

Scorecard Spot Check Evaluation
BENAZIR INCOME SUPPORT PROGRAMME (BISP)

Payments Spot Check
Phase 4 Report

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ACRONYMS

AJK	Azad Jammu and Kashmir
ATM	Automated Teller Machine
BDC	Benazir Debit Card
BISP	Benazir Income Support Programme
CNIC	Computerised National Identity Card
DEO	Data Entry Organisation
FATA	Federally Administered Tribal Areas
GB	Gilgit-Baltistan
GPS	Global Positioning System
IDS	Innovative Development Strategies (Pvt.) Ltd
IVR	Interactive Voice Response
KPK	Khyber Pakhtunkhwa
KPO	Key Puncher Operator
MIS	Management Information System
NADRA	National Database and Registration Authority
PAO	Payment Agency Official
PIN	Personal Identification Number
PKR	Pakistani Rupees
PMT	Proxy Mean Test
PO	Partner Organisation
SC	Spot Check
SPSS	Statistical Package for Social Sciences
SQL	Structured Query Language
UBL	United Bank Limited
UC	Union Council

INTRODUCTION

1. Background

The Benazir Income Support Programme (BISP) was launched in 2008 by the Government of Pakistan as the country's primary social safety net. The idea behind this initiation is to counter the effects of rising food and energy prices on poorer households. The BISP gives a cash grant of PKR 1,000 per month to deserving poor families. Since an additional purpose of the programme is to empower women, therefore only the adult (above 18) female(s) in a household are eligible to receive the cash grant. Eligibility is determined through the calculation of a Proxy Mean Test (PMT) score. Those falling below a predetermined cut off point are deemed as eligible to receive benefits through the programme.

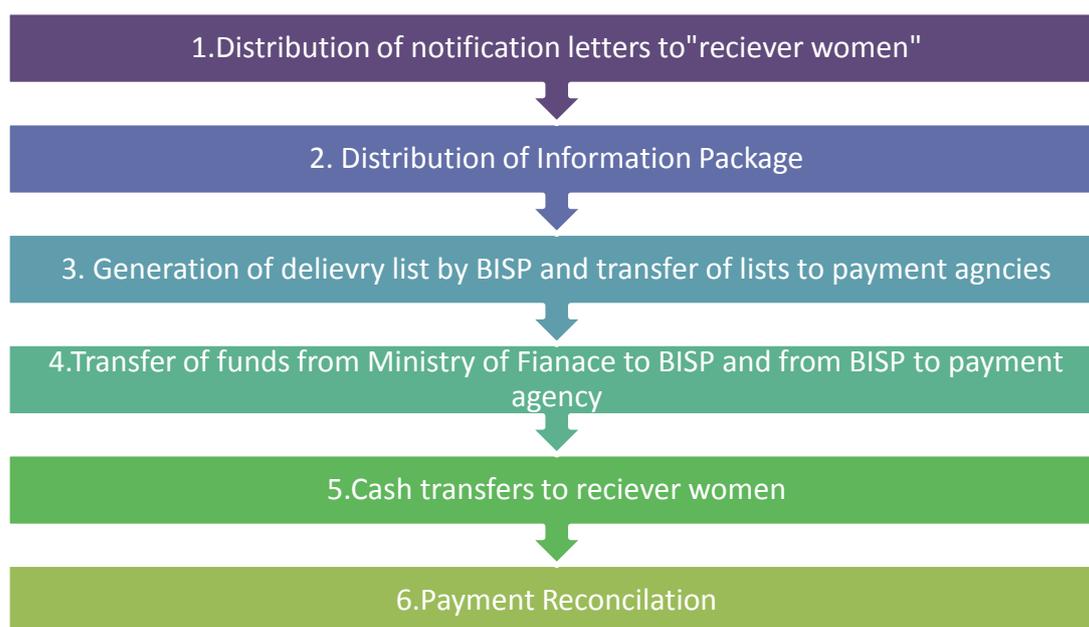
For this purpose households are surveyed by Partner Organisations (POs). The POs hand over all collected information (T1 forms) to the National Database and Registration Authority (NADRA) Headquarters, Islamabad. These are scanned and sent for data entry across the country to the Data Entry Organisations (DEOs) contracted by NADRA. The forms are entered in a MIS developed specifically for this programme which allows for entries such as names, CNIC numbers, addresses, etc. to be verified with NADRA's database. The software calculates the PMT scores of households; those falling below the agreed PMT score are identified as beneficiary households.

After the selection of the beneficiaries, the next step involves ensuring that the payments are delivered through a safe, reliable and efficient mechanism. When the programme was launched, all payments were made through Pakistan Post in the form of money orders delivered by the postman. Overtime other methods have also been introduced. These methods are based on the concept of branchless banking and intend to reduce intermediaries from the payment process.

2. Understanding BISP's Payment Cycle

Payments are made available to the beneficiaries in different stages, starting from the notification of selection into the programme. See Figure 1.

Figure 1: BISP's Payment Cycle



As Figure 1 above shows, the BISP's payment cycle has the following stages:

1. Distribution of notification letters to "receiver women" (the female beneficiary of the household who will receive payment). This letter notifies the receiver women of their selection, the mode through which the payment is to be retrieved and location from where it is to be collected. The receiver woman signs and returns a detachable portion of this letter. Request for change of mode or location can be made on this form.
2. Distribution of information package to receiver women.
3. Generation of delivery lists by BISP and delivery of lists to the payment agency, i.e. Post Office, Pakistan Post, and electronic payment agency/agencies.
4. Transfer of funds from Ministry of Finance to BISP, and from BISP to payment agency
5. Cash transfers to receiver women. This stage varies for the different modes of payment.
6. Payment reconciliation, whereby money orders issued are reconciled against money orders paid.

3. Payment Disbursement Mechanisms

For the successful implementation of any cash transfer programme it is essential that payments be made through a system that is swift, efficient and transparent. Currently, there are two payment disbursement mechanisms in place:

1. Pakistan Post(Money Orders)
2. Alternative Payment Mechanisms

3.1. Payments through Pakistan Post

Payments through Pakistan Post are imparted via money orders delivered by the postman at the door step of the beneficiary. This was the first method adopted by BISP for the

disbursement of payments. Additionally, beneficiaries may be compelled to travel to the Post Office in cases where the Post Office/Postman refuses to deliver payments to the doorstep of the beneficiary due to various reasons. Payments are made available after every two months as per the design of the system.

3.2. Payments through Alternative Payment Mechanisms

Since 2010 BISP has been proposing newer payment mechanisms in order to minimize manual handling of payments and provide technology based services. New payment methods, based on the concept of branchless banking have been introduced. Currently, there are three such methods of payments that have been implemented in different districts. These are:

- ***Benazir Smart Card:*** An ATM-type card that allows beneficiaries to collect their transfer from different franchises.
- ***Mobile Banking:*** Beneficiaries receive a mobile set and SIM, and are informed on the availability of payment by an Interactive Voice Response (IVR) Service. The payment is then collected from a franchise using the Personal Identification Number (PIN) that is also sent via text message.
- ***Debit Card:*** A card that allows payments to be withdrawn from an Automated Teller Machine (ATM). This is the latest payment mechanism and has been implemented in a majority of the districts.

4. IDS's Methodology and Sampling Strategy

IDS has been contracted to study BISP's payments mechanisms. The specific objectives of the spot check of the payments process are as follows:-

- Re-affirm from a sample of beneficiaries, the receipt of payment
- Gauge perceptions and gather information regarding experiences relating to the payments process through Focus Group Discussions (FGDs) - (qualitative approach)
- Ascertain the timeliness of delivery of payments

4.1. Methodology

To achieve the objectives of the spot check of the payments process, the basic methodology was to administer a questionnaire to a sample of beneficiaries. Four different questionnaires were designed for this purpose; one for each mode of payment. An additional function of the questionnaires is to identify problems with the specific mode of payments, if any.

FGDs were conducted with the intention of gaining the opinion of stakeholders concerning the payment procedures. Questions were asked in an interactive group setting where participants were free to respond in any way. The main stakeholders in the payments disbursement process, which includes the BISP operations wing, Beneficiaries, Payment Agencies, Franchises and IDS representative, participated in the FGDs. IDS arranged one FGD for each of the sampled districts in the Payment Spot Check Phase 4.

4.2. Sampling

As mentioned in the original Inception Report, the Payment Spot Check will be carried out in two stages. Stage 1 was carried out in two phases (3 months each) which covered districts from the Test Phase Survey. Stage 2 (remaining six phases) will cover districts from the National Roll Out Survey. The total sample size for the Payments Spot Check is 11,000, covering approximately 1,375 beneficiaries in 8 phases. The sample size of each district is specified. Thus districts are grouped in each phase in such a way that they remain as close as possible to 1,375 households.

A total of 20 districts have been proposed to be covered which is 17% of the total districts in the sampling frame. This is considered a fairly large and statistically significant sample to represent all the provinces¹.

Details of the districts and the number of households to be covered in each district are provided in Table 1 below:

Table 1: Districts to be covered in Payments Spot Check

District	Province	Sample Size
Chakwal	Punjab	502
Faisalabad	Punjab	2040
Gujrat	Punjab	732
RY Khan	Punjab	1130
Khushab	Punjab	389
Larkana	Punjab	469
Multan	Punjab	1288
Larkana	Sindh	461
Karachi (South)	Sindh	824
Sanghar	Sindh	736
Badin	Sindh	576
Mardan	KPK	502
Karak	KPK	134
Abbotabad	KPK	385
Loralai	Balochistan	115
Khuzdar	Balochistan	220
Jaffarabad	Balochistan	174
Kurram Agency	FATA	98
Bagh	AJK	144
Gilgit Baltistan	GB	81
Total		11,000

4.2.1. Sample-Phase 4

¹ The total sample size for the Payments Spot Check is 11,000 households, from a universe of 7.1 million households. This is statistically significant, as according to Krejcie and Morgan (1970) for a population size of 10,000,000 households, for 99% confidence interval and margin of error of 2%, the sample size required is 2,647.

Phase 4 covers two Debit Card Districts and one Mobile Banking District. Details of the districts and number of households to be covered in the Payment Procedure Spot Check Phase 4 are provided in Table 2. The list of beneficiary households for these three districts was provided by BISP for the sample to be randomly drawn.

Table 2: Districts and number of households in Phase 4

District	Mode of Payment	Sample Extracted by IDS
Abbottabad	Benazir Debit Card	385
Mardan	Benazir Debit Card	502
Larkana	Mobile Banking	461
<i>Total</i>		<i>1348</i>

SUMMARY OF FINDINGS

Available Sample and Status of Payments

1. These findings are based on the study of the three districts: Abbottabad and Mardan situated in KPK with Larkana in Punjab. The sample size for Abbottabad was 385 beneficiaries and 502 for Mardan. Additionally, Larkana had a sample size of 469 beneficiaries. The total sample in this Phase was 1,348 beneficiaries. Districts Abbottabad and Mardan follow the Debit Card method of payment while District Larkana makes payments via Mobile Banking.
2. Of the total 1,348 beneficiaries surveyed, 19 beneficiaries were not able to respond due to various reasons. Consequently data for 1,329 beneficiaries has been collected.

Status of Payments

3. In Abbottabad, out of a sample of 385 beneficiaries, all of them were available to respond. Data has been collected for 385 (100 percent) of the beneficiary sample.
4. In Mardan, out of a sample of 502 beneficiaries, 7 (1.4 percent) were unable to respond. Data has been collected for 495 (98.6 percent) of the sample beneficiaries.
5. In Larkana, out of a sample of 461 beneficiaries, 12 (2.6 percent) were unable to respond. Data has been collected for 449 (97.4 percent) of the sample beneficiaries.
6. 91.3 percent beneficiaries in Abbottabad and 96.2 percent beneficiaries in Mardan are receiving their payments through Debit Card, implying that the transition from the previous mode of payment to the debit card is nearly complete. Beneficiaries in Larkana are receiving their payments through a mobile banking system.
7. In Abbottabad and Mardan, 6.0 and 4.6 percent of the respondents respectively claimed to have received a notification letter of selection in the programme from BISP. 93.0 percent and 68.7 percent respectively claimed they were informed of their selection by the Post Office/Postman. In Larkana, 32.5 percent of the respondents claimed to have received a notification letter of selection in the programme from BISP while 8.0 percent were informed of their selection by the Post Office/Postman.
8. In Abbottabad, 18.5 percent of the beneficiaries stated that they were receiving regular payments while 77.6 percent claimed to have received some payments. Additionally, 0.8 percent had received a notification but could not collect their payments while 3.6 percent claimed that they had neither received any notification or payments.
9. In Mardan, 78.0 percent claimed to be receiving payments regularly while 17.0 percent stated that they had only received some payments. Also, 0.6 percent of the beneficiaries had received a notification but were unable to collect their payments while 4.4 percent had neither received a notification nor any payment.
10. In Larkana, 23.8 percent claimed to be receiving payments regularly while 68.8 percent stated that they had only received some payments. Also, 0.4 percent of the beneficiaries

had received a notification but were unable to collect their payments while 7.1 percent had neither received a notification nor any payment.

11. Out of the 314 beneficiaries in Abbottabad who are not receiving payments regularly, 91.1 percent lodged a complaint with the BISP Offices while 8.9 percent did not lodge any complaint.
12. Out of the 109 beneficiaries in Mardan who are not receiving payments regularly, 56.9 percent had lodged a complaint while 43.1 percent had not lodged a complaint.
13. Out of the 342 beneficiaries in Larkana who are not receiving payments regularly, 19.3 percent had lodged a complaint while 80.7 percent had not lodged a complaint.

Experiences and Problems

14. In Abbottabad, the distance to the nearest payments outlet for 80.5 percent of the beneficiaries is more than 10 kms and between 6-10 kms for 11.4 percent. The cost of travelling to and from these outlets is more than Rs.50 for 88.8 percent and between Rs.26-50 for 4.7 percent, while 4.7 percent of the beneficiaries incur no cost.
15. In Mardan, the distance to the nearest Payment Outlet for 58.0 percent of the beneficiaries is more than 10 kms and between 6-10 kms for 27.0 percent. Resultantly, 79.9 percent of the beneficiaries incur a cost of more than Rs.50 while 15.3 percent incur a cost of between Rs.26-50 for collection of their instalment of payment with 0.9 percent not incurring any cost.
16. In Larkana, the distance to the nearest Payment Outlet for 33.0 percent of the beneficiaries is more than 10 kms and between 6-10 kms for 29.8 percent. Resultantly, 69.2 percent of the beneficiaries incur a cost of more than Rs.50 while 16.0 percent incur a cost of between Rs.26-50 for collection of their instalment of payment with 7.3 percent not incurring any cost.
17. The mean of the trips to collect one payment instalment in Abbottabad was 1.15 and 1.39 in Mardan. Furthermore, the mean of trips to collect one payment instalment in Larakana was 2.40. Additional trips increase the cost of collection of an instalment of payment.
18. The main reason for travelling more than once to the Payment Outlet in both Mardan and Larkana was because the beneficiaries had to wait in long queues for their turn. In Abbottabad, making more than one visit to the Payment Outlet was mainly attributed to lack of sufficient cash available at the franchise or ATM.
19. In the Debit Card payment dispersal system, beneficiaries are not informed about the availability of their payments. However, 63.6 percent beneficiaries in Abbottabad and 74.1 percent beneficiaries in Mardan claimed that they could access this information informally through family and friends. Moreover, in Larkana, 6.9 percent of the beneficiaries were not provided with a mobile set through which they are to receive notification on the availability of their payments.
20. The Debit Card does not enforce the beneficiary to collect payments herself. Resultantly 54.5 percent of non beneficiaries in Abbottabad and 33.6 percent in Mardan collect the payments. Whereas in Larkana more than 91.0 percent of the beneficiaries collect the payments themselves because of the compulsion in this dispersal mode.

21. In Abbottabad, the main reason for non beneficiaries collecting the payment was attributed to the beneficiary's inability to operate the ATM by herself (68.3 percent). In Mardan, this was ascribed to the cost of travel being very high for the beneficiary (42.1 percent). Additionally, in Larkana, the main reason payment was collected by non beneficiaries was because a majority of the beneficiaries were too old or sick to travel themselves (75.7 percent).
22. In Abbottabad and Larkana, it was noted that none of the respondents (0.0 percent) claimed being charged a fee for retrieving payments. In Mardan, of the 269 beneficiaries who were unable to retrieve payments themselves, 66.2 percent claimed they were charged a fee for retrieving payments.

Preferences and Perceptions

A comparison of the preferences and perception in these districts of the Debit Card mode of payment reveals the following:

- a. In Abbottabad 74.7 percent and in Mardan 56.4 percent beneficiaries desired monthly. Only 1.8 percent in Abbottabad and 36.1 percent preferred instalments every 3 months.
- b. More than 72 percent of the beneficiaries in Abbottabad were satisfied or more than satisfied with the Debit Card mode of payment whereas in Mardan, 53 percent beneficiaries were satisfied or more than satisfied with this mode of payment.

The Debit Card mode of payment has been successfully established in the districts of Abbottabad and Mardan. The beneficiary population is generally satisfied with the Debit Card mode of payment; however they have complaints regarding the agents charging a fee for retrieval of payments from the ATM. Additionally, this system has no procedure whereby beneficiaries can be informed of the availability of their instalment at the Payment Outlet. Secondly, this system permits non beneficiaries to collect the instalment thereby adversely affecting the objective of women empowerment, as now more often than not, the money is handled by the husband/father/son instead of the wife.

An analysis of the preferences and perceptions in the district of the Mobile Banking as a mode of payment reveals the following:

- a. In Larkana, 76.3 percent of the beneficiaries desired monthly payments and only 2.2 percent preferred instalments every 3 months.
- b. Only about 26 percent of the beneficiaries in Larkana were satisfied with the Mobile Banking mode of payment, whereas a majority of 74 percent were dissatisfied or only partially satisfied with this mode of payment.

The Mobile Banking mode of payment has the advantage that the beneficiaries are receiving notice via text messages about availability of their instalments, which ultimately reduces regular trips to the franchise to seek information regarding their payments. However, limited

network coverage stands as the prevailing hindrance in the retrieval of payments on time. Lack of network coverage in rural areas causes a delay in receiving a SMS on their mobile phones. A majority of the beneficiaries have shown dissatisfaction and unreliability of this method of payment.

STATUS OF PAYMENTS

5. Available Respondents

Table 3 shows that of the total 385 beneficiaries selected as per the Sample for Abbottabad, all beneficiaries were available to respond. Hence, data for the responses of the complete sample has been collected.

Table 3: Beneficiaries Available to Respond-Abbottabad

District	Number of Beneficiaries Available to Respond	Percentage	Number of Beneficiaries Not Available to Respond	Percentage	Total
Abbottabad	385	100.0%	0	0%	385

Table 4 illustrates that of the total 502 beneficiaries selected as per the Sample for Mardan, 7 Beneficiaries were not available to respond. Hence, data for the responses of 495 beneficiaries, 98.6 percent, has been recorded.

Table 4: Beneficiaries Available to Respond-Mardan

District	Number of Beneficiaries Available to Respond	Percentage	Number of Beneficiaries Not Available to Respond	Percentage	Total
Mardan	495	98.6	7	1.4%	502

For Larkana, out of 461 beneficiaries, 449 beneficiaries were available to respond while 12 beneficiaries were unavailable to respond. Therefore data for 97.4 percent of the sample has been gathered. See Table 5 below.

Table 5: Beneficiaries Available to Respond-Larkana

District	Number of Beneficiaries Available to Respond	Percentage %	Number of Beneficiaries Not Available to Respond	Percentage %	Total
Larkana	449	97.4	12	2.6	461

i. Reasons for Beneficiaries not available to respond

In Mardan, out of the 7 beneficiaries who were recorded as unavailable to respond, 5 had passed away and the addresses were not traceable for 2. See Table 6.

Table 6: Reasons for beneficiaries not available to respond-Mardan

	Number of Beneficiaries
Beneficiary has passed away	5
Beneficiary address was not traceable	2
Total	7

Table 7 shows that out of the 12 beneficiaries who were unavailable to respond in Larkana, 3 had also passed away and the addresses were not traceable for 9.

Table 7: Reasons for Beneficiaries not available to Respond-Larkana

	Number of Beneficiaries
Beneficiary has passed away	3
Beneficiary address was not traceable	9
Total	12

6. Notification of Selection into the Programme

The first stage of the payment process is the notification of selection to beneficiaries. This is a letter that informs the beneficiaries that they have been selected as recipients of the BISP and informs them of the mode of payment specified for the receiver woman. Table 8 shows the source through which the beneficiaries learnt of their inclusion into the programme.

Amongst the 385 available respondents in Abbottabad, 6.0 percent of the beneficiaries have reported to receive a notification letter from BISP. Beneficiaries also have an option of checking their status of selection into the programme through the BISP Website. This information is provided to beneficiaries by the BISP offices. Given that a high percentage of beneficiaries are not aware of how to use computers, only 1.0 percent reported to have checked their selection status online. This is done through internet café's or with the help of someone who possess knowledge of operating computers and the internet. A majority (93.0 percent) of the beneficiaries reported to have been notified of their selection through the Post Office/Postman.

Table 8: Notification of Selection as BISP Beneficiary-Abbottabad

	Number of Beneficiaries	Percentage %
I received a notification letter for selection to receive payment	23	6.0
I checked my status online	4	1.0
The Post Office/man told me	358	93.0
Received a Phone Call from BISP	0	00.0
Total	385	100.0%

Table 9 below shows that only 4.6 percent of the beneficiaries in Mardan reported to have received a notification letter for selection. 26.5 percent checked their status online while 68.7 percent reported that they were informed by the Postman/Post Office regarding their selection into the programme.

Table 9: Notification of Selection as a BISP Beneficiary-Mardan

	Number of Beneficiaries	Percentage %
I received a notification letter for selection to receive payment	23	4.6
I checked my status online	131	26.5
The Post Office/man told me	337	68.7
Total	495	100.0

In Larkana, 32.5 percent of the beneficiaries received a letter of notification informing them of their selection into the programme. 59.5 percent reported that they checked their status online while 8.0 percent claimed that the Post Office/Postman informed them of their selection as a beneficiary. See Table 10 below.

Table 10: Notification of Selection as a BISP Beneficiary-Larkana

	Number of Beneficiaries	Percentage %
I received a notification letter for selection to receive payment	146	32.5
I checked my status online	267	59.5
The Post Office/man told me	36	8.0
Total	449	100.0

7. Regularity of Payments

Table 11 below shows the status of payments of beneficiaries in Abbottabad. Out of a total of 385 beneficiaries, 368 (297+71) are receiving payments continuously or have received some payments. Out of these 368 beneficiaries, 336 reported to have received payments through Debit Card. The remaining 32 beneficiaries have not received any payments through the Benazir Debit Card (BDC) See Table 12 below.

Additionally, 0.8 percent of the beneficiaries have been notified on the availability of their payments but have not yet collected any payments, while 3.6 percent of the beneficiaries have not received any payments nor notification.

Table 11: Status of Payments-Abbottabad

	Number of Beneficiaries	Percentage %
I am receiving payments continuously	71	18.5
I have not received all payments	297	77.6
I have been notified of my payments being available but have not collected any payments yet	3	0.8
I have not received any payments nor a notification	14	3.6
Total	385	100.0

Table 12: Received Payments through Debit Card-Abbottabad

	Number of Beneficiaries	Percentage
Received payments from Debit Card	336	91.3
Have not Received Payments from Debit Card	32	8.7
Total	368	100.0

Table 13 below shows the status of payments of beneficiaries in Mardan. A total of 78.0 percent of the beneficiaries in Mardan reported to have been receiving continuous payments, 17.0 percent claimed that they only received some payments. Out of the 470 beneficiaries claiming to have received continuous payments or some payments, 452 beneficiaries have collected one or more payments through the Debit Card. 18 beneficiaries have reported that have not received a single payment through the Debit Card. (Table 14).

Table 13: Status of Payments-Mardan

	Number of Beneficiaries	Percentage %
I am receiving payments continuously	386	78.0
I have not received all payments	84	17.0
I have been notified of my payments being available but have not collected any payments yet	3	0.6
I have not received any payments nor a notification	22	4.4
Total	495	100.0

Table 14: Receiving Payments through Debit Card-Mardan

	Number of Beneficiaries	Percentage %
Received payments from Debit Card	452	96.1
Have not Received Payments from Debit Card	18	3.8
Total	470	100.0

In Larkana, out of 449 beneficiaries available to respond, 23.8 percent claimed that they are receiving continuous payments. 68.8 percent reported that they have only received some payments. 0.4 percent of the beneficiaries reported that they have been notified of the availability of their payments but have not collected any payments yet while 7.1 percent stated that they have neither received a payment nor notification on the availability of their payments (Table 15).

Table 15: Status of Payments-Larkana

	Number of Beneficiaries	Percentage %
I am receiving payments regularly	107	23.8
I have received some payments only	308	68.8
I have been notified of my payments being available but have not collected any payments yet	2	0.4
I have not received any payments nor a notification	32	7.1
Total	449	100.0

7.1. Reasons for not collecting payments

Table 16 below gives reasons for beneficiaries not continuously collecting payments in Abbottabad. Out of the 300 beneficiaries who reported that they have either not received all payments or have been notified but have not collected any payments yet, 3.3 percent of the beneficiaries reported to have lost their Debit Card while 6.7 percent lost their PINs. 0.3

percent reported they cannot go alone to the Payment Outlet and 0.3 percent claimed the franchise asked them for a payment fee. 89.0 percent of the beneficiaries were not aware of the reason for non-continuous payments. Additionally, 0.3 percent said that they have not received a Debit Card yet and thus are not receiving payments.

Table 16: Reasons for not collecting all payments-Abbottabad

Debit Card Beneficiaries	Number of Beneficiaries	Percentage %
I have lost my Debit Card	10	3.3
I have forgotten/misplaced my PIN	20	6.7
I cannot go alone to the Payment Outlet /franchise and have no one to accompany me	1	0.3
The franchisee asks for fees for payment	1	0.3
I do not know	267	89.0
Have not received a Debit Card	1	0.3
Total	300	100.0

Table 17 below gives reasons for non continuous instalments in District Mardan. 8.0 percent of the beneficiaries not collecting payments regularly reported to have lost their Debit Card. 14.9 percent forgot their PINs and thus were unsuccessful in collecting payments. 2.4 percent considered it to be too costly for them to travel as the Payment Outlet. A high percentage (73.6 percent) of the beneficiaries claimed that they were not aware as to why they are unable to receive continuous payments.

Table 17: Reasons for not collecting all Payments-Mardan

Debit Card Beneficiaries	Number of Beneficiaries	Percentage %
I have lost my Debit Card	7	8.0
I have forgotten/misplaced my PIN	13	14.9
The Payment Outlet/franchise is too far from my home and it is too costly to travel	2	2.3
ATM card not working	1	1.1
I do not know	64	73.6
Total	87	100.0

Table 18 below gives reasons for beneficiaries in District Larkana being unsuccessful in receiving continuous payments. Out of the 310 beneficiaries who have not received all payments and/or have been notified of their payments being available but have not collected any payments yet, 5.5 percent reported that the Franchise asks for a payment fee. 0.6 percent stated there was a problem with their CNIC as the reason for not receiving continuous payments while 93.8 percent were not aware of the reason for non continuous payments.

Table 18: Reasons for not collecting all Payments-Larkana

	Number of Beneficiaries	Percentage %
The franchise asks for fees for payment	17	5.5
I do not know	291	93.8
CNIC Issue	2	0.6
Total	310	100.0

7.2. Attempting to Resolve Problems

Beneficiaries have the facility of lodging complaints through different methods. The BISP operations wings have set up a network of tehsil, divisional and regional offices to accommodate the beneficiaries. Table 19 shows that, in District Abbottabad, 91.7 percent attempted to resolve their problem by lodging complaints with BISP offices. 8.3 percent of the beneficiaries did not enquire BISP about the status of their payments.

Table 19: Lodging Payments Related Complaints-Abbottabad

	Number of Beneficiaries	Percentage %
Lodged a Complaint	286	91.1
Did not Lodge a Complaint	28	8.9
Total	314	100.0

The percentage of beneficiaries attempting to resolve their payment related issues is seen as comparatively low for district Mardan. As shown in Table 20 below, 56.9 percent of the beneficiaries attempted to resolve their cases by lodging complaints. The remaining 43.1 percent did not lodge a complaint with BISP Offices.

Table 20: Lodging Payment Related Complaints-Mardan

	Number of Beneficiaries	Percentage %
Lodged a Complaint	62	56.9
Did not Lodge a Complaint	47	43.1
Total	109	100.0

Out of the 342 beneficiaries experiencing problems with payments in District Larkana, only 19.3 percent attempted to resolve their issues. The remaining 80.7 percent did not lodge a payment related complaint (See Table 21)

Table 21: Lodging Payment Related Complaints-Larkana

	Number of Beneficiaries	Percentage %
Lodged Complaint	66	19.3
Did not Lodge Complaint	276	80.7
Total	342	100.0

Box 1.1: Checking the Status of Payments of Beneficiaries-Abbottabad

IDS checked, from the BISP database, the status of payments of beneficiaries that claimed that they were notified of the availability of their payments but were unable to collect them and those that had not received any Notification regarding the availability of their payments. Comparison to the BISP database shows that of the total households falling in these two categories 52.9 percent had already received payments. These beneficiaries were possibly unaware of their payments being collected by someone else on their behalf.

Table 1.1: Checking the Status of Payments of Beneficiaries

	Number of Households	Number of Households that have received at least one payment	Percentage%
I have been notified of my payments being available but have not collected any payments yet	3	1	33.3
I have not received any payments nor a notification	14	8	57.1
Total	17	9	52.9

Box 1.2: Checking the Status of Payments of Beneficiaries-Mardan

IDS checked, from the BISP database, the status of payments of beneficiaries that claimed that they were notified of the availability of their payments but were unable to collect them and those that had not received any Notification regarding the availability of their payments. Comparison to the BISP database shows that of the total households falling in these two categories 42.3 percent had already received payments. These beneficiaries were possibly unaware of their payments being collected by someone else on their behalf.

Table 1.2: Checking the Status of Payments of Beneficiaries

	Number of Households	Number of Households that have received at least one payment	Percentage%
I have been notified of my payments being available but have not collected any payments yet	3	2	66.7%
I have not received any payments nor a notification	22	9	40.9%
Total	25	11	42.3

Box 1.3: Checking the Status of Payments of Beneficiaries-Larkana

IDS checked, from the BISP database, the status of payments of beneficiaries that claimed that they were notified of the availability of their payments but were unable to collect them and those that had not received any Notification regarding the availability of their payments. Comparison to the BISP database shows that of the total households falling in these two categories 61.8 percent had already received payments. These beneficiaries were possibly unaware of their payments being collected by someone else on their behalf.

Table 1.3: Checking the Status of Payments of Beneficiaries

	Number of Households	Number of Households that have received at least one payment	Percentage%
I have been notified of my payments being available but have not collected any payments yet	2	2	100.0
I have not received any payments nor a notification	32	19	59.3
Total	34	21	61.8

EXPERIENCES AND PROBLEMS- DEBIT CARD DISTRICTS

8. Benazir Debit Card District(s) – Abbottabad & Mardan

Benazir Debit Card was introduced in 2012 as an alternative means for disbursement of payments. Beneficiaries are provided with a Debit Card which has a unique PIN. Several Banks have been disseminated the responsibility of providing beneficiaries with the facility of retrieving payments through ATMs.

Currently payments in Mardan and Abbottabad are disbursed through Benazir Debit Card. The previous mode of payment in these two districts was money orders through Pakistan Post. However, currently all beneficiaries in the sample calculated by IDS are receiving payments through Debit Card. This shows that the transition to Benazir Debit Card payment mode has been successfully completed in both districts.

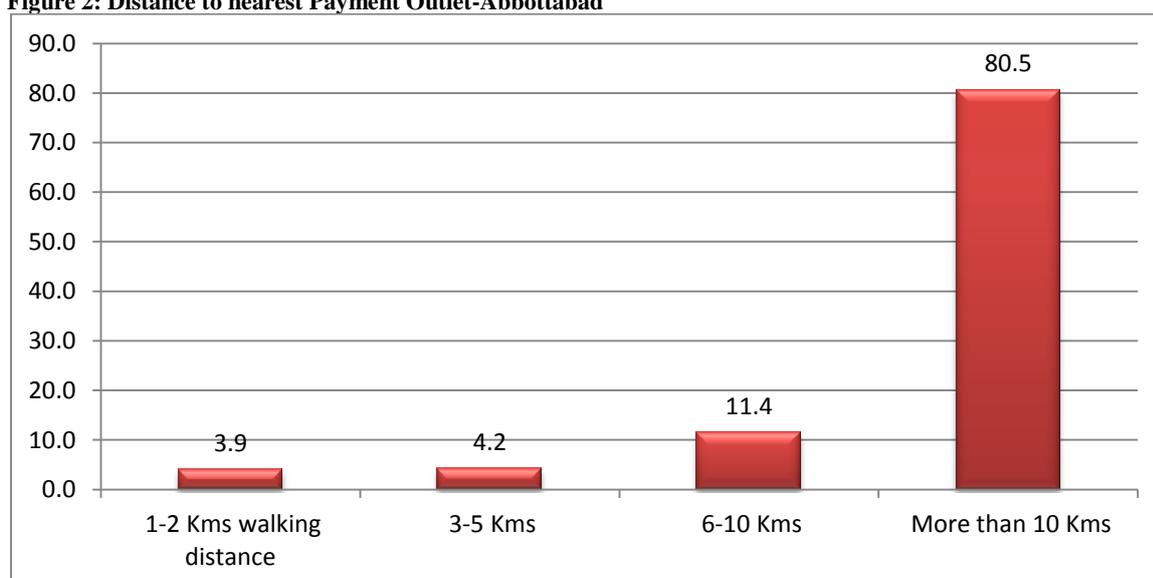
8.1. Private Cost and Outreach

The different payment mechanisms are meant to improve the instalment distribution system and decrease private costs² that beneficiaries incur in order to collect payments. Hence, in the assessment of a payment mechanism it is important to gauge the distance to payment outlet, cost of travelling and number of trips to collect one payment.

8.1.1. Distance to Payment Outlet

One of the features that distinguish this mode of payment from receiving money orders is that the beneficiary is required to travel to the Payment Outlet to collect payments. Figure 2 shows the distance beneficiaries have to travel to go to the nearest Payment Outlet in District Abbottabad.

Figure 2: Distance to nearest Payment Outlet-Abbottabad



² These are all costs that beneficiaries incur in order to receive benefits of the programme.

For District Abbottabad, the distance to the nearest Payment Outlet is 1-2 kms travelled by 3.9 percent of the beneficiaries. 4.2 percent have to travel 3-5 kms and 11.4 percent have to travel 6-10 kms to reach the nearest Payment Outlet. A distance of more than 10 kms is travelled by 80.5 percent of the beneficiaries.

Figure 3: Distance to nearest Payment Outlet-Mardan



As shown in Figure 3 above, in District Mardan, a distance of 1-2 km’s is travelled by 1.8 percent of the beneficiaries in order to retrieve their payments from the nearest Payment Outlet. 13.3 percent and 27.0 percent beneficiaries have to travel 3-5 kms and 6-10 kms respectively, to a Payment Outlet. A distance of more than 10 kms is travelled by 58.0 percent of beneficiaries receiving payments regularly for collecting their payments from the nearest Payment Outlet/Bank.

8.1.2. Cost of Travelling to Payment Outlet

In the Debit Card payment disbursement system, there are transportation costs associated with the retrieval of payments. Additionally, it may not be possible to walk to the Payment Outlet even in cases where the franchise is within a walking distance from the house of the beneficiary. Figure 4 shows that in District Abbottabad 88.8 percent beneficiaries have to pay more than Rs.50 while 4.7 percent beneficiaries pay between Rs.26-50 as transportation cost to travel to the Payment Outlet and back. The minimum range of this expenditure is Rs. 10-25, which is incurred by 1.8 percent of the sample beneficiaries in Abbottabad. 4.7 percent beneficiaries do not incur any costs of travelling to the nearest Payment Outlet to receive payments.

Figure 4: Cost of Travelling to Payment Outlet-Abbottabad

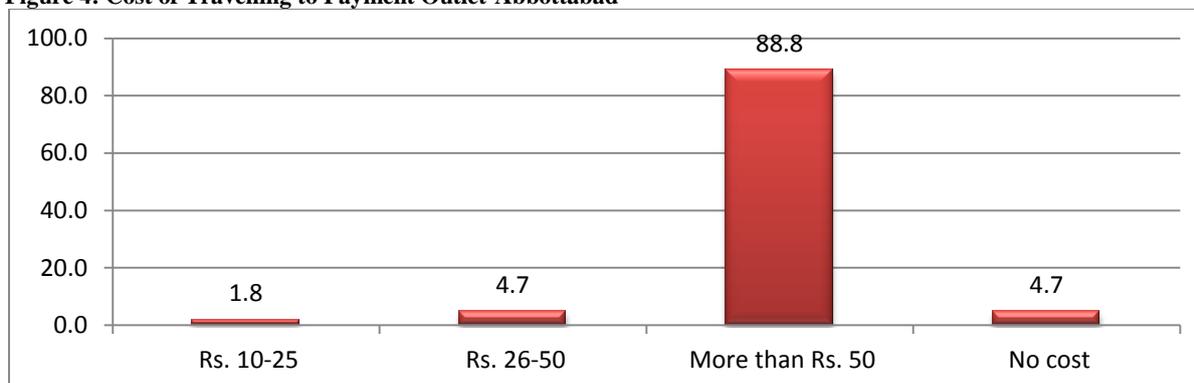
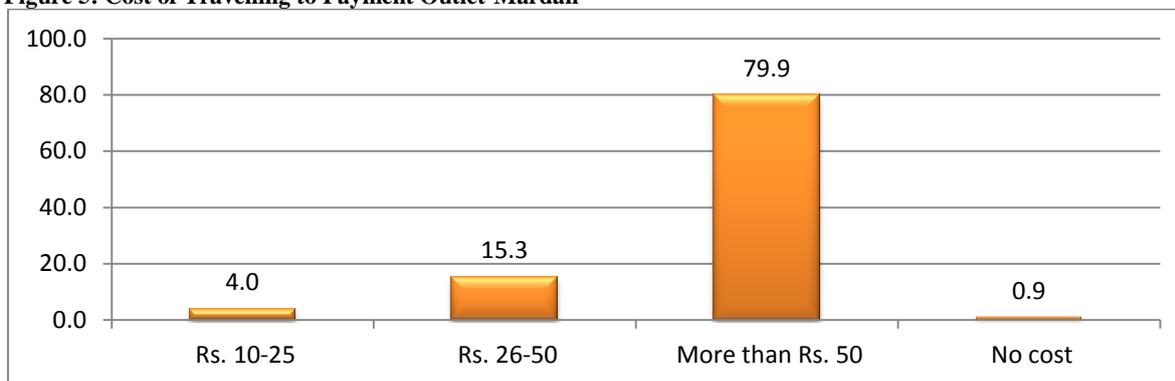


Figure 5 below illustrates cost incurred by beneficiaries to collect their payments from the nearest Payment Outlet in District Mardan. While 79.9 percent beneficiaries bear costs of more than Rs. 50 for two way travel to the Payment Outlet, 15.3 percent face costs between Rs. 26-50 to collect their payments. Costs between Rs. 10-25 are faced by 4.0 percent beneficiaries while 0.9 percent beneficiaries reported that they face no costs for collection of their payments from the nearest Payment Outlet.

Figure 5: Cost of Travelling to Payment Outlet-Mardan



8.1.3. Number of Visits

The cost of travelling is further increased due to the frequency of visits. In the district Abbottabad, beneficiaries receiving payments through Debit Card report to have re-visited an ATM on an average of 1.15 times to collect one payment, while the maximum number of trips was 4. See Table 22 below.

Table 22: Mean Number of Trips to Payment Outlet-Abbottabad

Number of Beneficiaries	Number of Trips		
	Minimum	Maximum	Mean
336	1	4	1.15

In Mardan, as shown in Table 23, Payment Outlets were revisited 1.39 times on average to collect one payment. The maximum numbers of trips to the Payment Outlet for collection of a single payment were 7.

Table 23: Mean Number of Trips to Payment Outlet-Mardan

Number of Beneficiaries	Number of Trips		
	Minimum	Maximum	Mean
452	1	7	1.39

Table 24 reports that 13.4 percent (45) of the beneficiaries in Abbottabad had to visit the ATM more than once to collect one instalment. 86.6 percent (291) reported to have collected their payment in a single trip to the franchise.

Table 24: Number of Trips to Payment Outlet-Abbottabad

Number of Trips	Number of Beneficiaries	Percentage %
One Trip	291	86.6
More than One trip	45	13.4
Total	336	100.0

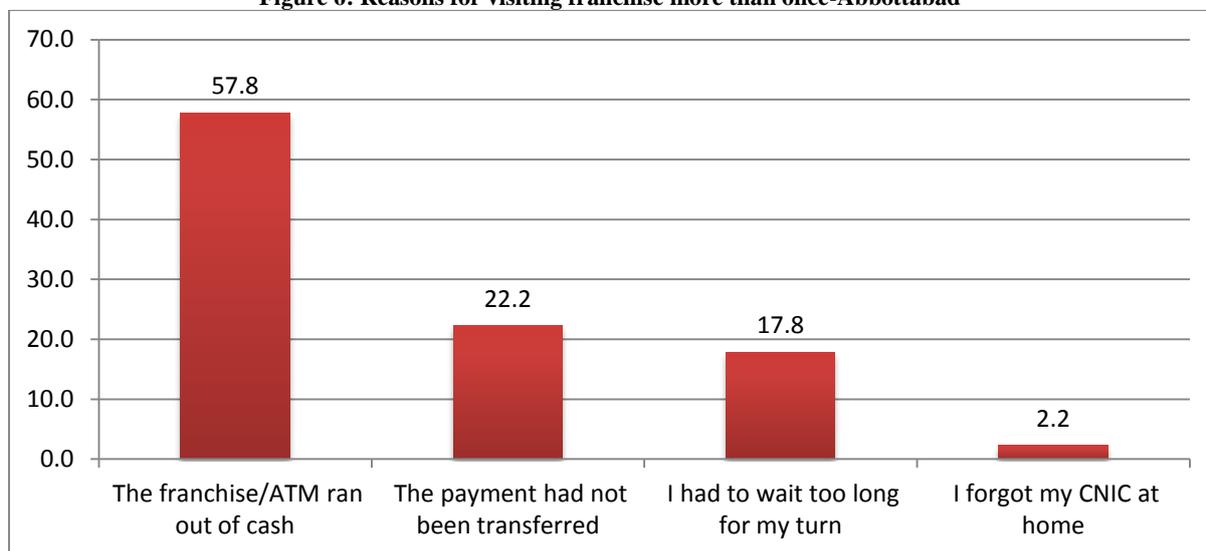
The percentage of beneficiaries visiting the ATM more than once to collect one instalment was 19.0 percent in Mardan. A total of 73.0 percent reported that they were able to collect their instalment in a single trip to the Payment Outlet (Table 25).

Table 25: Number of trips to Payment Outlet-Mardan

Number of Trips	Number of Beneficiaries	Percentage %
One Trip	330	73.0
More than one Trip	122	19.0
Total	452	100.0

Figure 6 shows the different reasons why 45 beneficiaries in Abbottabad had to travel to the franchise more than once to collect a single instalment. Since this was a multi response questions, a beneficiary may have chosen more than one option as her reason(s).

Figure 6: Reasons for visiting franchise more than once-Abbottabad



As shown above, 57.8 percent of the beneficiaries re-visited a franchise as their payment had not been transferred. Another major reason for more than one trip to the franchise was due of long ques. This reason was reported in 17.8 percent of the cases. 2.1 percent of the beneficiaries stated that they forgot their CNIC at home.

Figure 7: Reasons for visiting Payment Outlet more than once-Mardan

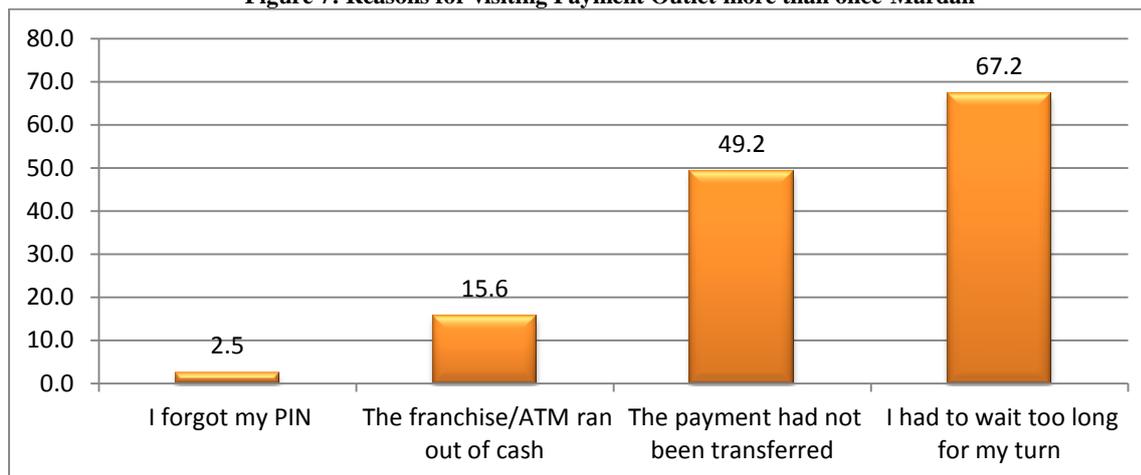


Figure 7 above gives reasons for beneficiaries reported to have visited the Payment Outlet more than once to collect their payments in District Mardan. 67.2 percent reported that they had to make more than 1 trip to the Payment Outlet as they had to wait in long queue's and thus were unsuccessful in retrieving their payments. 49.2 percent beneficiaries claimed that they had to visit the nearest Payment Outlet more than once as their payments were not transferred in their initial visit. Additionally, 15.6 percent reported that the ATM/ Franchise ran out of cash while 2.5 percent reported that they forgot their PINs.

9. Notification of Availability of Payments

In the case of a Debit Card, the beneficiary does not receive a notification concerning the availability of her payments. The beneficiary visits the Bank to check if her instalment is available.

Table 26 shows that, in Abbottabad, 63.6 percent of the total beneficiaries receiving payments through Debit Card may have been notified regarding the availability of their payment through an informal system. Even though an informal system of notification prevails in the districts, it may not always be reliable.

Table 26: Notification of availability of payment-Abbottabad

	Number of Beneficiaries	Percentage %
I can find out when my payment is available	245	63.6
I cannot find out when my payment is available	140	36.4
Total	385	100.0

As shown in Table 27 below, 25.9 percent of the beneficiaries receiving payments through Debit Card in Mardan reported to have been informed of the availability of their payments at the Payment Outlet through an informal system. 74.1 percent of the beneficiaries claimed that they cannot find out when their payments are available. This reason also contributes to the recurring trips made by a beneficiary to a Payment Outlet.

Table 27: Notification of Availability of Payments-Mardan

	Number of beneficiaries	Percentage
I can find out when my payment is available	128	25.9
I cannot find out when my payment is available	367	74.1
Total	495	100.0

9.1. Receiving Payments

As per the programme design the payments are to be collected by the beneficiary herself. This ensures the achievement of the objective of empowering women, as benefits received by family, friends or relatives may not reach the selected beneficiary.

Table 28 shows that 54.5 percent of the beneficiaries receiving payments through Debit Card in Abbottabad do not collect their payments themselves. This is seen as a high percentage rendering the objective of women empowerment as insignificant. However 45.5 percent of the beneficiaries did report to have collected their payments themselves.

Table 28: Collection of Payments-Abbottabad

	Debit Card	
	Number of Beneficiaries	Percentage %
Collection of Payments by Non-Beneficiary	183	54.5
Collection of Payments by Beneficiary	153	45.5
Total	336	100.0

In Mardan, for 33.6 percent of the cases, payments were collected by Non Beneficiaries. Additionally, 66.4 percent of the beneficiaries receiving payments through Debit Card reported to have collected payments themselves from the Payment Outlet (See Table 29).

Table 29: Collection of Payments-Mardan

	Debit Card	
	Number of Beneficiaries	Percentage
Collection of Payments by Non-Beneficiary	152	33.6
Collection of Payments by Beneficiary	300	66.4
Total	452	100.0

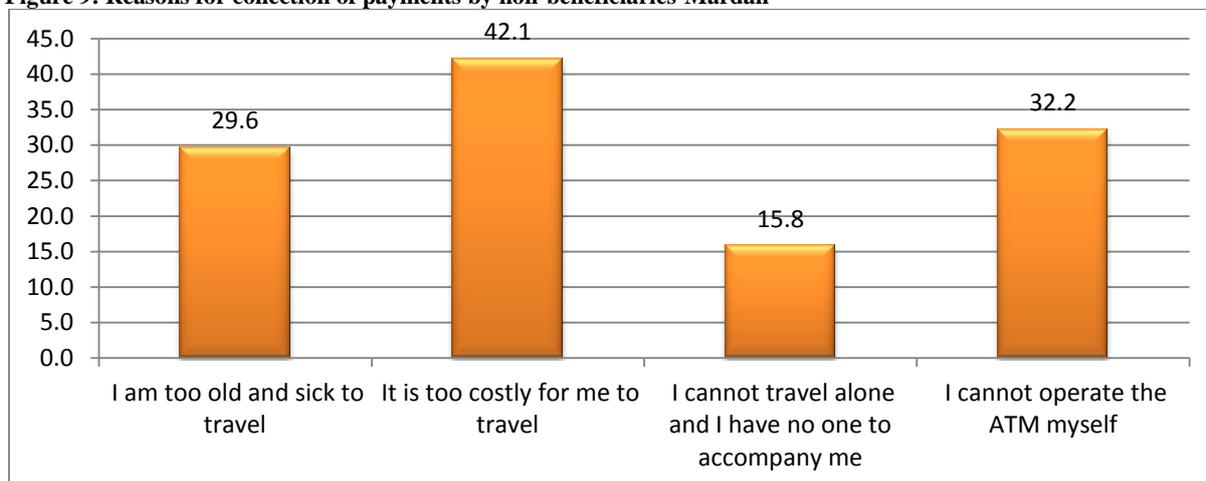
Possible reasons for 54.5 percent beneficiaries not collecting Payments themselves in District Abbottabad are shown below in Figure 8. There may be multiple reasons why a beneficiary is unable to collect payments herself.

Figure 8: Reasons for collection of payments by non-beneficiaries-Abbottabad



Displayed in Figure 8 above, the information reveals that of the 183 beneficiaries not collecting payment themselves, 68.3 percent reported that they are unable collect payments themselves since they are not aware of how to operate the ATM. 9.8 percent reported they do not collect the payments themselves because they cannot travel alone and they have no one to accompany them while 14.2 percent reported that it is too costly for them to travel to the ATM/Franchise. Additionally, 15.3 percent reported that they are too old and sick to travel to the ATM/Payment Outlet and thus require someone else to collect payments on their behalf.

Figure 9: Reasons for collection of payments by non-beneficiaries-Mardan



Note: Response is of Multi Options

As shown in Figure 9 above, in District Mardan, 32.2 percent of the beneficiaries could not collect their payments themselves as they have no knowledge of operating the ATM. Additionally, 42.1 percent reported that it is too costly for them to travel to the ATM/Franchise whereas 15.8 percent beneficiaries reported that they cannot collect payments themselves since they cannot travel alone due to cultural constraints and have no one to accompany them.

29.6 percent of the beneficiaries reported that they are too old and sick to travel to the Payment Outlet.

9.2 Retrieving Payments

Highlighting the problem of insufficient knowledge of operating the ATM in both Districts, beneficiaries were asked whether they are able to retrieve payments from the ATM without assistance. Shown below in Table 30, 44.0 percent of the beneficiaries in Abbottabad reported that they can retrieve payments without help. However 56.0 percent of the beneficiaries receiving payments through Debit Card claimed that they are not able to retrieve payments from the ATM without assistance.

Table 30: Retrieving Payments without assistance-Abbottabad

	Number of Beneficiaries	Percentage %
Able to Retrieve Payments Without Assistance	148	44.0
Not Able to Retrieve Payments Without Assistance	188	56.0
Total	336	100.0

In district Mardan, of the 452 beneficiaries who are receiving payments from the ATM continuously, 40.5 percent reported that they can retrieve their payments without assistance. 59.5 percent however claimed that they need help retrieving their payments from the ATM machine. See table 31 below.

Table 31 : Retrieving Payments without assistance-Mardan

	Number of beneficiaries	Percentage %
Able to Retrieve Payments Without Assistance	183	40.5
Not Able to Retrieve Payments Without Assistance	269	59.5
Total	452	100.0

9.2.1 Charging of Fee for Receiving Payments

Table 32 illustrates whether a fee was charged for providing assistance to beneficiaries who could not retrieve payments themselves. None of the beneficiaries who reported to have acquired assistance for retrieval of payments reported to have been charged.

Not being asked to pay a fee is seen as improvement in this mode of payment as compared to previous modes of payment where a fee was frequently charged for provision of payments to the beneficiaries.

Table 32: Charging of fees for receiving payments-Abbottabad

	Debit Card	
	Number of Beneficiaries	Percentage
Paid a fee to receive payments	0	0
Did not have to pay a fee to receive payments	188	100.0
Total	188	100

Of the 269 beneficiaries in Maradan who require assistance for retrieval of payments, 66.2 reported that they were asked to pay a fee. 33.8 percent of the beneficiaries were not asked to pay a fee for acquiring assistance. See table 33 below.

Table 33: Charging of fees for receiving payments-Mardan

	Debit Card	
	Number of Beneficiaries	Percentage
Paid a fee to receive payments	178	66.2
Did not have to pay a fee to receive payments	91	33.8
Total	269	100.0

EXPERIENCES AND PROBLEMS-MOBILE BANKING DISTRICT

Mobile Banking was launched at the end of 2010 as a means for retrieval of payments. According to the design of this mode of payment, the beneficiaries are provided a mobile set and SIM. The beneficiary receives the PIN via SMS and an account credited alert. This alert is an Interactive Voice Response (IVR) message in the local language. However, during the survey it was discovered that the beneficiaries received a SMS informing of the availability of payments. Once these are received, the beneficiary can collect her payment from a franchise. The beneficiary is required to present her CNIC for verification.

From the districts selected in this phase, Larkana is a Mobile Banking District. Prior to the introduction of Mobile Banking in Larkana, all payments were disbursed through Pakistan Post.

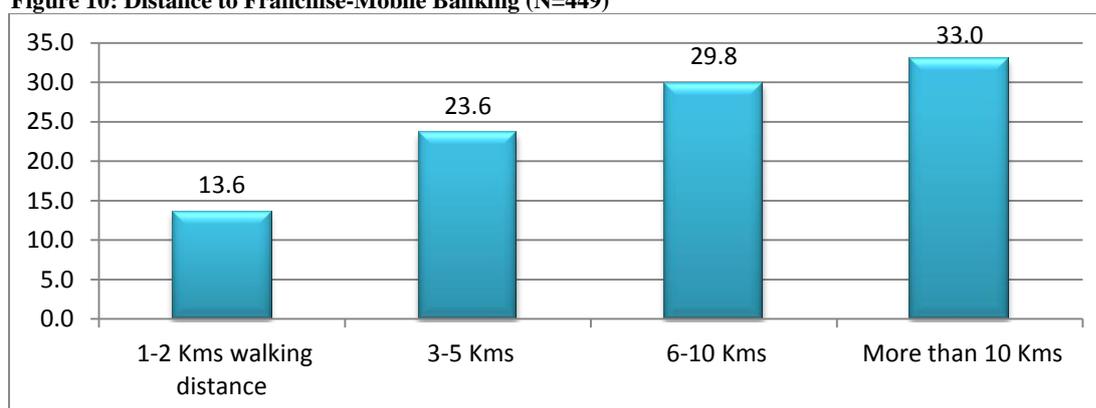
9.2. Private Cost and Outreach

An efficient payment mechanism minimises private costs while increasing outreach. In the case of Mobile Banking private costs are increased in situations where beneficiaries have to pay for a mobile phone. Hence, the distance to franchise, cost of travelling, number of visits and provision of mobile phone and SIM are discussed below.

9.2.1. Distance to Franchise

Figure 10 summaries the distance that beneficiaries have to travel to go to the nearest franchise in District Larkana to collect their payments. Only 16.6 percent of 449 beneficiaries from the Larkana sample have to travel 1-2 kms and 23.6 percent beneficiaries have to travel 3-5 kms. The distance of the franchise is greater than 6 kms for 62.8 percent of the beneficiaries.

Figure 10: Distance to Franchise-Mobile Banking (N=449)



9.2.2. Cost of Travelling to Franchise

A greater distance from the franchise leads to higher transportation costs. Table 35 shows that 69.2 percent beneficiaries have to pay more than Rs.50 to visit the nearest franchise. This expenditure falls within the range of Rs. 26-50 for 16.0 percent. Only 7.5 percent

beneficiaries pay less than Rs. 25. Also, 7.3 percent of the beneficiaries do not incur any transportation costs. Beneficiaries who are unable to walk due to disability, illness or old age but are living at a small distance from the franchise may also bear travelling expenditure.

Table 34: Cost of travelling to franchise-Mobile Banking

	Number of Beneficiaries	Percentage %
Rs. 10-25	31	7.5
Rs. 26-50	66	16.0
More than Rs. 50	286	69.2
No cost	30	7.3
Total	413	100.0

9.2.3. Number of Visits

There is an addition in the total expenditure on transportation due to the number of trips to the franchise. There have been instances where the beneficiary had to visit the franchise more than once to collect one payment/instalment. As shown in Table 36, the maximum number of trips to collect one payment in Larkana was 7. The mean number of visits is 2.40.

Table 35: Mean Number of Visits- Mobile Banking

Number of Beneficiaries	Number of Trips		
	Minimum	Maximum	Mean
346	1	7	2.40

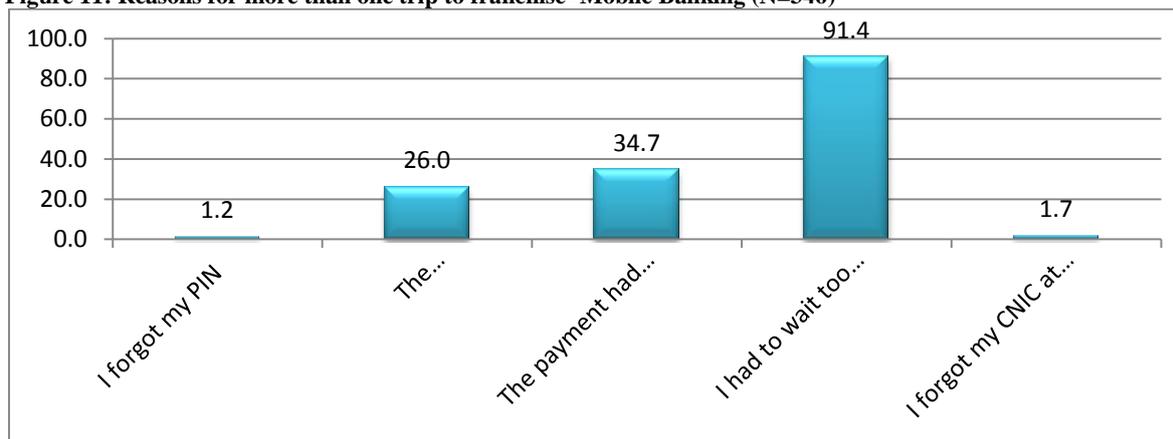
Table 37 shows that 83.8 percent of the beneficiaries were unable to collect their payments on the first visit to the franchise. 16.2 percent however reported that they can successfully collect their payments in one trip to the franchise.

Table 36: Number of visits to Franchise- Mobile Banking

	Number of Beneficiaries	Percentage %
One Trip	67	16.2
More than One Trip	346	83.8
Total	413	100.0

Figure 11 shows why 83.8 percent of the Mobile Banking beneficiaries had to re-visit the franchise. There may be a different reason for each trip. Hence, there were multiple responses why beneficiaries have to revisit a franchise to collect one payment.

Figure 11: Reasons for more than one trip to franchise- Mobile Banking (N=346)



As shown above, a small percentage of beneficiaries (1.2 percent) were unable to retrieve payments on the first visit as they did not have their PINs. These beneficiaries had deleted the text message containing the PIN and could not remember it.

Another reason for multiple visits was insufficient amount of cash at the franchise. Of the 346 beneficiaries that had to make more than one visit to the franchise, 26.0 percent beneficiaries had to revisit due to the unavailability of sufficient cash. Additionally, 34.7 percent of the beneficiaries had to go more than once because their payment had not been transferred. As per the design of the payment mechanism, beneficiaries are informed of the availability of payments. This is also seen as an advantage of this system in comparison to the Benazir Smart Card. There could have been a delay in the transfer of payments or the beneficiaries did not wait to be informed about the availability of payments. If there are network problem due to which the beneficiary experiences delays in the notification of availability of payments, the beneficiary might end up visiting the franchise to check on the status of her payments. This increases the possibility of re-visits in case the payment has not been generated. Similarly, a beneficiary might face the problem of payment not being transferred if she is not properly orientated to the system and visits the franchise without being notified of her instalment being generated.

Beneficiaries also faced problems because of overcrowding at the franchise. This was the main reason of revisit by 91.4 percent of those that made more than one trip to the franchise. Only 1.7 percent of the beneficiaries reported of being charged a fee for payment. These beneficiaries refused to pay and had to visit again.

9.2.4. Provision of Mobile Set and SIM

Beneficiaries selected to receive payments through Mobile Banking are to be provided with a mobile phone and SIM. Table 38 below shows the number of beneficiaries that were provided a mobile. In Larkana, 6.9 percent (31) of the beneficiaries were not provided a mobile phone.

Table 37: Provision of Mobile Set

	Number of Beneficiaries	Percentage %
Yes	418	93.1
No	31	6.9
Total	449	100.0

The mobile phone and SIM are to be provided free of cost. On the contrary, as Table 39 shows, 3.6 percent (15) of the Mobile Banking respondents reported that they had to pay for the mobile set. The remaining 96.4 percent did not have to make any payments.

Table 38: Payment for mobile phone

	Number of Beneficiaries	Percentage %
I had to Pay for my Mobile Phone	15	3.6
I did not have to Pay for my Mobile Phone	403	96.4
Total	418	100.0

Table 40 shows that 33.3 percent of those that were charged for the mobile set had to pay Rs.500 or less, 46.7 percent had to pay between Rs.500-1000 and 20.0 percent paid more than Rs.1000.

Table 39: Payment for Mobile Phone

	Number of Beneficiaries	Percentage %
Rs. 500 or less	5	33.3
Greater than Rs. 500 but less than Rs. 1000	7	46.7
Rs. 1000 or more	3	20.0
Total	15	100.0

Tables 41 and 42 show that 1.1 percent of the beneficiaries also reported being charged Rs.500 or less for the SIM.

Table 40: Payment for SIM

	Number of Beneficiaries	Percentage %
Yes	5	1.1
No	444	98.9
Total	448	100.0

Table 41: Amount paid for SIM

	Number of Beneficiaries	Percentage %
Rs. 500 or less	5	100.0
Total	5	100.0

9.3. Receiving Payments

As stated earlier, the intention of the programme is to empower women. Thus, women are selected as beneficiaries from eligible households. In order to ensure that all payments are passed on to the receiver woman, collection of payments by the beneficiary herself is emphasized. However, as shown in Table 43, payments are also collected by non-beneficiaries.

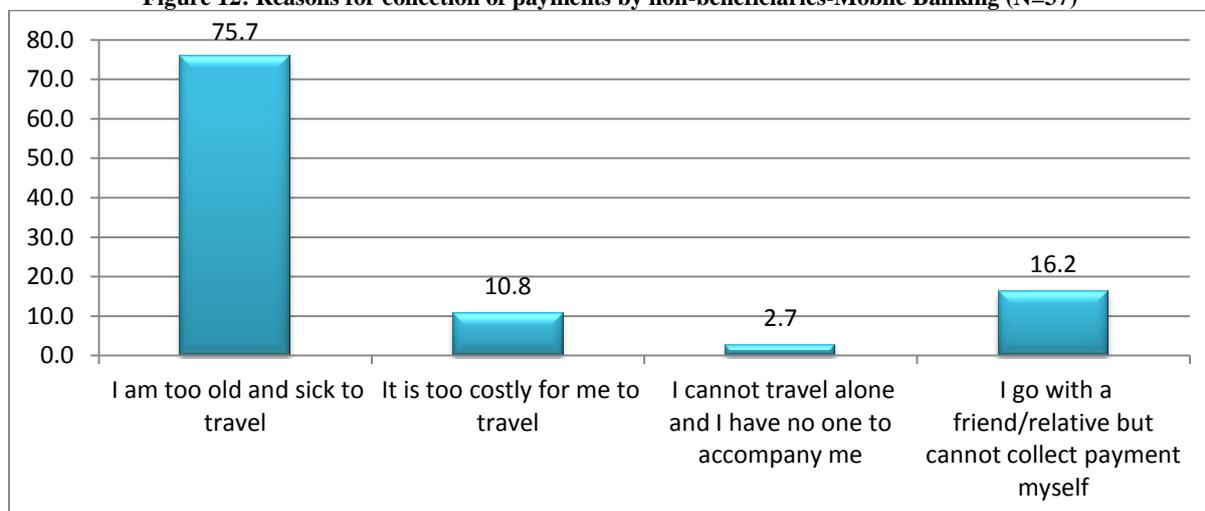
9.0 percent of the beneficiaries receiving continuous payments or have received some payments do not collect their payments themselves. The remaining 91.0 reported that their payments are collected by themselves.

Table 42: Collection of Payments-Mobile Banking District

Mobile Banking	Number of Beneficiaries	Percentage %
Collection of Payment by Non Beneficiary	37	9.0
Collection of Payment by Beneficiary	376	91.0
Total	413	100.0

Figure 12 shows why the 37 aforementioned Mobile Banking beneficiaries do not collect payments themselves. There may be multiple reasons for a beneficiary not collecting payments herself.

Figure 12: Reasons for collection of payments by non-beneficiaries-Mobile Banking (N=37)



Furthermore, 75.7 percent of the beneficiaries do not collect their payments themselves because of old age and ill health. The cost of travelling to the franchise is also a determining factor, as 10.8 percent do not collect their payments themselves for this reason. Additionally, 2.7 percent beneficiaries do not collect payments due to social and cultural constraints, according to which women are not supposed to travel alone. Also 16.2 percent claimed that they go with a friend/relative to the payment agency but do not receive the payments themselves as they are unaware of the collection process.

PERCEPTIONS AND PREFERENCES

10. Preferences of Frequency of Payments

Table 44 below shows preference of beneficiaries concerning the frequency of payments. 74.7 percent of the beneficiaries in District Abbottabad prefer to receive payments on a monthly basis. 23.5 percent expressed a desire to receive bi monthly instalments while 1.8 percent of the beneficiaries desire to receive their instalments every two months and every four months respectively.

Table 43: Preferred Frequency of Payments-Abbottabad

	Number of Beneficiaries	Percentage %
Every Month	251	74.7
Every 2 Months	79	23.5
Every 3 Months	6	1.8
Total	336	100.0

Table 45 below shows the frequency of receiving instalments, as desired by beneficiaries, in District Mardan. A majority of beneficiaries, i.e. 56.5 percent expressed a desire to receive their instalments on a monthly basis. 7.0 percent reported a preference for receiving payments on a bi monthly basis while 36.1 percent expressed a desire to receive their instalments of payments on a quarterly basis. Only 0.4 percent of the beneficiaries desired to receive payments every 4 months.

Table 44: Preferred Frequency of Payments-Mardan

	Number of Beneficiaries	Percentage %
Every month	255	56.4
Every 2 months	32	7.1
Every 3 months	163	36.1
Every 4 months	2	0.4
Total	452	100.0

In District Larkana, a high percentage (76.3 percent) of the beneficiaries expressed a desire to receive monthly instalments. 18.9 percent preferred bi monthly instalments while 2.2 percent preferred to receive their instalments every three months. Those beneficiaries who wish to receive their payments every 4 months comprise of 2.7.

Table 45: Preferred Frequency of Payments-Larkana

	Number of Beneficiaries	Percentage %
Every month	315	76.3
Every 2 months	78	18.9
Every 3 months	9	2.2
Every 4 months	11	2.7
Total	413	100.0

11. Satisfaction with Mode of Payment

Figure 13 below shows the reported satisfaction level of the beneficiaries in Abbottabad with their respective mode of payment. 52.1 percent reported as being ‘Satisfied’ with this mode of payments with 27.1 percent reported as being ‘Partially Satisfied’. Additionally, 19.0 percent beneficiaries reported as being ‘Very Satisfied’ and 1.8 percent of the beneficiaries reported being ‘Dissatisfied’ with the Debit Card mode of Payment.

Figure 13: Satisfaction with Mode of Payment-Abbottabad

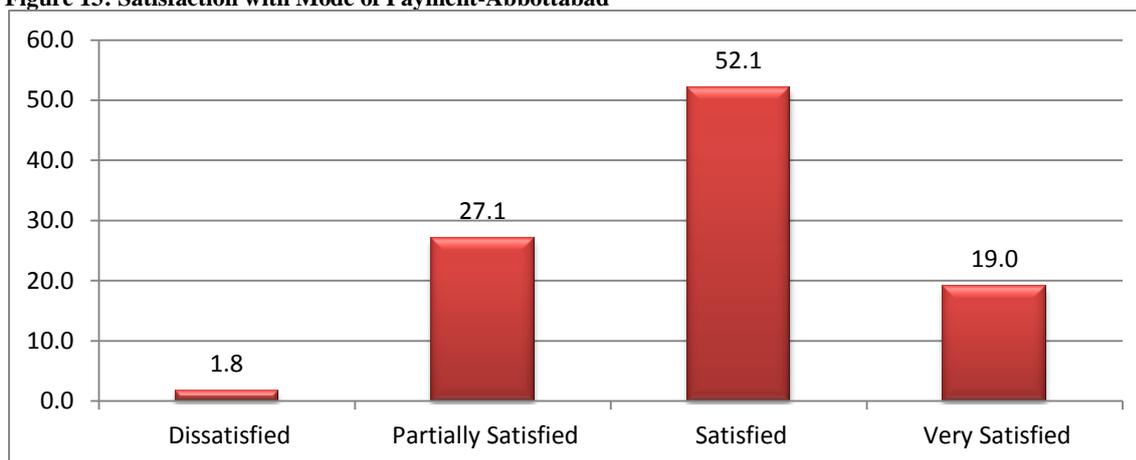


Figure 14 below illustrates that 34.7 percent of the beneficiaries in District Mardan were reported as ‘Satisfied’ with this mode of payment while 36.3 percent felt ‘Partially Satisfied’ with the Debit Card mode of payment in the District. 11.1 percent claimed that they were ‘Dissatisfied’ with this mode of payment. Additionally 17.9 percent of the beneficiaries claimed that they were ‘Very Satisfied’ with the Debit Card mode of payment implemented in the district.

Figure 14: Satisfaction with Mode of Payment-Mardan

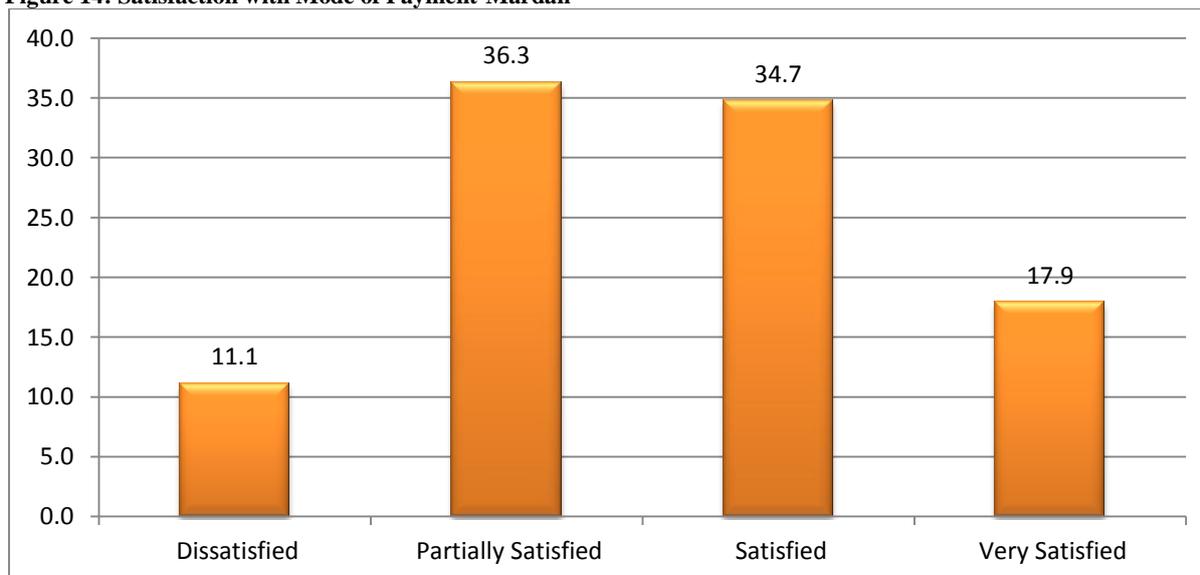
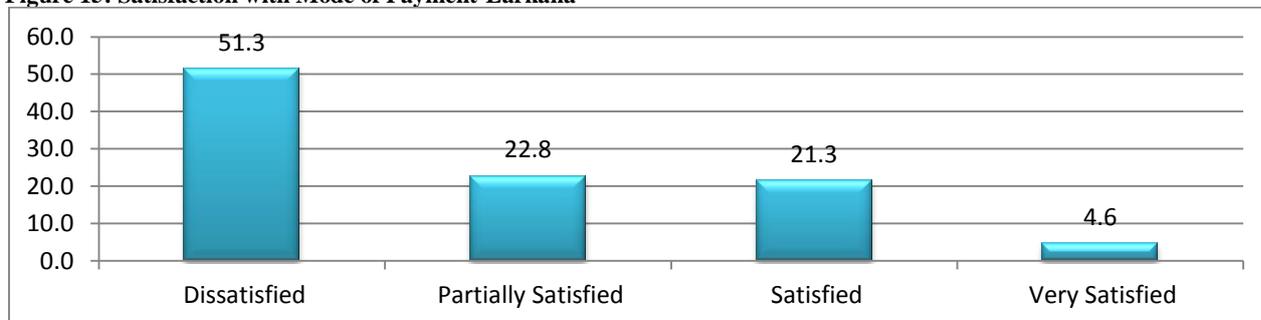


Figure 15 below shows the satisfaction levels of beneficiaries with the Mobile Banking mode of payment currently installed in District Larkana. 21.3 percent of the sample beneficiaries stated they were satisfied with this mode of payment. 22.8 percent reported partial satisfaction while 51.3 percent reported dissatisfaction with this mode of payment. 4.6 percent on the other hand stated they are very satisfied with the current mode of payment.

Figure 15: Satisfaction with Mode of Payment-Larkana



12. Reliability of Mode of Payment

Reliability of a payment procedure is the predictability and timeliness of payments. A payment procedure is considered reliable if the instalments follow the programme design and are generated/ delivered at regular intervals.

As shown in Figure 16 below, 48.5 percent beneficiaries in Abbottabad rated the reliability of this mode of payment as ‘Good’. 35.7 percent rated it as ‘Fair’ while 0.9 percent rated the reliability as ‘Poor’. Also, 14.9 percent of the beneficiaries considered the reliability ‘Excellent’.

Figure 16: Reliability of Mode of Payment-Abbottabad

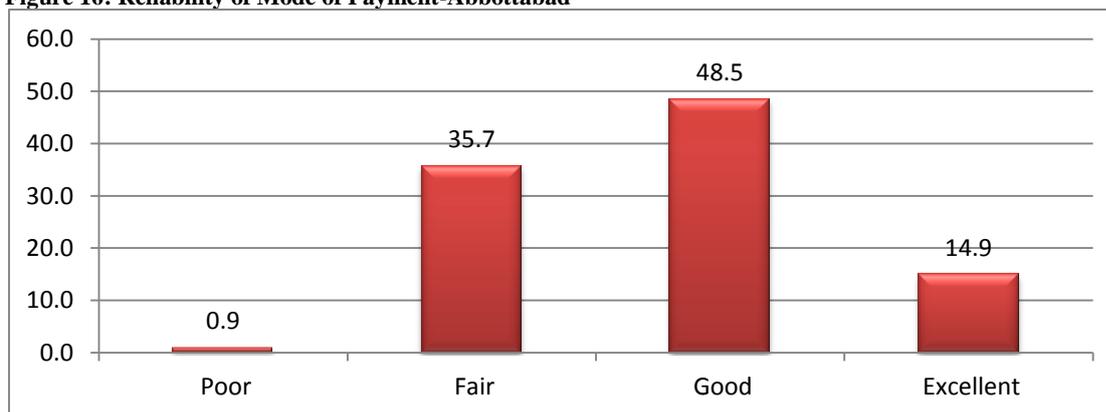


Figure 17 shows that in District Mardan, 38.1 percent of the beneficiaries rank the reliability of this mode of payment as ‘Good’. 36.1 percent considered it as ‘Fair’ and 9.9 percent rated the reliability as ‘Poor’. 15.9 percent of the beneficiaries rated the reliability of Debit Card as ‘Excellent’.

Figure 17: Reliability of Mode of Payment-Mardan

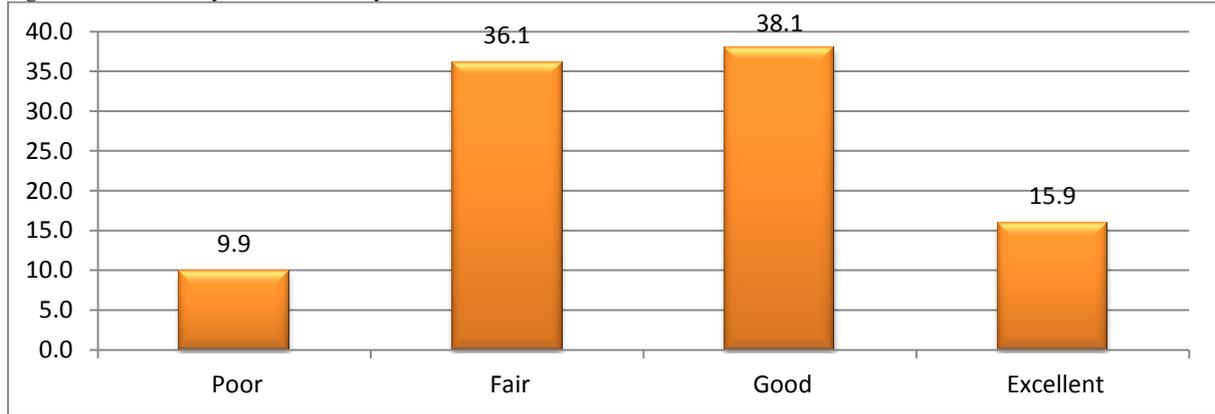
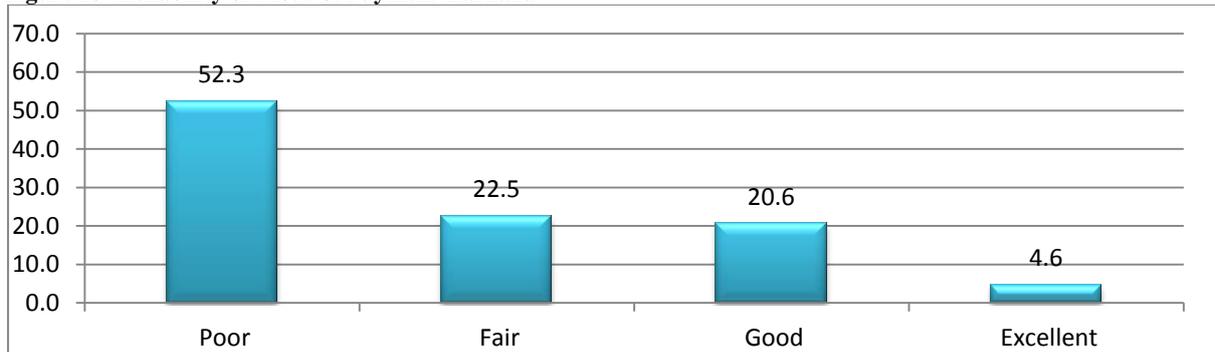


Figure 18 relates to reliability of the Mobile Banking mode of payment being used at current in District Larkana for disbursement of payments. 20.6 percent of the beneficiaries in Larkana rate the mode of payment as 'Good'. 22.5 percent beneficiaries rate it as 'Fair' while 52.3 percent consider the reliability of this mode of payment as 'Poor'. 4.6 percent however rank its reliability 'Excellent'.

Figure 18: Reliability of Mode of Payment-Larkana



ASSESSING PAYMENTS METHODS: *QUALITATIVE*

A Focus Group Discussion (FGD) was held in Districts Mardan, Abbottabad and Larkana to get insights from the beneficiaries regarding the respective mode of payment in the district. The current system of payment exercised in Mardan and Abbottabad is the Debit Card, while payments are disbursed through Mobile Banking in Larkana. The Main stakeholders in the system i.e. the beneficiary, the payment agency, the franchise, the BISP local staff and the IDS representative, participated in the Focus Group Discussion conducted in the three districts. The objective was to obtain the perspective of all the stakeholders involved in the payment process. The beneficiaries were asked different questions regarding the payment system to identify any difficulties, grievances and problems in the Payment System.

Debit Card

In both the Debit Card Districts, an additional option of collecting payments is available to the beneficiaries. Payments can also be collected through the franchises set up in both districts; accommodating those beneficiaries who are unable to use the ATM properly. It was observed that the franchises and ATMs are mostly situated in urban areas as opposed to rural areas.

Although the beneficiaries in both districts reported high rates of reliability with this mode of payment, a significant percentage also complained regarding difficulties in operating the ATM. This problem was seen as a major source of hesitation in conforming to the Debit Card mode of payment. Additionally, not being able to use ATMs prompts the beneficiaries to ask for help in retrieving their instalments. In District Mardan, complaints about being charged for a fee when acquiring help were also reported. It is trivial to note here that charging of a fee was a common practise when using the Pakistan Post as a mode of payment. The Debit Card system was introduced with the intention of eliminating this act of charging a fee. Exact figures relating to a fee being charged are detailed in the report.

Additionally, losing both Debit Cards and/or PINs is also a major problem being faced by the beneficiaries in both the districts. Complaints regarding loss of Debit Card or PINs are sent to the District Offices for a resolution, and are therefore, not swiftly resolved. All stakeholders unanimously suggested that frequency of cases pertaining to loss of Debit Card can be reduced if the beneficiary's names would be printed on their respective Debit Cards.

A formal system of notification with respect to the availability of payments does not exist in both districts. This becomes a cause for inconvenience both on the part of the beneficiaries and the Payment Agency Officials, as beneficiaries have to repeatedly visit the payment agency to enquire about the availability of their payments. As mentioned earlier in the report, an informal system of notification exists in the districts, but may not be reliable.

It was also noted that in District Mardan, a franchise in Akbar Colony was charging beneficiaries who were coming in to collect the first instalment of their payment. The Debit Card activation fee ranged from Rs.500-2000.

Collection of payments

Due to considerable distances and insufficient knowledge of operating the ATM, payments are collected by non beneficiaries. Moreover, in cases where beneficiaries are sick or too old to travel, close relatives are allowed to collect the instalment. Cases were also reported where a trusted or educated woman from a village was given the responsibility of collecting instalments on behalf of the beneficiaries residing in the respective village.

Advantages and disadvantages of receiving payments through the Debit Card

As a result of the various problems identified, beneficiaries feel that the Pakistan Post mode of payment was a better source of payments disbursal. They stated that even though a fee was charged for receiving each instalment, an activation fee and a fee for hiring assistance were not charged.

However, the reliability of the current mode of payment stands high. Beneficiaries feel safe to retrieve payments themselves as it allows them to be the final recipients of the money. If trainings are provided for effective use of ATMs, and the activation fee is eliminated, then preference for this method would rise above others.

Mobile Banking

In District Larkana, the active mode of payment is Mobile Banking. Upon availability of payments at the franchise, beneficiaries are notified through a Short Text Message (SMS). They are then able to draw their respective instalments by showing the SMS and the beneficiary's CNIC.

Amongst various problems in the Mobile Banking mode of payment, limited network coverage stands as the biggest obstacle in the retrieval of timely payments. Lack of network coverage in rural areas causes a delay in receiving a SMS on their mobile phones. Additionally, most beneficiaries are unable to use their mobile phones, or read text messages. This causes them to call or travel to the payment agency repeatedly to check for the availability of their instalment.

Other problems include loss of mobile phones, dysfunctional mobile phones and mobile phones being switched off for an indefinite period of time. These problems also add up to non timely payments to the beneficiaries.

The Payment Agency Officials complained regarding communication gaps between BISP Officials and themselves. They suggest that information should be regularly passed onto them regarding delays in payments, which otherwise results in crowds of beneficiaries assembling outside payment agencies enquiring about their instalments.

The BISP office claimed that due to lack of a proper management system, records of all complaints cannot be computed. However, all the complaints - including the complaints on

the failure of receiving a notification message - are ratified at the BISP Tehsil Office or BISP Divisional Office.

Collection of Payments

As mentioned in the report, in some cases payments are collected by non beneficiaries. However Payment Agency Officials, disagreeing with the statement claim that payments are not made to non beneficiaries as CNICs and thumb impressions are mandatory for a payment to be delivered.

Advantages and disadvantages of receiving payments through Mobile Banking

Receiving notice regarding the availability of payments proves advantageous to beneficiaries, reducing regular trips to the franchise to seek information regarding their payments.

On the other hand, some beneficiaries cannot travel long distances and wait in long queues. Thus they prefer the Pakistan Post mode of payment, as earlier payments were delivered to their residences.

With respect to improvements in the current system, it was mutually suggested by all the stakeholders that more franchises should be established in the district which will reduce distances, and thus cost of travelling to the franchise.

Also, BISP Officials feel that an increased number of staff members and trainings for the staff members are necessary for an efficient workflow. A lack of financial resources is also a cause of discouragement among the staff.

ANNEX I: FGD PARTICIPANTS

Mardan

Participants Name	
Bakhtar Ali	AD BISP Katlang, Mardan
Zakir Ullah	AC BISP, Mardan
Mehmood Shah	Supervisor HBL, Akbar Colony Mardan
Muhammad Anjum	Machine Operator, HBL Mardan
KK Khattak	IDS Representative
Bakhta Bibi	Beneficiary
Bustafa Bibi	Beneficiary
Bibi Shadia	Beneficiary
Razia Bibi	Beneficiary
Sajda Begum	Beneficiary
Rashida	Beneficiary
Husain Pari	Beneficiary
Shaida Bibi	Beneficiary

Abbottabad

Participants Name	Contact Number	Stakeholder
Noman Khan	0333-5632426	AD Abbottabad
Adil Khaliqe	0314-9368241	HBL Representative
Fahim Jalal	0300-5643323	Site Incharge
Kamran Qureshi	0344-6372416	Social Person
Muhammad Hussain	0345-9506063	AD Manshera
Khalid Khan	0346-7541329	Beneficiary

Larkana

Participants Name	
Assadullah	AD Larkana
Ghulam Fareed	BISP Official
Jawed Hussain Mani	Payment Agency Official
Jawad Ahmed Soomro	IDS Representative
Gul Pari	Beneficiary
Salma	Beneficiary
Aiman	Beneficiary
Didyat	Beneficiary