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FROM PROTECTION TO INVESTMENT

Understanding the Global Shift to Financially-Inclusive
Social Protection Payment Systems

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Cover photo depicts a beneficiary in Northeastern Kenya receiving a cash transfer and biometric smart card at a central pay point. Photo Credit: Flickr/newbeatphoto.



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Abstract

Advancing technology, developing infrastructure, and shifting policy priorities have fundamentally altered the landscape of social protection programs. Specifically, more social protection payments are being made electronically, larger numbers of individuals have access to banking facilities (either brick and mortar or mobile), and governments from Colombia to Fiji are placing greater importance on financial inclusion among their citizens. The confluence of these factors has led to an unparalleled opportunity to enhance and extend the impact of these programs: the opportunity to not simply protect disadvantaged individuals and help them survive, but also to invest in their long-

term potential and enable them to thrive.

In October of 2011, the New America Foundation launched the Global Savings and Social Protection (GSSP) Initiative in order to capitalize on the opportunity to link social protection payments to asset-building opportunities. Over the past year, the Initiative has collected, analyzed, and mapped data on social protection programs around the world. This paper consists of an initial assessment of those data, in addition to recommendations as to how to improve financially-inclusive features of social protection payments, particularly enabling and/or encouraging beneficiaries to save.

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I. Introduction

The way governments deliver aid and social protection payments is changing. Technological advancements in payment systems and evolving policy priorities toward financial inclusion and asset building are influencing a rapid shift from delivery of physical cash to more efficient, electronic methods. For instance, in 2009, an estimated 25 percent of all Government-to-Person (G2P) flows were made via electronic transfer.¹ As of 2012, 61 percent of G2P payments occur in a manner that allows for savings either through store of value or more financially-inclusive methods.² This shift presents new opportunities not only to advance digital delivery of social protection and G2P models, but also to create and nurture environments and policies conducive to savings and asset development among the globe's poorest and most excluded populations.

The Global Savings and Social Protection (GSSP) Initiative was launched in October 2011 in response to several global trends including: a) the global proliferation of cash-based payment systems, such as conditional and unconditional government and aid payments, b) technological advancements such as mobile money and digitization of cash flows, and c) increased recognition of the need for financial access and asset-building opportunities. Indeed, policy, business, and philanthropic leaders are already keen to capitalize on these trends: in September 2012, the Bill & Melinda Gates Foundation, Citi, Ford Foundation, Omidyar Network, UN Capital Development Fund, U.S. Agency for International Development, and Visa Inc. launched the Better Than Cash Alliance to boost efforts to reduce the reliance on cash for G2P and other transfers in order to improve the effectiveness of aid.

The aim of the GSSP Initiative is to provide a better understanding of opportunities for linking cash transfers to financially-inclusive and asset-building opportunities by collecting and analyzing a broad data set on the models, objectives, delivery, and policy environments of social protection programs in developing countries. In its first phase, parameters of inclusion for GSSP data collection and analysis are limited to social protection programs targeted specifically to poor and vulnerable populations, and limited further still to three regions: Asia, Latin America and the Caribbean³, and Sub-Saharan Africa.

While an extensive research effort, this relatively limited data scope was defined in order to a) maintain focus on the poorest and most vulnerable populations (as opposed to universal or non-targeted G2P payment systems such as pensions

that do not necessarily target the poor) and b) identify clear opportunities and challenges for specific countries, programs, and populations.⁴ While data collected and analyzed in this paper are limited to G2P social protection payments, lessons from this population—arguably the most critical yet most challenging population to effectively reach—could inform other areas of inquiry or populations of interest in the race toward cash-lite policies and infrastructures. The data could have implications for a variety of other stakeholders interested in transitioning payment systems, not only for G2P, but for Donor-to-Person (D2P) and others as well.⁵

In 2009, an estimated 25 percent of all Government-to-Person (G2P) flows were made via electronic transfer. As of 2012, 61 percent of G2P payments occur in a manner that allows for savings either through store of value or more financially-inclusive methods.

To that end, this paper provides an overview and initial assessment of the largest and most detailed global data set on financially-inclusive G2P models. It also offers a preliminary analysis of opportunities and recommendations—as well as challenges—to both enable and encourage asset building among cash-transfer recipients.

The paper continues as follows: Section II briefly describes the overall trends toward G2P social protection payment programs, including a map of where the potential to link payments with financial access and asset building seems strongest. Section III offers a detailed and comparative snapshot of what the GSSP data reveal about the landscape of financially-inclusive social protection models. In particular, we highlight where and to what extent these payments are, or could be, linked with—or, more rarely, encourage—store of value⁶ and savings, including examples of innovative practices around the world. Section IV provides initial assessment of and recommendations for opportunities to *start*, *strengthen*, or *experiment* with financially-inclusive and asset-building components for various programs, as well as illustrative cases studies for each opportunity area. We conclude with an acknowledgment of the challenges impeding efforts at the intersection of social protection payments and financial inclusion, and call for further analysis and action. ▣

II. Global Trends Toward Financially-Inclusive Social Protection Models⁷

In the 2011 report, *A Third Way for Official Development Assistance: Savings and Conditional Cash Transfers to the Poor*, the United Nations Development Program and the New America Foundation posited that linking financial services to social protection payments and aid flows could offer a potential “trifecta scenario:” for governments who benefit from increased transparency and decreased leakage and administrative costs associated with cash; for financial institutions who benefit from leveraging new infrastructure and gaining regular infusions of capital and a new client base; and, most importantly, for the individual beneficiaries and their families who gain from financial inclusion and access to asset-building opportunities.⁸ Global trends toward the nexus of cash transfers and financial access are lending credence to this “win-win-win” theory. As financial infrastructure develops to allow greater electronic payments, more governments, NGOs, and multilaterals are realizing the benefits of financial inclusion for both low-income individuals and participating financial institutions. In addition, linking savings opportunities to social protection programs can help ensure that these programs not only help beneficiaries subsist in the short term, but also help them thrive in the long-term.

The evidence is gathering from all sides:

- For **governments**, electronic payments are reducing costs. For instance, in Brazil, the administrative cost of delivering Bolsa Familia grants was cut from 14.7 to 2.5 percent. In South Africa, after partnering with the private sector to deliver social security benefits, costs of the program fell 62 percent.⁹
- **Banks** such as Equity Bank in Kenya have constructed their business model around serving low-income clients, and have been able to translate a large number of small deposit clients into profitable loan portfolios. By becoming a partner in the disbursement of Hunger Safety Net Program grants, Equity was able to strengthen its infrastructure in remote and rural areas, helping it to expand its client base further.¹⁰
- Individual **beneficiaries** of social protection are seeing benefits from the shift to electronic pay-

ments, both as a result of their ability to store funds and the added convenience. In Colombia, the amount of time it took recipients to collect their grants was cut by almost half with the switch to electronic payments. In Peru, 10,000 women who participated in pilots to promote formal savings amassed more than USD 2 million in just three years of saving,¹¹ illustrating a real desire for and ability to use safe places to store money.

The Global Savings and Social Protection Database has found that over 60 percent of cash-transfer recipients are now able to store some or all of their payments for future use, though they often are unable to access other services such as the ability to make deposits. Three independent (though interrelated) developments have made the progression toward savings linkages possible: the proliferation of cash-transfer programs as tools of aid and development, the development of financial infrastructure to facilitate electronic payments, and the increase in political will around promoting financial inclusion.¹²

In Latin America, Africa, and Asia, the regions examined by the GSSP Initiative, there are 84 cash-transfer programs in 43 countries, with nearly 174 million individual beneficiaries.

As highlighted below, countries are increasingly adopting long-term cash-transfer programs in emergency and non-emergency contexts at a time of rapid development of payment infrastructure and access to financial services, which is facilitating the shift from cash to electronic payments. In addition, more countries are seeing financial inclusion as an essential part of their policy agendas, especially for helping low-income families build wealth.

Proliferation of Cash-Transfer Programs

Fifteen years ago, Mexico launched the first known conditional cash-transfer program, in which beneficiaries had to complete health and education requirements for their children in order to receive regular payments. Since then, governments, multilaterals, and NGOs from around the globe have adopted similar models for improving devel-

opment outcomes. In Latin America, Africa, and Asia, the regions examined by the GSSP Initiative, there are over 84 cash-transfer programs in 43 countries, with nearly 174 million individual beneficiaries. Roughly 15 have been started and expanded in the past three years alone, which shows how rapidly the field is growing.

As this approach to poverty alleviation has caught on around the world, it has evolved to address its critics. One primary critique of cash-transfer programs (and many other social safety net schemes) is that they foster dependency on the part of beneficiaries. One way that these programs have adapted is to encourage beneficiaries to build wealth, graduate from poverty, and become self-sufficient.

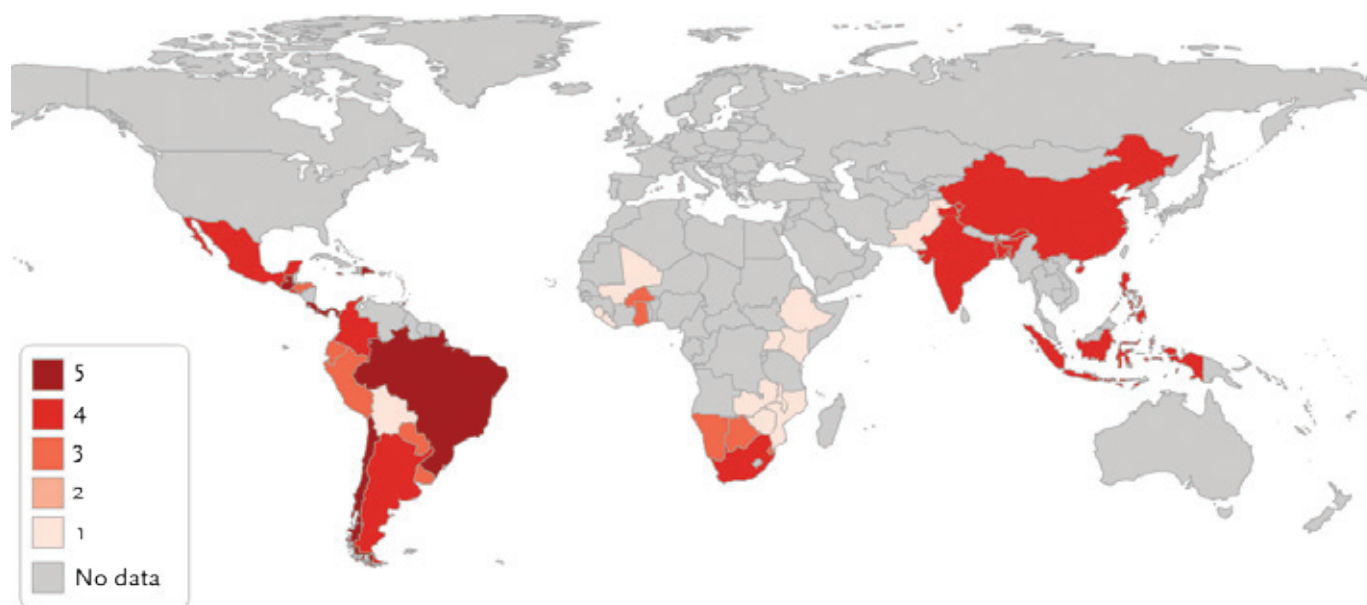
Rapidly Advancing Financial Infrastructure

In the past decade (and even more in the last five years), advances in branchless banking, ATMs, mobile phones, and information technology in general have revolutionized the possibilities of delivering cash to low-income households. For instance, from 2005 to 2010, cellphone use tripled in the developing world, with mobile penetration now hovering around 80 percent.¹³ Colombia, Mexico, and South Africa have made their cash payments electronic to

take advantage of newly developed infrastructure. Fiji has abandoned its voucher delivery system for public benefits to partner with Westpac Bank and connect beneficiaries to ATMs. Haiti is leapfrogging over physical infrastructure bottlenecks altogether and delivering social protection payments via mobile phone.

To better understand the strength of the payment infrastructure in countries with cash-transfer social protection programs, the GSSP Initiative mapped 11 variables, including the presence of commercial banks, microfinance institutions, ATMs, and point of sale terminals, in addition to financial literacy and mobile infrastructure.¹⁴ Along with the development of its cash-transfer programs, we see a robust financial infrastructure throughout Latin America, especially in Brazil, Argentina, Chile, and Colombia. Notable exceptions include Guatemala and El Salvador. We see markedly less development throughout Africa, with the exception of South Africa. However, a general lack of brick and mortar financial institutions does not prevent the implementation of savings-linked social protection models, if countries are able to utilize mobiles and point of sale terminals. One leading candidate for such an approach is Kenya.

Map 1: Financial Infrastructure¹⁵



This map incorporates 11 different variables relating to a country's payment infrastructure, including number of commercial banks, microfinance institutions, and ATMs, as well as mobile penetration and financial literacy. A country's score of 1-5 with respect to its payment infrastructure, shaded from lighter to darker red, corresponds to its relative quintile. For example, Chile's score is 5 because its data falls in the top quintile (between the 80th and 100th percentile).

A country's payment infrastructure connects to its ability to implement savings-linked social protection models in two ways: 1) a more developed, robust payment infrastructure enables cheaper, more efficient electronic delivery of social protection payments and suggests that greater swaths of the population will be able to access formal financial services, and 2) mobile payments offer groundbreaking possibilities to safely and transparently reach vulnerable populations in even the most remote, rugged, and mountainous corners of the world.

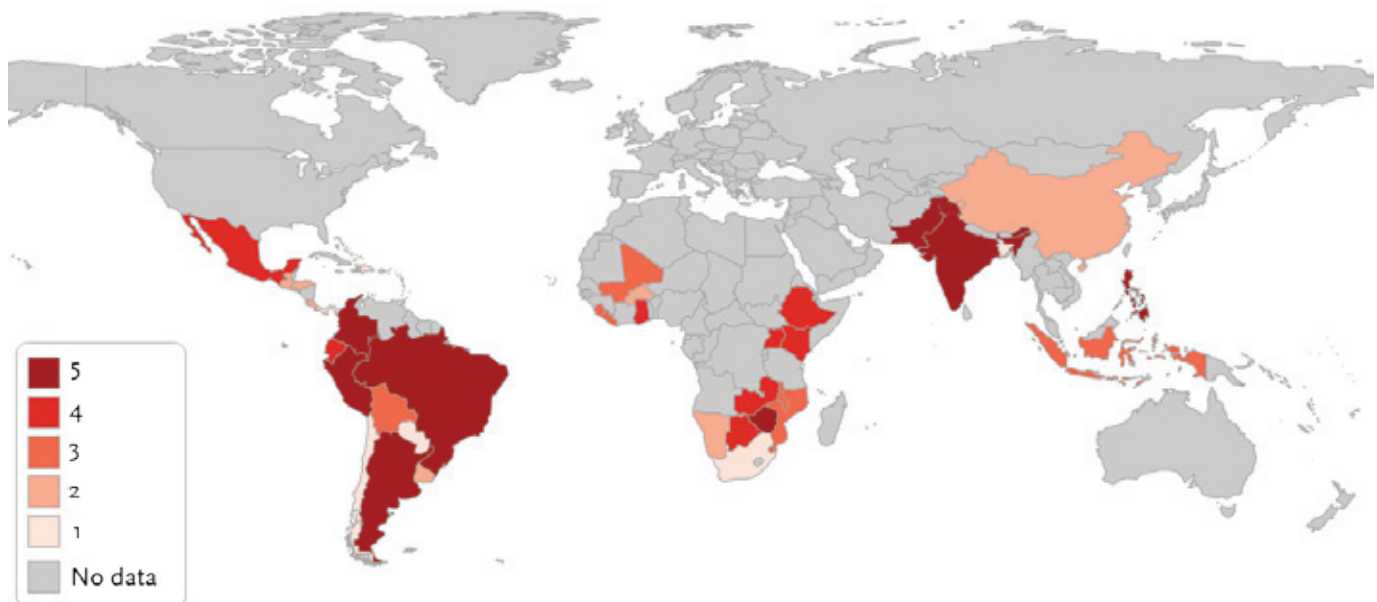
Financial Inclusion as a Policy Priority

Along with the transition to electronic payments, governments are increasingly making financial inclusion a policy priority.¹⁶ More recently, governments have also started experimenting with promoting financial inclusion through their social protection programs. For instance, in April the Asia-Pacific Economic Cooperation (APEC) held a workshop examining electronic G2P payments. Further, the recently launched Better Than Cash Alliance has already garnered commitments from the governments of Kenya, Peru, the Philippines, and Colombia to make a shift to financially-inclusive G2P payment systems.

The heat-map below includes nine variables illustrating the extent to which different countries with cash-transfer programs have embraced financial inclusion as a policy priority, such as whether they have an agency responsible for encouraging rural access, savings, branchless banking, and financial literacy.¹⁷ Presumably, countries with stronger political will toward financial inclusion will be those more likely to adopt financially-inclusive G2P models. Again, we see a strong push for financial inclusion throughout Latin America. India, Indonesia, and the Philippines are also thought leaders in this respect. In addition, although the infrastructure is often lacking, many countries on the African continent have begun to demonstrate an interest in promoting financial inclusion. Countries with this demonstrated interest constitute a particularly important opportunity for savings-linked interventions and experimentations.

Administrators of social protection programs often see financial inclusion as helpful in enabling beneficiaries to graduate from poverty (often making the programs more politically palatable), to be more resilient, and to be better prepared for financial shocks. It is worth noting that

Map 2: Enabling Political Environment for Financial Inclusion¹⁸



This map incorporates nine different variables relating to a country's political will for financial inclusion, including whether it has an agency responsible for encouraging rural access, savings, branchless banking, and financial literacy. A country's nine-variable score was then used to compute a composite Political Will score. A country's score of 1-5 with respect to its political will, shaded from lighter to darker red, corresponds to its relative quintile. For example, India's political will is 5 because its data fall in the top quintile (between the 80th and 100th percentile).

financial inclusion may mean different things in different contexts, whether it be via mobile phone, cash cards, or bank accounts, a distinction taken up in more detail in Section III.

The Potential for Financially-Inclusive Social Protection Models

In addition to a country's financial infrastructure and political will, we examined four other variables that affect a country's ability to implement financially-inclusive social protection models: governance, political infrastructure utilization, total number of individuals in social protection programs, and average monthly payments of social protection programs. Map 3 is a heat map of these composite variables.

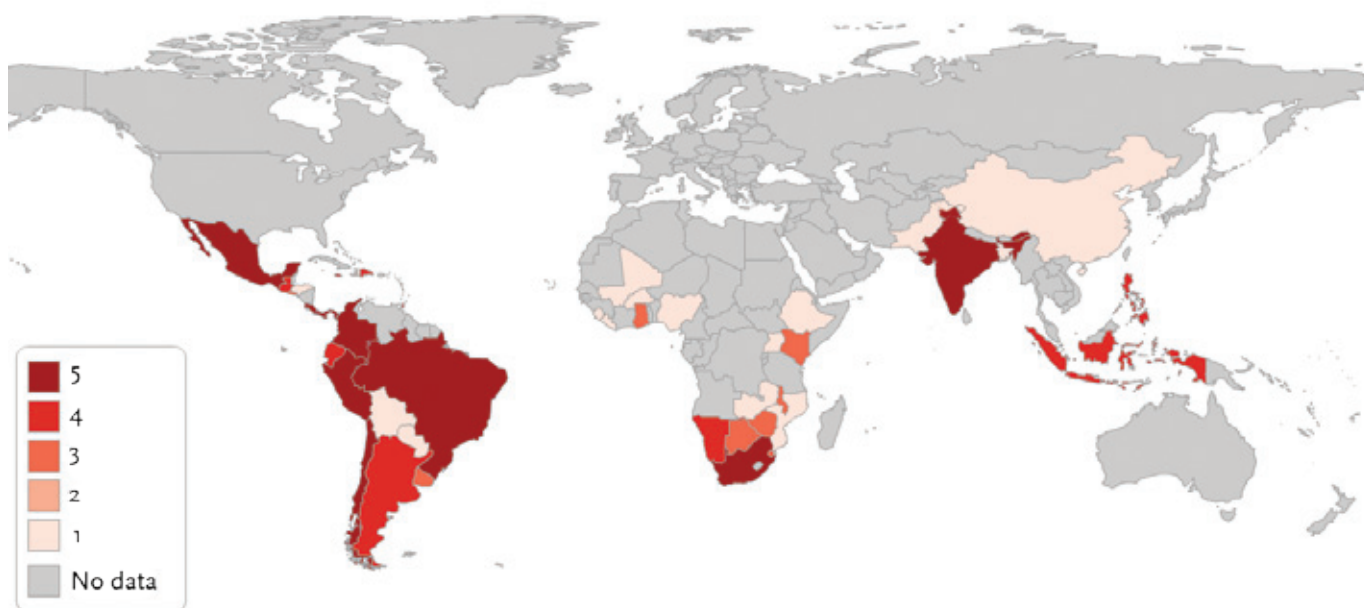
Many of the countries with the darkest shadings on the map are also those that are the most advanced in experimenting with and implementing savings-linked models, including Brazil, Peru, and Colombia. Our analysis shows that other countries could follow suit, including

Chile, South Africa, and India. India is particularly ripe for exploration given its commitment to shift to greater use of electronic payments, in addition to its broad base of individual beneficiaries.

As mentioned earlier, it is worth noting that even countries with lower scores on the potential for financially-inclusive social protection can and do implement these models. Bangladesh has an SLSP score of 2; however, it has a program that encourages savings into a bank account. On the other hand, Mexico has a score of 5, but beneficiaries of its social protection program must withdraw all of their cash transfer within a specified amount of time.

When successful, linking savings opportunities to social protection programs may increase their impact on beneficiaries, decrease administrative costs for government actors, and create business opportunities for the private sector. In the next section, we dive into the GSSP data set to understand where opportunities may lie to advance innovation in social protection payment models. 📌

Map 3: Savings-Linked Social Protection Potential¹⁹



This is a heat map of six variables: four country variables (political will, payment infrastructure, payment infrastructure utilization, and governance), and two variables related to a country's social protection programs (total number of individuals and average monthly payment).²⁰ A country's score of 1-5 with respect to its GSSP potential, shaded from lighter to darker red, corresponds to its relative quintile; that is to say, Brazil's GSSP potential is 5 because its data fall in the top quintile (between the 80th and 100th percentile).

III. Current Landscape of Savings-Linked Social Protection

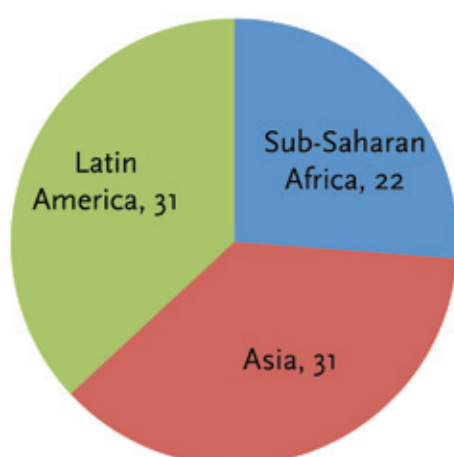
The idea that linking social protection payments to financial inclusion initiatives could help reduce poverty has gained significant traction in recent years. However, there is a dearth of evidence to support it as well as provide a way forward. In many cases, these data already exist but are segmented and lack context. For this reason, the GSSP Initiative has aggregated and analyzed information on social protection programs specific to delivery channels and payment mechanisms as well as the extent to which programs enable and encourage asset-building policies. By analyzing these data together, the GSSP Initiative highlights ways to think about how to integrate social protection and financial inclusion in a manner that is most effective and efficient for all parties.

This section covers data on 84 social protection payment programs across 43 countries in Latin America, Sub-Saharan Africa, and Asia (Figure 1). Together, these programs reach approximately 174 million individuals, 61 percent of whom are provided the ability to save (Figure 2).

Though this data set is limited in its geographic scope, the following analysis provides a foundation for future research that will benefit from more robust data that incorporate additional regions and program types. The following are criteria for inclusion in this analysis:²¹

- The program must be currently active²²
- The program must have available data on delivery and payment details²³

Figure 1: Number of Programs by Region



The first part of this section examines the different types of delivery and payment methods utilized by social protection programs. Next, we present a global mapping and analysis of savings-enabling and savings-encouraging programs. Finally, we provide a breakdown of regional trends in both payment and delivery methods as well as savings-enabling and -encouraging features followed by an analysis of conditionalities and target populations.

The GSSP Initiative has aggregated and analyzed information on social protection programs specific to delivery channels and payment mechanisms as well as the extent to which programs enable and encourage asset-building policies.

Payment and Delivery Methods

Oftentimes, the effectiveness of social protection programs is determined not only by beneficiaries' economic outcomes, but also the efficiency and cost-effectiveness of management and implementation. The channels through which G2P transfers travel are important indicators of a program's size and scope as well as the extent to which the affected populations are financially included. In this study, data on both delivery and payment methods were

Figure 2: Proportion of Individuals in Cash-Transfer Programs by Region

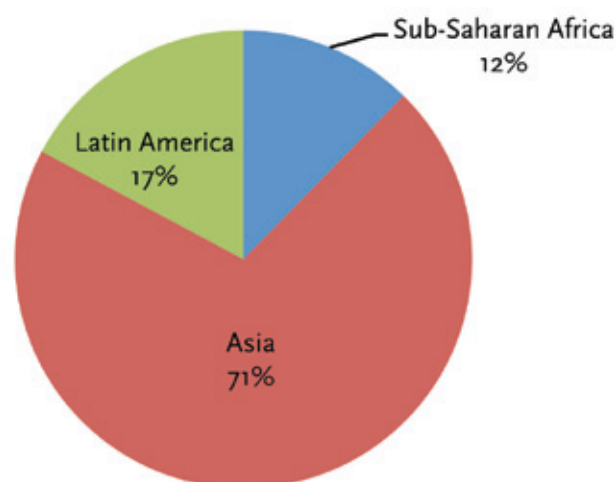


Figure 3: Spectrum of G2P Transfer Delivery and Payment Types

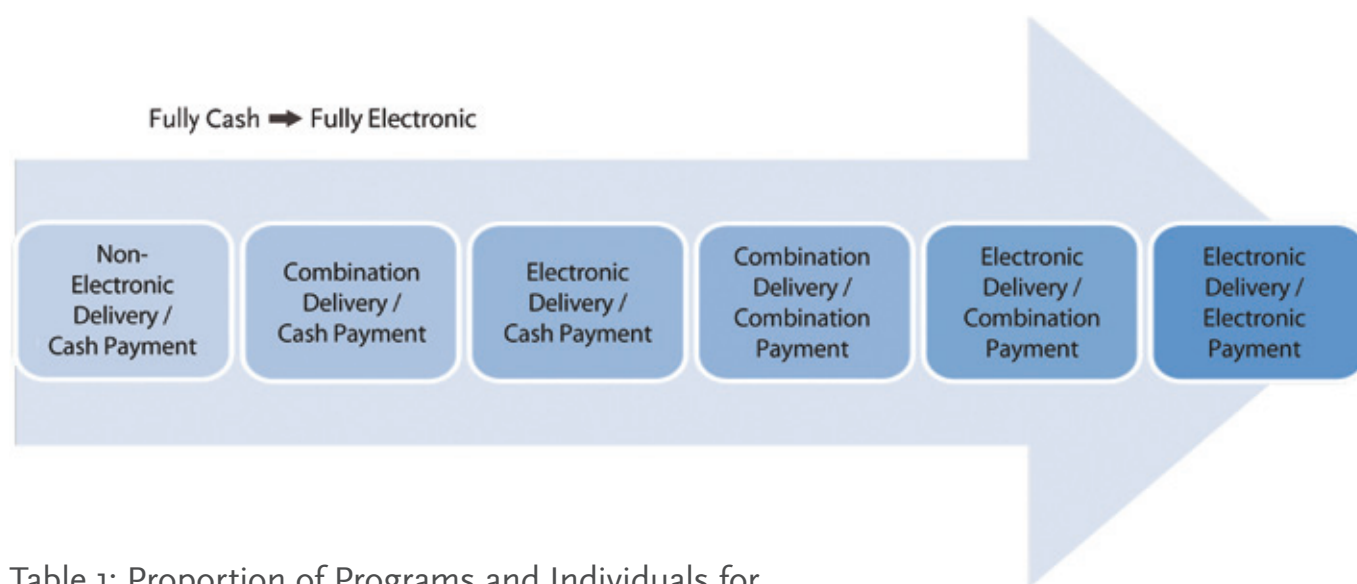
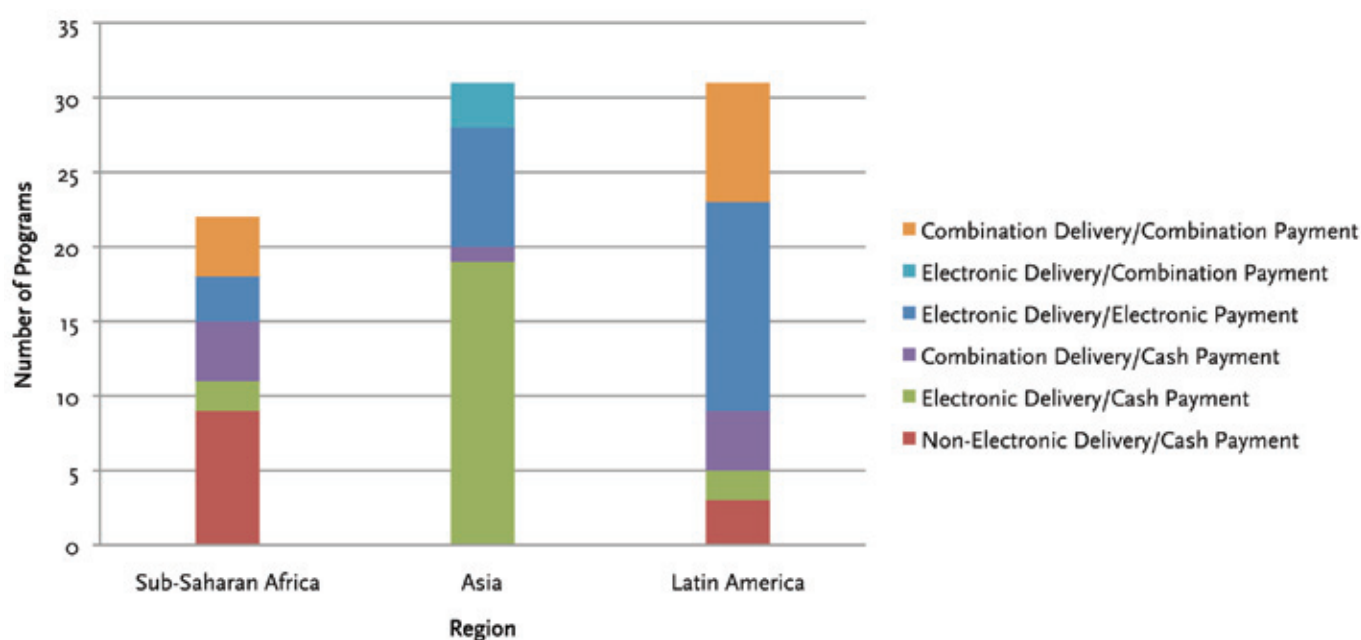


Table 1: Proportion of Programs and Individuals for Each Payment and Delivery Method Combination

Delivery/ Payment Types	Non- Electronic/ Cash	Combination/ Cash	Electronic/ Cash	Combination/ Combination	Electronic / Combination	Electronic/ Electronic	Total
Number of Programs (%)	12 (14%)	9 (11%)	23 (27%)	12 (14%)	3 (4%)	25 (30%)	84 (100%)
Number of Individuals (%)	944,804 (1%)	14,191,571 (8%)	34,927,329 (20%)	37,782,783 (22%)	57,352,000 (33%)	29,023,222 (17%)	174,221,709 (100%)

Figure 4: Number of Programs for Each Delivery and Payment Combination by Region



collected in tandem to understand the current landscape of social protection program features as well as where this aid model may be headed.

Given the variations in infrastructure and possible delivery and payment methods, the means by which governments deliver and beneficiaries receive their payments vary widely across the globe.

Delivery method is defined as the way in which funds leave a program source for distribution. Generally, these are either **electronic** (via banks, ATMs, point of sale machines, post office accounts, or mobile phones) or **non-electronic** (via pay points). Payment method refers to the way in which an individual accesses the funds and is classified as either **cash** (via physical currency) or **electronic** (via an individual's bank account, cash card, mobile phone, or other non-bank storage mechanisms). For example, a government agency may send funds to one bank in each province (electronic delivery), but program staff will withdraw the money and pay beneficiaries in cash at village pay points. This would be classified as electronic delivery but cash payment. If either a delivery or payment method is in transition and/or uses both mechanisms, it is classified as **combination**.

Given the variations in infrastructure and possible delivery and payment methods, the means by which governments deliver and beneficiaries receive their payments vary widely across the globe. Figure 3 outlines the spectrum of current delivery and payment methods, from fully cash to full electronic.

At one end of the spectrum, 12 programs utilize non-electronic delivery and cash payment mechanisms (Table 1). At the other end, 25 programs (30 percent of the data set) use fully electronic delivery and payment methods. However, these two methods only reach a combined 18 percent of the individuals represented in this data set. Rather, most individuals benefit from a social protection program somewhere in the middle of the spectrum, with 20 percent utilizing electronic delivery but cash payments and 22 percent utilizing combination delivery and payment channels.

Most of the programs with non-electronic delivery and cash payment methods are in Sub-Saharan Africa (Figure 4). On the other hand, most of the programs with electronic delivery channels and payment mechanisms are in Latin America. Specific examples of these varying delivery and payment combinations as well as recommendations on how to deepen financially-inclusive features in the shift toward electronic systems can be found in Section IV.

G2P Programs where Individuals Can Store Value

Many social protection programs in this analysis are capitalizing on their use of electronic delivery by offering payments in some financially-inclusive way. In this data set, individuals are defined as “able to save” if their social protection payments are received in a way that, at a minimum, allows for store of value.²⁴ Programs in which individuals are “able to save” are identified as “Savings Enabling” and may use any of the methods listed in Table 2. However, it should be noted that all the individuals in a savings-enabling program may not be counted as being “able to save,” as these are two separate data fields. Reasons for the discrepancy between these numbers are identified within regional contexts in the sub-sections that follow.

Many social protection programs in this analysis are capitalizing on their use of electronic delivery by offering payments in some financially-inclusive way.

Map 4 shows where savings-enabling programs in this data set exist as well as the payment methods used.²⁶ A majority of the savings-enabling programs and individuals “able to save” in this data set are located in Latin America. Overall, 54 programs in this analysis are savings enabling, and over 115 million individuals are “able to save” (Table 3). Figures 5 and 6 show the prevalence of different savings-enabling methods.

As shown in Figure 5, 74 percent of savings-enabling programs do so through bank accounts while cash cards are used by 22 percent of programs. However, as Figure 6 shows, despite a wide range of savings-enabling methods, a clear majority of individuals “able to save” do so via bank account.

Table 2: Savings-Enabling Methods and Definitions

Savings-Enabling Method	Definition
Bank Account — Fully Functional	A bank account in a formally regulated financial institution that generally does not place conditions or major restrictions on an individual's ability to deposit or withdraw funds.
Bank Account — Limited Functionality	A bank account in a formally regulated financial institution is “limited” only in relation to the “fully functional bank account.” Bank accounts are classified as having limited functionality if they possess any of the following characteristics: severely limited or no withdrawal ability (withdrawal is not allowed until recipient reaches a certain age, achieves a certain level of education or completes a specified program) or severely limited or no ability to make deposits. ²⁵
Mobile Phone*	While payments may be delivered via mobile phone, it is not always the case that the phone belongs to the beneficiary. “Mobile Phone” includes the phone itself or individual SIM cards.
Cash Card*	This is an electronic payment mechanism. It includes debit cards and smart cards.
Non-bank Storage	This refers to any method of storing money that does not include a bank account. Cash cards and mobile phones fall within this category, as well as non-electronic storage mechanisms.

* Cash cards and mobile phones can differ in the degree to which they are savings enabling. They can either allow “store of value only” or give individuals the “ability to make deposits.” The former category is savings enabling in that it does not require recipients to withdraw all funds within a set timeframe. The latter category also allows individuals to deposit additional money for storage.

Map 4: Size, Scope, and Types of Savings-Enabling Programs²⁷

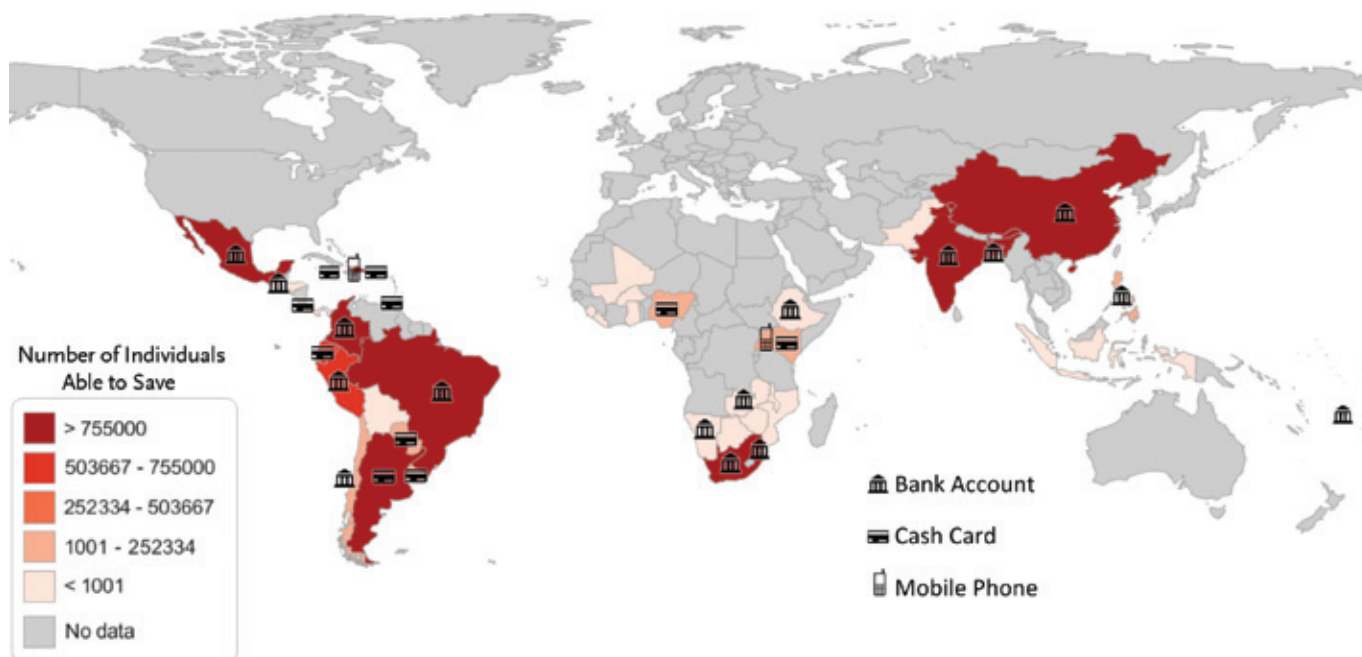


Table 3: Number of Savings-Enabling Programs and Number of Individuals Able to Save

Savings-Enabling Method	Number of programs	Number of Individuals Able to Save
Bank Account (no details available)	21	101,711,833
Fully Functional Bank Account	4	90,578
Limited Functionality Bank Account	15	1,681,789
Cash Card (ability to make deposits)	1	22,000
Cash Card (store of value only)	11	11,537,031
Mobile Phone (ability to make deposits)	1	95,000
Mobile Phone (store of value only)	1	100,000
Total	54	115,238,231

Figure 5: Proportion of Savings-Enabling Programs by Savings-Enabling Method

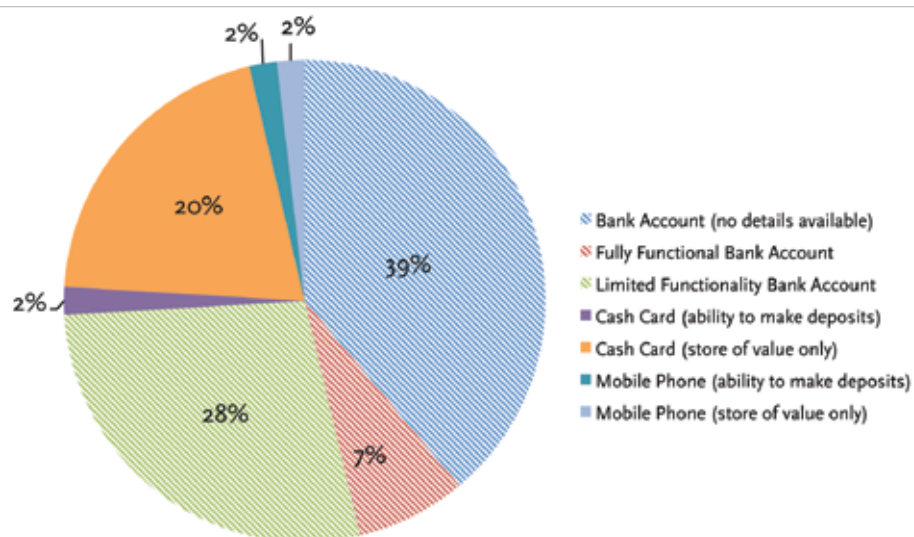
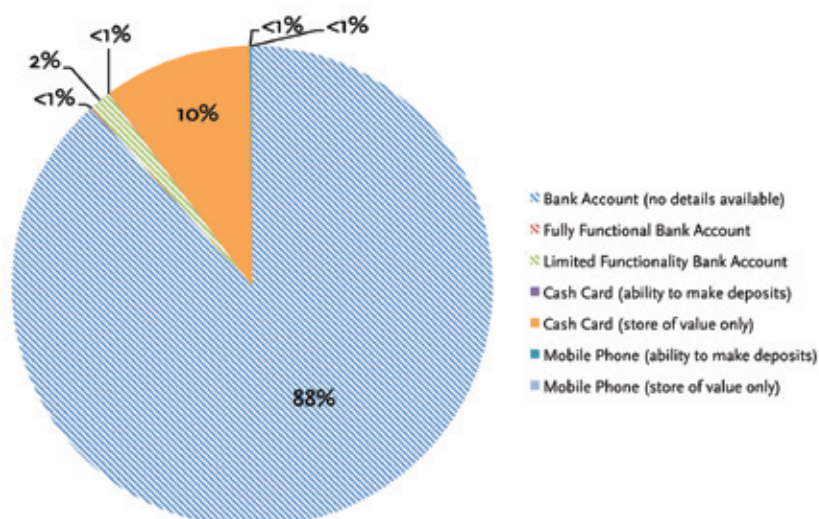


Figure 6: Proportion of Individuals Able to Save by Savings-Enabling Methods



G2P Programs Where Savings Are Encouraged

While the first step to savings-linked social protection programs involves the provision of a savings mechanism, in some cases, programs actively encourage savings behavior and/or asset accumulation. These programs are defined as “Savings Encouraging”; individuals in these programs have been “encouraged to save” through one or more of the methods listed in Table 4.²⁸

Map 5 shows where savings-encouraging programs exist. The shade of color is representative of the number of indi-

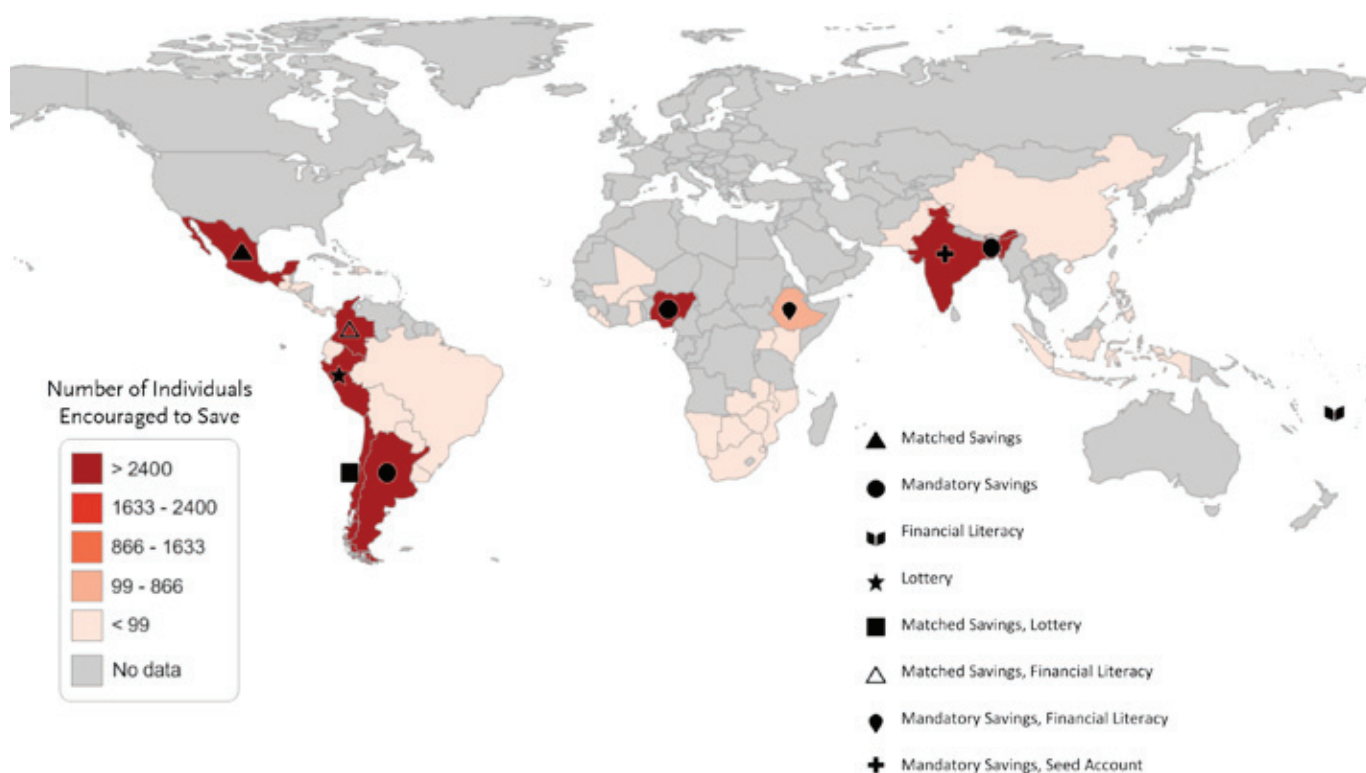
viduals encouraged to save via savings-linked social protection programs. For example, Mexico has a higher number of transfer recipients encouraged to save compared to Brazil.³⁰ Overall, only 23 programs encourage savings, and over three million individuals are encouraged to save, equal to just 2.1 percent of the individuals covered in this data set (Table 5). Figures 7 and 8 show the prevalence of different savings-encouraging methods.

The vast majority of individuals “encouraged to save” are linked with mandatory savings schemes. Based on our clas-

Table 4: Savings-Encouraging Methods and Definitions

Savings-Enabling Method	Definition
Lottery	All beneficiaries who maintain a balance above a certain level are entered in a lottery, with the prize either being cash or another type of reward.
Mandatory Savings ²⁹	Beneficiaries are required to maintain a minimum amount of savings.
Financial Literacy	Beneficiaries receive training on how to make use of formal financial services, and the benefits of doing so.
Matched Savings	Up to a certain maximum, beneficiaries’ own contributions to their savings goals are matched by the program.
Seed Accounts	A certain baseline amount is placed into beneficiaries’ bank accounts, usually with restrictions on access to those initial funds.

Map 5: Size, Scope, and Types of Savings-Encouraging Programs



sification system, “Mandatory Savings” refers to a variety of compulsory savings mechanisms. For instance, Care of the Poor in Nigeria, the Rural Employment Road Maintenance Program in Bangladesh, and the Universal Family Allowance per Child in Argentina automatically deduct the savings amount before disbursing funds to beneficiaries. Ethiopia’s Graduation Pilot disburses the entire amount to beneficiaries, but requires them to save a certain amount before they graduate to the next level of the program. The potential design benefit of the Ethiopia Graduation Pilot over the other three programs is that beneficiaries are given the opportunity to learn how to manage and save their money. The 12 Girl-Targeted programs in India are distinct from the other mandatory savings programs. They either provide beneficiaries with a savings bond or a fixed deposit account. In these programs, the amount accrues interest over time, and beneficiaries can access the funds only when they reach age 18 and remain unmarried.

While one could debate whether or not, or under what circumstances, mandatory savings schemes have a positive effect on savings behavior, it is not within the scope of this paper to address this issue. Instead, knowing where these programs exist and how they operate is a first step to assessing their value as a savings-encouraging tool.

Regional Trends and Innovative Practices

Breaking down and analyzing the data regionally offers insights into trends toward electronic delivery and payments, store of value options, and where intentional asset-building policy design exists. This section also highlights countries and programs that offer particularly interesting or innovative practices that may have lessons for other cash-transfer programs around the world. The prevalence of financially-inclusive social protection programs is demonstrated in the data: *at least 40 percent of programs in each region are savings enabling* (Figure 9).

Table 5: Number of Savings-Encouraging Programs and Number of Individuals Encouraged to Save

Savings-Encouraging Method	Number of programs	Number of Individuals Encouraged to Save
Financial Literacy	4	87,818
Matched Savings	5	398,033
Lottery	2	6,300
Mandatory Savings	16	3,245,962
Seed Account	12	1,299,289
Total	23	3,672,080 ³¹

Figure 7: Proportion of Savings-Encouraging Programs by Savings-Encouraging Method

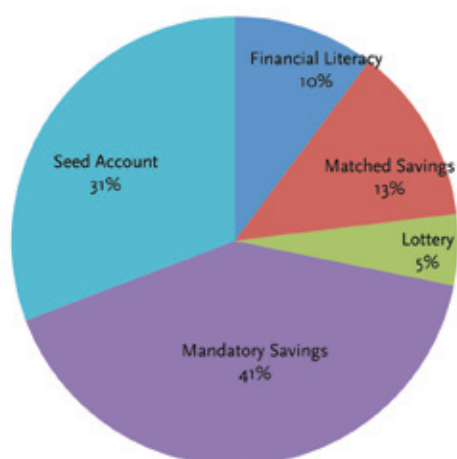
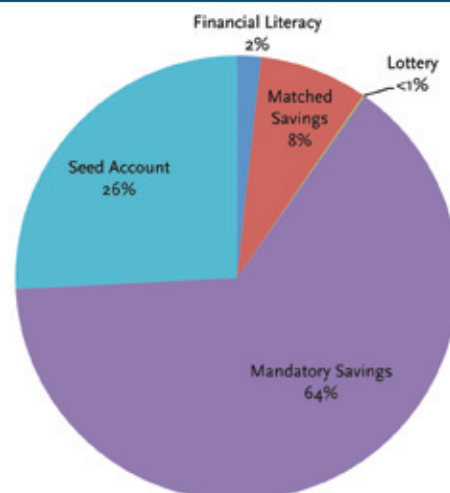


Figure 8: Proportion of Individuals Encouraged to Save by Savings-Encouraging Method



Latin America

Cash-transfer based social protection is most prolific in Latin America. We analyze 31 active programs across 19 countries in this region. Together, these programs reach 29,944,920 individuals, or 17 percent of those accounted for in the entire data set. Of these 31 programs, 22 are savings enabling and seven are savings encouraging. Finally, 16,899,168 individuals are classified as “able to save” in these programs.

In Latin America, 45 percent of programs use both electronic delivery and payment methods, reaching 3,795,433 individuals. All of these programs enable savings through a variety of methods including bank accounts with both limited and full functionality, mobile phones that allow store of value only, and cash cards that allow store of value only. In addition, half of these programs encourage savings through mandatory savings, matched savings, lotteries, and financial literacy efforts. Two countries in particular stand out in their attempts to transform social protection programs into financially-inclusive models:

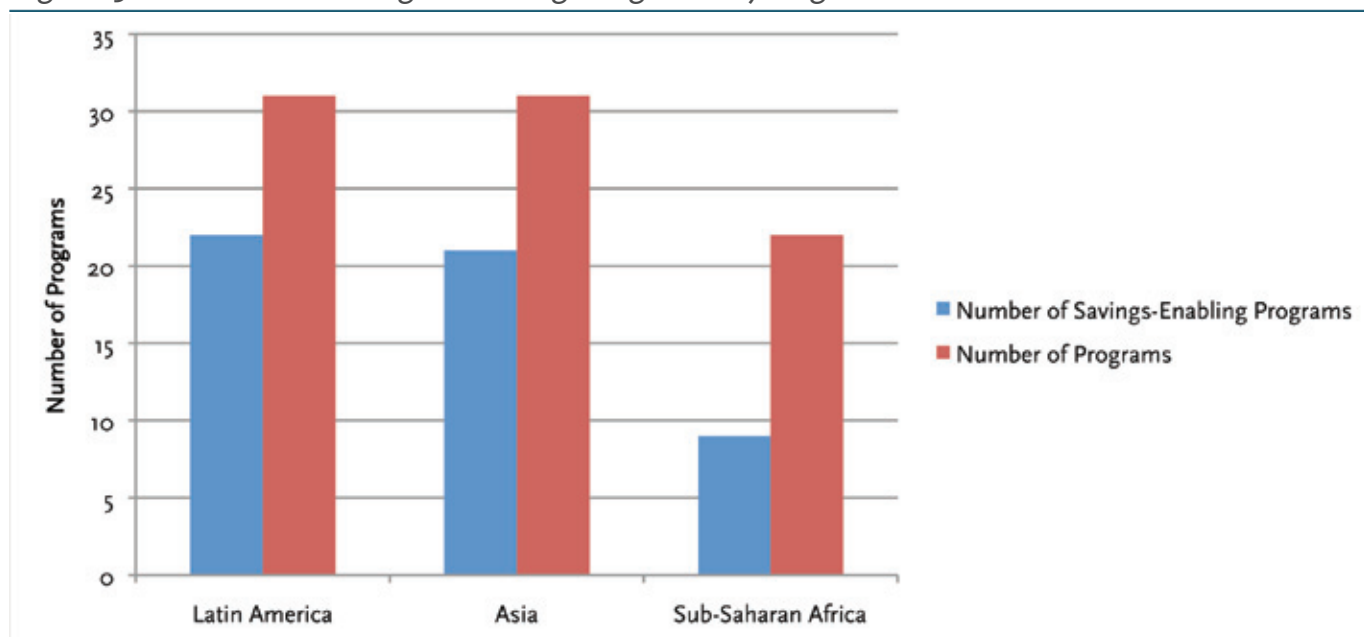
- Haiti is the only country in this data set that uses mobile phones to deliver social protection payments (see Case Study 1).
- Argentina has the only program in Latin America that uses a mandatory savings- encouraging mechanism where 20 percent of an individual’s payment

is withheld and released once a year. However, this encouragement mechanism does not involve a storage facility so it may be considered a technique of enforcing the conditions placed on beneficiaries more than a way to promote asset building.

In Latin America, 26 percent of programs, reaching 25,136,775 individuals, use combination delivery and payment methods, that is, deliver funds via electronic *and* non-electronic means while paying beneficiaries both in cash *and* by electronic means. This suggests that a significant number of programs in Latin America may be shifting to electronic payments. For instance, Jamaica has been transitioning the payments of its Programme of Advancement Through Health and Education (PATH) program from check to cash cards with National Commercial Bank. In addition, all of these programs’ transitions to electronic payments have been accompanied by savings-enabling features, such as cash cards (store of value only) and bank accounts.

Furthermore, this transition to electronic payments can be seen in other variables in the data set: 97 percent of cash-transfer beneficiaries, or approximately 29,075,248 individuals, in Latin America are in programs classified as savings enabling. However, only 58 percent of these individuals (58 percent of the 97 percent in savings-enabling programs) are “able to save.” In addition, only 2,274,006 (8 percent) of these individuals in savings-enabling programs are also encouraged to save.

Figure 9: Number of Savings-Enabling Programs by Region



The difference in the number of individuals “able to save” versus the number of individuals in savings-enabling programs implies that there are still many barriers to saving. For example, even if a program allows individuals to receive payments directly into a bank account, they may opt for cash payments because they do not have convenient access to a bank. In many cases, electronic payments are used in urban areas where more individuals live in close proximity to financial institutions, while rural populations still rely on cash payments and are not provided with savings-enabling tools, and are therefore not identified as “able to save” in this data set.

In Latin America, 26 percent of programs, reaching 25,136,755 individuals, use combination delivery and payment methods, that is, deliver funds via electronic and non-electronic means while paying beneficiaries both in cash and by electronic means. This suggests that a significant number of programs in Latin America may be shifting to electronic payments.

Due to their innovative features and scale of cash-transfer programs, Latin American countries are places to look for lessons learned and best practices, in addition to what the

next generation of cash-transfer based social protection programs might look like. For instance, Brazil, Mexico, Peru, and Colombia are all shifting from cash to electronic payments, with varying successes and challenges, and are exploring the inclusion of financial literacy and asset-building interventions in their efforts. In addition, many savings-enabling programs in Latin America, such as in Peru and Colombia, also have a savings pilot. These pilots may help shift these programs from enabling savings to encouraging it in these countries and across the globe.

Sub-Saharan Africa

In Sub-Saharan Africa, many social protection programs are still using cash payments but the data also indicate a slow but steady shift to electronic payments. This data set analyzes 22 active programs across 17 countries in this region. Together, these programs reach 21,503,410 individuals, or 12 percent of the entire data set. Of these 22 programs, nine are savings enabling and only two are savings encouraging. There are 11,523,508 individuals classified as “able to save” in these programs (10 percent of the individuals “able to save” in the data set).

A full 41 percent of programs in Sub-Saharan Africa use cash payment and non-electronic delivery methods, which is the opposite of what is occurring in Latin America (where 45 percent of programs are on the other side of the spectrum, using electronic payment and delivery methods). Together, these programs (nine in total) reach 697,546 individuals. Only one of these programs enables

Case Study 1: Haiti’s Ti Manman Cheri

Haiti’s Ti Manman Cheri is the only national-level program to use mobile phones as a delivery platform. At its launch, Haiti’s president Michel Martelly described the program as targeting families with young children and those in extreme poverty. Specifically, the program’s objectives are to: reduce the financial burden of education, improve human capabilities of future generations, improve retention and school attendance of beneficiary children, positively influence the quality of schools and the empowerment of women, and inject liquidity into the local economy.

Thus far, Haiti has had two years of experimentation with mobiles to build on. In the aftermath of the January 2010 earthquake, cash transfers were an essential part of the relief effort, which was challenging due to the large numbers of the transient, dispersed, and geographically-isolated. In areas where a strong banking infrastructure and credit card network existed, NGOs delivered services using pre-paid cards and smartcards. Yet in many areas without adequate infrastructure, mobile-based solutions emerged as a preferred option. Haiti has completed more mobile money cash-transfer programs than any other country, in part as a result of efforts from Mercy Corps, Concern International, Oxfam, and HelpAge International.

and encourages savings without the use of electronic payment or delivery mechanisms (see Case Study 2).

Compared to Latin America, a smaller percentage of programs (four programs; 18 percent) in Sub-Saharan Africa use both combination payment and delivery methods. However, the number of individuals reached using these methods stands significantly higher, at 12,646,008. Similar to Latin America, this suggests that a significant number of programs in Sub-Saharan Africa are shifting to electronic payments. Furthermore, all of these transitions to electronic payments have been accompanied by savings-enabling features, such as cash cards that allow store of value only and bank accounts. In South Africa, for example, several programs have moved from pay points to direct deposits into bank accounts. However, government administrators support both types of payments (cash and electronic) by allowing recipients to opt for receiving payments into their own bank accounts instead of via pay points.³² Therefore, the combination payment and delivery methods in South Africa may be less of a transition and more an adaptation to the various locations of program recipients and their proximity and access to banks.

In Latin America, a transition to electronic payments could be seen in the savings-enabling data, but in Sub-Saharan Africa, the transition to electronic payments is less prominent. Though 18 percent of programs in this region use combination delivery methods to reach

7,678,425 individuals, they still rely on cash payments. Thus, while there is a shift to electronic mechanisms here in the region, it is primarily in the delivery method rather than the payment method.³³

Sixty percent of those reached in Sub-Saharan Africa are in savings-enabling programs (approximately 12,898,508 individuals).

Yet Sub-Saharan Africa's transition to electronic payments and more savings-linked social protection payments is still similar in many regards to the experience of Latin America. Sixty percent of those reached in Sub-Saharan Africa are in savings-enabling programs (approximately 12,898,508 individuals). Of these beneficiaries, 89 percent are "able to save," which is significantly higher than in Latin America. However, the discrepancy between individuals in savings-enabling programs and the number of beneficiaries "able to save" is still significant and might be explained by poor banking infrastructure and the sparse nature of rural populations.

Overall, social protection cash transfer programs in Sub-Saharan Africa look similar to those in Latin America, even if the transition to electronic payments is at a slower pace and on a smaller scale. The fact that most savings-enabling pro-

Case Study 2: Ethiopia's Graduation Pilot

Ethiopia's Graduation Pilot, a part of the larger G2P Productive Safety Net Program (a food for work cash transfer program), is the only savings-enabling program in our database that uses cash payments and non-electronic delivery methods. Unlike many other mandatory savings programs, a portion of a recipient's transfer is not automatically withheld. Rather, mandatory savings are treated more like incentives where beneficiaries are required to save in order to progress through different stages of the program. Thus, recipients themselves must make the decision of how much, when, and where to save.

As of March 2012, participants had saved around USD 86,000 (on average, USD 170 per participant). Of this amount, USD 3,000 has been placed with Village Savings and Loan Associations (VSLAs) and the rest has been placed in individual bank accounts at a formal microfinance institution (Dedebit and Credit Savings Institute).³⁴ Participants have the option to save in a VSLA or formal MFI and for the most part are choosing the latter. This may be an indication that participants can and do want to save in formal financial institutions. A transition to electronic payments could capitalize on the fact that participants are already saving the cash payments they receive, and could have a significant positive impact on savings levels.

grams go through a bank account, the presence of a cash-based savings-enabling pilot, and the existence of over 11 million savings-enabled individuals across the region's programs implies that future electronic payments will be accompanied by savings-linkages to formal financial institutions.

Asia

Asia (for the purposes of this paper, East Asia, South-East Asia, and South Asia) is a region that encompasses a few very large programs (one example is India's Mahatma Gandhi National Rural Employment Scheme (NREGS)), but is home to a host of pilot and smaller-scale programs. This data set analyses 31 active programs across seven countries in this region. Together, these programs reach 122,773,379 individuals and cover 70 percent of those accounted for in the data. Of these 31 programs, 21 are savings enabling and 14 are savings encouraging. In these savings-enabling programs, 1,375,574 individuals (2 percent) are classified as "encouraged to save".

In Asia, 61 percent of programs use cash payment and electronic delivery methods, which reach 34,510,590 individuals. Eleven of these programs are categorized as savings enabling and savings encouraging based on our broad criteria. In addition, 26 percent of programs use both electronic payment and

delivery methods, reaching 25,110,789 individuals. Almost all of these programs are savings enabling, primarily through bank accounts. Together, 87 percent of the programs studied in Asia reach almost 60 million individuals and use either electronic delivery or electronic payment methods.

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Our data indicate that in Asia, 68 percent of beneficiaries reached by cash-transfer programs are in savings-enabling programs. Of this 68 percent (83,579,995 individuals), almost all are "able to save," a finding that is significantly different from Latin America and Sub-Saharan Africa, where several barriers to saving exist. While individuals in Asia do face substantial barriers to formal savings, some government-led financial inclusion initiatives, such as those in India, automatically connect social protection payments to bank accounts. On a technical level, therefore,

Case Study 3: Fiji's Family Allowance and Childcare & Protection Programs

Fiji's Department of Social Welfare Women and Poverty Alleviation found that the voucher system it used to disburse payments for beneficiaries in the Family Allowance and Childcare & Protection Programs was susceptible to delays, which were time consuming and cost prohibitive. As Matt Leonard of UNCDF notes in his discussion of the vouchers, "While no fees were charged to the recipient, many clients had to wait in line for up to a day and some would spend up to 30-50 percent of the monthly benefit in travelling long distances to cash them."³⁵

The Pacific Financial Inclusion Program (PFIP) recently began an effort to provide improved access to financial services for low-income people in Pacific Island Countries, and Fiji's are the first two social protection programs in the region to offer comprehensive and financially-inclusive accounts to beneficiaries. PFIP has partnered with Westpac Bank, one of the largest commercial banks in Fiji, to ensure that the primarily rural beneficiaries receive their payments. Product features include: a basic transaction account, with a free optional linked savings account; a free Westpac "Handycard" ATM debit card; financial literacy workshops; and basic instructions on account and card usage.

As PFIP continues its mission "to increase the number of low income and rural households, micro and small enterprises in Pacific Island Countries (PICs) that have on-going access to quality and affordable financial services," Fiji will provide lessons and applications of financial inclusion and asset building for other PICs, as well as other countries throughout Asia.³⁶

individuals in India's programs (which cover well over 60 million people) are "able to save."

At the same time, of the 68 percent of individuals across Asia in these savings-enabling programs, less than 2 percent are "encouraged to save" (approximately 1,375,574 individuals). However, NREGS in India (with 52,500,000, it is the largest program in our data set) does not encourage savings and thus skews the sample. The five programs in Asia that do encourage savings pale in comparison.

While countries throughout Asia are still experimenting with cash transfer programs—oftentimes using Latin American programs such as Oportunidades in Mexico or Bolsa Familia in Brazil as a starting point for their own policies—there are several important insights to draw from the region. Electronic payments are increasingly of interest to governments, savings opportunities are being leveraged in various ways, and a host of issues are being addressed through cash transfer programs. Asia is where the bulk of programs targeting girls exist, and these programs are being fine-tuned based on the various cultural contexts and economic and social issues specific to the region.³⁷

Other Trends: Conditionality and Target Populations

Data collection efforts also focused on several other program characteristics. The following section highlights some of the key trends seen across all regions, including conditionality and target populations.

Conditionality

Of the 84 active programs in this data set, 69 place conditions on social protection transfers while 15 do not.³⁸ The payment and delivery details of these programs are fairly similar for programs with and without conditions:

- 14 percent of conditional programs (13 percent of non-conditional programs) operate entirely in cash
- 29 percent of conditional programs (33 percent of non-conditional programs) use electronic payment and electronic delivery

All of the programs in the data set that use electronic delivery and electronic payment methods, regardless of conditionality, are savings enabling either through bank accounts or cash cards. However, a difference arises when considering savings-encouraging mechanisms. While only

one non-conditional program encourages savings, 32 percent of those with conditions do so through a variety of methods: financial literacy, mandatory savings, matched savings, lotteries, and seeded accounts.

Of the 84 active programs in this data set, 69 place conditions on social protection transfers while 15 do not.

Target Populations

Many programs in this data set are designed for specific groups of people. Although the criteria for inclusion requires that all programs target poor and vulnerable populations, the data indicate that several programs are far more specific in the groups they are intended for. These groups include but are not limited to:

- Children (and as a subset, Girls)
- Women
- Disabled
- Elderly
- Farmers/Agricultural Workers
- Unemployed
- Minorities
- Emergency and Disaster Victims

Programs often target several different groups at once but some generalizations can be made. For example, programs specifically targeting unemployed populations tend to have cash-for-work features while those for women and children tend to have a stated goal of breaking intergenerational poverty. Furthermore, there are preliminary indications that there are trends connecting payment and delivery details with certain target populations.

Forty-one programs (49 percent of programs in this data set) target children³⁹ and 48 percent of these programs are savings enabling. However, only 10 percent of these programs are savings encouraging. Twenty-four percent of the programs targeting children do not use electronic payment or delivery methods. Overall, 55 percent of the programs targeting children use cash payments (of which, 21 percent use fully electronic delivery methods). On the other hand, 24 percent use electronic payments and electronic delivery methods. In addition to the programs targeting children

(programs targeting children and programs targeting girls are mutually exclusive), 17 programs focus exclusively on girls, 76 percent of which are savings enabling and 71 percent of which are savings encouraging. Almost all of these programs (94 percent) use electronic delivery methods and three of them also use electronic payment methods.

Fifteen programs target disabled populations, and 33 percent of those do not use electronic payment or delivery methods. Only 13 percent of these programs use electronic payment and electronic delivery methods (all of which are savings enabling and savings encouraging). The fact that 40 percent of the programs targeting disabled populations are savings enabling may indicate potential for a shift to electronic and savings-linked social protection payments.⁴⁰ Twenty-seven percent of these programs use both “combination delivery” and “combination payment” methods and all are savings enabling. This means that transfers are delivered via electronic and non-electronic means and payments are made either in cash or electronically. This implies that many of the programs targeting disabled populations may be in transition to full electronic payments and savings-enabling methods.

While there appears to be a wide variety of savings-enabling methods in use, these data indicate that a majority of individuals covered are savings enabled through one method: bank accounts.

While social protection programs vary greatly within and across regions in their savings linkages, conditionality, and target populations, most individuals in this data set seem to benefit from a program that lies somewhere in the middle of the payment and delivery method spectrum (see Figure 3). Programs in Sub-Saharan Africa are largely concentrated on the left side of the spectrum, with cash payments and non-electronic delivery channels. However, there are indications that transitions to electronic payments can be accompanied by savings linkages to bank accounts in formal financial institutions. On the other hand, Latin America leads in the number of programs utilizing electronic payment and electronic delivery methods. As a result, most savings-enabling programs are concentrated in Latin America.

While there appears to be a wide variety of savings-enabling methods in use, these data indicate that a majority of individuals covered are savings enabled through one method: bank accounts.⁴¹ Moreover, while over three million individuals participate in savings-encouraging programs, a significant majority do so because saving is mandatory, a contested encouragement method that may not fully qualify as “asset building” in nature.

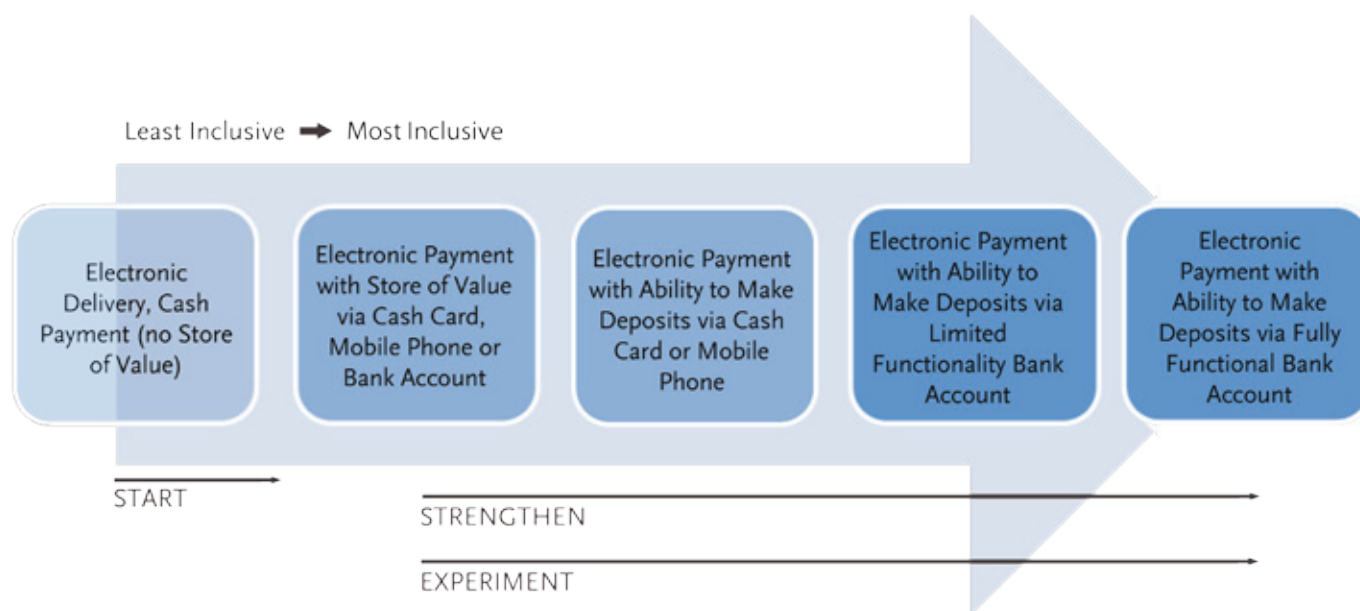
These regional trends indicate varying, but promising, shifts to e-payments and savings linkages. In Latin America a national program in Haiti uses mobile phones to deliver payments while government-led initiatives in Asia (India and Fiji) are actively connecting social protection payments to financial inclusion programs. Finally, even though Sub-Saharan Africa still relies heavily on cash payments, a pilot in Ethiopia has shown that a mandatory savings mechanism allows individuals flexibility to decide for themselves when, where, and how much to save. Each region has a variety of programs that are all in different stages of the transition to electronic payments and savings linkages. The following section takes a deeper look at these stages and offers suggestions for where there are opportunities to start, strengthen, and experiment in this transition. ▣

IV. Opportunities Toward Savings Linkages

The GSSP data reveal an acceleration of trends toward electronic, and in many cases financially-inclusive, social protection payment systems. But questions remain: where are these shifts headed? How can governments leverage these trends in the most efficient and effective ways?

Figure 10 conveys the spectrum, from least to most, of ways in which governments are incorporating financially-inclusive features into their social protection programs using electronic delivery and payment platforms within the countries examined in this paper. At the base of spectrum, programs use electronic delivery mechanisms but the payments are disbursed in cash. For instance, the funds may be transferred electronically to a central bank account from which program staff withdraw and disburse the payments in cash to beneficiaries.⁴² Slightly more inclusive methods use e-payment systems that allow for store of value into a limited functionality bank account,⁴³ or onto a cash card or mobile phone. Importantly, these beneficiaries are only able to store funds from their cash

Figure 10: Current Spectrum of Financial Inclusion via E-payment Systems



transfers, but are not able use the associated account, card or phone to engage in any other money management activity, such as deposit additional funds. Improving upon this are e-payment systems that involve not only basic store of value, but also allow for beneficiaries to deposit funds onto a cash card or mobile phone that is not connected to a bank account. Still slightly more inclusive are e-payment systems that pay into a limited functionality bank account and allow for deposits. Such accounts allow for a certain level of security for funds that cash cards and mobiles do not. Finally, e-payment systems that pay into a fully-functional account and allow for both withdrawals and deposits are the most financially-inclusive in the G2P payment space.

Comparing where programs in our data set fall on the delivery and payment method spectrum (see Figure 3) provides insights into various potential opportunities for advancement along the financially-inclusive spectrum in order to: 1) *start* the transition from cash to financially-inclusive electronic payments; 2) *strengthen* their existing electronic payment platforms by providing beneficiaries with more financially-inclusive tools, such as fully functional bank accounts that enable greater savings and money management opportunities; and 3) leverage their already-strong payment platforms to *experiment* with various ways of encouraging beneficiaries to save.

This is not intended to be a comprehensive analysis of opportunities to link specific interventions or modifications to exact programs. Instead, we offer a comparative assessment of the variety of delivery and payment methods that programs are using to transfer funds to beneficiaries, and use this as the starting point to outline *potential* program opportunities. In other words, in this analysis we consider where a program *might* be headed on the path toward financially-inclusive payment systems, based on the payment and delivery spectrum outlined above, but we refrain from providing advice as to where it *will* or *should* be headed. A more thorough analysis of individual countries or programs would be needed to develop the best approach to enable or encourage savings and asset building for any specific G2P program.

Opportunities to Start

Many programs deliver funds using electronic methods—in full or in part—while requiring recipients to access the funds in cash or vouchers. For these programs, as the table below indicates, the primary opportunity is to continue the electronic delivery of funds, yet use a payment method that allows for store of value. Depositing payments into a bank account, on a cash card, or into a mobile money account, particularly when they allow for store of funds over time, is a crucial starting point for financial inclusion.

Figure 11: Opportunities to Start

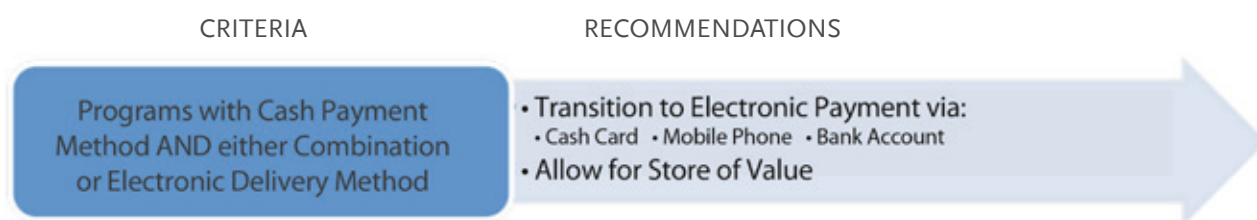


Table 6: Opportunities to Start

Opportunity to Start: Transition to Electronic Payment via: (1) Cash Card, (2) Mobile Phone, (3) Bank Account			
Country	Program Name	Delivery Method(s)	Payment Method(s)
Bolivia	Bono Madre Nino and Bono Juana Azurduy de Padilla	Non-Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash
Bolivia	Bono Juancito Pinto	Non-Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash
Uruguay	Asignacion Familiar, which is part of the larger "Plan de Equidad"	Non-Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash
Ethiopia	Productive Safety Net Program	Non-Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash
Zimbabwe	Protracted Relief Program	Non-Electronic Delivery via Pay Points, Electronic Delivery via Post Office	Cash Payment via Cash
Panama	Red de Oportunidades	Non-Electronic Delivery via Post Office, Electronic Delivery via Bank	Cash Payment via Cash
Paraguay	Abrazo	Electronic Delivery via Bank	Cash Payment via Cash
India	Apni Beti Apna Dhan (ABAD)	Electronic Delivery via Bank	Cash Payment via Cash
India	Bhagyalakshmi, Karnataka	Electronic Delivery via Bank	Cash Payment via Cash
India	Savitri Bai Phule	Electronic Delivery via Bank	Cash Payment via Cash
India	Girl Child Protection Scheme, Andhra Pradesh	Electronic Delivery via Bank	Cash Payment via Cash
India	Ladli Lakshmi Yojana, Mandhya Pradesh	Electronic Delivery via Bank	Cash Payment via Cash
India	Mukhya Mantri Kanya Suraksha Yojana, Bihar	Electronic Delivery via Bank	Cash Payment via Cash
India	Balika Samridhi Yojana, Gujarat	Electronic Delivery via Bank	Cash Payment via Cash
India	Balika Samridhi Yojana, HP	Electronic Delivery via Bank	Cash Payment via Cash
India	Ladli Scheme, Haryana	Electronic Delivery via Bank	Cash Payment via Cash

Table 6, Continued: Opportunities to Start

Opportunity to Start: Transition to Electronic Payment via: (1) Cash Card, (2) Mobile Phone, (3) Bank Account			
Country	Program Name	Delivery Method(s)	Payment Method(s)
India	Kunwarbainu Mameru Scheme, Gujarat	Electronic Delivery via Bank	Cash Payment via Cash
India	Mukhya Mantri Kanya Vivah Yojana, Bihar	Electronic Delivery via Bank	Cash Payment via Cash
Bangladesh	Secondary Education Sector Improvement Project II (as part of the National Female Stipend Program)	Electronic Delivery via Bank	Cash Payment via Cash
Bangladesh	Secondary Education Quality and Access Improvement Project	Electronic Delivery via Bank	Cash Payment via Cash
Philippines	Social Pension Program	Electronic Delivery via Bank or ATM	Cash Payment via Cash
Mozambique	Food Subsidy Programme (Programa de Subsidio de Alimentos)	Electronic Delivery via Bank or Pay Points	Cash Payment via Cash
Pakistan	Child Support Program	Electronic Delivery via Post Office	Cash Payment via Cash
Indonesia	Program Keluarga Harapan	Electronic Delivery via Post Office	Cash Payment via Cash
Indonesia	Program Bantuan Tunai, Bantuan Tunai Langsung (BLT)	Electronic Delivery via Post Office or Pay Points	Cash Payment via Cash
Pakistan	Punjab Female School Stipend Program (FSSP)	Electronic Delivery via Post Office or Pay Points	Cash Payment via Cash
India	Janani Suraksha Yojana (JSY)	Electronic Delivery via Bank	Cash Payment via Voucher

Opportunity to Start: Mozambique's Food Subsidy Programme

The Food Subsidy Programme in Mozambique provides a monthly cash transfer to people who are destitute and have no capacity to work, which includes older, disabled, and chronically ill individuals as well as pregnant women who are malnourished. While the program uses an electronic delivery method into a universal bank account, payments are made to beneficiaries in cash. Program employees withdraw a lump sum (in small denominations) from the bank and travel to predetermined pay points. Beneficiaries then travel to their designated pay points to collect their cash. According to Talmo and Waterhouse, this delivery and payment process is a “huge logistical exercise”.⁴⁴

Because funds are already delivered electronically, e-payments may be a logical next step. However, given the target population, adequate access to pay points is necessary to avoid beneficiaries traveling to banks or ATMs to withdraw or deposit funds. Therefore, a transition to e-payments *could* involve mobile payment methods instead of (or in addition to) banks, provided that a mobile infrastructure exists. With mobile money, the vulnerable could avoid having to travel to pay points to receive their cash and could spend their subsidies directly at shops in their neighborhoods.

Opportunities to Strengthen

A number of the programs use a combination payment method, meaning they provide some beneficiaries with e-payments while others receive their payments in cash. This mixture appears primarily in programs transitioning to electronic payments or where rural beneficiaries do not have the same options and access to banks, POS machines, and other e-payment platforms that urban beneficiaries do.

Other programs in this category provide beneficiaries with the ability to store money electronically but could be improved by allowing them more interaction with their funds. For instance, programs that allow for store of value on cash cards could enhance beneficiaries' ability to save by offering the option to deposit additional funds onto the cards. This provides beneficiaries with a safe place to store other financial resources. Making electronic payments into a bank account, for instance, could allow programs to offer other integrated savings opportunities. Programs like Avancemos in Costa Rica pay all of

their beneficiaries electronically via a cash card. However, while the cash card allows for some store of value, it is not linked to a bank account.

It is important to note that thorough and accurate data on payment and delivery mechanisms of G2P payments are not always available. The term "Bank Account (no details available)" identifies those programs for which we know that payments and the ability to save occur through a bank account, but the specific details of the account (whether or not deposits, withdrawals, and so on are allowed) are not provided.

Interestingly, for programs identified as "Savings Enabling via Limited Functionality Bank Accounts AND Savings Encouraging via Mandatory Savings," beneficiaries' interaction with their accounts is limited, and at times prohibited, and thus do not provide an opportunity to engage in savings behavior. Therefore, while these programs are technically considered "Savings Encouraging", it is debat-

Figure 12: Opportunities to Strengthen

CRITERIA	RECOMMENDATIONS
Programs with Electronic Payment Method AND Savings Enabling via Limited Functionality Bank Account OR Bank Account (no details available)	• Transition to Electronic Payment via Fully Functional Bank Account
Programs with Electronic Payment Method AND Savings Enabling via Cash Card (store of value only)	• Allow Deposits via Cash Card • Connect Cash Card to Bank Account
Programs with Electronic Payment Method AND Savings Enabling via Cash Card (ability to make deposits)	• Connect Cash Card to Bank Account
Programs with Combination Payment Method AND Savings Enabling via Limited Functionality Bank Account OR Bank Account (no details available)	• Finalize Transition to Electronic Payment via Bank Account, Allow Deposits into Bank Account
Programs with Electronic Payment Method AND Savings Enabling via Cash Card (store of value only) OR Bank Account (no details available)	• Finalize Transition to Electronic Payment via Cash Card or Bank Account, Allow Deposits on Cash Card or into Bank Account

Table 7: Opportunities to Strengthen

Opportunity to Strengthen: Transition to Electronic Payment via Fully Functional Bank Account			
Country	Program Name	Payment Method(s)	Savings Enabling Method(s)
Bangladesh	Employment Generation for the Hard-Core Poor	Electronic Payment via Bank Account	Bank Account (no details available)
Bangladesh	Reaching Out-of-School Children	Electronic Payment via Bank Account	Bank Account (no details available)
Chile	Programa Ahorro	Electronic Payment via Bank Account	Bank Account (no details available)
Colombia	Oportunidades Rurales	Electronic Payment via Bank Account	Bank Account (no details available)
India	Kasturba Gandhi Balika Vidyalay Scheme (as part of SSA)	Electronic Payment via Bank Account	Bank Account (no details available)
India	Ladli Scheme — Ladli (“Dearest”) Programme	Electronic Payment via Bank Account	Limited Functionality Bank Account
Mexico	Jovenes con Oportunidades	Electronic Payment via Bank Account	Limited Functionality Bank Account
Peru	Programa Juntos	Electronic Payment via Bank Account	Bank Account (no details available)
Swaziland	Old Age Grant (OAG)	Electronic Payment via Bank Account	Bank Account (no details available)
China	Minimum Living Standards Scheme	Electronic Payment via Bank Account	Bank Account (no details available)
Opportunity to Strengthen: Allow Deposits via Cash Card, Connect Cash Card to Bank Account			
Country	Program Name	Payment Method(s)	Savings Enabling Method(s)
Argentina	Universal Family Allowance per Child for Social Protection	Electronic Payment via Cash Card	Cash Card (store of value only)
Colombia	Subsidio Condicionado a la Asistencia Escolar-Bogota	Electronic Payment via Cash Card	Cash Card (store of value only)
Costa Rica	Avancemos	Electronic Payment via Cash Card	Cash Card (store of value only)
Dominican Republic	Programa Solidaridad	Electronic Payment via Cash Card	Cash Card (store of value only)
Kenya	The Hunger Safety Net Programme (HSNP)	Electronic Payment via Cash Card	Cash Card (store of value only)
Trinidad and Tobago	Target Conditional Cash Transfer Programme	Electronic Payment via Cash Card	Cash Card (store of value only)
Opportunity to Strengthen: Connect Cash Card to Fully Functional Bank Account			
Country	Program Name	Payment Method(s)	Savings Enabling Method(s)
Nigeria	Care of the Poor COPE	Electronic Payment via Cash Card	Cash Card (ability to make deposits)
Opportunity to Strengthen: Finalize Transition to Electronic Payment via Cash Card or Bank Account, Allow Deposits on Cash Card or into Bank Account			
Country	Program Name	Payment Method(s)	Savings Enabling Method(s)
Brazil	Bolsa Familia	Cash Payment via Cash, Electronic Payment via Bank Account, Cash Card	Cash Card (store of value only), Bank Account (no details available)
Opportunity to Strengthen: Finalize Transition to Electronic Payment via Bank Account, Allow Deposits into Bank Account			
Country	Program Name	Payment Method(s)	Savings Enabling Method(s)
Chile	Chile Solidario	Cash Payment via Cash, Electronic Payment via Bank Account	Bank Account (no details available)
Guatemala	Mi Familia Progresiva (MIFAPRO)	Cash Payment via Cash, Electronic Payment via Bank Account	Bank Account (no details available)
Zambia	Kalomo Pilot Social Cash Transfer Scheme	Cash Payment via Cash, Electronic Payment via Bank Account	Bank Account (no details available)

Opportunity to Strengthen: Mexico's Oportunidades

The first conditional cash transfer (CCT) program in the world, Oportunidades, now reaches almost six million people, mostly in rural areas. Partly out of an effort for greater financial inclusion, as well as a push for greater efficiency and reduced corruption, the Mexican government has made shifting payments to a bank account a top priority.⁴⁵

Although it is a global leader in enabling wealth creation through government-to-person payments, there is room for the program to improve the way it helps beneficiaries save money. Currently, there are two main payment methods for Oportunidades recipients: a “blue card” (with a savings account attached), and a “pink card” (which is prepaid). The Mexican government requires beneficiaries to withdraw the entirety of their grant within five weeks of disbursement. While recipients are allowed to redeposit funds after full withdrawal, this “default” option leads many (if not most) recipients to simply withdraw their entire grant.

Several potential strategies could be used to strengthen the savings potential of this program: 1) allow for partial withdrawals, while maintaining the requirement of some interaction with the account on a monthly basis, or 2) allow for partial withdrawals and/or no withdrawals at all. Within the country, there has been some indication that those who are using prepaid cards might be allowed partial storage in the future, possibly out of a recognition that re-depositing funds may be quite difficult in rural areas with less extensive financial infrastructure.

able whether they have any impact on beneficiaries' financial capabilities.

The Ethiopia Graduation Pilot Program stands out as an anomaly. It does not fit the criteria for “Start,” “Strengthen,” or “Experiment” because both the Delivery and Payment Methods are non-electronic. However, it both enables and encourages savings, indicating that the savings opportunities are informal.

Opportunities to Experiment

Within programs that provide the ability to save but do not encourage savings, there are a variety of interventions that could be implemented to facilitate asset building.⁴⁶ Approaches to encouraging saving among cash transfer recipients that have been employed so far include: matched savings, mandatory savings, financial literacy, seeded accounts, and lottery or other prize-linked savings. While current approaches seem to be limited to these five mechanisms, there are of course a variety of other possible mechanisms to encourage savings behavior. For instance, so-called “nudges” are being implemented and tested in various contexts in order to examine the impact they might have on savings habits.⁴⁷ In Sri Lanka and Nepal, banks and public schools are cooperating to implement in-school banking platforms, and in Uganda, asset-building interventions have been tied to microenterprise development to help youth get

and stay on the right path to an economically stable future.

The best asset-building intervention for any given program or population will depend on the particulars of the context, including target population and objectives. We do not, in this analysis, assess which “savings-encouraging” mechanisms are most effective, nor do we recommend specific mechanisms with specific programs. Experimentation with nudges and other tools will continue to expand the list of savings-encouraging mechanisms possible, but it is out of the scope of this report to present or assess an exhaustive list.

It is worth noting that all of the programs in the table below provide electronic payments, except for Kalomo Pilot Social Cash Transfer Scheme in Zambia.

These recommendations and their corresponding countries and programs are largely illustrative and are not meant to provide exact pathways toward savings linkages to specific social protection programs. The goal of this analysis is to identify where various programs may be in the transition to electronic delivery and payment systems—that is, whether they are just beginning to develop a platform for electronic delivery mechanisms, providing payments electronically yet without the ability to store funds, or have a payment and delivery system in place that could be used to encourage savings, should that be a policy objective. ■

Figure 13: Opportunities to Experiment



Table 8: Opportunities to Experiment

Opportunity to Experiment: Encourage Savings via: (1) Matched Savings, (2) Commitment or Mandatory Savings, (3) Financial Literacy, (4) Seeded Accounts, (5) Lottery, (6) Other incentives or “nudges”			
Country	Program Name	Delivery Method(s)	Payment Method(s)
Guatemala	Mi Familia Progresa (MIFAPRO)	Non Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Bank Account
Mexico	Oportunidades	Non Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Bank Account
South Africa	Disability Grant	Non Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Bank Account
Chile	Chile Solidario	Non Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Bank Account
Colombia	Familias en Accion	Non Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Bank Account
China	Minimum Living Standards Scheme	Electronic Delivery via Bank	Electronic Payment via Bank Account
Peru	Programa Juntos	Electronic Delivery via Bank	Electronic Payment via Bank Account
Swaziland	Old Age Grant (OAG)	Electronic Delivery via Bank	Electronic Payment via Bank Account
Namibia	Basic Income Grant Pilot Project (BIG)	Non Electronic Delivery via Pay Points, Electronic Delivery via and Post Office	Cash Payment via Cash, Electronic Payment via Bank Account
South Africa	Child Support Grant	Non Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Bank Account
South Africa	Care Dependency Grant	Non Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Bank Account
Zambia	Kalomo Pilot Social Cash Transfer Scheme	Non-Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Bank Account
India	Mahatma Gandhi National Rural Employment Guarantee Scheme	Electronic Delivery via Bank or Pay Points	Cash Payment via Cash, Electronic Payment via Bank Account
Bangladesh	Primary Education Stipend Project	Electronic Delivery via Bank or Pay Points	Cash Payment via Cash, Electronic Payment via Bank Account
Bangladesh	Employment Generation for the Hard-Core Poor	Electronic Delivery via Bank	Electronic Payment via Bank Account
India	Kasturba Gandhi Balika Vidyalay Scheme (as part of SSA)	Electronic Delivery via Bank	Electronic Payment via Bank Account
Bangladesh	Reaching Out-of-School Children	Electronic Delivery via Bank	Electronic Payment via Bank Account
Philippines	Pantawid Pamilyang Pilipino Program (4Ps)	Electronic Delivery via ATM	Cash Payment via Cash

Table 8, Continued: Opportunities to Experiment

Opportunity to Experiment: Encourage Savings via: (1) Matched Savings, (2) Commitment or Mandatory Savings, (3) Financial Literacy, (4) Seeded Accounts, (5) Lottery, (6) Other incentives or “nudges”			
Country	Program Name	Delivery Method(s)	Payment Method(s)
Uruguay	Tarjeta Alimentaria	Electronic Delivery via ATM	Electronic Payment via Cash Card
Ecuador	Bono de Desarrollo Humano (Bono Solidario)	Non Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Cash Card
Jamaica	Programme of Advancement through Health and Education (PATH)	Non Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Cash Card
Argentina	Universal Family Allowance per Child for Social Protection	Electronic Delivery via Bank	Electronic Payment via Cash Card
Colombia	Subsidio Condicionado a la Asistencia Escolar-Bogota	Electronic Delivery via Bank	Electronic Payment via Cash Card
Costa Rica	Avancemos	Electronic Delivery via Bank	Electronic Payment via Cash Card
Dominican Republic	Programa Solidaridad	Electronic Delivery via Bank	Electronic Payment via Cash Card
Paraguay	Tekopora/PROPAIS II	Non Electronic Delivery via Pay Points, Electronic Delivery via Bank	Cash Payment via Cash, Electronic Payment via Cash Card
Trinidad and Tobago	Target Conditional Cash Transfer Programme	Electronic Delivery via Bank	Electronic Payment via Cash Card
Kenya	The Hunger Safety Net Programme (HSNP)	Electronic Delivery via Bank, Pay Points, or Point of Sale Machine	Electronic Payment via Cash Card
Haiti	Ti Manman Cheri	Electronic Delivery via Mobile Phone	Electronic Payment via Mobile Phone
Uganda	Social Assistance Grants for Empowerment	Electronic Delivery via Mobile Phone	Electronic Payment via Mobile Phone

Opportunity to Experiment: Bangladesh

Bangladesh has a number of programs that use electronic delivery methods, but pay beneficiaries in cash. In addition to the Rural Employment Road Maintenance Program (RERMP), which is unique in providing a savings account for the beneficiary and encouraging savings (through mandatory savings), the Secondary Education Quality Access and Enhancement Project (SEQAEP) and the Secondary Education Sector Improvement Project (SESIP) II, and the Primary Education Stipend Project (PESP) use electronic delivery methods but do not allow for the flow of funds into and out of the beneficiary's account.

With the Central Bank of Bangladesh making a push to encourage banks to offer mobile services, there is a significant opportunity for many of these programs to shift to electronic payments via mobile banking. This is important because policymakers often cite the lack of access to bank branches in rural areas as the explanation for requiring cash payments to beneficiaries.

As of this writing, two of the primary banks used to disburse stipend funds to students in the stipend programs above—Sonali Bank and Janata Bank—have received licenses for mobile financial services, but have not partnered with a mobile network operator to launch their service. When this happens, and when the Agrani Bank—the only bank through which SEQAEP funds are disbursed—follows suit, the use of mobile banking for payment delivery may be a logical next step. Additionally, if accounts are modified to allow for store of value, banks could leverage their mobile platforms to test the use of nudges such as SMS reminders for the purpose of encouraging savings among beneficiaries.⁴⁸

V. Conclusion

We face an opportunity and an imperative to innovate at the intersection of cash transfers and financial inclusion, given the relative newness of the concept and the general momentum in the field. The ongoing shift toward cash-lite and cashless policies and practices will work only if the new systems created benefit all of the various parties involved: governments, financial institutions and the private sector, NGOs, and, most importantly, individuals in need.

However, each of these parties faces unique challenges in the effective implementation of financially-inclusive cash-lite policies. For instance, governments may need to invest in payment infrastructure (such as ATMs, inexpensive mobile and broadband networks, and a reliable electricity grid) in order to deliver payments electronically. For financial institutions, providing low-income households access to bank accounts in a cost-effective manner may require innovative business models and a long-term view on profitability. Lastly, and most importantly, individuals may face a number of obstacles in their use of formal financial services, the least of which being their lack of familiarity and trust in banks.

While current data presented in this report are limited, they underscore the potential to expand the scope of savings-linked G2P payments: out of data on 174 million beneficiaries of social protection payments across the three poorest regions, only 61% have the ability to save funds and in most cases this “ability” is moderately to severely limited by restrictive account structures. The critical question is: how can we best leverage the increasing shift toward electronic payments in order to overcome

the above challenges and 1) provide access to financial services for the remaining 39% and 2) ensure that those with the ability to save are connected to products and services that meet their varying needs?

The ongoing shift toward cash-lite and cashless policies and practices will work only if the new systems created benefit all of the various parties involved: governments, financial institutions and the private sector, NGOs, and, most importantly, individuals in need.

We hypothesize a scenario in which all involved parties benefit from more efficient (via electronic delivery and payment methods) and more effective (via financial access and asset-building opportunities for the poor) G2P systems. However, despite critical gains in increasing access via advancements in payment systems, more and better data are necessary to evaluate opportunities and challenges to usage of and demand for such savings services for the very poor. Moreover, the most effective strategies for a specific population or country will require country-, issue-, and/or program-specific diagnostic evaluations, coordinated multi-sector dialogue and negotiation, and targeted investments in both infrastructure and policy development. Concerted monitoring and evaluation, as well as impact research, will also be necessary to track progress and highlight what is working, and what needs to be further fine-tuned. ➦

Annex 1: Notes on Methodology

The GSSP Initiative's research does not include all cash transfer social protection programs in the world. Instead, we examined cash transfer programs targeted at the poor in Africa, Asia and Latin America. In addition, only programs that reach more than 5,000 individuals were analyzed, unless the programs included unique savings interventions. Future analyses will benefit from a more robust data set that incorporates additional regions and program types.

The above criteria led to a total of 105 programs examined by the Initiative and included on our website, <http://gssp.newamerica.net/>. Of these, 84 were included in the analysis for this paper. This is because two additional criteria were used:

- The program must be currently active
- The program must have available data on delivery and payment details

Within these programs, our current research consists mostly of secondary sources and desk research; only in cases where this primary methodology was insufficient was effort made to establish direct contact with program administrators. Particularly in Sub-Saharan Africa and in Asia, there are not a lot of data (or sometimes, the data are outdated) specific to the payment and delivery details and the number of individuals in a given program. Along similar lines, since the dates of sources are not consistent across programs, some of the comparisons may be misleading. For instance, data points on “average monthly payments” or “number of individuals able to save” from different programs may come from different years.

In addition, the 84 programs analyzed in this report include both full-fledged national programs, savings pilots, and NGO-run interventions. This is important for at least two reasons: first, in Latin America at least, some of the pilots are being implemented within larger national programs, which results in some double-counting in our numbers. However, the number of individuals in active pilot programs only account for one-tenth of one percent of total individuals in our data set. Second, the fact that it is easier to innovate and experiment in smaller-scale programs may lead to a skewed representation of the social protection space in these regions. For instance,

according to our data, Latin America only has seven more programs than Africa; however, many more countries in Latin America have adopted cash transfer programs as the national public benefits scheme. Similarly, Asia has the largest proportion of individuals in social protection programs, but that is almost entirely because of two programs: NREGS in India and the Minimum Living Standards Scheme in China.

In examining which of these 84 programs and pilots show potential to facilitate savings and store value, we consider them savings enabling or encouraging as long as some group of beneficiaries, no matter how small, is able or encouraged to save. We do this under the assumption that these programs are shifting toward enabling more beneficiaries to save, in light of the efficiency gains of switching to electronic payments, as well as the expansion of financial payment infrastructure.

Finally, these data are drawn entirely from desk research. As with any endeavor of this nature, accuracy and comprehensiveness are limited by the amount, quality, and availability of existing information. The authors welcome any and all corrections, updates and modifications to this data set.

Variables for Maps

The variables included in the Payment Infrastructure Map were the following:

- Commercial Banks per 100,000 adults
- Commercial Banks per 1,000 km²
- Alternative Financial Institutions per 100,000 adults
- Alternative Financial Institutions per 1,000 km²
- ATMs per 100,000 adults
- ATMs per 1,000 km²
- POS per 100,000 adults
- POS per 1,000 km²
- Mobile Penetration
- Financial Literacy
- Composite Access to Financial Services

The variables included in the Enabling Political Environment Map were the following:

- Agency Responsible for Promoting Rural Access
- Agency Dedicated to Promoting Savings
- Agency Dedicated to Improving Financial Capability
- Facilitating Access to Financing in Rural Areas
- Promoting Government Transfers

- Financial Reforms for Branchless Banking
- Financial Sector Liberalization (2-1, low to high)
- Publicly-Defined Financial Inclusion Strategy
- Recipient of Government Transfers Encouraged to Open Accounts
- Mobile Branches Permitted

The variables included in the Global Savings and Social Protection Map were the following:

- Payment Infrastructure
- Payment Infrastructure Utilization
- Enabling Political Environment
- Governance
- Average Monthly Payment
- Number of Individual Beneficiaries

Annex 2: Selected Definitions

The following are definitions for key terms used throughout the paper. While these definitions are intended to be thorough, detailing the current landscape of social protection cash transfer programs, they are not exhaustive. Lists and examples represent what currently exists in the space.

Number of Individuals Able to Save

These individuals are able to save because payments are received in a way that allows for store of value. These methods include payment into:

- An individual's bank account
- A mobile phone
- A cash card
- Other non-electronic storage

Programs with these characteristics are defined as “Savings Enabling.”

Number of Individuals Encouraged to Save

These individuals are encouraged to save through social protection programs that promote savings activity by one or more of the following methods:

- Financial Literacy
- Lotteries
- Matched Savings Accounts
- Mandatory Savings
- Seed Accounts

Programs with these characteristics are defined as “Savings Encouraging.”

Payment Method

Payment method refers to the broad categorization of the way in which individuals receive their transfers. The GSSP database classifies each program as having one payment method: **Cash** or **Electronic**. Programs in which some individuals receive payments in cash while others receive payments electronically are classified as **Combination**. For ways by which cash and electronic payments are made, please see the definition for “Payment Type.”

Payment Type

Payment type is a sub-category of “Payment Method” and

refers to one of the 6 specific tools used to pay individuals. For a payment method of **Cash**, payment type may be hard cash or a voucher. For an **Electronic** payment method, transfer recipients may be paid via an individual's bank account, a cash card, a mobile phone, or other non-bank storage mechanisms.

Delivery Method

Delivery method refers to the way in which funds leave the program source for distribution. The GSSP database classifies each program as having one delivery method: **Electronic** or **Non-Electronic**. Programs in which a portion of funds is delivered electronically while other funds are delivered via non-electronic mechanisms, are classified as **Combination**. For ways by which electronic and non-electronic deliveries are made, please see the definition for “Delivery Type.”

Delivery Type

Delivery type is a sub-category of “Delivery Method” and refers to the specific way in which funds leave the program source for distribution. For a delivery method of **Non-Electronic**, delivery type may be pay points or post offices. For an **Electronic** delivery method, transfer recipients may be paid via bank account (collective pool or an individual's account), ATMs, point of sale machines, post offices, or mobile phones.

Limited Functionality Bank Account

A limited functionality bank account is “limited” only in relation to the “Fully Functional Bank Account.” Bank accounts are classified as having limited functionality if they possess any of the following characteristics: severely limited or no withdrawal ability (withdrawal is not allowed until recipient reaches a certain age, achieves a certain level of education, or completes a specified program), severely limited or no ability to make deposits, and/or severely limited or no ability for store of value.

Fully Functional Bank Account

A fully functional bank account generally does not place conditions or major restrictions on an individual's ability to deposit or withdraw funds.

Annex 3. Programs and Countries in the GSSP Database

The following table lists all of the programs in the GSSP database, current as of this paper's publication. Both programs that are included and excluded from this paper's analysis are listed. For more information on criteria for inclusion, please see Annex 1.

Programs Included in Analysis		
Country	Program Name	Total Individuals
Argentina	Universal Family Allowance per Child for Social Protection	1,872,173
Bangladesh	Employment Generation for the Hard-Core Poor	1,218,456
Bangladesh	Primary Education Stipend Project	4,800,000
Bangladesh	Reaching Out-of-School Children	500,000
Bangladesh	Rural Employment and Road Maintenance Program (formerly Road Maintenance Program, or RPM)	52,000
Bangladesh	Secondary Education Sector Improvement Project II (As Part of the National Female Stipend Program)	276,048
Bangladesh	Secondary Education Quality and Access Improvement Project	2,000,000
Bolivia	Bono Madre Nino and Bono Juana Azurduy de Padilla	146,384
Bolivia	Bono Juancito Pinto	392,857
Botswana	Orphan Care Programme	53,395
Brazil	Bolsa Familia	13,770,339
Burkina Faso	Orphans and Vulnerable Children	3,250
Chile	Chile Solidario	263,995
Chile	Programa Ahorro	2,500
China	Minimum Living Standards Scheme	22,768,000
Colombia	Oportunidades Rurales	2,500
Colombia	Familias en Accion	2,790,314
Colombia	Mujeres Ahorradoras en Accion	14,000
Colombia	Promocion de la cultural del ahorro en familias en pobreza	5,000
Colombia	Subsidio Condicionado a la Asistencia Escolar-Bogota	10,000
Costa Rica	Avancemos	46,304
Dominican Republic	Programa Solidaridad	755,683
Ecuador	Bono de Desarrollo Humano (Bono Solidario)	882,542
El Salvador	Comunidades Solidarias	105,900
Ethiopia	Ethiopia Graduation Pilot	500
Ethiopia	Productive Safety Net Program	7,570,000
Fiji	Family Allowance and Childcare & Protection Programs	24,285
Ghana	Livelihood Empowerment Against Poverty Programme	35,000
Guatemala	Mi Familia Progresiva (MIFAPRO)	862,002
Haiti	Ti Manman Cheri	100,000
Honduras	Bono de 10,000	81,911
Honduras	Programa de Asignacion Familiar	132,158
India	Apni Beti Apna Dhan (ABAD)	6,548
India	Dhanlakshmi or Income Transfer Scheme for Girls with Insurance Cover	42,077
India	Janani Suraksha Yojana (JSY)	9,500,000
India	Kasturba Gandhi Balika Vidyalay Scheme (as part of SSA)	185,111
India	Ladli Scheme — Ladli ("Dearest") programme	140,006

Programs Included in Analysis		
Country	Program Name	Total Individuals
India	Mahatma Gandhi National Rural Employment Guarantee Scheme	52,500,000
India	Bhagyalakshmi, Karnataka	144,749
India	Savitri Bai Phule	1,891
India	Girl Child Protection Scheme, Andhra Pradesh	70,302
India	Ladli Lakshmi Yojana, Mandhya Pradesh	40,854
India	Mukhya Mantri Kanya Suraksha Yojana, Bihar	475,220
India	Balika Samridhi Yojana, Gujarat	132,684
India	Balika Samridhi Yojana, HP	17,038
India	Ladli Scheme, Haryana	105,113
India	Kunwarbainu Mameru Scheme, Gujarat	7,628
India	Mukhya Mantri Kanya Vivah Yojana, Bihar	157,256
Indonesia	Program Keluarga Harapan	800,000
Indonesia	Program Bantuan Tunai, Bantuan Tunai Langsung (BLT)	19,100,000
Jamaica	Programme of Advancement through Health and Education (PATH)	64,123
Kenya	The Hunger Safety Net Programme (HSNP)	60,000
Kenya	Cash Transfer for Orphans and Vulnerable Children	134,431
Liberia	Pilot Cash Transfer Scheme	1,900
Malawi	Mchinji Social Cash Transfer Pilot Scheme	51,410
Malawi	Improving Livelihood Through Public Works Programme	535,700
Mali	Bourse Maman	391
Mexico	Jovenes con Oportunidades	330,000
Mexico	Oportunidades	5,560,540
Mozambique	Food Subsidy Programme (Programa de Subsidio de Alimentos)	200,000
Namibia	Basic Income Grant Pilot Project (BIG)	930
Nigeria	Care of the Poor COPE	22,000
Pakistan	Benazir Income Support Program	5,800,000
Pakistan	Child Support Program	20,000
Pakistan	Punjab Female School Stipend Program (FSSP)	455,259
Panama	Red de Oportunidades	73,245
Panama	Bonos Familiares para la Compra de Alimentos	9,200
Paraguay	Tekopora/PROPAIS II	115,960
Paraguay	Abrazo	397
Peru	Programa Juntos	502,822
Peru	Promocion del ahorro con las beneficiarias de JUNTOS	3,800
Philippines	Pantawid Pamilyang Pilipino Program (4Ps)	232,854
Philippines	Social Pension Program	1,200,000
Sierra Leone	Social Safety Net Program	16,000
South Africa	Child Support Grant	11,227,832
South Africa	Care Dependency Grant	117,246
South Africa	Disability Grant	1,300,000
Swaziland	Old Age Grant (OAG)	65,000
Uruguay	Tarjeta Alimentaria	87,180

Programs Included in Analysis		
Country	Program Name	Total Individuals
Zambia	Kalomo Pilot Social Cash Transfer Scheme	10,000
Zimbabwe	Protracted Relief Programme	3,425
Trinidad and Tobago	Target Conditional Cash Transfer Programme	32,650
Uganda	Uganda Social Assistance Grants for Empowerment (SAGE)	95,000
Uruguay	Asignacion Familiar, which is part of the larger 'Plan de Equidad'	100,660
Total (included in analysis)	84 Programs	173,393,928
Programs Not Included in Analysis		
Country	Program Name	Total Individuals
Bangladesh	100 Days Employment Generation Scheme Phase 1	1,997,075
Bangladesh	Challenging the Frontiers of Poverty Reduction (Special Investment Program)	360,300
Bangladesh	Female Education Stipend Project (as part of the National Female Stipend Program)	Not Available
Bangladesh	Female Secondary School Assistance Program (as part of the National Female Stipend Program)	Not Available
Bangladesh	Female Secondary School Assistance Program II (as part of the National Female Stipend Program)	Not Available
Bangladesh	Female Secondary Stipend Project	Not Available
Bangladesh	Secondary Education Sector Improvement Project (as part of the National Female Stipend Program)	Not Available
Cambodia	Targeted Assistance for Education of Poor Girls and Indigenous Children (JFPR Pilot Project)	Not Available
Egypt	Pilot Conditional Cash Transfer Programme	200
Ethiopia	Meket Livelihoods Development Project	165,600
Ghana	The Global Social Trust Pilot Project	3,200
Haiti	Pilot integration effort in Hinche and Mirebalais	415
Haiti	Economic recovery and livelihood project	Not Available
Mexico	Programa de Atencion a Jornaleros Agricolas (PAJA)	11,803
Mexico	Programa de Empleo Temporal, now the Programa de Empleo Temporal Ampliado (PETA)	262,446
India	National Program for Education of Girls at Elementary-Level under the Sarva Shiksha Abhiyan (SSA)	967,000
Mongolia	Child Money Program	647,500
Pakistan	Individual Financial Assistance under Bait Ul Mal	20,291
Peru	Market Strengthening and Livelihood Diversification in the Southern Highlands Project (Sierra Sur)	9,905
Peru	Project for Strengthening Assets, Markets and Rural Development Policies in the Northern Highlands (Sierra Norte)	4,000
Peru	Proyecto de Desarrollo Corredor Puno-Cusco	7,000
Total (excluded from analysis)	21 Programs (11 Countries)	4,456,735
Total in GSSP Database	105 Programs (55 Countries)	177,850,663

Annex 4: Resources

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Notes

- 1 Pickens, Porteous and Rotman, [Banking the Poor via G2P Payments](#) (2009)
- 2 Global Assets Project, [Global Savings and Social Protection Initiative](#) (2012)
- 3 Hereafter referred to as “Latin America”.
- 4 See methodology annex for more information about GSSP data collection and analysis methods.
- 5 Bankable Frontier Associates, [The Journey Toward ‘Cash Lite’: Addressing Poverty, Saving Money and Increasing Transparency by Accelerating the Shift to Electronic Payments](#) (2012)
- 6 Store of value refers to any mechanism in which saving sums of money is possible. This broad term can incorporate bank accounts, pre-paid cards, mobile money devices, etc. We use this broader definition of savings for our analysis in order to capture the variety of ways in which payments can be made and beneficiaries can save and manage their resources. We do not, in this paper, discuss the debated costs and benefits to non-traditional store of value vs. traditional bank account models.
- 7 This section relies heavily on the paper titled “Enhancing the Impacts of Cash Transfers The Latest Trends toward Savings-Linked Social Protection” by Vishnu Sridharan. Please see the Works Cited section for more information.
- 8 Jackelen et al., [A Third Way for Official Development Assistance: Addressing Poverty, Saving Money and Increasing Transparency by Accelerating the Shift to Electronic Payments](#) (2011)
- 9 Zimmerman and Moury, [Savings-Linked Conditional Cash Transfers: A New Policy Approach to Global Poverty Reduction](#) (2009)
- 10 Barca et al., [Paying Attention to Detail: How to Transfer Cash in Cash Transfers](#) (2010)
- 11 Zimmerman and Moury, [Savings-Linked Conditional Cash Transfers: A New Policy Approach to Global Poverty Reduction](#) (2009)
- 12 Sridharan, [Enhancing the Impact of Cash Transfers: The Latest Trends toward Savings-Linked Social Protection](#) (2012)
- 13 International Telecommunication Union, [Measuring the Information Society](#) (2012)
- 14 For a full list of variables used to compile maps, please see Annex 1.
- 15 Global Assets Project, [Global Savings and Social Protection Initiative](#) (2012)
- 16 For instance, in 2012 there were 19 new commitments to the Maya Declaration for financial inclusion, including from Armenia, Bangladesh, Ecuador, Ghana, Mongolia, Paraguay, Malaysia, and Guatemala.
- 17 For a full list of variables used to compile maps, please see Annex 1.
- 18 Global Assets Project, [Global Savings and Social Protection Initiative](#) (2012)
- 19 Global Assets Project, [Global Savings and Social Protection Initiative](#) (2012)
- 20 For a detailed list of variables used to create these maps, please see Annex 1.
- 21 As of this paper’s publication, the GSSP database contained 105 active and closed programs across 55 countries. Out of these 105 programs, 84 fit our criteria for inclusion in the analysis. A full list of the 93 programs can be found in Annex III.
- 22 As of this paper’s publication.
- 23 For a full explanation of the methodology used in this paper, please see Annex I.
- 24 It is important to note that we do not make distinctions beyond this bare minimum criterion: programs that allow for store of value may not in every instance provide beneficiaries with opportunities to actively save money.
- 25 If no account details are known, other than the fact that a program deposits funds into an individual’s bank account, the savings-enabling method is classified as “Bank Account (no details available)”.

26 The shade of color is representative of the number of individuals able to save via savings-linked cash transfer programs. For example, Brazil has a higher number of cash transfer recipients able to save compared to Argentina.

27 Global Assets Project, [Global Savings and Social Protection Initiative](#) (2012)

28 This is not an exhaustive list of all possible ways to encourage savings behavior. It is a list of the current mechanisms utilized in G2P interventions based on our data. We discuss several additional ways to encourage savings below.

29 Please see below for further discussion on mandatory savings.

30 Bold, Porteous and Rotman, [Social Cash Transfers and Financial Inclusion: Evidence from Four Countries](#) (2012)

31 The totals given for each method of encouraging savings do not equal the amount in the final “Total” column in the last row because some programs offer multiple savings-encouraging methods. The final number of 2,390,589 reflects the number of individuals that are encouraged to save and accounts for the duplicity in the totals for each method that is used.

32 Pickens, Porteous and Rotman, [Banking the Poor via G2P Payments](#) (2009)

33 For a complete list of terms and definitions, please see Annex 2.

34 Montesquiou, [Savings and Enthusiasm Growing in REST’s Ethiopia Pilot](#) (2012)

35 Leonard, G2P: [Expanding Financial Inclusion in the Pacific Report Fiji’s Transfer of Social Welfare Recipients to a Savings-linked Electronic Payment System](#) (2011)

36 Leonard, G2P: [Expanding Financial Inclusion in the Pacific Report Fiji’s Transfer of Social Welfare Recipients to a Savings-linked Electronic Payment System](#) (2011)

37 Zimmerman, Tosh and Holmes, [Investing in Girls: Opportunities for Innovation in Girl-Centered Cash Transfers](#) (2012)

38 Two programs do not have available data on conditionality.

39 “Target” can indicate that either the children are the direct payees of the program, or that the program includes conditions that aim to benefit children. These conditions may for example, require parents to make sure their children go to school or receive health services.

40 See Section IV: “Opportunity to Start: Mozambique’s Food Subsidy Programme.”

41 However, it is important that several critical challenges to financially-inclusive G2P models are not examined here. For instance, while 81 million people meet the “able to save” minimum criterion, the majority of savings-linkages are to accounts that have limited functionality.

42 Non-electronic delivery and cash payment platforms fall outside of the spectrum of financial inclusion via e-payment systems.

43 For an explanation of the difference between a Fully Functional Bank Account and a Limited Functionality Bank Account, refer to Table 2.

44 Taimo and Waterhouse, [Food Subsidy Programme: National Institute for Social Action \(INAS\) — Maputo and Inhambane](#) (2007)

45 Dias et al., [CGAP G2P Research Project: Mexico Country Report](#) (2011)

46 Please refer to Annex 2 for definitions of the various methods of encouraging savings.

47 Pathak, [Creating Creatures of Habit: Nudging Saving in Youth](#) 2012

48 Nabi et al., [Mobile Financial Services in Bangladesh: An Overview of Market Development](#) (2012)

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