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FINANCIAL INCLUSION | FINDINGS BRIEF JANUARY 2022

Beneficiary Experience of Digital Government-to-Person (G2P) Payments

Evidence from the Philippines, Colombia, and Bangladesh

About 17 percent of the world's population has received at least one COVID-19-related cash transfer payment since the onset of the pandemic.* Many of these transfers have been conducted digitally to efficiently and safely provide economic relief to affected households. Amongst low- and middle-income countries (LMICs) that offered cash transfers, 56 disbursed funds directly to a fully functioning bank account, an account only for benefit withdrawal, or a digital non-bank account.*

Innovations for Poverty Action (IPA) research from **the Philippines**, **Colombia**, and **Bangladesh** explores consumers' experience with digital cash transfers, and supports policy recommendations to improve the effectiveness of G2P payments and future financial inclusion.

Key Findings**

- In all three countries, **beneficiaries were satisfied with the G2P programming.** However, **this did not translate to wider account usage.**
- Before the payments, the beneficiary populations had **low rates of financial inclusion:** very few had existing deposit accounts and most received all income in cash.
- Many beneficiaries reported **long wait times** at their withdrawal points. In Bangladesh, about half of beneficiaries reported having **no access to assistance** at these sites.
- **Beneficiaries' experiences differ based on demographic characteristics.** Financial service providers, and financial and digital literacy.
- In Colombia, **a concerted government effort likely increased the number of mobile money recipients.**
- Official communication and training on how to use the benefit account were limited. In the Philippines, only 16 percent knew they were given a deposit account for their disbursement. In Bangladesh and Colombia, most knew they were given an account but were **unaware they could use it for any purpose other than withdrawing their payment.**
- In all three countries, the majority of beneficiaries **withdrew their full benefit** in a single transaction and did not leave a balance. In Colombia, most beneficiaries immediately cashed out either because few merchants accept digital payments or because beneficiaries were unfamiliar with using mobile money as a form of currency.

* The statistics in this paragraph refer to either new or expanded (in terms of value or eligibility) cash transfer schemes.
** These projects were not randomized evaluations.

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Aspire to Innovate (a2i),
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COUNTRIES
The Philippines, Colombia, Bangladesh

TIMELINE
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TOPICS
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Beneficiary Experience of Digital Government-to-Person (G2P) Payments in Bangladesh, Colombia, and the Philippines

About 17 percent of the world's population has received at least one COVID-19-related cash transfer payment since the onset of the pandemic. Many of these transfers have been conducted digitally to efficiently and safely provide economic relief to affected households. Amongst low- and middle-income countries (LMICs) that offered cash transfers, 58 disbursed funds directly to a fully functioning bank account, an account only for benefit withdrawal, or a digital non-bank account. Innovations for Poverty Action (IPA) research from the Philippines, Colombia, and Bangladesh explores consumers' experience with digital cash transfers, and supports policy recommendations to improve the effectiveness of G2P payments and future financial inclusion.

Aproximadamente el 17 por ciento de la población mundial ha recibido al menos una transferencia monetaria a causa de la contingencia del COVID-19. Muchas de estas transferencias se han realizado de forma digital para brindar alivio económico de una manera eficiente y segura a los hogares más impactados por la emergencia sanitaria. Entre los países de ingresos bajos y medios que ofrecieron transferencias monetarias, 58 desembolsaron fondos de forma directa ya sea a cuentas bancarias que ya se encontraban activas, a cuentas destinadas únicamente al retiro de las transferencias o una cuenta digital no bancaria. Innovations for Poverty Action (IPA) realizó una investigación en Filipinas, Colombia y Bangladesh para explorar la experiencia de los beneficiarios con las transferencias monetarias digitales. Como resultado, IPA emite una serie de recomendaciones para mejorar la eficacia de los pagos gobierno a persona (G2P) así como para fomentar la inclusión financiera.

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