do with it?**
PARTICIPANT: **"It has given birth to a baby goat."**
MODERATOR: **Would you sell the baby goat?**
PARTICIPANT: **"No, rather I'll regenerate more and will go on increasing the herd. The goat is giving milk that we consume. I will sell it only if I encounter some emergency."**
MITYARI, RURAL

In another exchange, participants explained to the moderator why buying a goat was preferable to putting money in a savings account:

MODERATOR: **Why would you rather buy a goat than deposit money in a bank?**
PARTICIPANT 1: **"Goat gives profit."**
PARTICIPANT 2: **"Bank account doesn't increase the amount."**
PARTICIPANT 3: **"Goat increases the amount. We can grow it by giving fodder, etc. It goes on growing."**
LAYYAH, RURAL

Finally, a participant explained the specific financial rationale for buying a goat:

"I bought the goat for Rs. 4,000 and will sell it for Rs. 12,000–13,000. With that money, I'll buy fodder for the whole year for my livestock."

Discussion and Recommendations

The transaction experiences of the two sets of beneficiaries in Colombia and Pakistan were very different. In Colombia, women withdrew their *Familias* payment from ATMs using a debit card, without the assistance of another person. In contrast, the experience in Pakistan varied depending on prevailing gender dynamics within the community and within the household: women either went on their own to withdraw money from an ATM, or they went in a group with other women, or they went with a male member of their household, or they did not go at all and the transaction was performed by a male member of the household. In addition, regardless of whether a man or a woman conducted the transaction, transactions at agents' shops were invariably completed by the agents themselves, while at ATMs the individuals might complete the transaction themselves or get help from either another beneficiary or a guard.

Despite these differences in their transaction experiences, neither the Colombian nor the Pakistani program beneficiaries indicated that they took advantage of the basic, common functionality that their respective programs offered them—the ability to save some of their funds in the account through which they received their payment. In other words, both the Colombian and the Pakistani G2P payment systems offered their beneficiaries the ability to keep some of their money in their account, but in neither country did the beneficiaries take advantage of this.

In the same way, in neither country was there any evidence that the use of an account to receive a G2P payment resulted in an increase in the uptake and use of a formal financial service. In Pakistan, there is evidence that being a BISP beneficiary enabled families to obtain informal store credit from local shopkeepers. In Colombia, many of the women had accounts with other formal FSPs, but these were independent of the *Familias* program and were indicative of the higher level of economic activity of the women who held those accounts.

But the focus group data do strongly suggest that, in both cases, beneficiaries value their G2P payments highly and use them to cover their day-to-day expenses. In addition, in Pakistan the women beneficiaries were highly focused on their children's education, while in Colombia the women ensured that their children attended school to comply with a condition of the *Familias* program. Finally, there was evidence in Pakistan that some beneficiaries were able to use the lump sum nature of their BISP payment to invest in goats, with the prospect of a considerable long-term pay-off. These findings from the focus groups are consistent with the Findex data, which show that people receiving G2P transfers were more likely to have saved for a business or farming, old age, or school fees. This type of saving is indicative of a person or household that is slightly better able to manage their day-to-day expenses.

Neither the Colombian nor the Pakistani program beneficiaries indicated that they took advantage of the basic, common functionality that their respective programs offered them—the ability to save some of their funds in the account through which they received their payment.

The Findex data also suggest that financial inclusion is highly correlated with income and education—people in developing countries who have completed high school or more are 2.5 times as likely to have a formal account than people who have completed primary school or less; and those living in the top quintile in their country are twice as likely as those living in the bottom quintile to have a formal account. To the extent that G2P payments are enhancing people's short-term and long-tem earnings and supporting the education of children, then we can expect that those payments will result in greater financial inclusion.

In sum, the overall picture painted by the field research showed that G2P payments have a positive impact on their recipients. Furthermore, people seemed to prefer receiving their payments digitally. But even though these digital payments were routed through a bank account, there is little evidence that they are increasing financial inclusion.

As a result, the data suggest that there is an obvious case for expanding G2P transfer programs to as wide a group of low-income people as possible. Furthermore, it makes sense to continue the movement towards digital payment. But the data also suggest that governments should focus on getting the basics right: delivering payments on time, and communicating effectively with the program beneficiaries about when those payments will arrive and how their accounts can be used. The literature and our focus group data highlight the importance of these very basic recommendations. Once these basic challenges have been addressed, governments and their private sector partners might want to consider a number of different initiatives that may promote greater financial inclusion and economic well-being.

BISP in Pakistan is planning to do away with debit cards as the means by which beneficiaries withdraw their money, having them verify their identities and account information biometrically. Very simply, when a woman goes to pick up her money, the agent or teller will scan her thumbprint, which will then be checked against a centralized database to identify the recipient and approve her payment.

This system will address a number of issues with which a woman beneficiary in Pakistan must contend when making a G2P transaction. No longer will someone else be able to pick up the money on the woman's behalf—she will have to be there in person. Furthermore, she will no longer have to hand over a card and PIN for an agent or teller to enter—she will simply place her thumb on a scanner. As a result, a woman will be directly involved in picking up her money. Her account will be more secure: only by force and not deception (theft of card and PIN) can money be taken out of her account without her permission. Finally—and it's a big 'if'—assuming that all other digital systems in Pakistan move to biometrics, the woman will become familiar with a process that she can use to access other financial services.

But the warnings cited above about getting the basics right apply equally to this new BISP initiative. On top of making sure that

Even though these digital payments were routed through a bank account, there is little evidence that they are increasing financial inclusion.

there is good communication about when the payments are ready for pick-up and ensuring that agents have sufficient liquidity, BISP now has to be sure that the biometric system will be reliable. If the biometric database is going to remain on a secure, centralized server, then biometric verification will require that the communications network be "up" for a woman to receive her payment.[9]

The consequences of miscommunication about when payments are available, lack of agent liquidity, or the system being "down" will play out in new and different ways for many of the women, because their presence will be required for payment collection. The women will have to make multiple trips to pick up their money. This could play out in a number of ways. It could be liberating for the women who find they now have an excuse to move around more freely. But it could also put them in danger as they move around in places where many women typically do not. Or it could cause tension in the household, because the men in the household may feel obliged to accompany the women on their multiple trips and, as a result, incur substantial transportation costs.

One way that BISP could help address the issue of how women in Pakistan travel to pick up their funds is to apply a lesson from Colombia, albeit for a slightly different purpose. In Colombia, the mother leaders and municipal liaisons play a valued part in helping the women stay in compliance with the conditions of the program. Such a system of support could be tried in Pakistan, where women's ability to exercise agency is highly constrained but where women helping women is a common strategy for women to overcome some of the barriers they face. A mother leader in Pakistan could come from the community, as in Colombia, and could inform women when a payment was available to be picked up, as well as lead a group of women to the agent or ATM and support and supervise the collection of the payment. There would likely be resistance to this on the part of some men in some communities, but it would be worth testing such an initiative to see whether it could be effective in increasing the number of women collecting their own payments.

A second initiative concerns the accumulation of "useful lump sums," as Stuart Rutherford calls amounts of money that are unusually large and that people gain access to through saving, borrowing, or receiving an insurance payment. G2P payments are, by their nature, useful lump sums. G2P beneficiaries largely spend them on day-to-day cash flow needs, indicating the very real need they have for the money. But what if, every now and then, beneficiaries received an extra payment? Might they use it for something they might not otherwise buy, like a baby goat or a bicycle for a teenager to ride to school? Furthermore, if people knew they were eligible for such an extra payment on a regular basis but could not be sure of when they would get it (or had discretion during the year to designate a time), might they plan out how they might use it? And might they seek some education from a mother leader on how to think their plan through?

APPENDIX

A

Literature Review

The literature on G2P payments and their relationship to financial inclusion covers 19 developing countries' G2P programs. Our review of that literature found that the authors of the various reports reported operational problems with the G2P programs themselves in all but three countries—Brazil, Fiji, and Niger. Of those three, only Fiji's programs displayed any signs of bolstering financial inclusion. Beneficiaries of G2P programs in Fiji have been performing multiple withdrawals from their new government accounts and keeping small sums of roughly $5.67 in said accounts.[10] These actions suggest that beneficiaries in Fiji began using their accounts as savings tools rather than just using them to withdraw their payments.

Despite the low rate of well-functioning G2P programs that also promote financial inclusion, there have been other successes aside from Fiji. In Brazil, for example, Caixa, the bank responsible for handling payouts for *Bolsa Familia*, successfully pays 97 percent of beneficiaries every month.[11] This high success rate shows that *Bolsa Familia* regularly delivers payments, but beneficiaries only used their government accounts to withdraw their money and did not report using additional services with the account.

In Niger, the Center for Global Development conducted a randomized cash transfer experiment using Zap, a mobile money service. Though the program was not conducted by the government, it represents another successful money transfer program. One finding showed that beneficiaries who received their payments using the Zap mobile money service saved 2.5 hours of time, or roughly $0.92, during the five-month program when compared to beneficiaries who received payments in cash.[12]

The Brazil and Niger cases show that providing a functional G2P program is not always enough to promote financial inclusion. South Africa came across similar challenges when it began allowing beneficiaries to receive payments through bank accounts instead of in cash. Although beneficiaries have admitted that receiving their payments through the bank is more convenient, they still withdraw their sums in order to save informally, such as with community groups or at home.[13] South Africa was not alone in reporting a lack of saving in G2P accounts. Seven other countries—including Brazil, Colombia, Haiti, Kenya, Mexico, Pakistan, and Uganda—found that beneficiaries were more likely to withdraw their payments in large sums rather than gradually withdraw and/or leave small sums behind.[14]

Although many G2P accounts offer additional services, most beneficiaries do not use them. Brazil, for example, has two million users who now receive grants through debit-capable bank accounts, but beneficiaries do not use this debit function.[15] Similarly, beneficiaries of the *Familias en Accion* grants in Colombia also report that they do not use their accounts for anything more than withdrawing their money.[16] Other G2P programs that reported this include Ecuador, South Africa, and Mexico, while the case study from Niger also saw that beneficiaries did not take advantage of the mobile transfer services that Zap offered.[17]

Electronic-based G2P payments are becoming increasingly popular as govern--ments see them as a way to boost financial inclusion and reduce the costs of providing grants. As seen in the above examples, governments are already providing beneficiaries with simple bank accounts that would allow them to accumulate savings and use basic financial services. But the literature on these initiatives identified a number of factors that inhibit G2P beneficiaries from taking advantage of these.

Poor infrastructure is one factor that can affect the functionality of a G2P delivery service. In the case of most developing countries with G2P programs, their programs often suffered due to poor telecommunication infrastructure or underdeveloped agent networks. In the case of Uganda and Andhra Pradesh, the former issue dampened their G2P programs' effectiveness. In Uganda, agents and beneficiaries often complained of network failure, resulting in beneficiaries having to spend more money on transport in order to collect their funds the next day when the networks were back up.[18] Network outages in the more rural areas of Andhra Pradesh also forced agents to perform manual overrides for transactions when networks were down, and caused delays in payments.[19] These kinds of failures increase strain on agents and beneficiaries, causing both to lose trust in the G2P services.

Underdeveloped agent networks also prevent G2P programs from achieving success. In Haiti, the TchoTcho Mobile provider found it was unable to extensively expand its agent network outside of Port au Prince. This caused strain on the G2P payment system, which was unable to provide timely benefits to those living outside the city.[20] Mexico also found itself struggling to develop a comprehensive agent network as its G2P program, *Oportunidades*, transitioned into an electronic payment system. This limited outreach prohibited many rural clients from receiving the new financially inclusive services offered with the digitized program.[21]

In addition to weak infrastructure, G2P programs suffered in other ways. Kenyan beneficiaries, for example, often complained of agents charging additional fees for making G2P payments.[22] Similarly, when beneficiaries in South Africa received their payment from shops, shopkeepers often pressured them to buy goods from the shop.[23] Situations like these add extra strain on beneficiaries and encourage them to spend their grant on items they otherwise would not be purchasing. Additionally, the stakeholders in Pakistan, Kenya, and Haiti admitted that their systems were often unable to provide grants on the expected payment dates.[24]

These factors, when combined with the infrastructure challenges discussed above, often caused beneficiaries to lose trust in the G2P systems. Beneficiaries in Kenya, for example, associated untrustworthy agents with Equity Bank, one of the G2P providers.[25] This mistrust could cause beneficiaries to think twice before seeking out new financial services from financial institutions, preventing them from becoming financially included. Similarly, a 2011 study by the IDRC and CRDI found that beneficiaries in Latin American countries, with a focus on Ecuador, Colombia, and Mexico, had a pre-existing mistrust of the formal financial sector, causing them to revert to informal financial services.[26]

Respondents' familiarity with their new government accounts also affects their willingness to use G2P accounts. One of the main challenges with providing G2P payments electronically is that it requires beneficiaries to use services with which most are unfamiliar. In Fiji, for example, elderly beneficiaries who were unfamiliar with ATMs did not know how to operate them, and all beneficiaries were unaware of the new rules and services put into place at the start of the new payment scheme. It was only as time went on that they grew more confident in using their new accounts and did so in a financially inclusive way.[27]

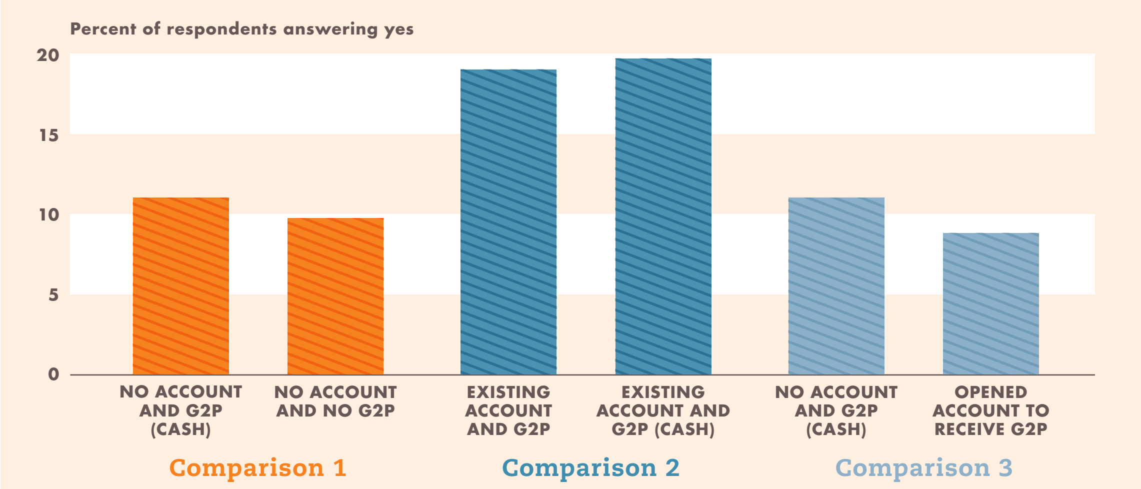
Similar issues were experienced in other countries' programs as well. In the Philippines, for example, beneficiaries often asked bank staff to assist them with completing their transactions because they did not know how to use the ATMs. This would go on until they became familiar with the process and could conduct the transactions on their own.[28] Beneficiaries in other countries, however, did not always develop this agency. In Pakistan, for example, many women did not know how to withdraw their money from the agent or ATM and became dependent on either their family members or the agents in order to withdraw their payments.[29] Clients in Uganda experienced similar problems, where agents would often perform transactions for e-payment beneficiaries in order to provide speedy service.[30] Mexico and Colombia also experienced situations where agents were reportedly conducting transactions on behalf of the G2P beneficiaries.[31] Although these agents may have good intentions, conducting transactions on behalf of beneficiaries reduces their agency and prevents them from becoming truly financially included.

These issues point to another important factor inhibiting many G2P payment schemes: limited financial literacy. In providing grants to low-income populations, governments are in fact reaching out to populations who have limited use of technology and digital financial services. Because these populations have limited knowledge surrounding these services, they are unable to use them confidently and to their fullest. Successful programs, such as the G2P payment scheme in Fiji, understand this and create simple tools that educate clients on how to use technology. Although these tools were less helpful to illiterate clients, they did help answer questions that other beneficiaries were facing.[32] Clients in the Philippines who received help from bank staff were soon able to conduct transactions on their own once they gained the know-how and confidence to do so.[33] Those in Pakistan, however, did not gain this know-how and became dependent on others to conduct their transactions.[34]

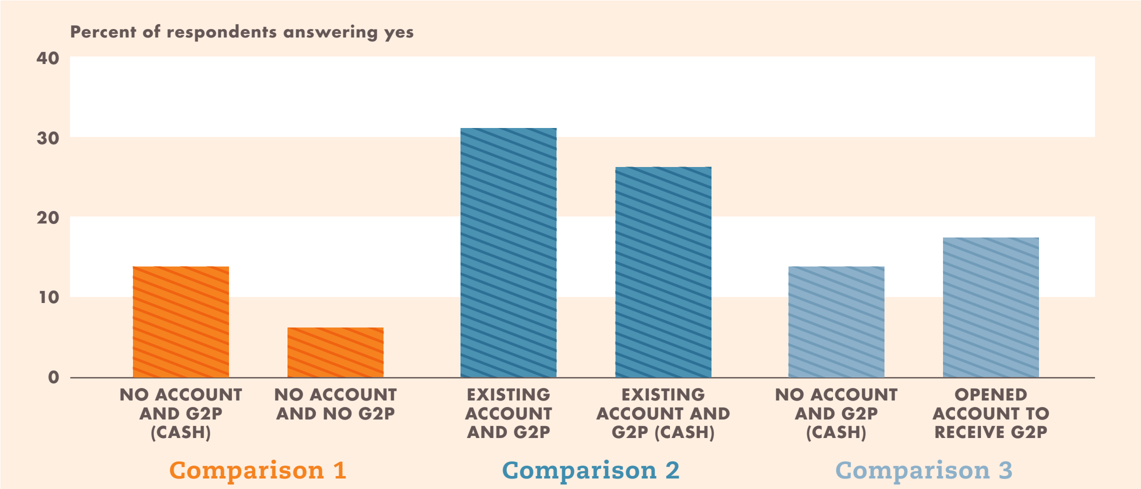
APPENDIX B

Findex Data Comparison

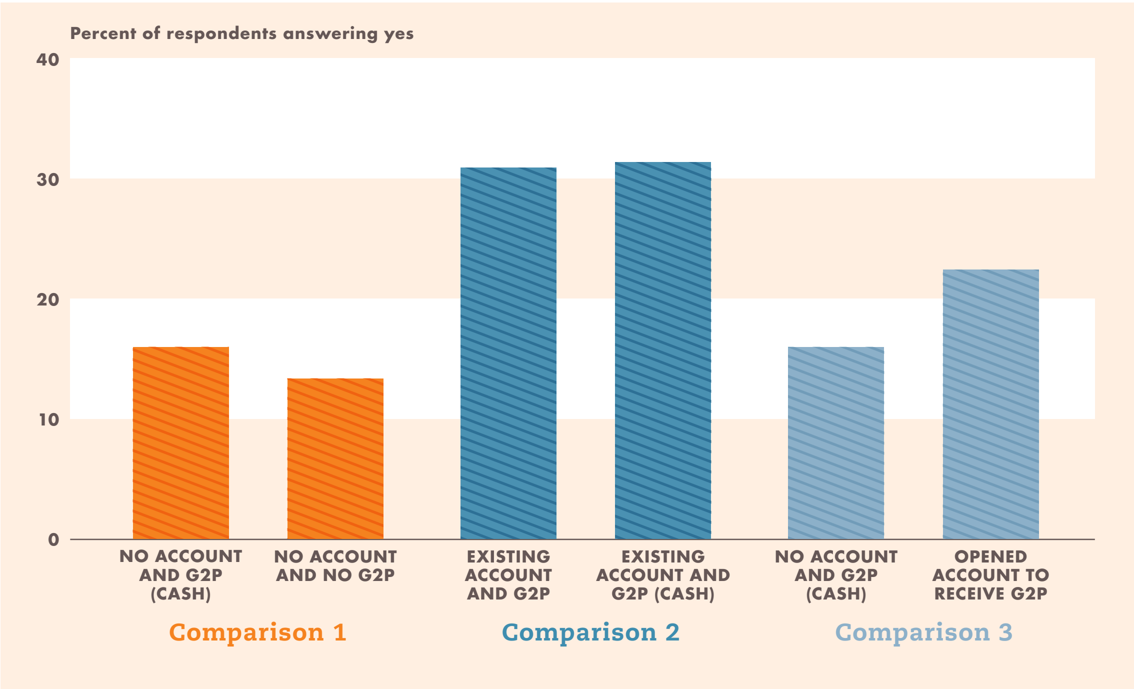
Saved for Farm/Business Purpose in Last 12 Months



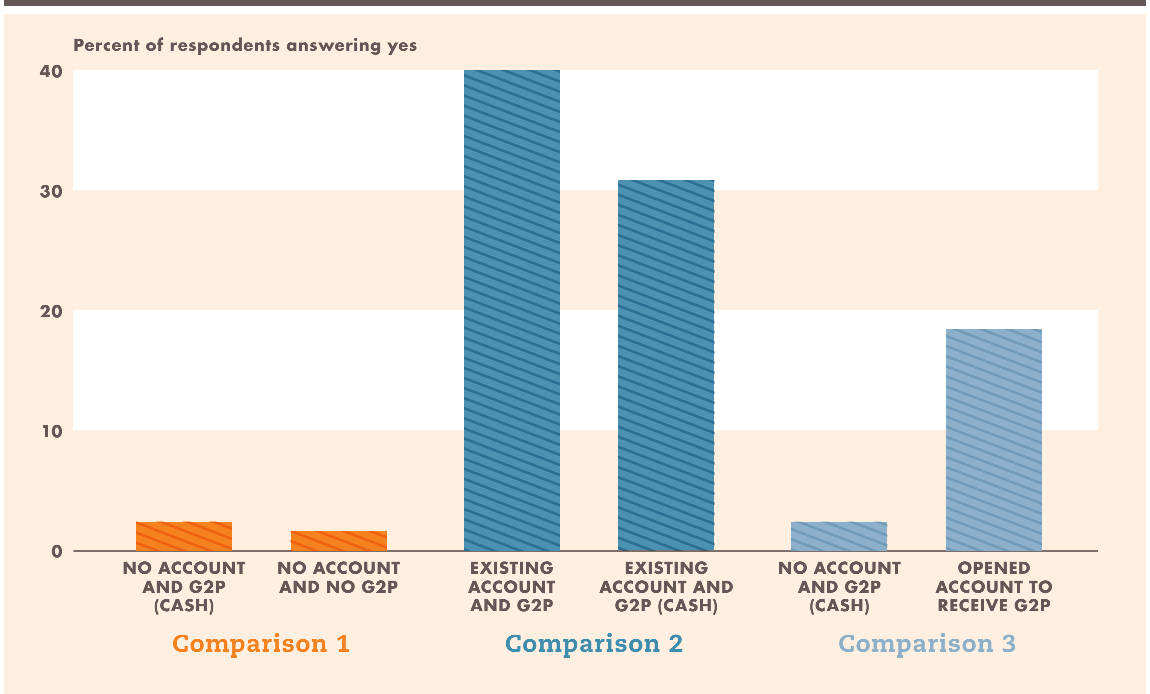
Saved for Old Age in Past 12 Months



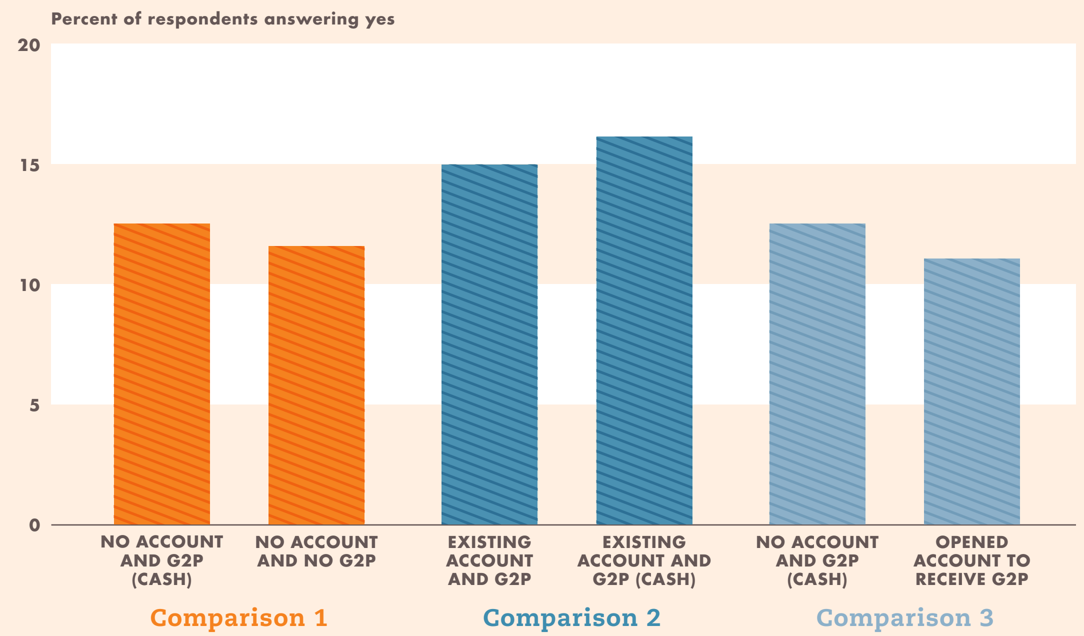
Saved for Education or School Fees in Past 12 Months



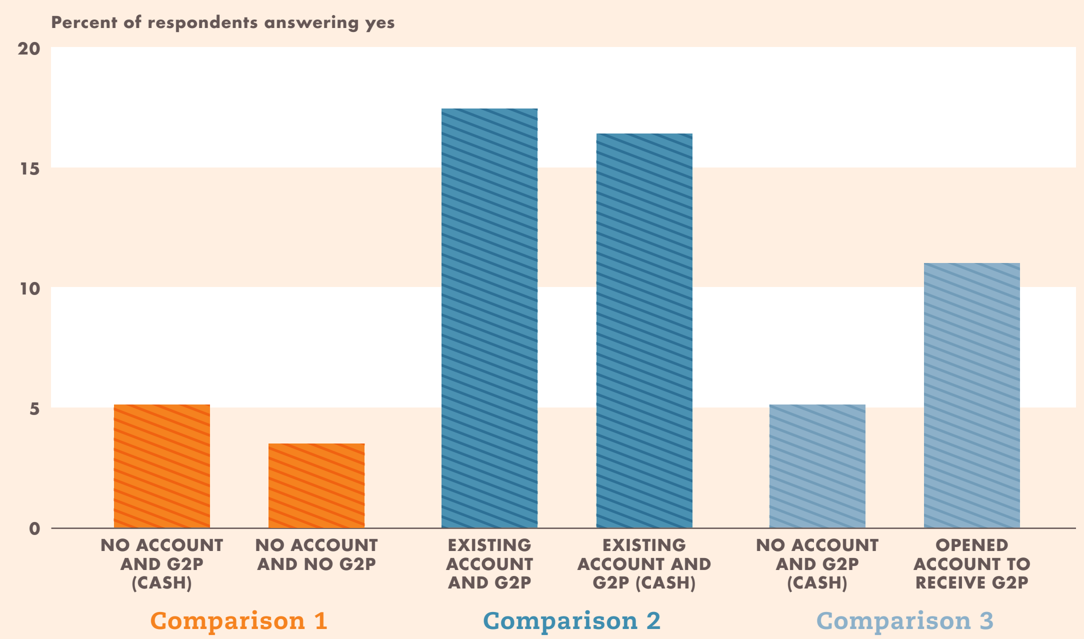
Saved Using an Account at a Financial Institution in the Past 12 Months



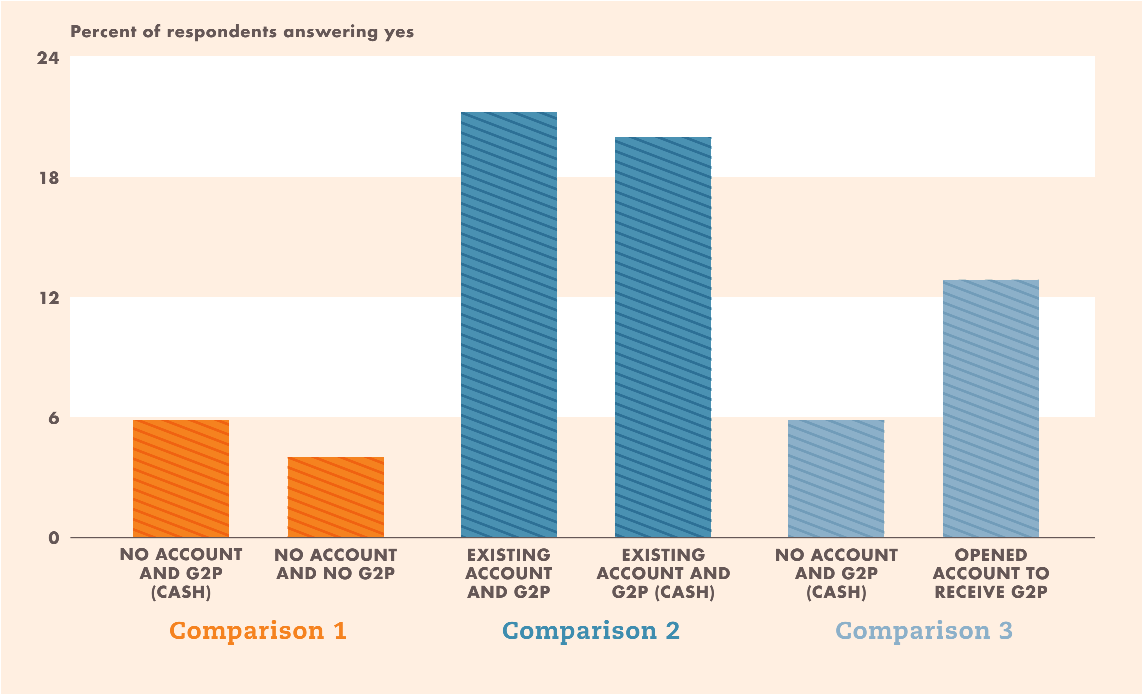
Saved Using an Informal Savings Club in the Past 12 Months



Has a Loan from a Formal Financial Institution for House, Apartment, or Land

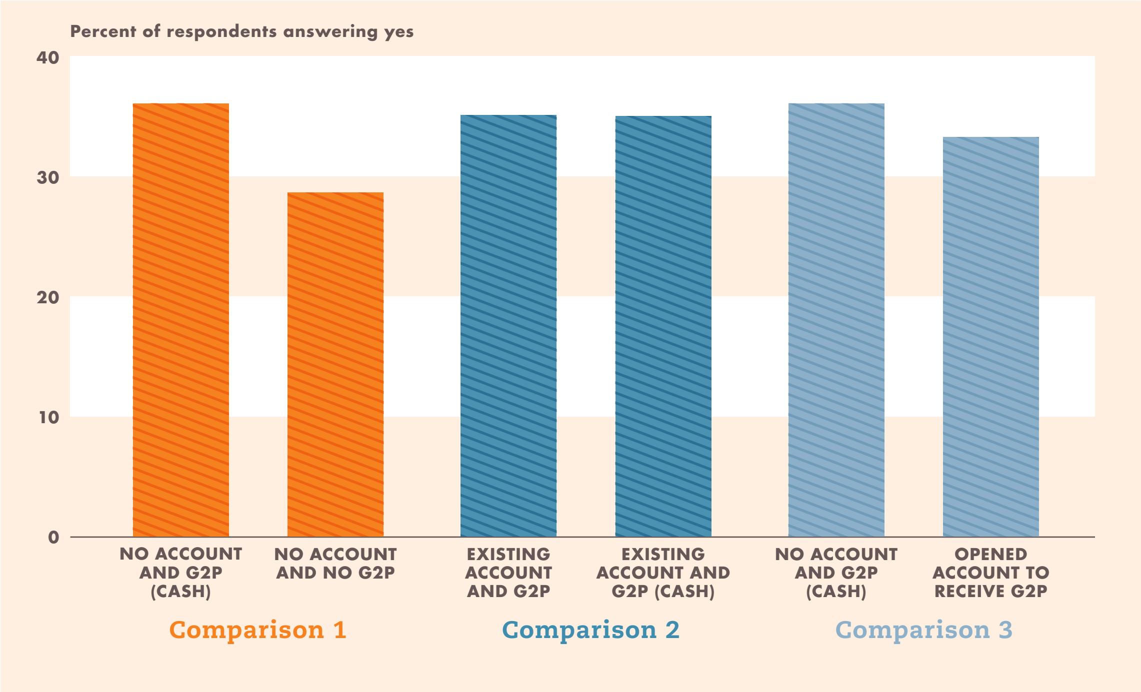


Borrowed from a Financial Institution in the Past 12 Months

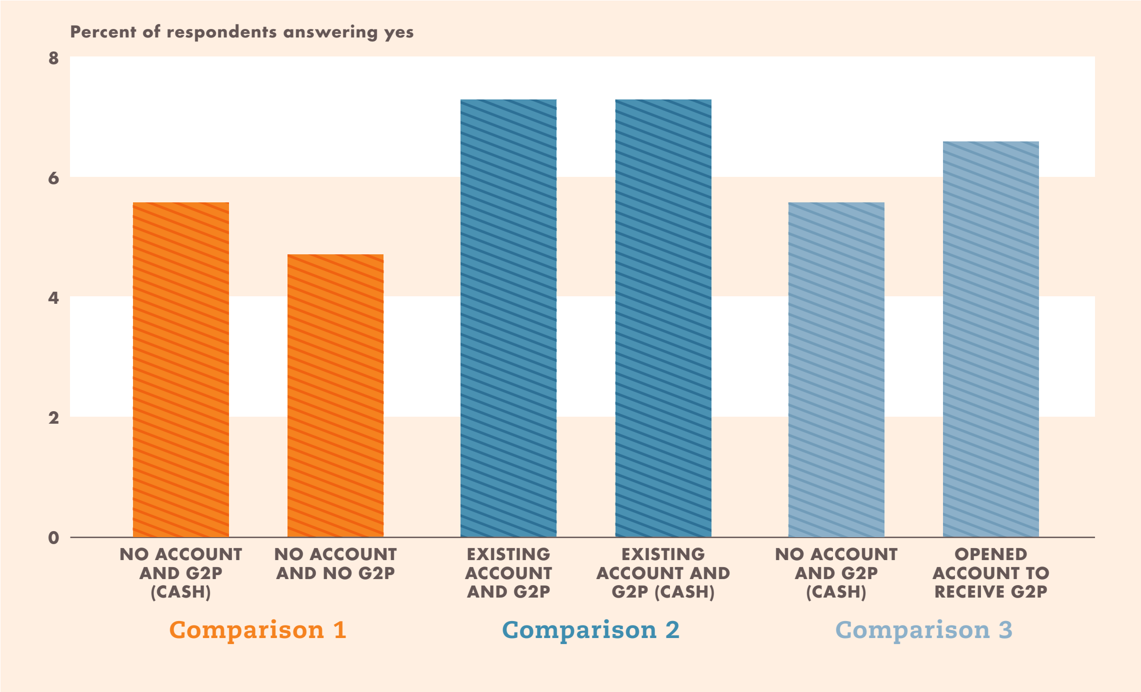


Borrowed from a Store in the Past 12 Months

Borrowed from Family or Friends in the Past 12 Months



Borrowed from a Private Lender in the Past 12 Months



Endnotes

1 There are various definitions of financial inclusion. One important distinction between formal and informal inclusion is where the former relates to government-regulated financial service providers, while the latter relates to unregulated providers, such as savings groups or moneylenders. A second important distinction exists between uptake—such as having an account—and use—such as using an account. With respect to the latter, there are various definitions of what counts as use (once per month, once per quarter, and once per year are all benchmarks currently used). In this paper, we focus on formal inclusion based on use of an account. We do not categorically define what constitutes use, except to say that someone who does not use their account for more than a year other than to withdraw all their G2P payment in cash each time they receive a payment is not financially included.

2 *Global Findex*, World Bank, April 2015

3 G2P payments in the developing world are not necessarily new. Most countries have had, for many years, some type of government pension scheme for retired civil servants that require monthly transfers from the government to the retirees.

4 ATM network that allows withdraw cash of financial institutions affiliated.

5 DaviPlata is a mobile wallet offered by Banco Davivienda to beneficiaries of the Familias program. Under this system, beneficiaries use a PIN on their cellphone to access, within a specific time, their funds via ATMs, or by making other financial transactions such as deposits or transfers. Source: https://daviplata.com/wps/portal/daviplata/Home/TodoLoQuePuedoHacer/SacarPlata/!ut/p/b1/04_SjzQxMTM1MbQwM9CP0I_KSyzLTE8syczPS8wB8aPM4o0tAk38vJyMfL3dgiwNHAM9fUOMHUONDTxNgQoigQoMcABHA0L6w_WjwEpM3D19DF3NAhzNAkLcDBzN3Fw9jXyNjdwdjaEK8Fjh55Gfm6qfG5Vj6anrqAgApj1nCw!!/dl4/d5/L2dBISEvZ0FBIS9nQSEh/

6 Baluchistan was excluded due to security reasons.

7 We selected Layyah from Punjab, Hyderabad/Matyari from Sindh and Mingora from KP initially, but had to replace Layyah with Rahim Yaar Khan because we were informed that disbursements in the former take place through money orders from the Pakistan Post Office.

8 Of the eight transactions not included, five were not completed because a problem with the card or PIN and we are missing data on the other three transactions.

9 Allowing the database, even parts of it relevant to the catchment area of the agent or bank branch, to reside on local hard drives would be a security nightmare.

10 *G2P: Expanding Financial Inclusion in the Pacific Report*, PFIP, August 2015.

11 *CGAP G2P Research Project: Brazil Country Report*, CGAP, October 2011.

12 *Zap it to Me: The Short-Term Impacts of a Mobile Cash Transfer Program*, Center for Global Development, September 2011.

13 *CGAP G2P Research Project: South Africa Country Report*, CGAP, October 2011.

14 *CGAP G2P Research Project: Brazil Country Report*, CGAP, October 2011. *Going Mobile with Conditional Cash Transfers: Insights and Lessons from the payment of Familias en Accion through DaviPlata wallets in Colombia*, CGAP, June 2015. *Helping Ti Manman Cheri in Haiti: Offering Mobile Money-Based Government-to-Person Payments in Haiti*, CGAP, July 2013. *Cash for Assets: World Food Programmes Exploration of the In-Kind to E-Payments Shift for Food Assistance in Kenya*, CGAP, September 2013. *Proyecto de investigación sobre programas G2P del CGAP: Informe sobre México*, CGAP, October 2011. *How to Build Financial Inclusion in Pakistan Amongst BISP Recipients*, CGAP, December 2013. *Electronic Payments with Limited Infrastructure: Uganda's Search for a Viable E-payments Solution for the Social Assistance Grants for Empowerment*, CGAP, December 2013.

15 *CGAP G2P Research Project: Brazil Country Report*, CGAP, October 2011.

16 *Going Mobile with Conditional Cash Transfers: Insights and Lessons from the payment of Familias en Accion through DaviPlata wallets in Colombia*, CGAP, June 2015.

17 *CGAP G2P Research Project: South Africa Country Report*, CGAP, October 2011. *Programas de Transferencias Condicionadas e Inclusión Financiera*, IDRC and CRDI, May 2011. *Proyecto de investigación sobre programas G2P del CGAP: Informe sobre México*, CGAP, October 2011. *Zap it to Me: The Short-Term Impacts of a Mobile Cash Transfer Program*, Center for Global Development, September 2011.

18 *Electronic Payments with Limited Infrastructure: Uganda's Search for a Viable E-payments Solution for the Social Assistance Grants for Empowerment*, CGAP, December 2013.

19 *Direct Benefit Transfer and Financial Inclusion: Learning from Andhra Pradesh*, CGAP, December 2013.

20 *Helping Ti Manman Cheri in Haiti: Offering Mobile Money-Based Government-to-Person Payments in Haiti*, CGAP, July 2013.

21 *Correspondent Banking in Mexico's Rural Areas: Lessons from a G2P Payment Digitization and Financial Inclusion Project*, Bill and Melinda Gates, October 2013.

22 *Cash for Assets: World Food Programmes Eploration of the In-Kind to E-Payments Shift for Food Assistance in Kenya*, CGAP, September 2013.

23 *CGAP G2P Research Project: South Africa Country Report*, CGAP, October 2011.

24 *How to Build Financial Inclusion in Pakistan Amongst BISP Recipients*, CGAP, December 2013. *Cash for Assets: World Food Programmes Exploration of the In-Kind to E-Payments Shift for Food Assistance in Kenya*, CGAP, September 2013. *Helping Ti Manman Cheri in Haiti: Offering Mobile Money-Based Government-to-Person Payments in Haiti*, CGAP, July 2013.

25 *Cash for Assets: World Food Programmes Exploration of the In-Kind to E-Payments Shift for Food Assistance in Kenya*, CGAP, September 2013.

26 *Programas de Transferencias Condicionadas e Inclusión Financiera*, IDRC and CRDI, May 2011.

27 *G2P: Expanding Financial Inclusion in the Pacific Report*, PFIP, August 2015.

28 *Striving for E-Payments at Scale: The Evolution of the Pantawid Pamilyang Pilipino Program in the Philippines*, CGAP, November 2013.

29 *How to Build Financial Inclusion in Pakistan Amongst BISP Recipients*, CGAP, December 2013.

30 *Electronic Payments with Limited Infrastructure: Uganda's Search for a Viable E-payments Solution for the Social Assistance Grants for Empowerment*, CGAP, December 2013.

31 *Proyecto de investigación sobre programas G2P del CGAP: Informe sobre México*, CGAP, October 2011. *Proyecto de investigación sobre programas G2P del CGAP: Informe sobre Colombia*, CGAP, September 2011.

32 *G2P: Expanding Financial Inclusion in the Pacific Report*, PFIP, August 2015.

33 *Striving for E-Payments at Scale: The Evolution of the Pantawid Pamilyang Pilipino Program in the Philippines*, CGAP, November 2013.

34 *How to Build Financial Inclusion in Pakistan Amongst BISP Recipients*, CGAP, December 2013.

The Center for Financial Inclusion at Accion (CFI) is an action-oriented think tank working toward full global financial inclusion. Constructing a financial inclusion sector that reaches everyone with quality services will require the combined efforts of many actors. CFI contributes to full inclusion by collaborating with sector participants to tackle challenges beyond the scope of any one actor, using tools that include research, convening, capacity building, and communications.

www.centerforfinancialinclusion.org

www.cfi-blog.org

CENTER *for* FINANCIAL INCLUSION | ACCION