

**Scorecard Spot Check Evaluation
BENAZIR INCOME SUPPORT PROGRAMME (BISP)**

**Payments Spot Check
Phase 7 Report
Faisalabad**

December 2013

Submitted by: Innovative Development Strategies



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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 eligible to receive benefits through the programme.

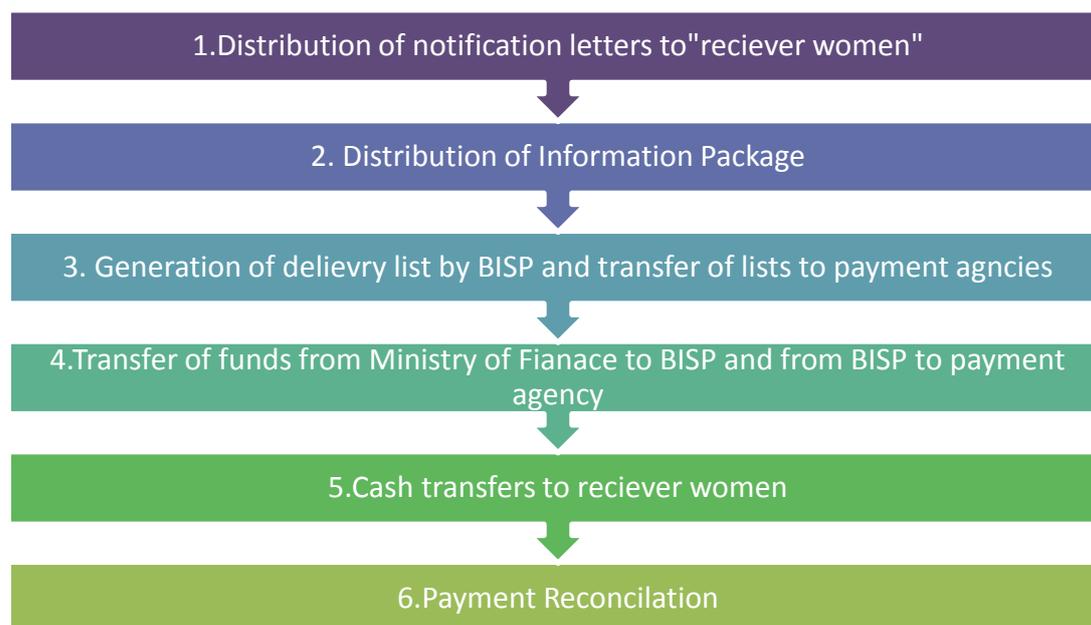
For this purpose households are surveyed by Partner Organisations (POs). The POs hand over all collected information (T1 forms) to the National Database and Registration Authority (NADRA) Headquarters, Islamabad. These are scanned and sent for data entry across the country to the Data Entry Organisations (DEOs) contracted by NADRA. The forms are entered in a Management Information System (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 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 the sampled district in the Payment Spot Check Phase 7.

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
Skardu	GB	81
Total		11,000

4.2.1. Sample-Phase 7

Phase 7 covers one Debit Card District. Details of the district and number of households to be covered in the Payment Procedure Spot Check Phase 7 are provided in Table 2. The list of beneficiary households for this district was provided by BISP for the sample to be randomly drawn.

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.

Table 2: Districts and number of households in Phase 7

District	Mode of Payment	Sample Extracted by IDS
Faisalabad	Benazir Debit Card	2,040
<i>Total</i>		<i>2,040</i>

SUMMARY OF FINDINGS

Available Sample and Status of Payments

1. These findings are based on the study of the district of Faisalabad, situated in Punjab. The sample size for Faisalabad was 2,040. The total sample in this Phase was 2,040 beneficiaries. District Faisalabad follows the Debit Card method of payment .
2. Of the total 2,040 beneficiaries surveyed, 121 beneficiaries were not able to respond due to various reasons. Consequently data for 1,919 beneficiaries has been collected.

Status of Payments

3. 90.9 percent beneficiaries in Faisalabad are receiving their payments through Debit Card, implying that the transition from the previous mode of payment to the debit card is nearly complete.
4. 0.3 percent of the respondents claimed to have received a notification letter of selection in the programme from BISP and 97.9 percent claimed they were informed of their selection by the Post Office/Postman. Additionally, 1.8 percent checked their status online.
5. 46.9 percent of the beneficiaries stated that they were receiving regular payments while 43.8 percent claimed to have received some payments. Additionally, 1.5 percent had received a notification but could not collect their payments while 7.8 percent claimed that they had neither received any notification or payments.
6. Out of the 901 beneficiaries in Faisalabad who are not receiving payments regularly, 39.0 percent lodged a complaint with the BISP Offices while 61.0 percent did not lodge any complaint.

Experiences and Problems

7. The distance to the nearest payments outlet for 44.6 percent of the beneficiaries is more than 10 kms and between 6-10 kms for 31.1 percent. Additionally, 21.2 percent travel 3-5 kms and 3.1 percent travel 1-2 kms to the nearest Payment Outlet.
 8. The cost of travelling to and from these outlets is more than Rs.50 for 67.8 percent and between Rs.26-50 for 27.3 percent. Furthermore, 3.1 percent of the beneficiaries bear a cost between Rs.10-25 and 1.8 percent of the beneficiaries incur no cost.
 9. The mean of the trips to collect one payment instalment was 1.74 with a minimum of 1 and maximum of 6 trips.
-

10. The main reason for travelling more than once to the Payment Outlet was attributed to payments not being transferred on time.
11. In the Debit Card payment dispersal system, beneficiaries are not informed about the availability of their payments. However, 73.6 percent of the beneficiaries claimed that they could access this information informally through family and friends, though this informal method is not always reliable.
12. The Debit Card does not enforce the beneficiary to collect payments herself. Resultantly 12.5 percent of non beneficiaries collect the payments on behalf of the beneficiaries..
13. The main reason for non-beneficiaries collecting the payment was attributed to the beneficiary's inability to operate the ATM by herself, which amounted to 69.2 percent.
14. It was noted that a 65.2 percent were unable to retrieve payments themselves and 18.1 percent of the respondents claimed to be charged a fee for assistance in retrieving payments.

Preferences and Perceptions

An analysis of the preferences and perception in this district of the Debit Card mode of payment reveals the following:

- a. 40.6 percent of the beneficiaries desired monthly and 15.1 percent preferred a bi monthly system of payment. Furthermore, 43.9 percent gave preference to a quarterly system of payment while 0.4 percent preferred instalments every 4 months.
- b. More than 30 percent of the beneficiaries were satisfied and 24.2 were partially satisfied with the Debit Card mode of payment.

The Debit Card mode of payment has been successfully established in the district of Faisalabad. 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. This system also 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 female beneficiary.

STATUS OF PAYMENTS

5. Available Respondents

Table 3 shows that of the total 2,040 beneficiaries selected as per the sample for Faisalabad, 1,919 beneficiaries were available to respond and 121 beneficiaries were not available to respond. Hence, data for the responses of 1,919 beneficiaries, 94.1 percent, has been recorded.

Table 3: Beneficiaries Available to Respond-Faisalabad

District	Number of Beneficiaries Available to Respond	Percentage	Number of Beneficiaries Not Available to Respond	Percentage	Total
Faisalabad	1,919	94.1	121	5.9	2,040

i. Reasons for Beneficiaries not available to respond

In Faisalabad, out of the 121 beneficiaries who were recorded as unavailable to respond, 28 had passed away, 80 beneficiaries had moved, 2 left after getting a divorce, and 11 addresses were not traceable. See Table 4.

Table 4: Reasons for beneficiaries not available to respond-Faisalabad

	Number of Beneficiaries
Beneficiary has passed away	28
Beneficiary has moved	80
Beneficiary has left due to divorce	2
Beneficiary address was not traceable	11
Total	121

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 5 shows the source through which the beneficiaries learnt of their inclusion into the programme.

Amongst the 1,919 available respondents in Faisalabad, 0.3 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. 1.8 percent of the beneficiaries reported to have checked their selection status online. This is done through internet cafés or with the help of someone who possesses knowledge of operating computers and the internet. 97.9 percent of the beneficiaries reported to have been notified of their selection through the Post Office/Postman.

Table 5: Notification of Selection as BISP Beneficiary-Faisalabad

	Number of Beneficiaries	Percentage %
I received a notification letter for selection to receive payment	6	0.3
I checked my status online	34	1.8
The Post Office/man told me	1,879	97.9
Total	1,919	100.0

7. Regularity of Payments

Table 6 below shows the status of payments of beneficiaries in Faisalabad. Out of a total of 1,919 beneficiaries, 1,741 (901+840) are receiving payments continuously or have received some payments. Out of these 1,741 beneficiaries, 1,582 reported to have received payments through Debit Card. The remaining 159 beneficiaries have not received any payments through the Benazir Debit Card (BDC). See Table 7 below.

Additionally, 7.8 percent of the beneficiaries have not received any payments or notification.

Table 6: Status of Payments-Faisalabad

	Number of Beneficiaries	Percentage %
I am receiving payments continuously	901	46.9
I have not received all payments	840	43.8
I have been notified of my payments being available but have not collected any payments yet	28	1.5
I have not received any payments nor a notification	150	7.8
Total	1,919	100.0

Table 7: Received Payments through Debit Card-Faisalabad

	Number of Beneficiaries	Percentage%
Received payments from Debit Card	1,582	90.9
Have not Received Payments from Debit Card	159	9.1
Total	1,741	100.0

7.1. Reasons for not collecting payments

Table 8 below gives reasons for beneficiaries not continuously collecting payments. Out of the 868 beneficiaries who reported that they have either not received all payments or have been notified but have not collected any payments yet, 16.9 percent of the beneficiaries reported to have lost their Debit Card while 9.0 percent lost their PINs. 6.0 percent reported they cannot go alone to the Payment Outlet. 2.3 percent reported that the ATM/franchise is too far and it is too costly to travel and 1.5 percent claimed the franchise asked them for a payment fee. 62.0 percent of the beneficiaries were not aware of the reason for non-continuous payments. 1.6 percent of the beneficiaries were informed by the bank that their payment has not been credited to their account. 0.2 percent stated that Debit Card cannot be delivered due to the incorrect name of beneficiary and 0.5 percent beneficiaries reported that their Debit Card has not been delivered yet.

Table 8: Reasons for not collecting all payments-Faisalabad

Debit Card Beneficiaries	Number of Beneficiaries	Percentage %
I have lost my Debit Card	147	16.9
I have forgotten/misplaced my PIN	78	9.0
I cannot go alone to the ATM /franchise and have no one to accompany me	52	6.0
The ATM/ Franchise is too far from my home and it is too costly to travel	20	2.3
The franchisee asks for fees for payment	13	1.5
I do not know	538	62.0
Informed by the Bank that payment has not been credited to my account	14	1.6
Debit Card cannot be delivered due to the incorrect name of beneficiary	2	0.2
Did not get the Debit Card yet	4	0.5
Total	868	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 9 shows that, in District Faisalabad, 39.0 percent attempted to resolve their problem by lodging complaints with BISP offices. 61.0 percent of the beneficiaries did not enquire BISP about the status of their payments.

Table 9: Lodging Payments Related Complaints-Faisalabad

	Number of Beneficiaries	Percentage %
Lodged a Complaint	369	39.0
Did not Lodge a Complaint	577	61.0
Total	946	100.0

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

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 48.3 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-Faisalabad

	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	28	13	7.3
I have not received any payments nor a notification	150	73	41.0
Total	178	86	48.3

EXPERIENCES AND PROBLEMS- DEBIT CARD DISTRICTS

8. Benazir Debit Card District-Faisalabad

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 Faisalabad are disbursed through Benazir Debit Card. The previous mode of payment was money orders through Pakistan Post. However, currently 90.9 percent 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 not yet been completed in this district.

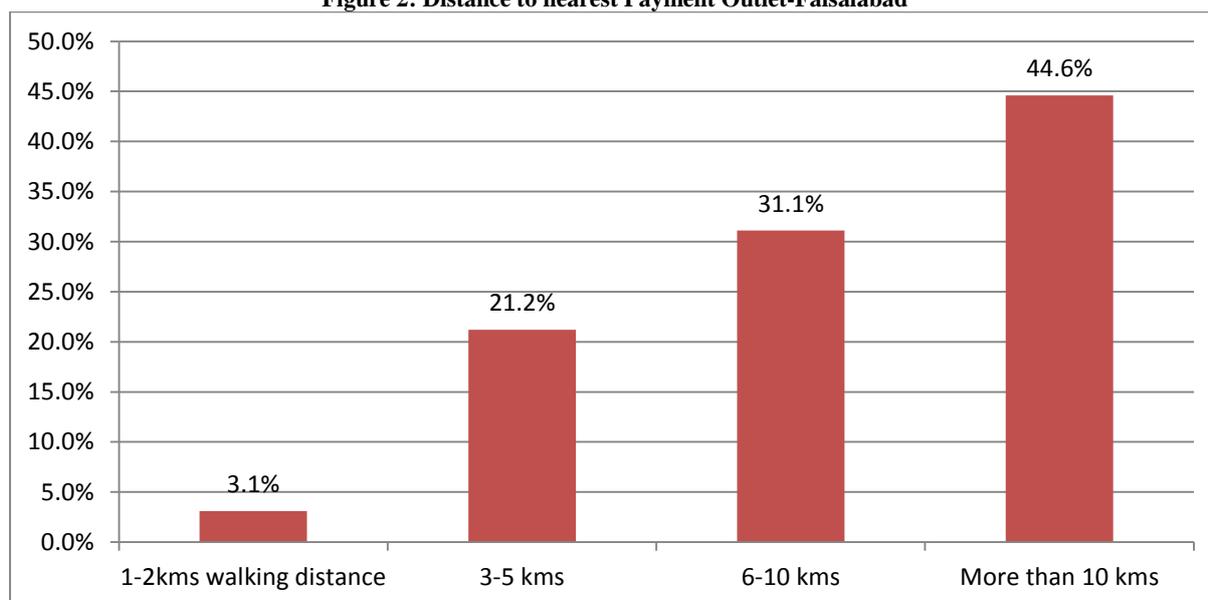
8.1. Private Cost and Outreach

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 travel to the nearest Payment Outlet.

Figure 2: Distance to nearest Payment Outlet-Faisalabad



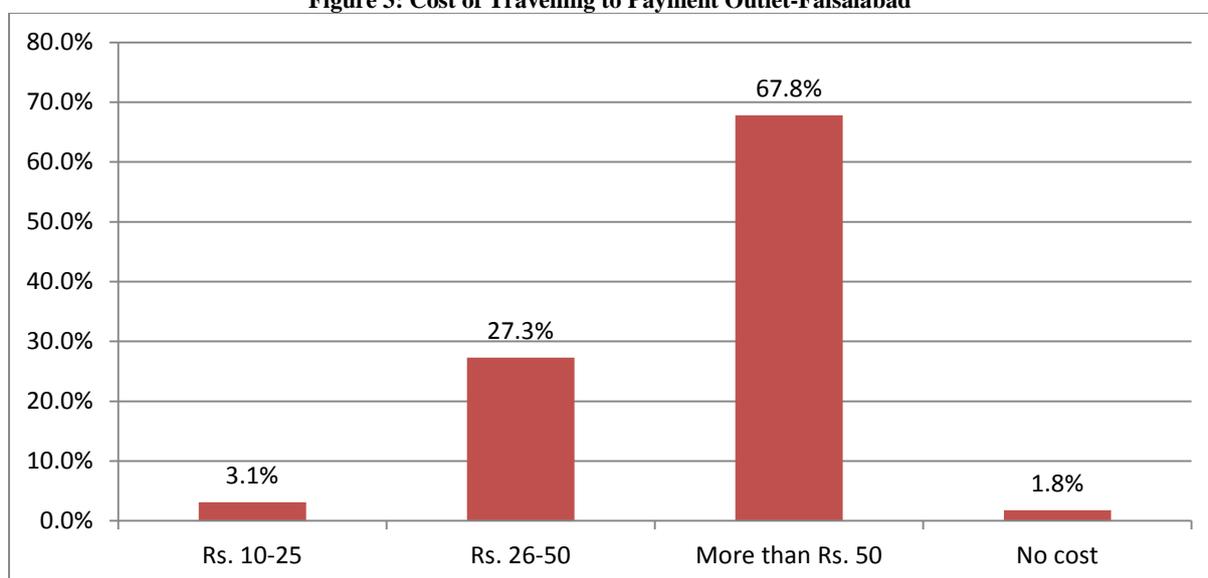
² These are all costs that beneficiaries incur in order to receive benefits of the programme.

For District Faisalabad, the distance to the nearest Payment Outlet is 1-2 kms travelled by 3.1 percent of the beneficiaries. 21.2 percent have to travel 3-5 kms and 31.1 percent have to travel 6-10 kms to reach the nearest Payment Outlet. A distance of more than 10 kms is travelled by 44.6 percent of the beneficiaries.

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 3 shows that in District Faisalabad 67.8 percent beneficiaries have to pay more than Rs.50 while 27.3 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 3.1 percent of the sample beneficiaries in Faisalabad. Moreover, 1.8 percent beneficiaries do not incur any costs of travelling to the nearest Payment Outlet to receive payments.

Figure 3: Cost of Travelling to Payment Outlet-Faisalabad



8.1.3. Number of Visits

The cost of travelling is further increased due to the frequency of visits. In the district Faisalabad, beneficiaries receiving payments through Debit Card reported to have re-visited an ATM on an average of 1.74 times to collect one payment, while the maximum number of trips was 6. See Table 10 below.

Table 10: Mean Number of Trips to Payment Outlet-Faisalabad

Number of Beneficiaries	Number of Trips		
	Minimum	Maximum	Mean
1,582	1	6	1.74

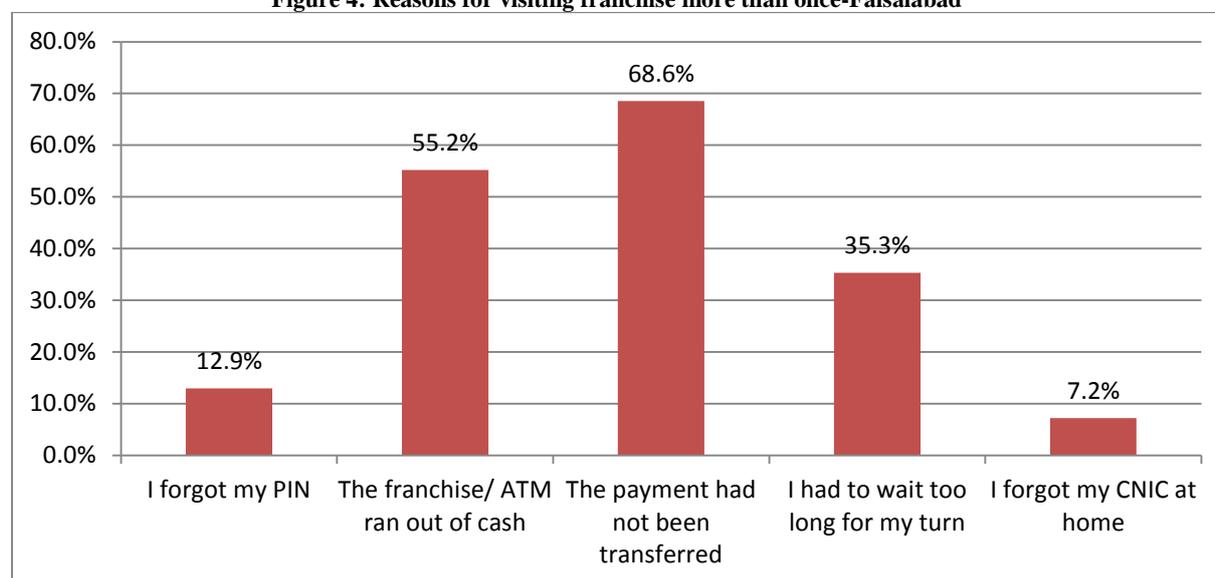
Table 11 reports that 45.4 percent (719) of the beneficiaries in Faisalabad had to visit the ATM more than once to collect one instalment. 54.6 percent (863) reported to have collected their payment in a single trip to the franchise.

Table 11: Number of Trips to Payment Outlet-Faisalabad

Number of Trips	Number of Beneficiaries	Percentage %
One Trip	863	54.6
More than One trip	719	45.4
Total	1,582	100.0

Figure 4 shows the different reasons why 719 beneficiaries in Faisalabad 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 4: Reasons for visiting franchise more than once-Faisalabad



68.6 percent of the beneficiaries re-visited a franchise as their payment had not been transferred. Another reason for more than one trip to the franchise was due of long ques. This reason was reported in 35.3 percent of the cases. 7.2 percent of the beneficiaries stated that they forgot their CNIC at home. Additionally, 55.2 percent and 12.9 percent of the beneficiaries reported the reason of more than one trip as the franchise/ATM ran out of cash and PIN forgotten.

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 12 shows that, in Faisalabad, 72.6 percent of the total beneficiaries receiving payments through Debit Card may have been able to obtain some information on 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 12: Notification of availability of payment-Faisalabad

	Number of Beneficiaries	Percentage %
I can find out when my payment is available	1148	72.6
I cannot find out when my payment is available	434	27.4
Total	1582	100.0

9.1. Receiving Payments

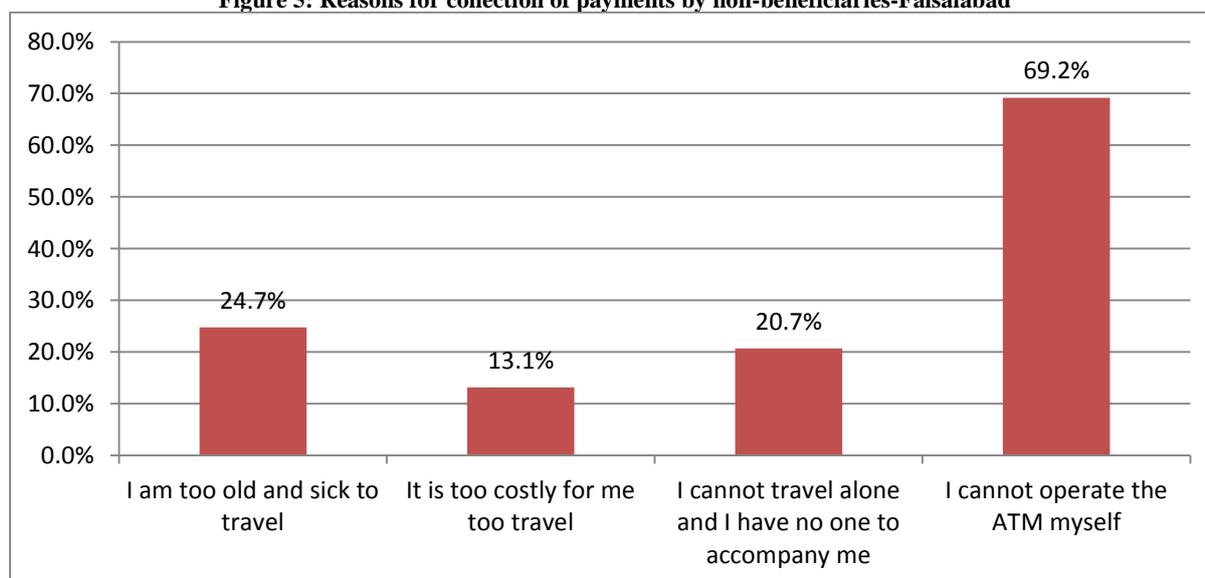
As per the programme design the payments are to be collected by the beneficiary herself. This ensures the achievement of the objective of empowering women, as benefits received by family, friends or relatives may not reach the selected beneficiary.

Table 13 shows that 12.5 percent of the beneficiaries receiving payments through Debit Card in Faisalabad do not collect their payments themselves. However 87.5 percent of the beneficiaries did report to have collected their payments themselves.

Table 13: Collection of Payments-Faisalabad

	Debit Card	
	Number of Beneficiaries	Percentage %
Collection of Payments by Non-Beneficiary	198	12.5
Collection of Payments by Beneficiary	1384	87.5
Total	1582	100.0

Figure 5: Reasons for collection of payments by non-beneficiaries-Faisalabad



Displayed in Figure 5 above, the information reveals that of the 198 beneficiaries not collecting payment themselves, 69.2 percent reported that they are unable collect payments themselves since they are not aware of how to operate the ATM. 20.7 percent reported they

do not collect the payments themselves because they cannot travel alone and they have no one to accompany them while 13.1 percent reported that it is too costly for them to travel to the ATM/Franchise. Additionally, 24.7 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.

9.2 Retrieving Payments

Highlighting the problem of insufficient knowledge of operating the ATM, beneficiaries were asked whether they are able to retrieve payments from the ATM without assistance. As shown in Table 14, 34.8 percent of the beneficiaries in Faisalabad reported that they can retrieve payments without help. However 65.2 percent of the beneficiaries receiving payments through Debit Card claimed that they are not able to retrieve payments from the ATM without assistance.

Table 14: Retrieving Payments without assistance-Faisalabad

	Number of Beneficiaries	Percentage %
Able to Retrieve Payments Without Assistance	551	34.8
Not Able to Retrieve Payments Without Assistance	1031	65.2
Total	1582	100.0

9.2.1 Charging of Fee for Receiving Payments

Table 15 illustrates whether a fee was charged for providing assistance to beneficiaries who could not retrieve payments themselves. 18.1 percent of the beneficiaries stated that they were charged for help, however 81.9 percent of the beneficiaries stated that they did not have to pay a fee to receive payments.

A high percentage of beneficiaries reporting they are 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 15: Charging of fees for receiving payments-Faisalabad

	Debit Card	
	Number of Beneficiaries	Percentage %
Paid a fee to receive payments	187	18.1
Did not have to pay a fee to receive payments	844	81.9
Total	1031	100.0

PERCEPTIONS AND PREFERENCES

1. Preferences of Frequency of Payments

Table 16 below shows preference of beneficiaries concerning the frequency of payments. 40.6 percent of the beneficiaries in District Faisalabad prefer to receive payments on a monthly basis. 15.1 percent expressed a desire to receive bi monthly instalments while 43.9 percent and 0.4 percent of the beneficiaries desire to receive their instalments every three months and every four months respectively.

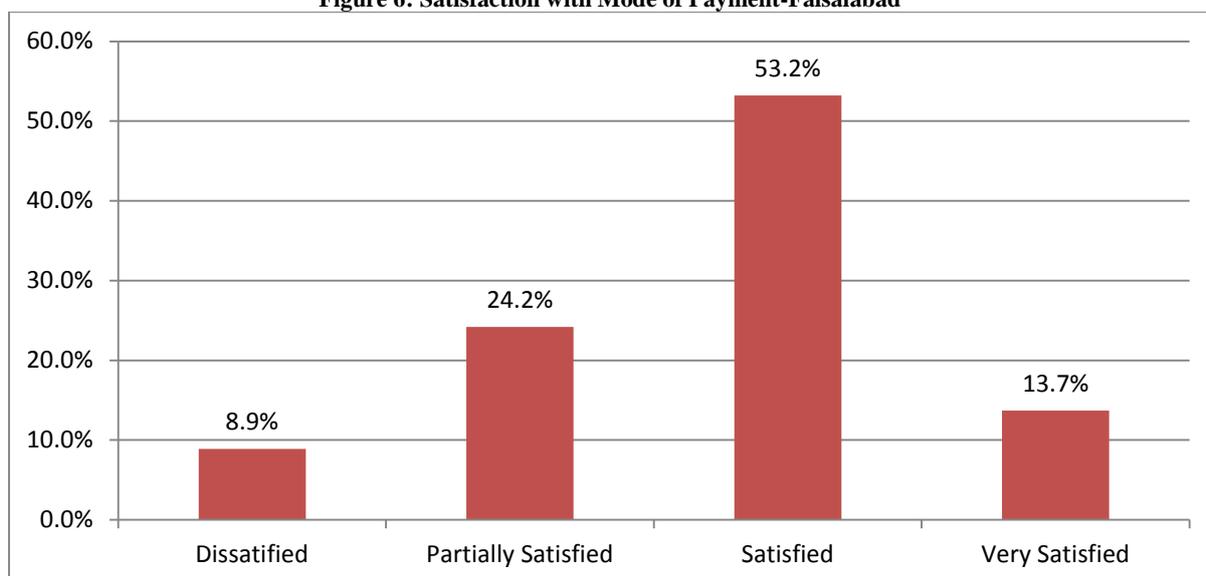
Table 16: Preferred Frequency of Payments-Faisalabad

	Number of Beneficiaries	Percentage %
Every Month	642	40.6
Every 2 Months	238	15.1
Every 3 Months	695	43.9
Every 4 Months	7	0.4
Total	1,582	100.0

2. Satisfaction with Mode of Payment

Figure 6 below shows the reported satisfaction level of the beneficiaries in Faisalabad with their respective mode of payment. 53.2 percent reported being ‘Satisfied’ with this mode of payments while 24.2 percent reported being ‘Partially Satisfied’. Additionally, 13.7 percent beneficiaries reported being ‘Very Satisfied’ and 8.9 percent of the beneficiaries reported being ‘Dissatisfied’ with the Debit Card mode of Payment.

Figure 6: Satisfaction with Mode of Payment-Faisalabad

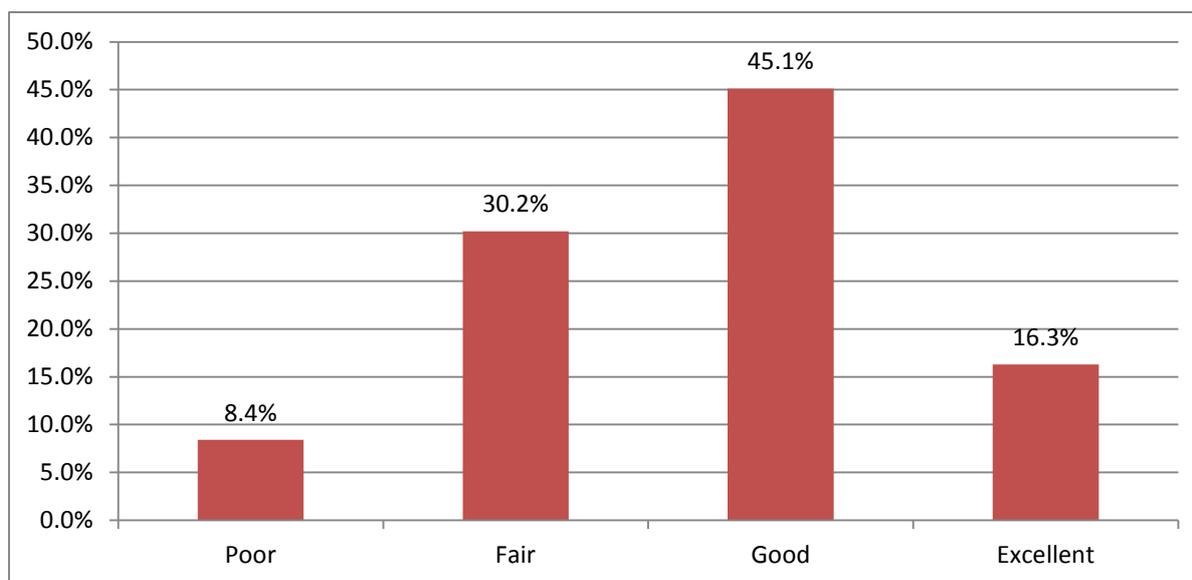


3. Reliability of Mode of Payment

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 7 below, 45.1 percent beneficiaries in Faisalabad rated the reliability of this mode of payment as 'Good'. 30.2 percent rated it as 'Fair' while 8.4 percent rated the reliability as 'Poor'. Also, 16.3 percent of the beneficiaries considered the reliability 'Excellent'.

Figure 7: Reliability of Mode of Payment-Faisalabad



ASSESSING PAYMENTS METHODS: *QUALITATIVE*

A Focus Group Discussion (FGD) was held in District Faisalabad to get insights from the beneficiaries about the payments they are receiving. The current system of payment activated in Faisalabad 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 FGD conducted in Faisalabad. The idea 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

In the district of Faisalabad, beneficiaries were provided ATM Cards to withdraw payment from the ATMs. The most prominent problem being faced by beneficiaries was difficulty in operating the ATM themselves without any help for which they are sometimes charged. This is the case since training on its use and application was not provided when the Debit Card system was introduced. There are cases in which beneficiaries have forgotten their ATM PIN and also were charged for assistance while withdrawing payments. Complaints pertaining to the ATM PIN increase when the payments get transferred directly to the beneficiaries' accounts.

Moreover, there are cases in which beneficiaries have misplaced their ATM card since their name was not written on it.

Due to the non-availability of an effective system of payments notification, the beneficiaries need to make frequent trips to the payment agency to get one payment.

The BISP/tehsil office claimed to have kept a record of all the beneficiaries and their complaints. All complaints are forwarded to the Faisalabad Divisional Office for resolution as Tehsil offices do not have the authority to resolve any sort of complaints at their end. The BISP Tehsil office is aware of all the beneficiaries in their vicinity.

Collection of payments

There are cases where family/friends of the beneficiaries visit the ATM in order to collect the payments on behalf of the beneficiary. Payment is provided to anyone who shows up with the Debit Card. As a result of this practise there are cases where someone has already drawn payments from the beneficiary account and yet the beneficiary claims not having received the payment. In some cases the beneficiary receives only a partial amount of the payment.

Advantages and disadvantages of receiving payments through the Debit Card

Beneficiaries are overall satisfied with the payment procedures. They hold the opinion that it's easy to draw payments and they consider their money to be secure in the bank. Some of the beneficiaries do not want their family members/ friends to know of the support from BISP and this mode of payment has helped them in being discreet. Corruption as a result of adopting this mode of payment has been significantly reduced and money can be drawn any time and from anywhere.

Problems generally arise because the ATM card does not have the beneficiary's name explicitly printed on it. This leads to mixing up of cards especially where money is withdrawn by one individual for a number of beneficiaries.

Improvements in the system can be made by providing training to the beneficiaries about operating the ATM; the Debit Card should have the beneficiary's name and CNIC printed. In addition, proper infrastructure should be provided in all the BISP offices. More ATMs should be installed along with the timely availability of the beneficiary's payments in their account. There should be a mechanism developed for coordination between the bank and BISP offices. Furthermore, the bank should be informed of the expected date of beneficiaries' payment availability so that they can effectively guide the beneficiary. Moreover authority should be provided to the BISP Tehsil Office to resolve complaints that are of minor concern such as issuance of PIN code and changing the beneficiary's address.

ANNEX I: FGD PARTICIPANTS

Faisalabad

Participants Name	
Gulam Jilani	BISP-Assistant Complaints
Ali Raza Chaudhary	HBL representative
Mumtaz Bibi	Beneficiary
Zarina Bibi	Beneficiary
Norean	Beneficiary
Anwar Bibi	Beneficiary