

Scorecard Spot Check Evaluation
BENAZIR INCOME SUPPORT PROGRAMME (BISP)

Payments Spot Check
Phase 5 Report

December 2013

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ACRONYMS

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

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 eligible to receive benefits through the programme.

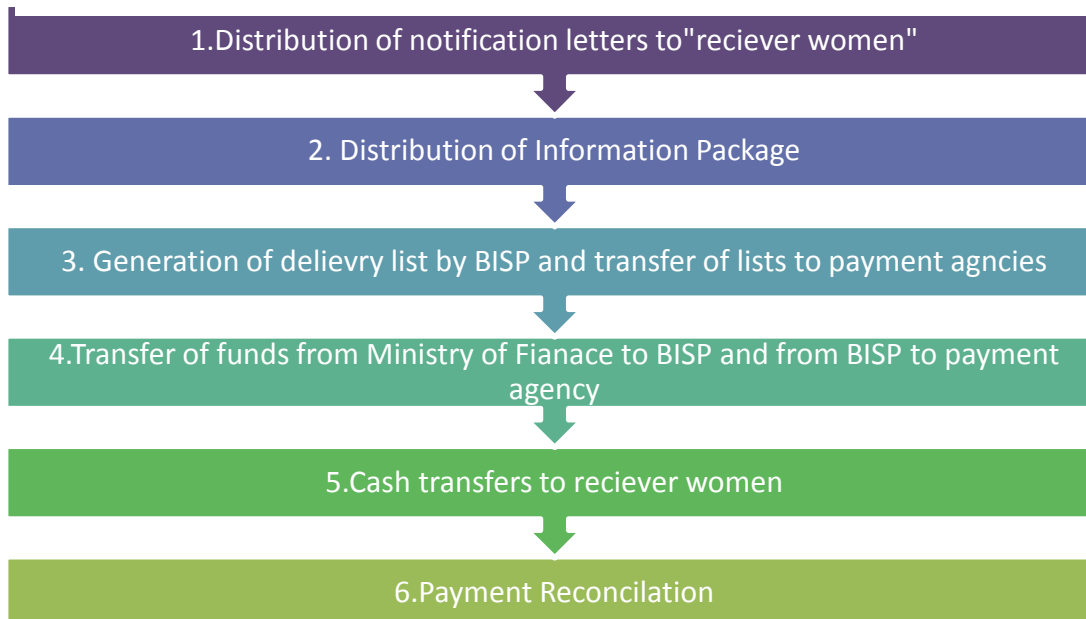
For this purpose, the households are surveyed by Partner Organisations (POs). The POs hand over all collected information (T1 forms) to the National Database and Registration Authority (NADRA) Headquarters, Islamabad. These are scanned and sent for data entry across the nation to the Data Entry Organizations (DEOs) contracted by NADRA. The forms are entered in a Management Information System (MIS) developed specifically for this programme which allows for entries such as names, CNICs, 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 the task of ensuring 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 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 mechanisms of payment disbursement in place:

- 9 Pakistan Post (Money Orders)
- 10 Alternative Payment Mechanisms

3.1. Payments through Pakistan Post

Payments through Pakistan Post are imparted through 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 at 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 the 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 payment 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 5.

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 universe districts. This is considered a fairly large and statistically significant sample to represent all provinces¹.

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

Table 1: Districts to be covered in Payments Spot Check

District	Province	Sample Size
Rahim Yar Khan	Punjab	502
Faisalabad	Punjab	2040
RY Khan	Punjab	1130
Khushab	Punjab	389
Layyah	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
Skardu	GB	81
<i>Total</i>		<i>11,000</i>

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.

4.2.1. Sample-Phase 5

Phase 5 covers two Debit Card Districts. Details of the districts and number of households to be covered in the Payment Procedure Spot Check Phase 5 are provided in the Table 2. The list of beneficiary households for these two districts was provided by BISP for the sample to be randomly drawn.

Table 2: Districts and number of households in Phase 5

District	Mode of Payment	Sample Extracted by IDS
Rahim Yar Khan	Benazir Debit Card	1130
Skardu	Benazir Debit Card	81
<i>Total</i>		<i>1,211</i>

SUMMARY OF FINDINGS

Available Sample and Status of Payments

1. These findings are based on the study of the two districts: Rahim Yar Khan in Punjab and Skardu in Gilgit Baltistan. The sample size for Rahim Yar Khan was 1,130 beneficiaries and 81 for Skardu. The total sample in this Phase was 1,211 beneficiaries
2. Of the total 1,211 beneficiaries surveyed, 53 beneficiaries were not able to respond due to various reasons. Consequently data of 1,158 beneficiaries has been collected

Status of Payments

3. In Rahim Yar Khan out of the Sample of 1,130 beneficiaries, 41 beneficiaries or 3.7 percent) were unable to respond. Data has been collected for 1,89 (96.3 percent) of the beneficiary sample.
4. In Skardu, out of a sample of 81 beneficiaries, 12 (14.8 percent) were unable to respond. Data has been collected for 69 (85.2 percent) of the sample beneficiaries.
5. Beneficiaries in both districts are receiving their payments through Debit Card, implying that the transition from the previous mode of payment to the debit card is now complete.
6. In Rahim Yar Khan and Skardu, 2.0 and 14.5 percent of the respondents claimed to have received a letter of notification of selection in the programme from BISP. 75.8 percent and 78.3 percent respectively claimed they were informed of their selection by the Post Office/Postman.
7. In Rahim Yar Khan, 43.4 percent of the beneficiaries stated that they were receiving regular payments while 42.6 percent claimed to have received some payments. 1.2 percent had received a notification but could not collect their payments while 12.8 percent claimed that they had neither received a notification nor payment.
8. In Skardu, 59.4 percent claimed to be receiving payments regularly while 30.4 percent stated that they had only received some payments. Additionally, 10.1 percent had neither received a notification nor payment.
9. Out of the 616 beneficiaries in Rahim Yar Khan who are not receiving payments regularly, 49.7 percent lodged a complaint with the BISP Offices while 50.3 percent did not lodge any complaint.
10. Out of the 28 beneficiaries in Skardu who are not receiving payments regularly, 57.1 percent had lodged a complaint while 42.9 percent had not lodged a complaint.

Experiences and Problems

11. In Rahim Yar Khan, the distance to the nearest payments outlet is more than 10 kms for 94.7 percent and between 6-10 kms for 4.7 percent of the beneficiaries. The cost of travelling to and from these outlets is more than Rs.50 for 95.4 percent and between Rs.26-50 for 0.7 percent. 3.9 percent of the beneficiaries incur no cost.

12. In Skardu distance to the nearest Payment Outlet is more than 10 kms for 90.9 percent and between 6-10 kms for 4.7 percent of the beneficiaries. 89.1 percent of the beneficiaries incur a cost of more than Rs.50 while 1.8 percent incur a cost of between Rs.26-50 for the collection of their instalment.
13. The mean number of trips to collect one payment instalment in Rahim Yar Khan was 2.38 and 2.20 in Skardu. The additional trips increase the cost of collection of a payment instalment.
14. The main reason for travelling more than once to the Payment Outlet in Rahim Yar Khan was because of waiting their turn in long queues and their payment had not been transferred. In Skardu, the reason was attributed to lack of sufficient cash at the franchise or ATM and because the payment had not been transferred.
15. In the Debit Card payment dispersal system, beneficiaries are not informed about the availability of their payments. However, 36.2 percent of the beneficiaries in Rahim Yar Khan and 10.9 percent beneficiaries in Skardu claimed that they could access this information informally through family and friends.
16. The Debit Card does not enforce the beneficiary to collect payments herself. Resultantly in Rahim Yar Khan and Skardu, 69.0 and 92.7 percent of non-beneficiaries respectively collect payments.
17. In Rahim Yar Khan, the inability to operate the ATM was observed as the main reason for collection of payments by non-beneficiaries amounting to 63.1 percent. In Skardu, 70.6 percent claimed it was too costly for them to travel as the reason for not collecting payments themselves from the ATM or franchise.
18. In Rahim Yar Khan, only 12.9 percent of the beneficiaries claimed to be charged a fee for receiving their payment. However, in Skardu, 0.0 percent of the beneficiaries were charged a fee for receiving payments. This clearly show the main positive advantage of the Debit Card payment system over the previous systems in which there were numerous complaints of charging of fee from beneficiaries for delivery/retrieval of 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 Rahim Yar Khan, 28.5 percent of the beneficiaries were satisfied with receiving payments every 3 months and 48.7 percent preferred monthly instalments. However in Skardu, 45.5 percent of the beneficiaries were content with receiving payments monthly and every 3 months respectively.
- b. In Rahim Yar Khan, 29.6 percent of the beneficiaires were satisfied and 43.6 percent were partially satisfied with the Debit Card mode of payment whereas in Skardu, a majority of 54.5 percent of the beneficiaries were satisfied with this mode of payment.

The Debit Card mode of payment has been successfully established in the Districts of Rahim Yar Khan and Skardu. This new system is preferred by most beneficiaries as it is simpler than the other systems and has stopped the charging of fees and Bakshish which had become common practice in the other systems. There are however two disadvantages with this system; one that there is there is no means in this system 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.

STATUS OF PAYMENTS

5. Available Respondents

Table 3 shows that of the total 1,130 beneficiaries selected as per the Sample for Rahim Yar Khan, 41 beneficiaries were not available to respond. Hence, data for the responses of 1,089 has been collected, which is 96.3 percent of the selected sample.

Table 3: Beneficiaries Available to Respond-Rahim Yar Khan

District	Number of Beneficiaries Available to Respond	Percentage	Number of Beneficiaries Not Available to Respond	Percentage	Total
Rahim Yar Khan	1,089	96.3	41	3.7	1,130

Table 4 illustrates that of the total 81 beneficiaries selected as per the Sample for Skardu, 12 Beneficiaries were not available to respond. Hence, data for the responses of 69 beneficiaries, 85.2 percent, has been recorded.

Table 4: Beneficiaries Available to Respond-Skardu

District	Number of Beneficiaries Available to Respond	Percentage	Number of Beneficiaries Not Available to Respond	Percentage	Total
Skardu	69	85.2%	12	14.8%	81

Table 5 shows that of the 41 beneficiaries in Rahim Yar Khan who were unavailable to respond, 3 beneficiaries were reported to have passed away and 9 beneficiaries were not available at their addressees even after recurring visits by the IDS team. 29 beneficiary households could not be traced even after exercising all the field teams' efforts.

Table 5: Reasons for beneficiary not available to respond-Rahim Yar Khan

	Number of Beneficiaries
Beneficiary has passed away	3
Beneficiary has moved	9
Untraced Addresses	29
<i>Total</i>	41

In Skardu, Out of the 12 beneficiaries who were unavailable to respond, 9 beneficiaries had moved from their given addresses. 2 beneficiaries were not present at their residences even after recurring visits while 1 beneficiary was divorced and thus was not present at the house. See Table 6 below.

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

	Number of Beneficiaries	Percentage
Beneficiary has moved	9	75.0
Not at Home	2	16.7
Divorced	1	8.3
Total	12	100.0

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 beneficiaries that they have been selected as recipients of the BISP and that also provides information on the mode of payment specified for the receiver woman. Table 7 shows the source from which the beneficiaries learnt of their inclusion into the programme.

Amongst the 1,089 available respondents in Rahim Yar Khan, 2.0 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, 22.0 percent have reported to have checked their selection status online. This is done through internet cafés or with the help of someone who possess knowledge of operating computers and the internet. A larger population (75.8 percent) reported that they were informed of their selection as a BISP Beneficiary by the postman.

Table 7: Notification of Selection as BISP Beneficiary- Rahim Yar Khan

	Number of Beneficiaries	Percentage
I received a notification letter for selection to receive payment	22	2.0
I checked my status online	240	22.0
The Post Office/man told me	825	75.8
Checked status herself from the Office	2	0.2
Total	1,089	100.0

Table 8 below shows that 14.5 percent of the beneficiaries in Skardu reported to have received a notification letter for selection. 7.2 percent of the beneficiaries claimed to have checked their status of selection online. Additionally 78.3 percent reported that the Postman/Post Office informed them regarding their selection into the programme.

Table 8: Notification of Selection as a BISP Beneficiary-Skardu

	Number of Beneficiaries	Percentage
I received a notification letter for selection to receive payment	10	14.5
I checked my status online	5	7.2
The Post Office/man told me	54	78.3
Checked status herself from the Office		
Total	69	100.0

7. Regularity of Payments

Table 9 below shows the status of Payments of beneficiaries in Rahim Yar Khan. Out of a total 1,089 beneficiaries, 937 (473+464) are receiving payments continuously or have received some payments. Out of these 937 beneficiaries, 97.4 percent reported to have received payments through Debit Card. The remaining 2.6 percent beneficiaries have not received any payments through the Benazir Debit Card (Table 10).

Additionally, 1.2 percent of the beneficiaries have been notified on the availability of their payments but have not yet collected any payments while 12.8 percent of the beneficiaries have not received any payments neither a notification.

Table 9: Status of Payments-Rahim Yar Khan

	Number of Beneficiaries	Percentage
I am receiving payments continuously	473	43.4
I have not received all payments	464	42.6
I have been notified of my payments being available but have not collected any payments yet	13	1.2
I have not received any payments nor a notification	139	12.8
Total	1089	100.0

Table 10: Received Payments through Debit Card-Rahim Yar Khan

	Number of Beneficiaries	Percentage
Received payments from Debit Card	912	97.4
Have not Received Payments from Debit Card	25	2.6
Total	937	100.0

Table 11 below shows the status of payments of beneficiaries in Skardu. 59.4 percent of the beneficiaries in Skardu reported to have been receiving continuous payments. 30.4 percent of the beneficiaries claimed that they only received some payments. Out of the 62 beneficiaries claiming to have received continuous payments or some payments, 88.7 percent beneficiaries have collected one or more payments through the Debit Card. 11.3 percent beneficiaries reported that they have not received a single payment through the Debit Card (Table 12).

Table 11: Status of Payments-Skardu

	Number of Beneficiaries	Percentage
I am receiving payments continuously	41	59.4
I have not received all payments	21	30.4
I have not received any payments nor a notification	7	10.1
Total	69	100.0

Table 12: Receiving Payments through Debit Card-Skardu

	Number of Beneficiaries	Percentage
Yes	55	88.7
No	7	11.3
Total	62	100.0

7.1. Reasons for not collecting payments

Table 13 below gives reasons for beneficiaries not collecting payments continuously. 7.1 percent of the beneficiaries reported to have lost their Debit Card while 36.3 percent lost their PINs. 1.5 percent reported that the ATM is at a considerable distance from their residence and thus it is too costly for them to make a trip to one, whereas 2.5 percent beneficiaries reported that the franchise asks them for a payment fee. 52.6 percent of the beneficiaries were unaware of the reason for not receiving all payments continuously.

Table 13: Reasons for not collecting all payments-Rahim Yar Khan

<i>Debit Card Beneficiaries</i>	Number of Beneficiaries	Percentage
I have lost my Debit Card	34	7.1
I have forgotten/misplaced my PIN	173	36.3
The ATM/franchise is too far from my home and it is too costly to travel	7	1.5
The franchisee asks for fees for payment	12	2.5
I do not know	251	52.6
Total	477	100.0

Table 14 below gives reasons for non-continuous instalments in Skardu. 85.7 percent of the beneficiaries in Skardu stated that they are not aware of the reason for non-continuous payments. Additionally, 14.3 percent of the beneficiaries claimed they did not receive a debit card.

Table 14: Reasons for not collecting all Payments-Skardu

<i>Debit Card Beneficiaries</i>	Number of Beneficiaries	Percentage
I do not know	18	85.7
Did not receive Debit Card	3	14.3
Total	21	100.0

7.2. Attempting to Resolve Problems

Beneficiaries have the facility of lodging complaints through various methods. The BISP operations wings have set up a network of tehsil, divisional and regional offices to accommodate the beneficiaries. Table 15 shows that, in District Rahim Yar Khan, 49.7 percent attempted to resolve their problem by lodging complaints with BISP offices whereas, 50.3 percent of the beneficiaries did not register any complaints with BISP about the status of their payments.

Table 15: Lodging Payments Related Complaints-Rahim Yar Khan

	Number of Beneficiaries	Percentage
Lodged Complaints	302	49.7
Did not Lodge a Complaint	306	50.3
Total	608	100.0

As shown in Table 16 below, 57.1 percent of the beneficiaries not receiving continuous payments lodged a complaint at the respective BISP Offices. Complaints were not lodged by 42.9 percent of recipients of non-continuous payments.

Table 16: Lodging Payment Related Complaints-Skardu

	Number of Beneficiaries	Percentage
Lodged a Complaint	16	57.1
Did not Lodge a Complaint	12	42.9
Total	28	100.0

Box 1.1: Checking the Status of Payments of Beneficiaries-Rahim Yar Khan

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 intimation regarding the availability of their payments. Comparison to the BISP database shows that of the total households falling in these two categories 46percent 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	13	9	69.2
I have not received any payments nor a notification	139	94	67.6
Total	152	103	67.8

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

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 intimation regarding the availability of their payments. Comparison to the BISP database shows that of the total households falling in these two categories 36percent 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	7	3	42.9
Total	7	3	42.9

EXPERIENCES AND PROBLEMS

8. Benazir Debit Card District(s) –Rahim Yar Khan & Skardu

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 Skardu and Rahim Yar Khan 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.

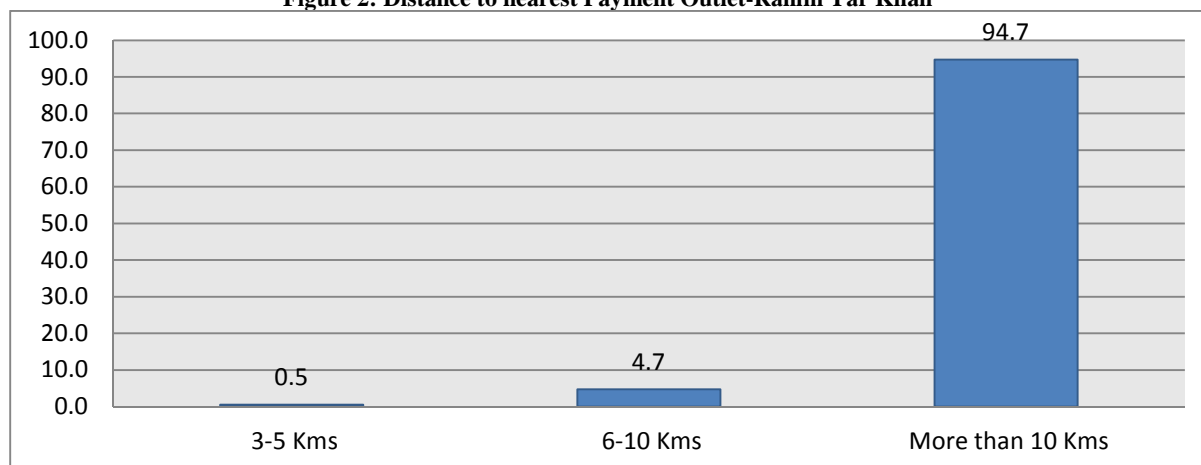
8.1. Private Cost and Outreach

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 the 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 the respective districts.

Figure 2: Distance to nearest Payment Outlet-Rahim Yar Khan

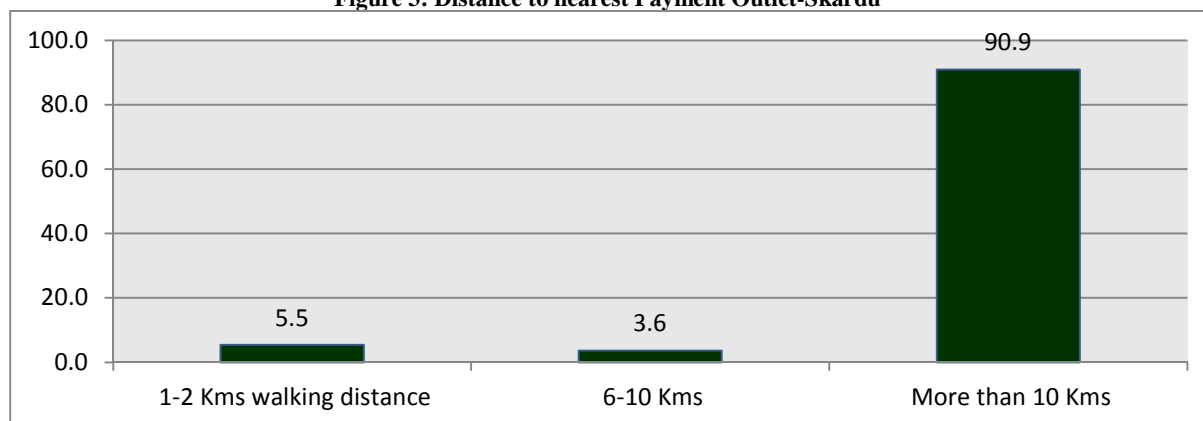


For District Rahim Yar Khan, the shortest distance to the nearest Payment Outlet is between 3-5 kms, which is travelled by 0.5 percent of the beneficiaries. Furthermore, 4.7 percent have to travel 6-10 kms to reach the nearest Payment Outlet whereas a distance of more than 10

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

kms is travelled by 94.7 percent of the beneficiaries. It is important to note here that greater distance to a payment outlet also increases cost of travelling.

Figure 3: Distance to nearest Payment Outlet-Skardu



As shown in Figure 3 above, in District Skardu, a distance of 1-2 kms is travelled by 5.5 percent of the beneficiaries in order to retrieve their payments from the nearest Payment Outlet. 3.6 percent of the beneficiaries travel 6-10 kms to collect their payments. Additionally a distance of more than 10 kms is travelled by 90.9 percent of the beneficiaries to reach the nearest payment outlet.

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 Rahim Yar Khan 95.4 percent of the beneficiaries have to pay more than Rs.50 to travel to the nearest payment outlet. As mentioned under the heading 'Distance to Payment Outlet', the farther the location of ATMs from the beneficiaries' residence, the higher the cost travel 0.7 percent of the beneficiaries incur costs between Rs.26-50 to reach the nearest payment outlet. Additionally 3.9 percent of the beneficiaries do not incur any costs of travelling to the nearest Payment Outlet to receive payments.

Figure 4: Cost of Travelling to Payment Outlet-Rahim Yar Khan

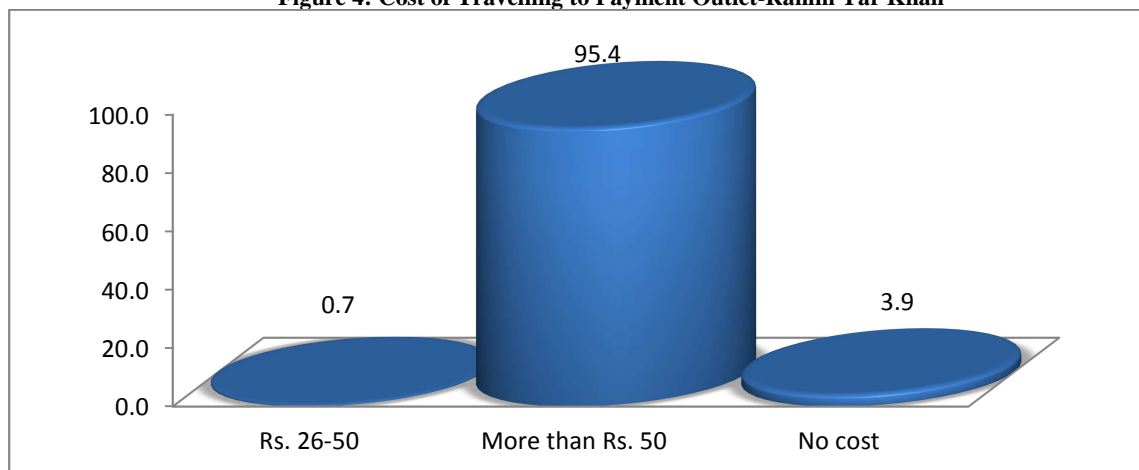
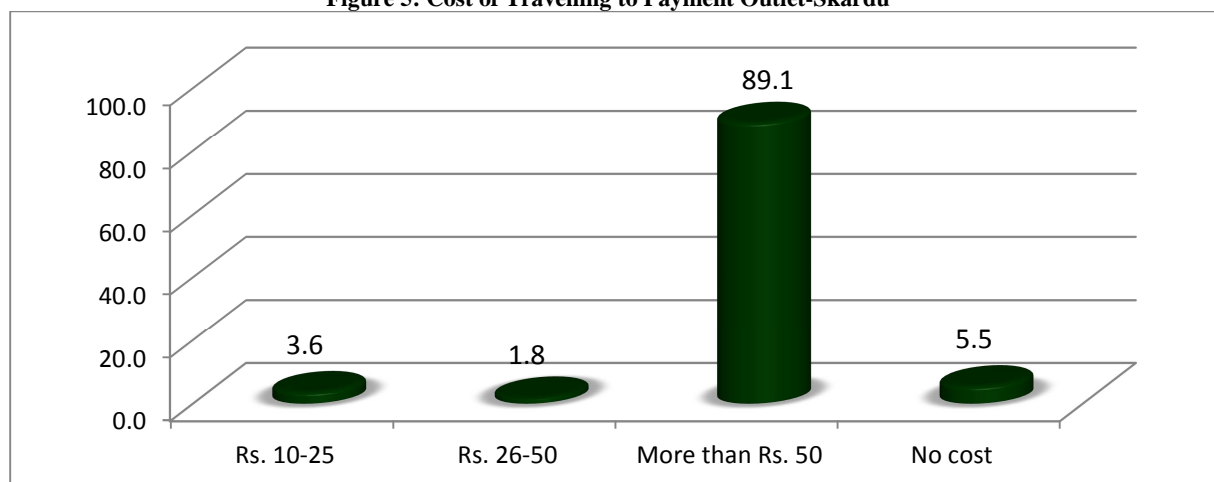


Figure 5 below illustrates cost incurred by beneficiaries to collect their payments from the nearest Payment Outlet in District Skardu. 89.1 percent of the beneficiaries bear costs of more than Rs.50 for two way travel to the Payment Outlet. 1.8 percent beneficiaries face costs between Rs. 26-50 to collect their payments while costs between Rs.10-25 are faced by 3.6 percent of the beneficiaries. 5.5 percent of the 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-Skardu



8.1.3. Number of Visits

The cost of travelling is further increased due to the frequency of visits. In the district Rahim Yar Khan, beneficiaries receiving payments through Debit Card report to have re-visited an ATM on an average of 2.38 times to collect one payment, while the maximum number of trips was 8. See Table 17 below.

Table 17: Mean Number of Trips to Payment Outlet-Rahim Yar Khan

Number of Beneficiaries	Number of Trips		
	Minimum	Maximum	Mean
912	1	8	2.38

In Skardu, as shown in Table 18, Payment Outlets were revisited 2.20 times on average to collect one payment. The maximum numbers of trips to the Payment Outlet for collection of a single payment were 5.

Table 18: Mean Number of Trips to Payment Outlet-Skardu

Number of Beneficiaries	Number of Trips		
	Minimum	Maximum	Mean
55	1	5	2.20

Table 19 reports that 61.1 percent (557) of the beneficiaries in Rahim Yar Khan had to visit the ATM more than once to collect one instalment. In addition, 38.9 percent (355) reported to have collected their payment in a single trip to the franchise.

Table 19: Number of Trips to Payment Outlet-Rahim Yar Khan

	Number of Beneficiaries	Percentage %
One Trip	355	38.9
More than One Trip	557	61.1
Total	912	100.0

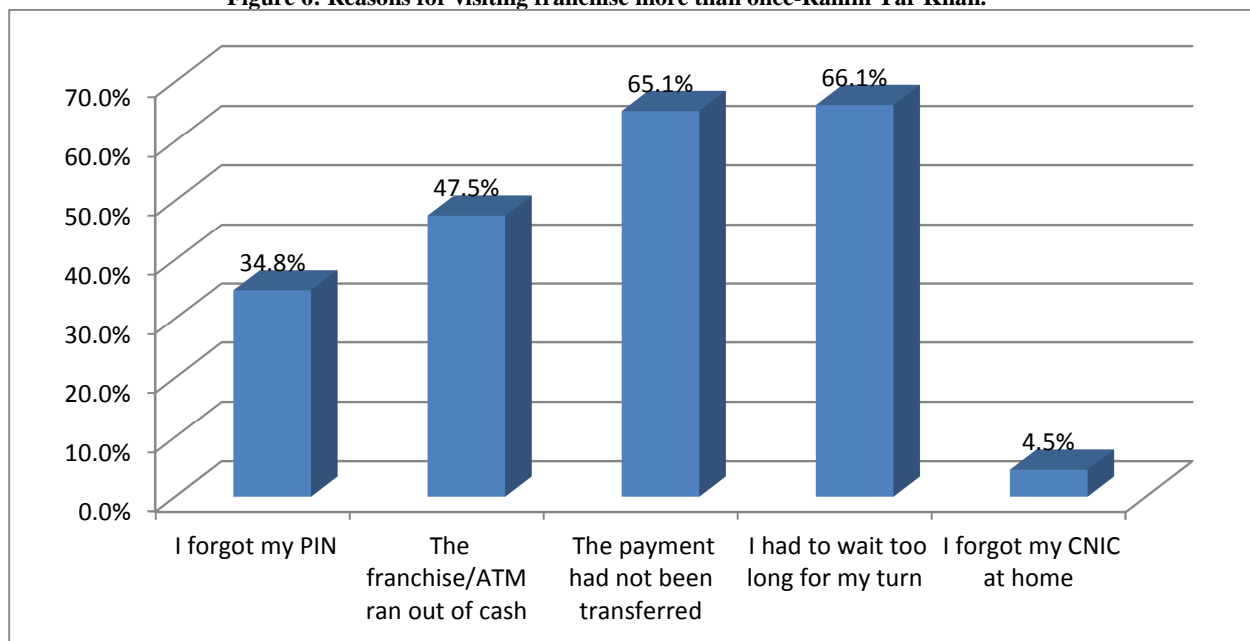
The percentage of beneficiaries visiting the ATM more than once to collect one instalment was 65.5 percent in Skardu. 34.5 percent reported that they were able to collect their instalment in a single trip to the Payment Outlet. See Table 20.

Table 20: Number of trips to Payment Outlet-Skardu

	Number of Beneficiaries	Percentage %
One Trip	19	34.5
More than One Trip	36	65.5
Total	55	100.0

Figure 6 shows the different reasons why the 557 beneficiaries in Rahim Yar Khan had to travel to the franchise more than once to collect a single instalment. Since this was a multiple response question, a beneficiary may have chosen more than one option as her reason(s). the percentages are therefore only indicative.

Figure 6: Reasons for visiting franchise more than once-Rahim Yar Khan.



As shown above, 47.5 percent of the beneficiaries travelled to the payment outlet more than once because the franchise or ATM ran out of cash on their initial visit. 65.1 percent of the beneficiaries re-visited a franchise since their payment had not been transferred. Another major reason for more than one trip to the franchise was because of long ques. This was chosen by 66.1 percent of the beneficiaries. In 34.8 percent of the cases, beneficiaries reported that they forgot their PIN while 4.5 percent of the beneficiaries stated that they forgot their CNIC at home and were thus unsuccessful in collecting their payments on their first visit.

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

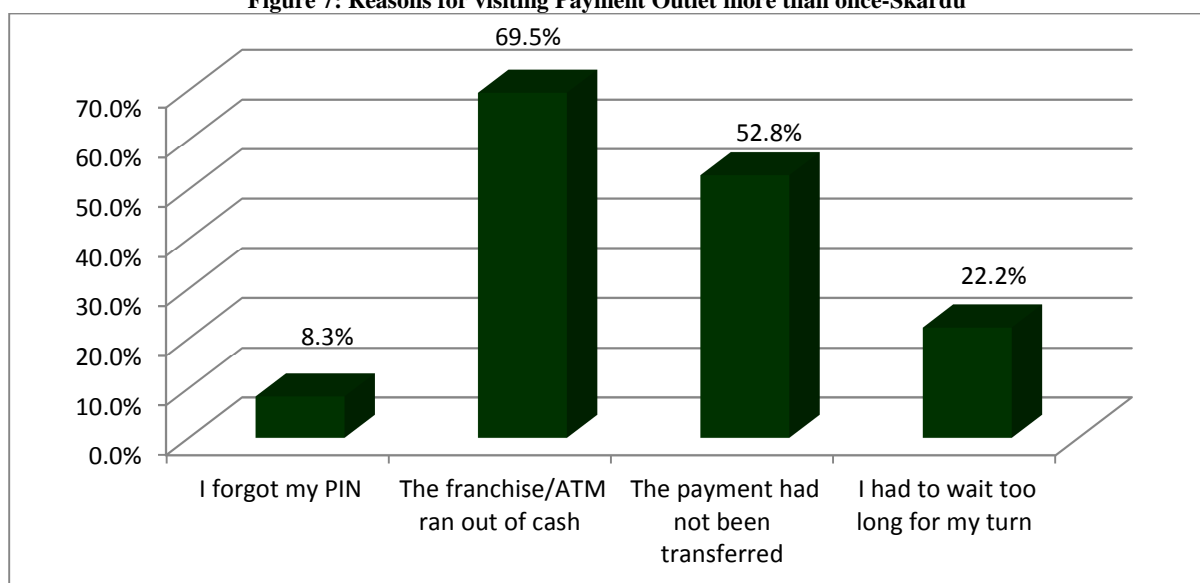


Figure 7 above gives reasons for beneficiaries reported to have visited the Payment Outlet more than once to collect their payments in District Skardu. 69.5 percent made more than one trip to the franchise as the ATM/franchise ran out of cash. 52.8 percent beneficiaries were informed that their payments had not been transferred. 22.2 percent reported that they visited the Payment Outlet more than once as they had to wait in long queues and were thus unsuccessful in retrieving their payments. Additionally, 8.3 percent reported having forgotten or lost their PINs as the reason for more than one trip to the payment outlet. .

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 21 shows that, in Rahim Yar Khan, only 36.2 percent of the total beneficiaries receiving payments through Debit Card may have been notified about 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 21: Notification of availability of payment-Rahim Yar Khan

	Number of Beneficiaries	Percentage
I can find out when my payment is available	330	36.2
I cannot find out when my payment is available	582	63.8
Total	912	100.0

As shown in Table 22 below, the percentage of beneficiaries receiving a notification regarding the availability of their payments in Skardu is lower. 10.9 percent of the beneficiaries receiving payments through Debit Card in Skardu reported to have been informed of the availability of their payments at the Payment Outlet through an informal system. The remaining 89.1 percent of the beneficiaries claimed that they cannot find out when their payments are available.

Table 22: Notification of Availability of Payments-Skardu

	Number of Beneficiaries	Percentage
I can find out when my payment is available	6	10.9
I cannot find out when my payment is available	49	89.1
Total	55	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 23 shows that 69.0 percent of the beneficiaries receiving payments through Debit Card in Rahim Yar Khan do not collect their payments themselves. This is seen as a high percentage rendering the objective of women empowerment as insignificant. On the other hand, 31.0 percent of the beneficiaries collect their instalments themselves.

Table 23: Collection of Payments-Rahim Yar Khan

	Number of cases	Percentage
Collection of Payments by Non-Beneficiary	629	69.0
Collection of Payments by Beneficiary	283	31.0
Total	912	100.0

In Skardu, for 92.7 percent of the cases, payments were collected by non-beneficiaries. Only 7.3 percent of the beneficiaries receiving payments through Debit Card reported to have collected payments themselves from the Payment Outlet (See Table 24).

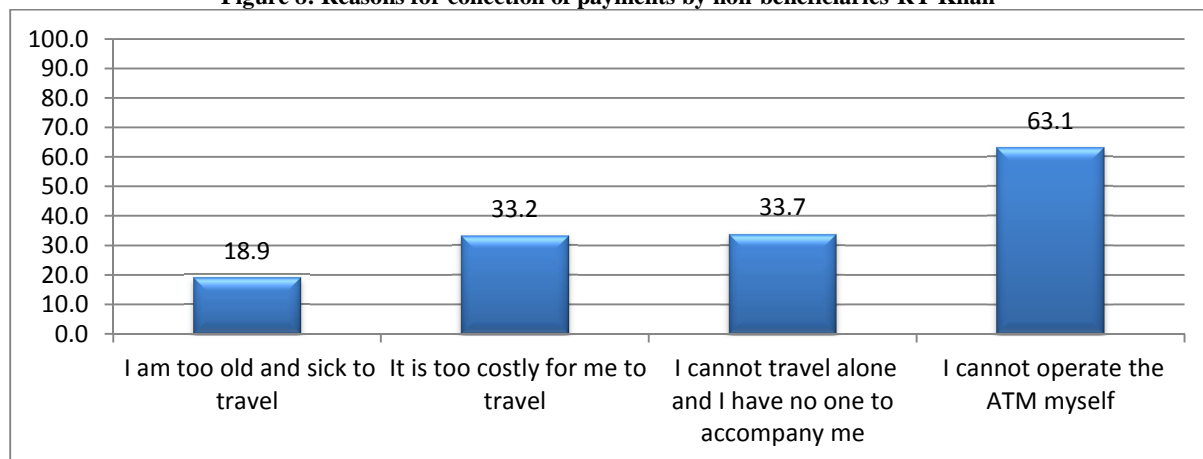
Table 24: Collection of Payments-Skardu

	Debit Card	
	Number of Beneficiaries	Percentage
Collection of Payments by Non-Beneficiary	51	92.7
Collection of Payments by Beneficiary	4	7.3
Total	55	100.0

9.1.1. Reasons for Collection of Payments by non-beneficiaries

Possible reasons for 69.0 percent beneficiaries not collecting payments themselves in District Rahim Yar Khan are shown below in Figure 8. There may be multiple reasons why a beneficiary is unable to collect payments herself.

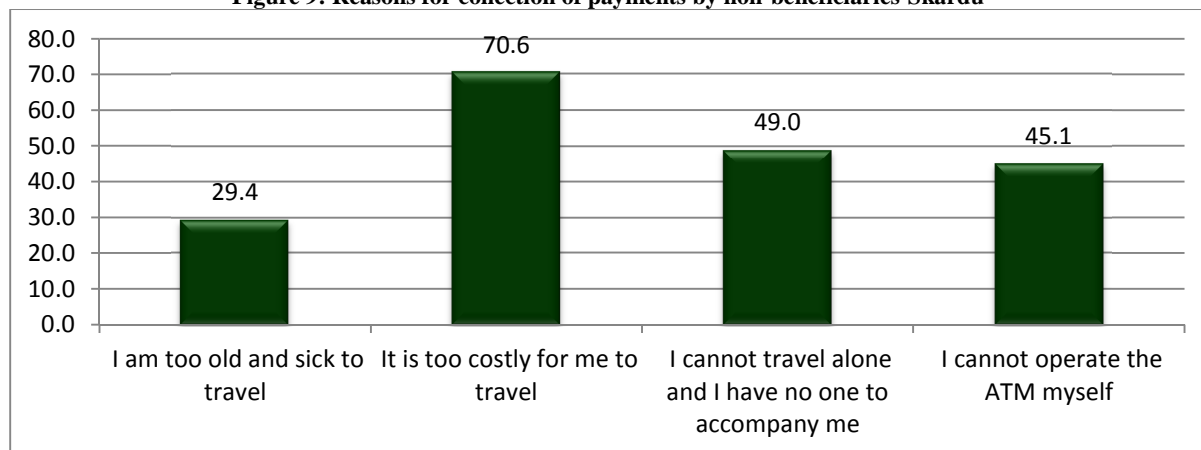
Figure 8: Reasons for collection of payments by non-beneficiaries-RY Khan



Displayed in Figure 8 above, the information reveals that of the 629 beneficiaries not collecting payment themselves, 63.1 percent reported that they are unable to do so as a result of insufficient knowledge of operating the ATM. 33.7 percent reported they do not collect the

payments themselves because they cannot travel alone and they have no one to accompany them whereas 33.2 percent beneficiaries reported that it is too costly for them to travel to the Payment Outlet and thus cannot collect payments themselves. Additionally 18.9 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-Skardu



In District Skardu, the problem of not knowing how to operate the ATM also prevails. Figure 9 shows that 45.1 percent of the beneficiaries could not collect their payments themselves as they have no knowledge of operating the ATM. Additionally, 49.0 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. 29.4 percent of the beneficiaries reported that they are too old and sick to travel to the Payment Outlet. As mentioned earlier, beneficiaries face costs of travelling to the Payment Outlet which might be at a significant distance. 70.6 percent reported this as their reason for not collecting the payments themselves.

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. Table 25 shows that in Rahim Yar Khan, 32.2 percent reported that they can retrieve payments without assistance. However 67.8 percent of the beneficiaries receiving payments through Debit Card claimed that they are not able to retrieve payments from the ATM without assistance.

Table 25: Retrieving Payments without assistance-Rahim Yar Khan

	Number of Beneficiaries	Percentage
Yes	294	32.2
No	618	67.8
Total	912	100.0

In district Skardu, of the 55 beneficiaries who have received payments from the ATM, 60.0 percent reported that they can retrieve their payments without assistance. 40.0 percent however claimed that they need help retrieving their payments from the ATM. See Table 26.

Table 26 : Retrieving Payments without assistance-Skardu

	Number of Beneficiaries	Percentage
Able to Retrieve Payments Without Assistance	33	60.0
Not Able to Retrieve Payments Without Assistance	22	40.0
Total	55	100.0

9.2.1 Charging of Fee for Receiving Payments

Table 27 illustrates whether a fee was charged for providing assistance to beneficiaries who could not retrieve payments themselves. Out of the 618 beneficiaries who were not able to retrieve payments without assistance in District Rahim Yar Khan, 80 beneficiaries reported to have been asked for a fee in return for the assistance hired. The remaining 538 beneficiaries were not charged for assistance.

Table 27: Charging of fees for receiving payments-Rahim Yar Khan

	Number of Beneficiaries	Percentage
Paid a fee to receive payments	80	12.9
Did not have to pay a fee to receive payments	538	87.1
Total	618	100.0

None of 22 beneficiaries in Skardu, who acquired assistance to retrieve payments from the ATM, were asked to pay a fee. (See Table 28)

Table 28: Charging of fees for receiving payments-Skardu

	Debit Card	
	Number of Beneficiaries	Percentage
Paid a fee to receive payments	0	0
Did not have to pay a fee to receive payments	22	100.0
Total	22	100

Not being asked to pay a fee is seen as an 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.

PERCEPTIONS AND PREFERENCES

10. Preferences of Frequency of Payments

Table 29 below shows preference of beneficiaries concerning the frequency of payments. 48.6 percent of the beneficiaries in District Rahim Yar Khan prefer to receive payments on a monthly basis. 21.1 percent expressed a desire to receive their instalments every two month while 28.5 percent of the beneficiaries desire to receive their instalments on quarterly basis. 1.8 percent of the cases stated that receiving instalment every four months would benefit them best.

Table 29: Preferred Frequency of Payments-Rahim Yar Khan

	Number of Beneficiaries	Percentage
Every month	444	48.6
Every 2 months	192	21.1
Every 3 months	260	28.5
Every 4 months	16	1.8
Total	912	100.0

Table 30 below shows that in District Skardu. 40.5 percent beneficiaries expressed a desire to receive their instalments on a monthly basis. Similarly, 45.5 percent reported a preference of receiving payments on quarterly basis. 5.5 percent reported that they would like to receive instalments every 2 months whereas 3.6 percent beneficiaries expressed a desire to receive their payments after every four months.

Table 30: Preferred Frequency of Payments-Skardu

	Number of Beneficiaries	Percentage
Every month	25	45.5
Every 2 months	3	5.5
Every 3 months	25	45.5
Every 4 months	2	3.6
Total	55	100.0

11. Satisfaction with Mode of Payment

Figure 10 below shows the reported satisfaction level of the beneficiaries in Rahim Yar Khan with the Debit Card mode of payment. 29.6 percent reported as being 'Satisfied' with this mode of payments. 43.6 percent reported as being 'Partially Satisfied' while 3.8 percent beneficiaries reported being 'Very Satisfied'. 10.7 percent of the beneficiaries reported they were 'Dissatisfied' with this mode of Payment.

Figure 10: Satisfaction with Mode of Payment-Rahim Yar Khan

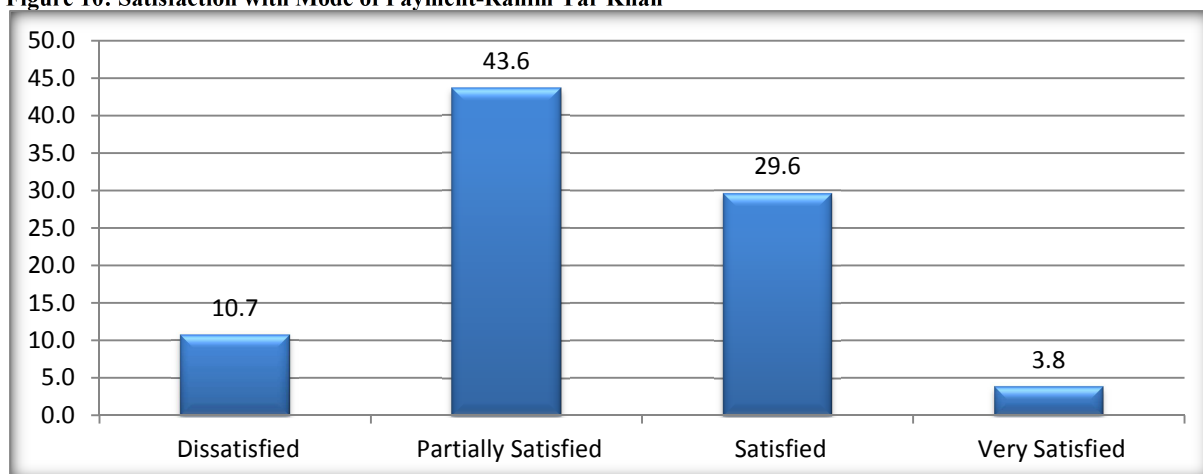
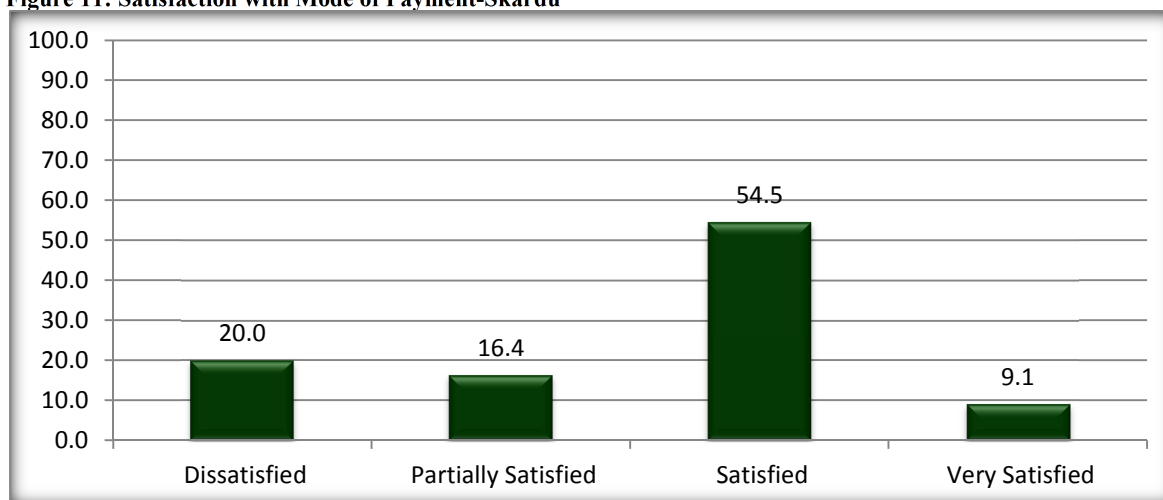


Figure 11 below illustrates that 54.5 percent of the beneficiaries in District Skardu are ‘Satisfied’ with this mode of payment. 16.4 percent felt ‘Partially Satisfied’ while 9.1 percent claimed that they were ‘Very Satisfied’ with this mode of payment. 20.0 percent of the beneficiaries claimed that they were ‘Dissatisfied’ with the Debit Card mode of payment implemented in the district.

Figure 11: Satisfaction with Mode of Payment-Skardu



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. Figure 12 shows how beneficiaries rank the reliability of their current mode of payment in District Rahim Yar Khan. 21.7 percent beneficiaries rated the reliability of this mode of payment as ‘Good’. 52.5 percent rated it as

'Fair' while 22.6 percent rated the reliability as "Poor". 3.2 percent beneficiaries considered the reliability as 'Excellent'.

Figure 12: Reliability of Mode of Payment-Rahim Yar Khan

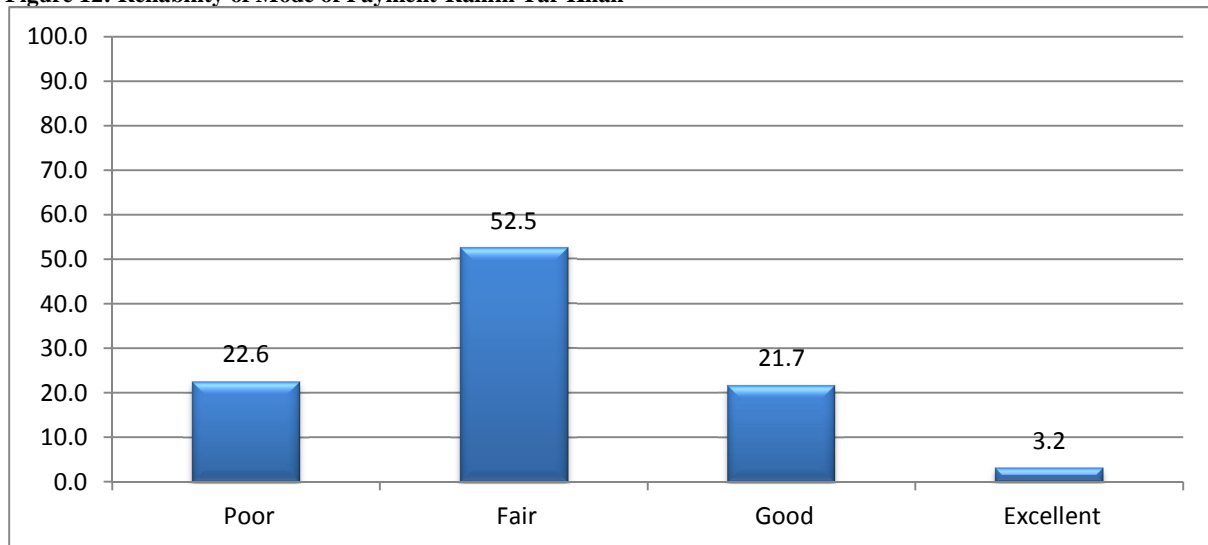
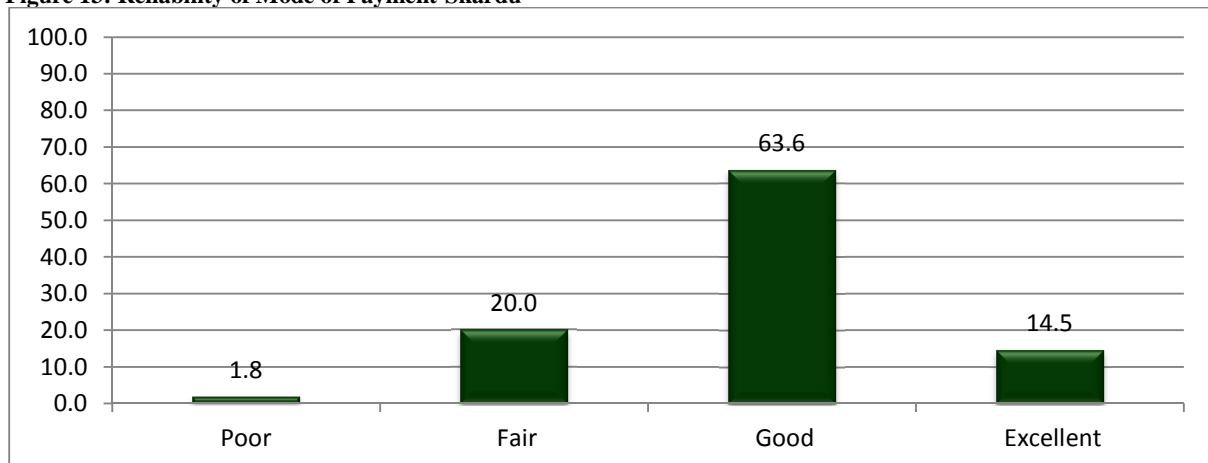


Figure 13 shows that in District Skardu, 63.6 percent of the beneficiaries rank the reliability of this mode of payment as 'Good'. 20.0 percent considered it as 'Fair' and only 1.8 percent rated the reliability as 'Poor'. 14.5 percent of the beneficiaries rated the reliability of Debit Card as 'Excellent'.

Figure 13: Reliability of Mode of Payment-Skardu



ASSESSING PAYMENTS METHODS: *QUALITATIVE*

Focus Group Discussions (FGDs) were held in District Skardu and Rahim Yar Khan to get insights from the beneficiaries about the process of payments. The current payment mode being used in both districts is the Debit Card. 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 FGDs. The aim was to obtain the perspective of all the stakeholders involved in the payment process. The beneficiaries were asked different questions regarding the payments to identify, difficulties, grievances and problems in the payment system.

Debit Card

Beneficiaries in both districts are facing problems with operating the ATM. The Debit Card mode of payments has been well established in both districts but no training was provided to the beneficiaries with respect to operating ATMs. In comparison to the Pakistan Post mode of payment where a fee was charged for providing payments to beneficiaries, the Debit Card mode of payment has substantially reduced the practice of charging unauthorized fees for the retrieval of a payment instalment. However, the practice of charging these fees has not been completely eliminated. Since beneficiaries are not aware of how to operate the ATM, they acquire assistance, for which they have to pay a fee. This fee amounts to a maximum of Rs.500 in District Skardu. Additionally, due to distant areas in Skardu, beneficiaries face costs up to Rs.250 per trip to collect their instalment. Furthermore, as a formal system of notification regarding the availability of payments does not exist, these trips are made on multiple occasions. Payment Agency officials reported that beneficiaries insert CNICs into ATM slots which damage the ATM. Also, complaints regarding ATM cards getting stuck in ATMs and loss of Debit Cards and PINs are regularly reported.

The Payment Agency in Skardu, Bank Alfalah, claimed to have appointed an official at the ATM and at the BISP Divisional Office to deal with grievances faced by beneficiaries during the payment process.

Complaints regarding blocked payments are referred to the Islamabad Head Office whereas those related to problems with Debit Cards are resolved at Tehsil/District Level with help of the Payment Agency Officials. .

Collection of payments

Payments are being collected by non-beneficiaries in both districts. The reasons for this stated by the participants was insufficient knowledge of operating the ATMs themselves and the inability to travel long distances to the ATM because of old age.

Advantages and disadvantages of receiving payments through the Debit Card

Officials in both Districts stated that offices are understaffed and thus beneficiaries are not dealt with promptly. Also, the few payment outlets available in both districts have to accommodate a large number of beneficiaries. This leads to problems for the Payment Agency Officials. The efficiency of this mode of payment can be improved by providing trainings to beneficiaries regarding use of ATMs and opening additional payment outlets in both districts, which otherwise, is seen as secure and flexible in terms of collecting payments readily and on time as favoured by the beneficiary herself.

ANNEX I: FGD PARTICIPANTS

Skardu

<i>Participants Name</i>	
Wazeer Aqeel Ahmed	Assistant Director, Rondu
Muhammad Hussain	Assistant Director, Kharmang
Sajid Ali	IDS Representative
Yasoobudin Rafi Khan	Chief Cash Officer, Bank Alfalah
Nargis Bibi	Beneficiary
Bano	Beneficiary
Nadia Batool	Beneficiary
Nazira	Beneficiary

Rahim Yar Khan

<i>Participants Name</i>	
Mehboob Alam	BISP Official
Nadeem Akram	Tameer Bank Official
Zubair Rafique	IDS representative
Kalsoom Bibi	Beneficiary
Lal Khatoon	Beneficiary
Sumbal Mai	Beneficiary