



Financial Inclusion and Literacy Outcomes of Cash Transfers through the Banking System in Pakistan: Survey and Beneficiary Assessment

DRAFT FINAL REPORT

TF099877

Selection No. 1049201



September 2012

(J40252863)

Submitted by:
ICF GHK

Clerkenwell House, 67 Clerkenwell Road
London, EC1R 5BL, UK

In Association with Sub-Consultants:
GHK Pakistan (Private) Limited,
Collective for Social Science Research,
Associates in Development (Pvt.) Ltd.



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September 10, 2012

Subject: ICF GHK Deliverable No. 04: Draft Final Report – Financial Inclusion and Literacy Outcomes of Cash Transfers through the Banking System in Pakistan: Survey and Beneficiary Assessment (PO 7162892)

Dear Quanita Khan,

ICF GHK is pleased to submit the Draft Final Report under our contract for the 'Financial Inclusion and Literacy Outcomes of Cash Transfers through the Banking System in Pakistan: Survey and Beneficiary Assessment (PO 7162892)'.

In accordance with the Terms of Reference, this Draft Final Report comprises an executive summary, an overview of the financial inclusion and financial literacy status of the cash transfer beneficiaries, a description of the analytical framework and methodology adopted for the evaluation, an analysis of the main evaluation findings through quantitative and qualitative survey and overall conclusions and recommendations with detailed lessons for design and implementation cash transfer programs to enhance the financial literacy and financial inclusion for the beneficiaries in Pakistan.

A 'Dissemination Workshop' to share the findings of the assessment with key stakeholders has been planned for September 13, 2012 in the World Bank Pakistan office in Islamabad. Following the comments received from the stakeholders in the workshop and the World Bank, we will incorporate those in the Final Report that we plan to submit on September 21, 2012, since our contract closes on September 30, 2012.

If you should require any further information, please do not hesitate to contact me on Khatib.Alam@ghkint.com or on my UK mobile: +44 (0) 7713 165258 or Maliha Hussein (TL) or Sumara Khan (DTL).

Yours sincerely,
For and on behalf of ICF GHK,

A handwritten signature in black ink, appearing to be 'Khatib Alam', written over a horizontal line.

Khatib Alam
Director for Pakistan Operations
ICF GHK
GHK Consulting Limited

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LIST OF ABBREVIATIONS

| | |
|--------|--|
| A2FS | Access to Finance Survey |
| ADB | Asian Development Bank |
| AFI | Alliance for Financial Inclusion |
| AID | Associates in Development |
| AJK | Azad Jammu and Kashmir |
| ATM | Automated Teller Machines |
| BAL | Bank Alfalah Limited |
| BB | Branchless Banking |
| BB-LMA | Branchless Banking-Limited Mandate Accounts |
| BBR | Branchless Banking Regulation |
| BDC | Benazir Debit Card |
| BISP | Benazir Income Support Programme |
| BBA | Basic Banking Accounts |
| BSC | Benazir Smart Cards |
| CDCP | Citizen Damage Compensation Programme |
| CEO | Chief Executive Officer |
| CGAP | Consultative Group to Assist the Poor |
| CNIC | Computerized National Identity Card |
| CRR | Cash Reserve Requirement |
| DC | Deputy Commissioner |
| DFID | Department for International Development |
| DHL | Dalsey, Hillblom and Lynn |
| EoI | Expression of Interest |
| ERRA | Earthquake Rehabilitation and Reconstruction Authority |
| eWMS | e-Wallet Management System |
| FG | Focus Group |
| FICF | Financial Innovation Challenge Fund |
| FIL | Financial Inclusion and Literacy |
| FIP | Financial Inclusion Program |
| FIs | Financial Institutions |
| FMB | First Microfinance Bank |
| FMFBL | First Microfinance Bank Limited |
| G2P | Government to Person |
| GDP | Gross Domestic Product |
| GOP | Government of Pakistan |
| GPFI | Global Partnership for Financial Inclusion |
| GPOs | General Post Offices |
| GPRS | General Packet Radio Service |
| GPS | Global Positioning System |
| HBL | Habib Bank Limited |
| HQ | Head Quarter |
| IAFS | Improving Access to Financial Services |
| IDPs | Internally Displaced Persons |
| IDT | Integrated Device Technology |
| IVR | Interactive Voice Response |
| KPK | Khyber Pakhtunkwa |
| KYC | Know Your Client |
| LMA | Limited Mandate Account |
| LMA 1 | Limited Mandate Account -1 |
| LSA | Liquidity Services Agents |
| MCB | Muslim Commercial Bank |
| MFIs | Microfinance Institutions |
| MNO | Mobile Network Operator |
| MOs | Money Orders |
| NADRA | National Database and Registration Authority |

| | |
|--------|--|
| NDMA | National Disaster Management Authority |
| NFLP | Nationwide Financial Literacy Program |
| OIBM | Opportunity International Bank in Malawi |
| P2P | Person 2 Person |
| PACFL | President's Advisory Council on Financial Literacy |
| PAD | Programme Appraisal Documents |
| PDMA's | Provincial Disaster Management Authorities |
| PIN | Personal Identification Number |
| PKR | Pak Rupees |
| PLS | Profit and loss sharing |
| PMN | Pakistan Microfinance Network |
| PMT | Proxy Means Test |
| POS | Point of Sale |
| PPSB | Pakistan Post Savings Bank |
| PTA | Pakistan Telecommunication Authority |
| PPP | Public Private Partnership |
| ROSCAs | Rotating Savings and Credit Associations |
| SBP | State Bank of Pakistan |
| SIM | Subscriber Identity Module |
| SLR | Statutory Liquidity Requirement |
| SMS | Short Messaging Service |
| SOBC | Schedule of Bank Charges |
| SOP | Standard Operating Procedure |
| SPSS | Statistical Package for the Social Sciences |
| SQL | Structured Query Language |
| TMFB | Tameer Micro-Finance Bank |
| TPSP | Third Party Service Provider |
| UBL | United Bank Limited |
| UC | Union Concil |
| WCFC | Watan Card Facilitation Centre |
| WFP | World Food Program |



EXECUTIVE SUMMARY

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Background and Introduction

(i) The World Bank commissioned ICF-GHK to undertake an assessment of financial inclusion and literacy outcomes of cash transfer programmes being implemented through various payment modalities including the banking system in Pakistan. This assessment is motivated by the assumption that financial inclusion and financial literacy could be an additional benefit to the delivery of the payments made for income support and livelihood generation under the cash transfer programmes. The two specific cash transfer programmes which were reviewed were the Benazir Income Support Programme (BISP) and the Citizen Damage Compensation Programme (CDCP) or the Watan Card scheme. This report summarises the key findings of the survey and beneficiary assessment regarding financial inclusion and literacy that can be attributed to these two cash transfer programmes. The study was undertaken between May and September, 2012 by a large multi-disciplinary team with expertise in both quantitative and qualitative techniques, banking experts and financial experts familiar with BISP and CDCP.

(ii) The methodology for this assessment included a variety of data sources including a review of literature, quantitative and qualitative survey techniques and in-depth interviews with key stakeholders. Two separate survey instruments were designed for the quantitative analysis to cover CDCP and BISP. In view of the considerations of cost, the current study was only undertaken in Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan. Within the selected provinces, 16 districts were chosen based on several factors which included ensuring that all payment instruments were covered, districts represented similar socio-economic profile to limit the noise from exogenous factors and ensuring a significant number of beneficiaries. CDCP questionnaires were only administered in flood affected areas and were selected to ensure the coverage of both Phase I and Phase II of the programme. The Pakistan Post questionnaires were administered in all 16 of the districts selected as it was being used as the comparator. In order to secure the confidence levels of 95%, the sample size that was used was 5,550. About 72% of the respondents were from BISP and 28% were from CDCP. In order to get the most cogent information for the evaluation, the qualitative interviews were carried out in the same locations as the quantitative survey. The qualitative survey was undertaken in 10 rural sites and 6 urban sites to allow urban-rural comparisons.

Assessment of Current Cash Transfer Landscape

(iii) **Benazir Income Support Programme:** With the support of the World Bank and other donor agencies, the Government of Pakistan launched the Benazir Income Support Programme (BISP) as a flagship government safety net initiative in 2008. The short term objective of BISP was to cushion the adverse impact of the food, fuel and financial crisis on the poor. The cash transfer is designed only for women who qualify based on a poverty score card. By the end of July 2012, the programme had provided cash transfers of PKR 1,000 per month to more than 4 Million eligible women with plans to cover almost 7 Million beneficiaries. There are currently four key mechanisms through which payments are made to beneficiaries of BISP. These include the Pakistan Post, use of a Smart Card, Benazir Debit Card and payment through the use of mobile phones. Under the Pakistan Post, cash deliveries were made to each beneficiary's house once every two months by the postman. Until May 2012 about 70% of the payments were being made through the Pakistan Post. BISP found that the Post Office was slow, it delayed payments, was unreliable, subject to leakages and there was no means of getting real time data on the disbursements to reconcile the accounts. BISP therefore tried some alternate payment mechanisms. The first of these was the Benazir Smart Card which was tested on a pilot basis in four districts in Punjab and Sindh. Given the spread of mobile technology in the country, BISP has also experimented with mobile technology as a banking interface. BISP has partnered with several banks and telecommunications companies in this regard. However, the new mechanism of choice is the Benazir Debit Card (BDC) and the Pakistan Post is rapidly being replaced by the Debit Card. The payments under the bank led model are being disbursed through contract agreements with selected commercial banks in Pakistan.

(iv) **Citizen Damage Compensation Programme:** This cash transfer was designed to provide financial assistance to the victims of the 2010 monsoon floods. The Government of Pakistan launched the Citizen Damage Compensation Programme (CDCP) to provide rapid support to the flood affected families for their recovery. CDCP I was launched in September 2010 and entailed a one-off cash transfer of PKR 20,000 usually to male heads of families, based on geographic targeting of locations which suffered flood damage. In Phase I, the government distributed the grant to 1.7 Million affected families. CDCP II was designed to provide an additional payment of PKR 40,000 in to installments to 1.2 Million households. At the end of July 2012, this payment had been paid to almost a Million households. The programme is managed at the federal level by the Cabinet Division in partnership with the provincial governments through their respective Provincial Disaster Management Authorities (PDMAs). The National Database and Registration Authority (NADRA) have been engaged for the identification and verification of the beneficiaries within the affected areas and payments are being made through three commercial banks. To facilitate payments, the affected families were provided with a card popularly named the “Watan” card with a magnetic stripe that could be operated by using both Point of Sale (POS) terminals and Automated Teller (ATM) machines.

Costs of Payment Mechanism to Implementing partners

(v) The costs to the implementing agencies of making payments under CDCP and BISP were calculated and compared with other programmes being managed internationally. To allow a comparison between the payments of various sizes, all costs were converted to a unit cost of PKR 1,000. The cost of delivering payments under BISP varies significantly. The first year cost includes the cost of cards and other equipment and shows that under Pakistan Post the cost was the lowest at PKR 80 per PKR 1,000, PKR 160 for mobile phones, PKR 485 for the Benazir Debit Card and PKR 560 for the Benazir Smart Card. Including the cost of the mobile phone would drive up the cost of the mobile phone by at least PKR 1,000 per beneficiary. The second year cost for each of the payment instruments under BISP varies considerably and is the lowest for Pakistan Post at PKR 36.5, followed by BDC at PKR 44 and Benazir Smart Card and mobile phones are both at PKR 73. The main difference in the cost after year 1 is the amount of funds paid per beneficiary. Under CDCP, the first year cost of delivering PKR 1,000 was PKR 9.8 for Phase I and PKR 4.9 under Phase II. This cost is much lower because of the economy of scale of delivering larger payment and the fact that no commission was paid to partner organizations. There is a significant difference in costs per beneficiary and cost per unit of payment. For BISP the cost per beneficiary is as high as PKR 2,013. A comparison of costs across some countries in South America and South Africa with the two payment modalities in Pakistan shows that the weighted average of the cost is the lowest in Pakistan for CDCP but the highest for BISP. A principal reason being that BISP grant per recipient is the lowest compared to the other countries.

Current State of Practice and Plans of Commercial Banks

(vi) Only 10% of the adult population in Pakistan has an account at a formal financial institution. The gender disaggregation of this figure shows an even greater disparity, with a mere 3 percent of adult females having an account at a formal financial institution, compared to 25 percent for South Asia. A rural-urban analysis shows that only 7.2 percent of the adult population in rural areas of the country has an account with a formal financial service provider. On the savings side, the use of formal services in Pakistan is abysmally low with just 1.4 percent of adults saving with a formal financial service provider. Pakistanis mainly rely on informal sources like family and friends to obtain loans and credit from formal financial providers is shown to be limited in Pakistan. The surveys also found that financial instruments, formal or informal, were utilised by only a small number of individuals and households in the communities visited. To deal with this low level of engagement with the formal sector, the State Bank of Pakistan has displayed a strong commitment to promote financial inclusion in the country. Today Pakistan is one of the fastest developing markets for branchless banking in the world. Regular Commercial Banks and those dealing with a specific market segment have plans for expansion and growth as part of their overall vision and business strategy. Innovative partnerships are being made between the financial sector and telecommunications companies to provide a range of branchless banking models and products include new types of level zero account which further minimizes the Know Your Client requirements.

Experience with Cash Transfer Programmes

(vii) The actual experience of G2P beneficiaries varied significantly across the payment modalities. While many BISP Pakistan Post beneficiaries receive their payments at home through the postman there were complaints that the postman took too long and when he did arrive he usually charged a commission. Other beneficiaries have to go to the post office themselves to collect their payments. They do not get alerted when their payment arrives and have to make repeated trips to the post office. Those beneficiaries who receive payments through Mobile Banking, Smart Cards and Debit Cards are not immune from their share of grievances. The qualitative and quantitative findings both confirm these findings. One of the biggest concerns for rural beneficiaries was the distance at which the nearest bank or franchise shop was located from their village and the associated cost of travel. Many respondents also cited their illiteracy to claim that they did not know how to use the cards and had to rely on someone else to withdraw their payments, which also made them more susceptible to fraud. Mobile Banking beneficiaries getting their payments from franchise shops fared better as they avoided long lines and only had to present the SMS on their phones and provide a thumbprint/CNIC. Those who got the mobile payments from a bank complained about long queues, while some beneficiaries complained that they were not getting phone messages from BISP alerting them about arrived payments, or when the next payment would arrive. There was a strong narrative about the difficulties involved in obtaining payments in non-Pakistan Post districts as well. CDCP beneficiaries also made similar complaints since they did not know how to operate an ATM and also had to travel long distances, waited in long lines, cash running out at the ATM and commissions being charged if they employed an agent to withdraw their payments.

Assessment of State of Financial Inclusion

(viii) Almost all respondents felt that banks catered primarily to rich people. Financial instruments were used by households that were relatively better off and among these the few who had bank accounts were almost invariably households with members in government jobs, pension recipients, or migrants sending remittances from abroad. This latter group of households had to use banks for receiving funds. But these households also happened to be among the wealthier households with greater capacity to save, and thus with greater demand for financial instruments. Our qualitative work confirmed that households and individuals demanded multiple and diversified instruments for saving as we move up the income or wealth scale. The typology of saving instruments became more diversified in a household or individual's portfolio with rising wealth.. Livestock, cash and jewellery are common instruments for saving in addition to grain stocks for those above extreme poverty. Even relatively wealthy households in the fieldwork areas kept some of their savings in these forms. Both the quantitative surveys were unable to find any G2P cash transfer beneficiary (either BISP or CDCP) who opened a bank account after receiving their payments. The only financially included and literate people we could find were those who had bank accounts prior to becoming beneficiaries; even these were limited to people with permanent state employment or pensioners i.e. those who had no choice but to open bank accounts in order to draw their salaries/pension. Thus on a primary level, considering the lack of beneficiaries switching to banking, there did not appear to be any increase in financial inclusion/literacy amongst the respondents. However, one of the more salient observations offered by the qualitative survey was that some of the vital procedural preconditions to become eligible for G2P cash transfers were similar to the procedural preconditions to becoming financially included. This is a positive development and provides a promising pathway to financial inclusion.

Financial Literacy

(ix) There appears to be a marginal improvement in the financial literacy of poor beneficiaries, in the sense that they are engaging with new technologies and modalities for the first time in their lives. Thus, many people are getting their CNICs made, owning mobile phones and going to banks/ATMs for the first time. While their engagement with these processes is mostly peripheral- since a large number of them still do not know how to use a mobile or operate an ATM and rely on someone else to do so for them- it is also becoming routinised and as a result of that they are steadily gaining in confidence. Some beneficiaries claimed that since they get charged a commission by agents, they are thinking about using their cards themselves soon, while others said that upon going to the bank they overcame

their fear of banks as a place where they do not belong. Thus constant exposure to new modalities is leading to a gradual increase in their awareness and confidence levels, albeit only marginally thus far. However, very few people knew the exact requirements to open an account (such as a referee with an account in the same bank) and the vast majority felt that all that was needed was money.

Changing Perceptions and Norms Regarding Gender

(x) The gender dimension was observed to be extremely important to financial inclusion and literacy outcomes. Women face serious obstacles in terms of the restricted norms regarding role of women, their restricted mobility and low level of access to opportunities and services. Despite these constraints, women are increasingly being subjected to novelty. Many women are getting their CNICs made for the first time, whereby they travel to the NADRA office to get their picture taken – a previously taboo practice in itself. Many women own mobile phones (provided by BISP) for the first time – women’s usage of phones is also traditionally frowned upon. Communities are having to adjust to this new reality as well. Lastly, women are also visiting banks and ATMs for the first time, all of which is raising their awareness and confidence levels.. While this relative increase in mobility, awareness and confidence is not necessarily translating into increasing financial inclusion, it is altering intra-household dynamics. By imparting a greater sense of ownership and entitlement over their cash grants, women are increasingly feeling more empowered.

Assessing the Business Case for Commercial Banks to Participate in Cash Transfer Programmes

(xi) Very early on in the assessment it became evident that understanding the commercial bank’s motivation for partnering with the cash transfer programmes was critical to the analysis. The key question that needed to be answered was whether there was a business case for the banks to participate in the disbursement of these cash transfer programmes and in offering financial services to the beneficiaries of BISP and CDCP. Trying to assess the business case from the perspective of the commercial banks has proved difficult as commercial banks are reluctant to openly share their data with others. Furthermore, there are no simple answers to questions regarding the viability of the cash transfer programmes for banks. Different answers emerge from talking to the banks. However, cash transfers are a viable business if other overheads are not allocated to this activity. There appears to be a business case for each service but with caveats. The margins are very fine and any change in service level expectancy, discount rate, duration of the project and or volume of the funds can tilt the balance either way. The revenue stream for banks is generated by the upfront float offered to banks to enable them to cover some of their printing and operational costs. The financial benefit gained from these programmes erodes rapidly owing to delay in disbursements.

Is there a business case for the Banks to offer financial services to BISP and CDCP beneficiaries?

(xii) Not a single virtual account of CDCP or BISP beneficiaries had been converted into a branchless banking account or a regular bank account by August 21, 2012. The questions that naturally emanate from this finding is that was this a problem which has its origins on the demand side or the supply side. On the supply side was there a legitimate business case for the participating banks to provide financial services to the CDCP beneficiaries? The opening of bank accounts of level zero or level one or conventional accounts has to be justified by the banks on its business merit as these banks were not being paid a fee for providing financial services to the CDCP beneficiaries. A generic model was constructed for level zero and level 1 branchless banking accounts and current accounts and a savings account under the conventional banking method. Revenue for these accounts is limited to the value of the savings float. Most recipients use less than the free transaction bundle so there is very low or no transactional income expected. Therefore, float interest alone must cover the fixed costs of these accounts. At the level of the individual clients, it only makes sense for the banks to maintain these accounts if the clients maintain a certain amount of average minimum. Commercial banks have not even been able to make a success of the basic account which is for a far more affluent target market. Banks are highly uncertain about the ability of BISP beneficiaries to maintain the said

balance with the banks for a fixed time period since the value of average deposit requirement greatly exceeds the monthly cash grant currently being received by the BISP beneficiaries. Some maintain that conventional accounts structure will never be able to support BISP recipients. There is very little potential for cross sell. The only possibility of making this a viable business model is through a mobile account as opposed to a conventional bank account.

Recommendations for the Future

(xiii) The key recommendations are structured in three categories (i) mechanisms and approaches for enhancing financial inclusion and literacy (ii) Improving payment procedures to improve access and enhance available financial services and (iii) Enhance public knowledge, awareness and appreciation of the electronic payments and technology driven programmes.

(xiv) Among the recommendations regarding financial inclusion to make a paradigm shift in the manner in which we view financial inclusion and literacy. Unless we make this shift we will be asking the wrong questions and finding unworkable solutions that are not relevant for the type of financial services that are currently required. Conventionally, financial inclusion has been defined as opening an account with a bank, saving with it and borrowing from it. However, the nature of banking itself is changing and the type of services demanded is changing. We need to review and redefine the way in which we look at financial inclusion. The current assessment shows clearly that the narrow definition of financial inclusion which sees it as having a bank account with a formal financial institution is not relevant in the current context and should be broadened to mean “an absence of obstacles to the use of financial services.” The core set of indicators used to monitor financial inclusion tend to focus very narrowly on the conventional model of banking and the types of services that are used by the clients. These indicators will need to change and we may also need to monitor them differently for which we will have to assess how financial inclusion and literacy indicators are collected, verified and reported for the conventional indicators and the existing approach lends itself to collection of data on the revised indicators relevant for our target segment.

(xv) Improving payment procedures to improve access and enhance available financial services can only be undertaken effectively if financial Inclusion has been incorporated into the design of the cash transfer programmes as an integral objective of the programme and has the commitment of the implementing partners with specific targets and monitoring mechanisms. This was never done in the case of either of the two programmes at the outset. This agenda gradually inserted itself in the discussions of the two programmes but even then committed to it was ambiguous. It is also important to understand the business case of participating in the cash transfer payments for banks. There has also been a failure to understand that the business case for the delivery of the cash payments has to be evaluated separately from the business case for providing financial services to the beneficiaries. The business case for providing financial services to the beneficiaries of CDCP and BISP is a separate agenda which has not been actively pursued until recently. There has to be a separate evaluation of whether on the supply side there is any interest by the banks to offer this service and whether on the demand side there is any interest in opening and maintaining bank accounts. Failure to understand the economics of the business model has led the implementing partners to push the commercial banks into arrangements which are unsustainable. This is a principal reason that many of the tripartite discussions between the implementing agencies, commercial banks and donor agencies has led to poor follow up of the recommendations.

(xvi) The banking regulation in Pakistan has evolved rapidly in the last few years in Pakistan. The branchless banking regulation which has led to a new impetus in the growth of financial services in Pakistan was formulated at the same time as the largest cash transfer programme, i.e. BISP. Many stipulations in the original Branchless Banking Regulation of 2008 did not encourage financial inclusion for beneficiaries of cash transfer programmes such as the restriction on opening more than one branchless banking account with the same financial institution, the Know Your Client requirements, etc. It was only in June 2011, about a year ago, that the banking regulation was modified to drop the one account restriction and innovated a new level zero account which considerably reduced the KYC requirements. On the sidelines there have also been discussions to waive off some of the costs of verifying customers for the BISP and CDCP programmes. Thus the regulation which encourages financial inclusion has gradually evolved and perhaps more time needs

to be provided to allow for the banking sector to incorporate these into their business models and offer a set of services which are commercially viable for them.

(xvii) As part of this assessment, a comparison of costs of the different payment mechanisms was undertaken. Electronic payments are not cheaper than delivering cash through the banks. The main drivers of cost in the cash transfer programmes was (i) the cost of identifying the beneficiary (ii) the cost paid for the payment instrument such as the card (iii) the payment made to banks for disbursement (iv) the administrative infrastructure and (v) the frequency of payments. Admittedly some of these payments are a one-time cost and may not have to be incurred again. However, given that Pakistan has one of the leading institutions for registering all citizens perhaps over time the poverty score card information could be linked to the CNIC in a manner which is updated on a periodic basis. Some countries like China maintain a regular record of poor households and this enables them to target them on an on-going basis. Secondly one could also explore using the CNIC as the payment instrument and obviate the need for a separate card. These arrangements could help to reduce the cost if they can be undertaken.

(xviii) While the Pakistan Post was cheaper for BISP in terms of delivery of the cash grants alone, it was more expensive and inefficient in terms of reconciliation, grievance redress and monitoring costs. Furthermore, while the Pakistan Post does offer a range of financial services it has been unable to market itself as a leader in cross-selling its postal services with financial services. Some like the First MicroFinance Bank have attempted to partner with it but these models have not been taken to scale. Thus it appears that the bank led model with the growth in branchless banking would be the preferable choice and could also potentially provide, over time, an opportunity for building inclusive financial services into social cash transfer programs in a manner which is affordable for the social programs based on the rapid growth in institutional infrastructure and the move towards interoperability which allows a wider choice to clients. Literature review also indicates that based on hypothetical modeling, that banks become cheaper over time once infrastructure is put in place.

(xix) Our assessment of the implementing partnerships between BISP and CDCP shows that these programmes have not been very discriminatory in terms of the banking relationships they have contracted. To be fair, there were few banks which were willing to take on the responsibility of disbursing the funds of the cash transfer programmes. Most banks had not undertaken a careful analysis of the business opportunity that this presented and even fewer were poised to offer financial service to the target market. Thus contracts were offered to all those who came forward regardless of the products and services they had to offer the clients. In CDCP, two of the three banks had no license for BB at the time of their selection. In BISP only two banks had BB licenses backed up by a business model which had outreach to rural areas. For the future, BISP and CDCP or programmes like it also need to evaluate the product line and services available for the beneficiaries. The implementing agencies together with the commercial banks have to define a clear financial inclusion and literacy strategy which has the concurrence of all participating partners. This would enhance the efficiency of implementing the financial inclusion agenda.

(xx) This assessment contributes to the body of research and analysis that needs to be undertaken on an on-going basis. Econometric evidence on the effects of cash transfers on financial behaviour is not yet widely-available and should feature as a high priority in both future research and on the policy agenda. This study presents some interesting finds but because some of the payment modalities have only recently been rolled out such as the BDC which probably needs more time to lapse to see how this experience evolves. Furthermore, the regulatory environment and the institutional infrastructure for branchless banking has only recently been launched and as such the impact of these developments on how social transfers evolve and their impact on financial inclusion and literacy has only just begun to emerge in Pakistan. Thus research should be an important part of the agenda for the future.

(xxi) Our findings in the current study show that enhancing public knowledge, awareness and appreciation of the electronic payments and technology driven programmes is important not just from the perspective of the G2P payments but also because a new range of services are being offered under Branchless banking which are expected to bring a financial revolution in the country. The cash transfer programmes were the first opportunity for many beneficiaries to interact with the formal financial system. Any broad based programmes for enhancing the knowledge about financial products

should be tempered with the knowledge that the interaction of the target beneficiaries with the formal sector is likely to continue to be limited in the near future.

(xxii) Our field assessment corroborates some of the earlier findings of the Access to Finance Survey regarding financial literacy. We also concur with the findings of the Pakistan MicroFinance Network that financial literacy linked to the specific use of cash transfer mechanism can help recipients reduce the costs of withdrawal which have shown to be substantial and can actually reduce the value of the transfer payments. However, we think that the financial literacy programme should not be linked only to educating the recipients about formal institutions but making them aware about the full range of financial services that they use. Our assessment concludes that many of the recent recommendations and reports tend to oversell the case for financial literacy seeing it as the critical barrier to financial inclusion. The truth is that financial literacy is one small element which prevents financial inclusion. The more important part of the story is that formal sector institutions do not provide the type of services required by the poor nor do they provide it in a manner which makes it accessible to them. If they did, the story would be very different from the one which is narrated by the current indicators of financial inclusion.

(xxiii) Financial inclusion and literacy is determined by multiple and complex factors which include knowledge, perceptions and norms, but are largely driven by economic circumstances of individuals and households. Financial inclusion is not a simple outcome of financial literacy. The relationship can go the other way too, as those with demand for modern financial services are met with the supply of knowledge of services from various sources. While the importance of knowledge, perceptions and norms cannot be overstated, it can nevertheless play a role in facilitating change when economic circumstances of potential users allow. Income growth represents the dominant pathway for greater progress towards financial inclusion and literacy. Progress along this pathway can be facilitated by knowledge of systems, and the fulfillment of the basic procedural preconditions for financial inclusion. Cash transfers such as BISP and CDCP have broken new ground in Pakistan in institutionalising delivery systems and in engaging citizens directly.



SECTION 1

Background and Introduction

1 BACKGROUND AND INTRODUCTION

1.1 Conceptual Framework and Research Design

1.1.1 Overview

1. The World Bank commissioned ICF-GHK to undertake an assessment of financial inclusion and literacy outcomes of cash transfer programmes being implemented through various payment modalities including the banking system in Pakistan. This assessment is motivated by the assumption that financial inclusion and financial literacy could be an additional benefit to the delivery of the payments made for income support and livelihood generation under the cash transfer programmes. The two specific cash transfer programmes which were reviewed were the Benazir Income Support Programme (BISP) and the Citizen Damage Compensation Programme (CDCP) or the Watan Card scheme. This report summarises the key findings of the survey and beneficiary assessment regarding financial inclusion and literacy that can be attributed to these two cash transfer programmes. The study was undertaken between May 21st and September 30, 2012 by a large multi-disciplinary team with expertise in both quantitative and qualitative techniques, banking experts and financial experts familiar with BISP and CDCP. The field work was undertaken through assistance from Collective for Social Science Research and Associates in Development (AiD) Private Limited, two consulting firms well qualified in quantitative and qualitative field research in Pakistan.

1.1.2 Objectives of the Study

2. The World Bank's primary objective in commissioning this survey is to assess the extent to which the cash transfer programmes can be leveraged into offering access to financial inclusion and financial literacy in Pakistan. A copy of the Terms of Reference for the assessment is given in Annex 8. The survey compares alternate payment mechanisms such as the Pakistan Post Office, Smart Cards, Debit Cards, mobile phone technology and the interface provided with the banking sector through ATM machines, Point of Sale terminals, branchless banking agent networks and bank branches. The report begins by examining the current landscape on cash transfer programmes and the banking products available to the beneficiaries. The report assesses the impact of the alternative delivery channels on financial inclusion and financial literacy. In addition, to the extent possible, the report also provides an assessment of the future plans of the banking sector with respect to providing services to the target beneficiaries. The differential impact on urban and rural areas, and the specific challenges in areas affected by natural disasters and conflict has also been incorporated into the analysis. Experiences of the impact of similar programmes in other countries that have successfully rolled out Government to people (G2P) programmes using new technologies has also been assessed and a brief overview of this experience is incorporated in the analysis.

3. The findings of this study are expected to provide insights and recommendations on the following areas of interest: (i) household characteristics and livelihood profile of grant recipients; (ii) household level financial management and use of financial services (iii) household perceptions and preferences of financial products and systems (iv) perceived improvements in financial inclusion and financial literacy of the grant recipients. The findings are expected to provide lessons from the on-going implementation of BISP and CDCP using different payment mechanisms, compare them with international best practice and make recommendations on how best to enhance the financial inclusion and financial literacy of cash transfer beneficiaries using various payment methodologies and the conditions under which this might be possible. The report will make recommendations on where and how different approaches might be used to enhance financial inclusion and financial literacy of the cash transfer beneficiaries. The study was designed to assess how the design and implementation of cash transfer programmes could be improved to optimize financial inclusion and literacy outcomes.

1.1.3 Defining and Measuring Financial Inclusion and Financial Literacy

4. A review of the definitions of financial inclusion shows that the concept of financial inclusion has been gradually expanding. At one time the generally accepted understanding was that financial inclusion was “the increasing use of formal financial institutions, notably bank accounts on the part of individuals who have not in the past used these institutions, and particularly where these individuals are from poor and socially excluded groups such as women, people without formal education, individuals belonging to marginalized communities, and those living in irregular or remote settlements.” The World Bank’s Development Research Group launched the Global Findex database in 2011 which examines the demand-side indicators that consistently measure people’s use of financial products around the world and over time.¹ They define financial inclusion as having an account at a formal financial institution, use of formal accounts, savings, credit, mobile payments and insurance. The concept is also defined more broadly as “an absence of obstacles to the use of *financial* ... services, whether the obstacles are price or non-price barriers to finance”². The State Bank of Pakistan defines financial inclusion as “access to formal financial services including savings, credit, insurance and payments vis-à-vis formal financial intermediaries, at an affordable cost.

5. Researchers and organizations have defined financial literacy in many different ways. The President’s Advisory Council on Financial Literacy (PACFL) which was convened to improve financial literacy among Americans defines financial literacy as “the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being.”³ Some define financial literacy as the capacity, familiarity and confidence with which these individuals conduct transactions with formal financial institutions. Financial education is defined as the process by which people improve their understanding of financial products, services and concepts, so they are empowered to make informed choices, avoid pitfalls, know where to go for help and take other actions to improve their present and long-term financial well-being.⁴ One of the tasks of the current assessment was to identify those definitions which were most relevant for cash transfer beneficiaries.

6. A key question with reference to financial inclusion is **measuring financial inclusion and identifying when it has been achieved**.⁵ Financial inclusion data remains relatively scarce and fragmented, making it difficult to answer this question not just in Pakistan but in most developing countries. However, several initiatives are underway to improve the quality of data and define a common set of indicators to measure progress toward financial inclusion. The Global Partnership for Financial Inclusion (GPI) recently released an overview of several data collection efforts, as well as the Alliance for Financial Inclusion’s (AFI) “Core Set” of financial inclusion indicators. The Core Set was developed by a group of policy makers as a common framework for measuring financial inclusion.⁶ The indicators, adapted from the AFI Core Set, are organized in three categories: (1) access to financial services; (2) use of financial services; and (3) geographical inequalities.

¹ This work was initiated in 2011 with a 10-year grant from the Bill & Melinda Gates Foundation,

² Finance for All? Policies and Pitfalls in Expanding Access, World Bank 2008, p. 2

³ This definition is based on the definition of financial literacy from the Jump\$tart Coalition:

<http://www.jumpstart.org/guide.html>.

⁴ OECD (2005) defines financial education as “the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being” (p. 26). Lusardi and Mitchell (2007c) use the OECD definition as the basis for their review of financial literacy.

⁵ Measuring Financial Inclusion: How will we know when we’ve succeeded? CGAP. Microfinance Gateway. November 29, 2011.

⁶ Twelve countries are currently piloting the Core Set

Box 1-1: Core Set of Financial Inclusion Indicators⁷

Indicators of Access

Number of branches per 1,000 km²

- Number of branches per 100,000 adults
- Number of ATMs per 1,000 km²
- Number of ATMs per 100,000 adults
- Number of agents per 1,000 km²
- Number of agents per 100,000 adults

Indicators of Use

- Number of depositors per 1,000 adults
- Number of borrowers per 1,000 adults
- Average size of total deposits per depositor to GDP per capita (number of times)
- Average size of total loans per borrower to GDP per capita (number of times)

Indicators of Geographical Inequality Distribution

- Difference between participation of loans in provinces and participation of deposits
- Total loans in provinces to total deposits in provinces (index)

1.1.4 Key Hypothesis

7. One of the first tasks that the team set itself was outlining its hypothesis regarding the determinants of financial inclusion and literacy, which is the dependent variable under review. The initial hypothesis formulated by the team was further refined based on a survey of literature and international experience which contributed to the understanding of the independent variables which influence financial inclusion and literacy. This hypothesis postulates that financial inclusion and literacy are a function of income, employment, literacy, remittances, need for financial transactions, returns on investment, cost of inclusion and alternative savings and credit arrangements available in the informal sector. Feedback from the initial stakeholder meeting held with key stakeholders on May 31, 2012 in Islamabad was used to modify and expand the hypothesis. The participants suggested that religious sensitivity, social aspects which could help to explain the very disadvantaged position of poor women in the country should be included in the equation as it was often a key determinant of women's mobility, decision-making, economic participation and hence financial inclusion and literacy. The mechanism of payment through the Pakistan Post was used as the comparator against the alternate delivery mechanisms. These hypotheses were used to design the survey instruments for both the quantitative and qualitative analysis.

1.2 Methodology and Approach

1.2.1 Overview

8. The methodology for this assessment included a variety of data sources including a review of literature, quantitative and qualitative survey techniques and in-depth interviews with key stakeholders. The review of literature included among others, the Focus Notes produced by CGAP, the publications sponsored by the Bill and Melinda Gates Foundation and others. CGAP has documented the experience of several countries in America and Africa with cash transfer programmes and the impact on financial inclusion and literacy. The overarching policy and regulatory framework provided by the State Bank of Pakistan was assessed to provide the context within which the cash transfers were implemented in the country. The project documents formulated by the World Bank for the appraisal of the BISP

⁷ Source: "Financial Inclusion Indicators for Developing Countries. The Peruvian Case. CGAP.

and CDCP projects were reviewed to assess the strength of the design with respect to financial inclusion and literacy. The operational manuals formulated by BISP and CDCP were also studied to assess the extent to which they incorporated financial inclusion and literacy as project outcomes. The memorandums of understanding between BISP, CDCP and commercial banks were reviewed to assess whether the implementation modalities were structured in a manner which encouraged financial inclusion and literacy. In addition, previous evaluations and assessments of BISP and CDCP undertaken by the Oxford Policy Management Group and the World Bank were also studied to inform this review.

9. In-depth interviews and discussions were held with key stakeholders such as Cabinet Division, State Bank of Pakistan, BISP, NADRA, CDCP, Pakistan Post Office, commercial banks, micro-finance banks, telecommunication companies and the Pakistan Microfinance Network (PMN). Structured interviews were conducted with government representatives and agency staff responsible for the social cash transfer programmes. These interviews sought to understand how these agencies weighted the twin agendas, and whether financial inclusion was a strategic priority. Detailed interviews were held with commercial banks involved in the delivery of payments to the beneficiaries. The experience of the commercial banks with the cash transfer programmes was discussed including their motivation for participation and the extent to which there was a business case for the banks to disburse the cash transfer payments, open and maintain bank accounts for BISP and CDCP beneficiaries, offer other financial services and the extent to which the commercial banks were planning to cross-sell other products and services to the clients they had acquired as a result of the cash transfers as well as their future plans for this market segment. With these players, we sought to calibrate how, if at all, they framed the business case on the basis of the actual experience of offering financial services to recipients. The GHK team had numerous meetings with the key bankers involved in the process. Close coordination was maintained with the Pakistan Micro-Finance Network which had been contracted by the World Bank to implement a project for providing training on financial literacy to the beneficiaries of cash transfer programmes.

1.2.2 Quantitative Analysis Instruments

10. Two separate survey instruments were designed for the quantitative analysis. One of the questionnaires covered the beneficiaries of the BISP and the other the beneficiaries of CDCP I and CDCP II. The questionnaires were divided into separate sections. The first section provides the identifier and captures the data on the location, beneficiary name, CNIC, etc. The second section captures information on the beneficiary profile and the household livelihood characteristics, expenditure patterns and investment profile. The third section captures the engagement with the cash transfer programme, their impact on household investment and consumption decisions. These questions helped determine whether and to what extent the household's economic activities rely on regular cash flows in terms of income, transfers, borrowings, lending, saving and expenditures. The use of formal and informal financial services was a key part of the questionnaire. A separate section focused on questions regarding beneficiary perceptions and experience of different payment instruments and financial literacy. Beneficiary perceptions of different payment instruments including transaction cost, reliability, efficiency and leakages were also assessed. The use of formal and informal financial services was a key part of the questionnaire. An initial version of the questionnaire was field tested in Lahore, Rawalpindi and Islamabad and the feedback was used to further refine the questionnaires. The questionnaires were further refined and finalized during the training session of the field teams. The sample questionnaires are attached at Annex 6 and Annex 7.

a) Selection of Districts

11. In view of the considerations of cost, the current study was only undertaken in Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan. Azad Jammu and Kashmir (AJK) and Gilgit Baltistan were excluded from the scope of the survey. Within the selected provinces,

the districts were chosen based on several factors, the first being that the rural- urban distinction had to be maintained in view of the differentials expected as a result of this factor. The initial ICF GHK proposal had included a list of 17 districts for the selected provinces. However, since the original proposal, the Government had introduced a new payment instrument which is the Debit Card. Furthermore, at the time of the proposal, the inclusion of mobile phones in KP had somehow not been properly accounted for. The inclusion of these new payment instruments has necessitated the addition of new districts in Balochistan and Khyber Pakhtunkhwa. The sampling plan for this study had to be designed carefully given the data analysis requirements of the study, the level of confidence required, the various types of instruments being used, the provincial and district wise distribution of the beneficiaries and volume of disbursements, cost and security. Some districts were chosen because some instruments were only implemented in certain districts. In selection of districts the rural- urban distinction had been maintained in view of the differentials expected as a result of this factor.

12. Some instruments are being phased out due to technological issues (Smart Card), cost considerations (mobile phones) and others have just started roll out (Benazir Debit Card) and only one payment has been made through the debit cards. Thus enough time has not elapsed to allow the full impact of some of these payment mechanisms to have been evidenced on beneficiary financial behaviour, inclusion and knowledge. To deal with this risk, the selection of districts was undertaken in a purposive manner to allow for the inclusion of those districts where specific interventions have been implemented. As far as possible, an attempt was made to administer the debit card questionnaires towards the end of the field survey to allow the second disbursement of the Debit Cards. This was not always possible due to the delay in the disbursement.

13. The CDCP I and CDCP II were only implemented in flood affected districts. However, even among the flood affected districts, some districts could not be selected because disbursements had not yet been initiated there because Third Party Validation had not been completed in them or some other operational and security reasons. In some cases, the number of cards issued was large but the volume of payments made was small and so it inclusion of these districts was not justified. Some instruments like the Benazir Smart Card had only been initiated in four districts. Others like Mobile Banking had only been undertaken in five districts so far. The Benazir debit Card had been rolled out quickly and cards had been issued but the volume of payments varied significantly among the districts. The Pakistan Post was used as the reference payment method for BISP and as the comparator for the various types of cards and mobile phone technologies used. Thus the Pakistan Post beneficiaries were selected from each of these districts in order to control for other district level variations.

14. In Punjab, the number of districts has been reduced due to the reason that in Punjab the survey was concentrated in Southern Punjab districts because the cash transfer programmes under review have been concentrated in this region. More than 60% of the disbursements in Punjab have been made in this area. The nature of this region is significantly different from northern and central Punjab in terms of its poverty profile, literacy rates and the level of economic activity. Including any of the central and northern Punjab districts would not allow us to control for these other variables.

15. Thus for Punjab the survey was undertaken in five districts in Southern Punjab. In Sindh, the number of districts was selected based on the implementation of CDCP and the alternative payment mechanisms under BISP. In Balochistan, the considerations of security also had to be kept in mind while selecting the districts especially given the fact that women would be undertaking the BISP survey as all the beneficiaries of BISP are women. The districts selected for the quantitative questionnaire administration have been indicated in Table 1-1.

Table 1-1: Number of Districts Selected for the Survey

| Provinces | Districts | | |
|--------------|-------------------|--------------------------|------------------|
| | Original Proposal | Revised During Inception | Actually Covered |
| Balochistan | 2 | 2 | 2 |
| KP | 3 | 4 | 4 |
| Punjab | 6 | 5 | 5 |
| Sindh | 6 | 5 | 5 |
| Total | 17 | 16 | 16 |

Source: ICF GHK

16. CDCP questionnaires were only administered in flood affected areas. In selection of CDCP beneficiaries, the team tried to exclude BISP beneficiaries. This was done to allow an analysis of the differences of financial inclusion and literacy aspects in non-poor clients versus those which belonged to the lowest income segment. In Balochistan, CDCP II beneficiaries could not be included because the two districts where the largest number of cards had been issued namely Jaffrabad and Nasirabad, Third Party Validation was being conducted and no payments had been made at the time of the field survey. Security consideration dictated that it was not prudent to send the teams of male and female enumerators to one of the other districts. Based on the consideration outlined above, the districts selected for the survey are shown in Table 1-2.

Table 1-2: Districts where the Quantitative Survey was administered

| | CDCP I | CDCP II | Smart Card | Debit Card | Mobile Banking | Pakistan Post |
|-------------|-----------------------|-----------------------|------------|---------------------|----------------|--|
| Balochistan | Jaffrabad | | | Quetta | | Jaffrabad, Quetta |
| KP | D.I. Khan | Charsadda | | Swabi | Battagram | DIK, Charsadda, Swabi and Battagram |
| Punjab | Muzafargarh, Rajanpur | Muzafargarh, Rajanpur | Mianwali | D.G Khan | Layyah | Muzafargarh, Rajanpur, Mianwali, D.G Khan and Layyah |
| Sindh | Thatta | Dadu | Sanghar | Shaheed Benazirabad | Larkana | Thatta, Dadu, Sanghar, Shaheed Benazirabad and Larkana |

Source: ICF GHK

17. The original ICF GHK proposal had indicated the possibility of reduction of the sample districts based on feedback and refinement of the survey methodology. Thus instead of the original 17, the team covered 16 districts.

18. The Pakistan Post questionnaires were administered in all 16 of the districts selected as it was being used as the comparator. However, in Tehsils where the Pakistan Post had already phased out the questionnaire could not be administered and hence beneficiaries from adjoining areas were chosen in their stead. Smart Card was implemented in four districts which included two in Punjab and two in Sindh on a pilot basis. From these four, Smart Card questionnaires were administered in Mianwali and Sanghar only. In

Punjab, Mianwali was chosen over Multan because it is comparable with the other districts in the sample. In Sindh, Sanghar was selected over Mirpurkhas because of the larger number of cards distributed over there. For Mobile banking, Battagram was chosen in Khyber Pakhtunkwa because it ranks number one in terms of both phones issued and disbursements made in the province.

19. Layyah was chosen in Punjab because it is similar to the other districts selected in the sample and has the largest number of mobile connections in the province. Larkana was chosen in Sindh because it is the only district in the province where the mobile banking technology was implemented. Questionnaires for Debit Cards were administered in Quetta, Swabi, D.G Khan and Shaheed Benazirabad.

20. Quetta was chosen because it ranks as number 2 in terms of cards issued, disbursements made and security factors. Swabi was chosen because it approximates the rural conditions of some of the other districts selected and it ranks number 2 in terms of cards issued and number 3 in terms of disbursements in the province.

21. Dera Ghazi Khan was chosen because it ranks number one in terms of both cards issued and disbursements paid in Punjab. Shaheed Benazirabad was selected in Sindh for debit cards because it ranks number one in terms of both cards issued and disbursements made.

b) Sample Size

22. The sample size was chosen in a manner which allowed several types of key comparisons. These comparisons include the following;

- Provincial comparisons of financial inclusion and literacy outcomes of CDCP and BISP Payments with a confidence level of 95%.
- Comparisons across the different payment instruments which will yield robust results with a confidence level of 95% at the national level.
- In Punjab and Sindh a provincial comparison would be possible across the different types of payment instruments with a confidence level of 95%.
- In Balochistan and KPK the team included mobile banking and the debit card technologies which had not been included at the time of the proposal submission. This would be done in a manner to ensure as high a level of confidence as can be supported given the budget limitations. A confidence level of 80% would be possible for identifying the differences between the various payment instruments in these provinces.

23. In order to secure the confidence levels outlined above, the sample size that was required for the different types of financial instruments in each of the provinces is shown below in Table 1-3. This sample size indicated in the original proposal for these provinces was 5,376 beneficiaries. However, the GHK team increased this to 5,550 to ensure the inclusion of the payment instruments which were not envisaged at the time of the proposal submission or contract negotiation.

Table 1-3: Sample Size at the provincial level for different types of Payment Instruments

| | CDCP I | CDCP II | Pakistan Post | Smart Card | Debit Card | Mobile Banking | Total |
|--------------|------------|------------|---------------|------------|--------------|----------------|--------------|
| Balochistan | 384 | - | 200 | - | 184 | - | 768 |
| KP | 200 | 200 | 184 | - | 184 | 174 | 942 |
| Punjab | 192 | 192 | 384 | 384 | 384 | 384 | 1,920 |
| Sindh | 192 | 192 | 384 | 384 | 384 | 384 | 1,920 |
| Total | 968 | 584 | 1,152 | 768 | 1,136 | 942 | 5,550 |

Source: ICF GHK

c) Selection of Beneficiaries

24. The Pakistan Post beneficiaries were selected from all the 16 districts selected. Care was taken not to select those beneficiaries who had received CDCP payments in the flood affected districts. In the disbursement of Smart Cards there were some who did not receive any payments through the Pakistan Post but were introduced to the Smart Card technology directly. An attempt was made to select some of these clients from the two districts selected for the purpose. In the case of Debit Cards and mobile banking, these clients had all received the first set of payments through the Pakistan Post and they were subsequently transferred to the card and mobile technology.

25. However, care was taken to ensure that none of them had received payments under CDCP. This was to allow in the analysis a distinction between the impact of CDCP which was a one-off payment of a much larger size to beneficiaries who were not among the poorest income brackets and to those of BISP who were getting regular small payments and were among the poorest income segments.

26. The list of beneficiaries was drawn by CDCP and BISP on the basis of criteria outlined above for the districts selected by the team. In order to ensure the coverage of urban and rural areas, the sample was purposively selected from Tehsils which approximated urban rural conditions. As far as possible, clustering within the same or adjoining Union Councils was undertaken to ensure the ease of identifying beneficiaries and data collection. Within each selected district, the beneficiaries were randomly selected from lists which BISP and NADRA helped in identifying. In flood affected districts, the lists of CDCP were drawn from the lists of those areas which were affected by the floods and for other payment mechanism they were drawn from areas which were not affected by the floods in the adjoining Union Councils or other parts of that district to ensure no overlap between BISP and CDCP beneficiaries. Preliminary meetings were held with the Management Information System's architect at BISP to inform the selection of beneficiaries. Disclosure agreements were signed with NADRA and a formal request from the World Bank facilitated the acquisition of the beneficiary names. The process took much longer than anticipated and considerably delayed the start of the field work. To expedite the process of identifying beneficiaries, the snowball approach was also used in the field to identify the beneficiaries. This was necessitated by the fact that not all beneficiaries in the lists provided by BISP and CDCP could be easily located.

d) Mobilization and Training of field Teams

27. The quantitative analysis was undertaken by Associates in Development (AID) and Collective for Social Science Research, two firms experienced in data collection as well as a good understanding of BISP and CDCP. Associates in Development undertook the field work for the quantitative survey in Punjab, Balochistan and KP, while Collective for Social Science Research undertook the field work in Sindh. The survey teams were purposively constituted to include 60% women given that BISP beneficiaries were all women. However, men were attached to each team to assist with getting the beneficiaries together, helping with logistics as well as conducting the interviews. The four provincial teams included 34 enumerators of which 20 were women. Each provincial team was led by a provincial coordinator to supervise the work and ensure quality control. The field teams were deployed in the field in July and August 2012. The technical survey specialist developed a training module to impart trainings to the field level staff. The questionnaires were refined after the feedback provided during the training sessions. There was also guidance provided on how to react to difficult field situations and security concerns. The work of the teams was closely monitored by ICF GHK teams deployed for oversight and guidance.

28. A two-day training session was held in Islamabad on June 17 and 18th, 2012 for training the field teams. The original proposal had envisaged a cascading approach to the training. The training of the provincial/regional coordinators was to take place in a central location and the researchers and enumerators were to be trained by the Provincial

Coordinator at the provincial level. However, as many members of the field team were invited to the training as could be accommodated in the available budget. Thus training was provided to the enumerators from Punjab, KP and Balochistan directly by the ICF GHK team in Islamabad. The training to the enumerators from Sindh was provided by the Provincial Coordinator from Sindh who attended the two-day training session in Islamabad. The training module included sessions on the objectives of the survey, ensuring conceptual clarity, background information and understanding of BISP and CDCP programmes, a thorough review of the questionnaire, translation and guidance notes in Urdu to ensure understanding of each question and technical issues regarding financial inclusion and literacy outcomes. The training included role plays, field testing of the questionnaire through interviews with beneficiaries.

29. Selected technical team members also undertook some field visits to assist with interviews and also familiarize themselves with the ground situation. The technical survey specialist visited Balochistan, KP and Punjab to assist the teams with guidance at the start of the exercise and ensure quality control. In Sindh, Collective for Social Science Research provided this oversight and guidance to their team. A week after the end of the field surveys a session was held with the provincial coordinators and selected enumerators who shared their feedback from the field on both the administrative and substantive aspects related to financial inclusion and literacy of the two cash transfer programmes under review.

e) Data Entry, Cleaning and Analysis

30. Managing large volumes of quantitative data was one of the major challenges of the assignment. In order to assist in data management and minimize the potential for errors, the questionnaire was coded as much as possible. The forms were also carefully scrutinized for errors. Any missing values or inconsistent responses were double checked. The CNIC numbers of the beneficiaries were also checked and verified from the BISP website to ensure that ineligible beneficiaries were screened out. The first set of questionnaires forms were delivered for analysis within a week of completion of the first round of data collection so that data entry and data cleaning could be undertaken simultaneously with data collection. The data was entered on customized software. The data entry software was developed on the Microsoft Windows™ platform, using standard off-the-shelf development tools, languages and frameworks. For the storage (DAL) layer, software used the Microsoft SQL Server 2008™ database engine. After data entry and data cleaning, data was exported on the SPSS format for further analysis and tabulation formats. A preliminary list of tables was developed at the outset which was refined later for provincial comparisons and comparisons across the various payment instruments to assess financial inclusion, literacy outcomes as well as the impact on household consumption, expenditure and investment behaviour.

1.2.3 Qualitative Survey Instruments

31. The main objective of the qualitative fieldwork was to support the statistical survey by providing additional process level information on key aspects of Government to Person (G2P) modalities, financial inclusion and literacy (FIL) aspects and the interaction between the two among the survey population. While the statistical survey is a powerful and rigorous tool for addressing very specific questions about the impact of G2P modalities on FIL, its real value is in being able to test very specific and reduced hypothesis in a precise manner. It is generally understood that both G2P modalities as well as FIL outcomes involve a range of processes, relationships, behavioural norms, and ways of information dissemination about which it is difficult to reduce information into discrete binary or numerical categories.

32. For example, we are aware that women may face a particular disadvantage in accessing modern financial services compared to men, and this could be captured easily in a statistical survey through statistics on female versus male access to bank accounts. To learn more about the various processes through which women might be financially excluded relatively – say due to constraints from within the household, limitations on their mobility, or

particular difficulties in accessing and using banking services due to the male-centric culture of outlets – we need to rely on qualitative research tools. Another example in this regard might be a person who has no immediate social or economic relationship to anyone else who has a bank account. If we want to know what actually happened to such a person when he or she tried to open a bank account we need to develop individual case studies of people from the population of interest (in this case the poor and socially excluded) who actually tried to open an account. On the positive side, if G2P modalities encouraged someone to learn more about financial instruments (i.e. gain financial literacy) or even induced them to open an account (financial inclusion) we will have much interest having answers to several ‘why’, ‘why not’, and ‘how’ questions. Once again these questions require reliance on qualitative rather than statistical tools.

33. Our approach to qualitative fieldwork, therefore, was premised on developing a number of comparable case studies from across the country: of beneficiaries as well as some non-beneficiaries of various G2P modalities; of individuals who became financially more literate and included and those who remained financially illiterate and excluded; and women and men. In other words, the primary analytical insight from qualitative fieldwork came from individual cases of G2P modality experience and FIL process. In addition to these individual cases, and to contextualise these cases, we also required qualitative information from communities where the said individuals are located. The extent of connectedness of communities to modern economic services, and the general experience of G2P and FIL was explored alongside individual case studies.

a) Location and Survey Instruments

34. In order to get the most cogent information for the evaluation, the qualitative interviews were carried out in the same locations as the quantitative survey. This nesting of qualitative information with quantitative information was potentially expected to yield a rich source of information for the evaluation. In-depth qualitative fieldwork was carried out in each of the selected districts. The qualitative survey was undertaken in 10 rural sites and 6 urban sites to allow urban-rural comparisons. The focus on rural sites for the qualitative fieldwork was justified on the assumption that financial inclusion and literacy are likely to be most challenging in these areas. The main criteria for selecting a specific site in any particular district were categorical and included (i) that the site should represent the urban rural location as agreed (ii) it should have at least 40 households (iii) there should be at least 10 cash transfer beneficiary households and (iv) site should be reasonably typical of settlements in its region. Table 1-4 gives the specific coverage of the qualitative survey by payment modality.

35. The site selection criteria required some level of judgment on the part of field researchers. ‘Rural’ in this study refers not only to settlements that might be officially classified as ‘rural’ but those that are not directly connected to urban centres. Since we focused on a settlement and not on the administrative village (mouza/deh) for site definition, we did not have precise data on site population before visiting it. The estimated number of households, therefore, was based on local informant perceptions. The minimum site size of 40 households was kept deliberately small, so that the sampling did not exclude smaller villages. Some sites were considerably larger.

36. The reason for the lower limit, however, was to ensure some level of variation in community level characteristics. The criterion about the site being reasonably typical of its region was also dependent on the judgment of field researchers. It was meant to ensure that site selection is not highly idiosyncratic.

Table 1-4: Characteristics of selected districts

| Province | District | U/R | G2P Modality |
|-------------|---------------|-----|---------------|
| Balochistan | Jafferabad | R | CDCP I |
| | Quetta | U | Debit Card |
| KP | D I Khan | R | Pakistan Post |
| | Charsadda | U | CDCP II |
| | Swabi | R | Debit Card |
| | Battagram | U | Mobile |
| Punjab | Muzaffargarh | U | Pakistan Post |
| | Rajanpur | R | CDCP II |
| | Mianwali | R | Smart Card |
| | D G Khan | R | Debit Card |
| | Layyah | R | Mobile |
| Sindh | Thatta | U | CDCP I |
| | Dadu | R | Pakistan Post |
| | Sanghar | U | Smart Card |
| | S.Benazirabad | R | Debit Card |
| | Larkana | R | Mobile |

Source: ICF GHK

37. The qualitative data has been organised into site reports for each of the selected sites. These site reports were then used to analyse G2P modalities and FIL processes and inter-linkages between these processes. A site report consists of two distinct parts: (i) Community profile and (ii) Individual case studies. The aim of the community profile was to set the context within which individual case studies were located to identify community level issues and perceptions with reference to G2P and FIL, and in some cases to identify individual case study respondents. The community profile was constructed through community profile checklist which was completed with the help of local key informants, participant discussions and direct observations. The community profile helped to establish a number of contextual facts – such as general socio-economic conditions, issues in marginality and hierarchy, supply of G2P and FIL services, and perceptions about G2P, FIL and inter-linkages between them. The community profile, through a social mapping, also identified individual case study informants.

38. Two individual case studies were prepared in each survey site. These individual case studies established individual and household characteristics of respondents for contextual purposes, but were primarily focused on details of individual exposure and experience with G2P and FIL. Unlike the quantitative questionnaire, the interview checklist for the case study went into the details of individual perceptions, and the ‘why’, ‘why not’, and ‘how’ questions. The case studies have also constructed individual narratives of change with respect to FIL, as well as perceived and real constraints.

39. The qualitative fieldwork focused primarily on the poor. There were a number of purposive criteria which guided the selection of sample individuals in the qualitative research. While gender was a cross-cutting dimension of selection – the sample had a purposive over-representation of women in order to highlight gender constraints on mobility and access to financial systems - there were three other ways in which purposive categorical criteria was applied to selected case study individuals which entailed going beyond the quantitative sample. These three sets of criteria which were included but not necessarily given equal weight in individual selection can be summarized as (i) non-income dimensions of exclusion (ii) non-beneficiaries (iii) relatively financially included and literate individuals.

40. Although the BISP poverty score is a good proxy for household income or wealth status, this score is neutral to specific qualitative dimensions of marginality and exclusion such as local power relations, status hierarchy based on occupation or kinship group identity, and religious minority. We believe that these dimensions of exclusion and marginality are important in themselves in shaping access to institutions in general and to FIL. Our case selection, therefore, used community profiling exercise to identify individuals from among the poor who faced different degrees of marginality and exclusion with respect to these social structures. In a few cases, a poor individual was purposively selected from an otherwise dominant kinship group, and another from a historically marginalised kinship group to isolate the impact of these factors.

41. Second, through the community profile some poor households or individuals who were not cash transfer beneficiaries for any reason were identified. These were individuals who were regarded as poor in their community but had either missed the poverty census, or were not classified in the category which entitled them to the cash transfer payment using the Poverty Score. Some of these poor non-beneficiaries were purposively selected as comparators for those poor who did receive cash transfers. Third, some individuals – both women and men – were also selected who were poor but were relatively more financially literate and/or included than their peers. Although, this group was extremely small due to the high entry barriers for the poor, the qualitative study selected such cases purposively in order to learn something about the process of change and inclusion. This purposive selection was all the more important given our expectation that the probabilistic sampling for the quantitative survey was likely to yield very few financially included individuals.

1.2.4 Key Constraints

42. Some key constraints and risks that the study team encountered in undertaking the beneficiary survey and assessment have been identified below. To the extent possible the approach outlined here would attempt to deal with some of these constraints. However, not all of them can be dealt with effectively.

- a) CDCP and BISP have put in place non-disclosure policies with reference to the use of their raw data set. Disclosure agreements had to be signed by GHK in its use of the data set. This caused an un-anticipated delay.
- b) The field work was delayed by more than three weeks due to the issues connected with acquiring the data set from the Benazir Income Support programme. Pursuant to a policy decision, BISP charges for the provision of data on its beneficiaries. This rate is differentiated for Government, donors, researchers and private companies. No budget allocation was provided for acquiring this data. The World Bank negotiated directly with BISP to help access this data set. However, this took an inordinate amount of time.
- c) The District and Tehsil offices of BISP had not been informed of the survey. The field teams were only equipped with a letter from the World Bank stating that GHK had been engaged by them to conduct the survey of CDCP and BISP beneficiaries. This letter did not provide enough of a protective cover to the teams especially given the sensitivities and suspicion with which survey teams have come to be regarded in Pakistan. The approach followed by most of the field teams was to contact the BISP district or Tehsil offices and inform them of the survey. While this approach solved most of the issues that could have been raised, in some areas, the local authorities, BISP officials and local press became suspicious of the teams who then had to resort to their negotiating skills to convince the authorities that this was a legitimate survey commissioned by the World Bank with the knowledge of BISP and CDCP.
- d) The field teams found that locating beneficiaries through the lists provided by BISP was not always an easy task due to incomplete addresses, the scattered nature of the beneficiaries identified in the lists and the relocation and migration of beneficiaries to other locations, etc. In several rural areas beneficiaries had moved and so could not be located. In Fazilpur in Rajanpur District not a single beneficiary could be located.

- e) The expectation that a new team asking questions regarding BISP and CDCP invariably raised expectations that additional payments might be forthcoming and as such crowds would invariably gather. The field teams had to be skilled at managing expectations and disbursing crowds.
- f) Given that the poverty score card was administered to cover most poor households including those which did not get the requisite score to qualify for the payment under BISP, those getting a slip with scores above the BISP threshold look upon the presence of the survey as an opportune moment to air their grievances to the field survey teams. Many would accost the survey teams with chits on which their scores were scribbled as proof that they were entitled to the payment, not realising their scores were above the established minimum score. These issues had to be handled in a sensitive manner by the field team as those not getting BISP payments would suspect that the team was engaging in favouritism by talking to those who had already received payments.
- g) During the fieldwork it also emerged that some unidentified teams had come to some of the sites earlier claiming they were from a government sponsored cash transfer scheme and had taken PKR 300 to PKR 400 from the people asserting that with this one time charge they would be able to get them on the list of eligible beneficiaries. Thus some of the respondents were apprehensive of talking to the team. A few people from CDCP in Kot Mithan even refused to show their Watan cards to the team alleging that the team would note down the number of the card and put their payments at risk.
- h) The beneficiaries do not always understand the purpose of the survey and feel that they would put their eligibility under the programme at risk if they answer questions truthfully. Women were apprehensive of talking to the team and try and downplay their actual economic situation. In Battagram people tended to overstate their level of indebtedness and under report their assets. It was observed that in Rojhan Mazari a lot of camels were reported to have died by the beneficiaries. This was seen as another attempt to hide incomes and assets.
- i) BISP beneficiaries are among the poorest segment of the population and most of them are illiterate with little outside exposure. This presented additional problems in filling out the questionnaire. Many beneficiaries of BISP had forgotten how many BISP payments they had received and it was difficult for them to recall the number of payments or the date from which they started receiving their first payments.
- j) As a result of the election hype across Pakistan, there is an apprehension that the association of the programme with the name of a specific political leader from the Pakistan People's Party may colour the perception of those who may have strong political leanings one way or the other. The manner in which this issue was dealt with was to probe the issue in a manner which downplayed the association of the card with any single political party.
- k) The answers to the quantitative questionnaire may have been coloured by the apprehension of the respondent that honest answers may endanger future payments and somehow disqualify them. The best way to deal with this apprehension was to ensure that the enumerators approached the respondent in a manner which instils some trust and reassures them of the purpose of the interview.
- l) In Balochistan, the heightened security issues entailed that the team tread carefully. To assist with undertaking the survey on a low key manner, local teams were hired who spoke the local languages.



SECTION 2

Assessment of Current Landscape on Cash Transfer Programmes and Modalities

2 ASSESSMENT OF CURRENT LANDSCAPE ON CASH TRANSFER PROGRAMMES AND MODALITIES

2.1 Types of Financial Instruments Available to the Beneficiaries to Withdraw Cash

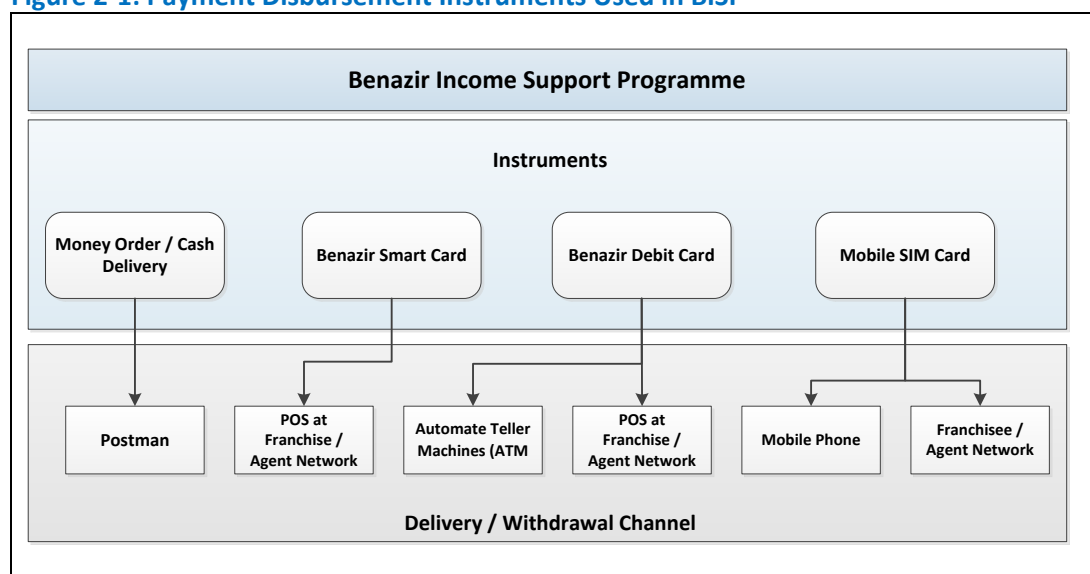
2.1.1 Benazir Income Support Programme

43. With the support of the World Bank and other donor agencies, the Government of Pakistan launched the Benazir Income Support Programme (BISP) as a flagship government safety net initiative in 2008. The short term objective of BISP was to cushion the adverse impact of the food, fuel and financial crisis on the poor. Its broader objective – in line with the National Social Protection Strategy - is to establish a nationwide safety net programme, marked by effective and transparent targeting and delivery mechanisms. BISP is being administered in all four provinces Punjab, Sindh, Balochistan and Khyber-Pakhtunkhwa as well as Gilgit-Baltistan, the Federally Administered Tribal Areas, Azad Jammu and Kashmir and the Islamabad Capital Territory. The cash transfer is designed only for women who qualify based on a poverty assessment score card. By the end of July 2012, the programme had provided cash transfers of Pak PKR 1,000 [USD12] per month to more than 4 Million eligible women with plans to cover almost 7 Million beneficiaries. The programme is consistent with international best practice as the Government has put in place separate agencies to conduct the enrolment process, determine programme eligibility and pay benefits.

2.1.2 Payment Mechanisms of BISP

44. There are currently four key mechanisms through which payments are made to beneficiaries of BISP. These include the Pakistan Post, use of a Smart Card, Benazir Debit Card and payment through the use of mobile phones (Figure 2-1).

Figure 2-1: Payment Disbursement Instruments Used in BISP



Source: ICF GHK research

45. Under the Pakistan Post, cash deliveries were made to each beneficiary’s house once every two months by the postman. This method was the main channel for the delivery of cash to the selected woman at their doorstep. Until May 2012, about 70% of the

payments were being made through the Pakistan Post and currently it is reported that only 30% of the payments are being made through this mechanism. The precise number is difficult to identify at the moment because the system is in transition and some beneficiaries are receiving payments both through the Pakistan Post and the Debit Card at the moment. There might be some double counting in this number because some beneficiaries are receiving payment through the PP and Debit Card while the system is in transition. Status of payments under BISP up to July 31, 2012 through the different instruments is presented in Table 2-1.

Table 2-1: Status of Payments under BISP (May, 2012 –PKR)

| Districts | Pakistan Post | Smart Card ^a | Mobile Banking ^b | Benazir Debit Card ^c | Total |
|--------------|------------------|-------------------------|-----------------------------|---------------------------------|------------------------------|
| Punjab | 894,421 | 107,253 | 66,668 | 308,781 | 1,377,123 |
| Sindh | 1,099,425 | 71,752 | 62,962 | 279,235 | 1,513,374 |
| KPK | 696,886 | - | 8,621 | 264,923 | 970,430 |
| Balochistan | 140,160 | - | - | 30,961 | 171,121 |
| Total | 2,830,892 | 180,005 | 138,251 | 883,900 | 4,032,048^d |

a: accounts opened by UBL by May 21, 2012; b: position on May 15, 2012; c: card issued as on 31 May, 2012.
Source: Information collected from the World Bank

46. BISP found that the Post Office was slow, it delayed payments, was unreliable, subject to leakages and there was no means of getting real time data on the disbursements. Reconciliation of the accounts proved to be another long and cumbersome process. BISP therefore tried some alternate payment mechanisms. The first of these was the Benazir Smart Card which was tested on a pilot basis in four districts in Punjab and Sindh namely Mianwali, Multan, Sanghar and Mirpurkhas in 2010. BISP published a request for proposal inviting banks to participate in the pilot under which the selected bank would act as the payment service provider. The purpose was to test the beneficiary response to a different payment arrangement than the post office money order which had been used up to this point. Each card had a chip embedded on the front and a 2D barcode on the back containing the CNIC number. The card had Mag-stripe technology. It was ATM Compatible and accepted by 1 Link. BISP Smart cards for the pilot were customized by NADRA. The cost of around USD 5 per smart card was paid by BISP for the purpose.

47. In the short timeframe which was given by BISP to invite banks to engage in the disbursements, UBL was the only bank poised to respond to this request. In this, UBL was helped by its prior experience with World Food Programme and offered the use of its emerging Omni network of agents. To facilitate the beneficiaries, a number of Smart Card distribution centres were established to distribute the cards. Once the beneficiary received the Smart Card, each beneficiary visited the franchise and presented the Benazir Smart Card along with her CNIC. UBL set up limited mandate accounts for each one of the 180,000 beneficiaries in the pilot. Payments of Pak Rupees 1,000 were made on a monthly basis to the beneficiary. The United Bank Limited undertook the payment of all cash grants through its OMNI Dukan retail network. The retail agent scanned the Benazir Smart Card which allowed the information to be sent to the server for validation. The request was then sent to an e-Wallet Management System (eWMS) to authenticate payment. Franchisee then handed over cash to the beneficiary upon receiving confirmation from e-WMS. These special purpose accounts allowed only withdrawals and had no other functionality. The Smart Cards were expensive to produce and had technical issues and there are no plans to expand this payment mechanism.

Section 2: Assessment of Current Landscape On Cash Transfer Programmes and Modalities

48. Given the spread of mobile technology in the country, BISP has also experimented with mobile technology as a banking interface. BISP has partnered with several banks and telecommunications companies in this regard. It has distributed over 138,251 mobile phone sets in the first phase among its beneficiaries in five districts and plans were prepared for testing the model in another 3 districts in Balochistan, AJK and Gilgit Baltistan. Banks participating in this scheme partner with mobile companies. There are several banks involved in this scheme such as Tameer through the introduction of the Easypaisa Mobile Account through Telenor its majority share holder. The United Bank, Habib Bank and Summit Bank are in partnership with U-Phone and Bank Alfalah is partnering with Waird. A list of the participating banks and telecommunication companies participating in this payment mechanism is given in Table 2-2. BISP beneficiaries receive Pak PKR 1,000 on a monthly basis through this mechanism. Potentially, they can also initiate small savings, send micro-payments to friends and family make bill payments and also recharge their mobile. However, none of this has actually happened so far and the BISP beneficiaries are linked to a Limited Mandate Account. This account has the same limited functionality as the other accounts. This mechanism was not very popular with the banks because of the upfront cost of purchasing and providing the mobile phone to the beneficiaries. This mechanism is being phased out as well.

Table 2-2: Participating banks and Tele-companies in Payments through Mobiles

| No. | District | Province/ Region | Partner Bank | Telco's | Launched on |
|-----|------------|---------------------|---------------|---------|---------------|
| 1 | Batagram | KP | Tameer Bank | TELENOR | April 2011 |
| 2 | Larkana | Sindh | HBL | U-FONE | December 2010 |
| 3 | Layyah | Punjab | UBL | U-FONE | February 2011 |
| 4 | Rawalpindi | Punjab | Summit Bank | U-FONE | June 2011 |
| 5 | Islamabad | ICT | Summit Bank | U-FONE | July 2011 |
| 6 | Barkhan | Baluchistan | Bank Al-Falah | U-FONE | To be started |
| 7 | Poonch | AJK | Bank Al-Falah | WARID | To be started |
| 8 | Ghanche | GB | Bank Al-Falah | WARID | To be started |

Source: Information collected from the World Bank

49. The new mechanism of choice is the Benazir Debit Card (BDC) and the Pakistan Post is rapidly being replaced by the Debit Card. The Government of Pakistan (GOP) plans to launch the instrument in 124 districts across the country with 45 districts in phase 1 followed by the remaining districts in phase 2. There were six banks participating in this mechanism until mid-August, 2012. These include banks with branchless banking license and those who do not yet have the license but have applied for it. Table 2-3 below gives the district wide allocation by banks and the number of beneficiaries assigned to each. It appears that while UBL has the major share (28%), other banks are close behind and have a relatively equal share which hovers between 21% to 24%. Summit Bank and Sindh bank who are the two most recent entrants in this business are only just finding their feet and their current shares are small.

Table 2-3: District Wise Allocation of BDC to Participating Banks

| Particulars | Total Districts allocated | No. of Beneficiaries | (%) |
|--------------|---------------------------|----------------------|-----|
| UBL | 31 | 1,583,506 | 28% |
| Bank Alfalah | 40 | 1,207,167 | 22% |
| HBL | 15 | 1,335,765 | 24% |
| Tameer Bank | 29 | 1,193,272 | 21% |
| Summit Bank | 8 | 217,183 | 4% |
| Sindh Bank | 1 | 61,548 | 1% |

Source: Information collected from the World Bank

50. The Benazir Debit Cards are printed by the partner banks and delivered to the beneficiaries through Partner Bank /NADRA, who are required to establish at least one distribution centre in each tehsil of the district, in which Benazir Dabit Card is being implemented.

51. The Partner Bank establishes a counter in each of the distribution centre for the collection of data for opening of account of the beneficiaries, etc. The BDC is activated by the concerned bank within 24 to 48 hours after it has been received by the recipient. Payments are made on a quarterly basis. After activation, the beneficiary can withdraw Pak PKR 3,000 using the BDC either from the franchisee or from the ATM. At the moment, franchisees are not functional and in most of the areas, therefore only the ATM option is available. Payments through the Benazir Debit Card (BDC) were initiated on February 6, 2012 and are being introduced across Pakistan. Only one payment for the quarter starting in March-June 2012 has been paid under this mechanism. The next quarterly payment was expected to be paid in July 2012. Bank wise disbursements under the BDC are given below. About PKR 2.1 billion had been disbursed to 705,713 BISP beneficiaries through the BDC upto 19th May 2012. Table 2-4 shows the number of BDC's distributed and the number of cards disbursed through the various commercial banks.

Table 2-4: Share of Participating Commercial Banks in BDC disbursements

| Name | BDC distributed | Amounts Disbursed (PKR) |
|--------------|-----------------|-------------------------|
| UBL | 152,979 | 458,937,000 |
| BAL | 176,962 | 530,886,000 |
| HBL | 254,449 | 763,347,000 |
| Tameer Bank | 83,350 | 250,050,000 |
| Summit Bank | 26,277 | 78,831,000 |
| Sindh Bank | 11,696 | 35,088,000 |
| Total | 705,713 | 2,117,139,000 |

Source: Information collected from the World Bank

2.1.3 Citizen Damage Compensation Programme

52. Over the course of the 2010 monsoon season, Pakistan experienced the worst floods in its history. The floods affected 78 districts and more than 20 Million people – one-tenth of Pakistan's population – devastating villages from the Himalayas to the Arabian Sea. More than 1,700 people lost their lives, and at least 1.7 Million homes were damaged or destroyed. In response to the damage caused by the floods, the Government of Pakistan launched the Citizen Damage Compensation Programme (CDCP) to provide rapid support to the flood affected families for their recovery. The programme is managed at the federal level by the Cabinet Division in partnership with the provincial governments through their respective Provincial Disaster Management Authorities (PDMAs). The National Database and Registration Authority (NADRA) has been engaged for the identification and verification of the beneficiaries within the affected areas and payments are being made through three commercial banks. CDCP II was launched in September 2010 and entailed a one-off cash transfer usually to male heads of households, based on geographic targeting of locations which suffered flood damage. In Phase I, the government distributed an initial tranche of PKR 20,000 among 1.7 Million affected families. The programme was implemented very rapidly and within only two months of its initiation, 1.2 Million families had been registered to receive cash payments. More than PKR 33.17 billion was distributed to the targeted beneficiaries.

53. The initial payment of PKR 20,000 helped households to cover immediate needs. However, it was unlikely to be sufficient for recapitalization of assets given the extent of damage and loss. The rapid evaluation of Phase I found families spending the grants mostly on food, healthcare and medicines, repair of housing, and paying off debts. The GoP now seeks to provide total additional payments of PKR 40,000 to flood affected households. The selection of beneficiaries will be based on their housing damage as a proxy for eligibility. In addition, particularly vulnerable flood affected households (female and disabled headed households) from Phase I will be included. Beneficiaries are expected to use these funds to not only cover basic consumption but to also recapitalize assets, recover their livelihoods and repair housing. The GoP seeks to provide these additional payments to an estimated 1.1 Million households. “Partner Banks will set up Point of Sale and ATM machines at payment centers, create virtual accounts for payment and activate debit cards enabling beneficiaries to withdraw their funds.”

54. The main areas of technical assistance did not include any aspect related to financial inclusion or literacy in the project document. A second phase of the CDCP was launched with the support from donors to provide a total of PKR 40,000 to selected flood affected families in two PKR 20,000 tranches. The Government of Pakistan plans to provide these additional payments to an estimated 1.2 Million households. The second time around, the beneficiaries were selected more carefully by using some proxy indicators which excluded the better off households from the list. A point to keep in mind is that while CDCP money was paid to families, the second CDCP tranche is being paid to households. It is generally assumed that on average 1.5 families comprise one household. Beneficiaries were expected to use these funds to not only cover basic consumption but also to recapitalize assets, repay loans, recover their livelihoods and repair housing. Phase II of the CDCP started in November 2011 with the verification of beneficiaries and activation of cards. By the end of July 2012, PKR 33.48 billion had been paid to 923,787 households. This represented 97% of the eligible beneficiaries where Third Party Validation had been conducted or close to 77% of the intended beneficiaries.

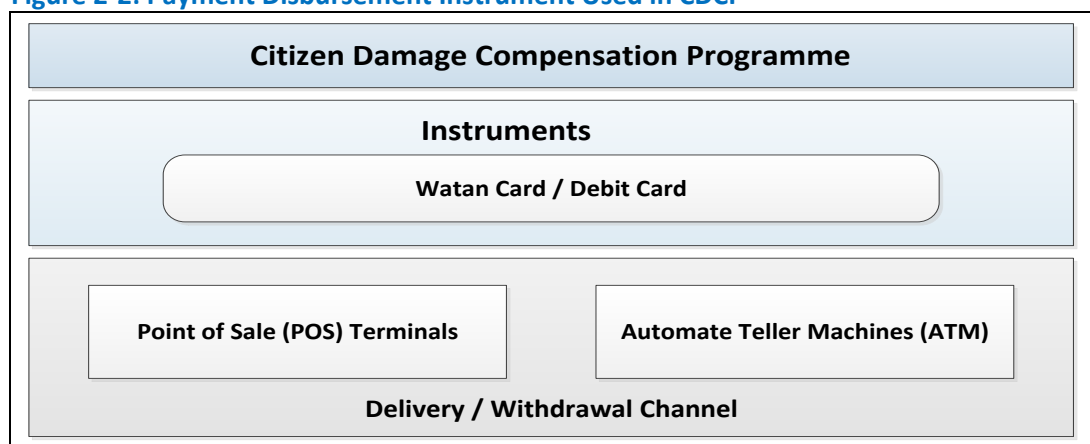
2.1.4 Payment Mechanism of CDCP

55. To facilitate payments, the affected families were provided with a card popularly named the “Watan” card with a magnetic stripe that could be operated by using both Point of Sale (POS) terminals and Automated Teller (ATM) machines. The payment process of CDCP began with the registration of the flood affected areas. Provincial Governments notified affected areas. List of registered heads of families were generated from the NADRA database and verified by the provincial governments, after which the final beneficiary list was developed. Virtual accounts of beneficiaries were created with the commercial banks to facilitate payments. For Punjab, Balochistan and Sindh, NADRA generated a list of all the family heads with addresses in the notified flood-affected areas using its central database. These lists were sent to the concerned provinces for validation. In Khyber Pukhtunkhwa, the Provincial Disaster Management Authority (PDMA) followed a different process. They carried out a survey of flood damaged houses and collected details of the family heads. They sent this list of flood-affected families to NADRA which provided the province with their CNICs from the NADRA database. The Provinces then confirmed the list of beneficiaries, with their CNICs, eligible to receive the cash payment.

56. For issuance of the Watan Card and first payment, the beneficiary is told by the local administration to present himself at a Watan Card Facilitation Centre (WCFCs), a local site where he is issued with forms; his fingerprints are used to authenticate identity and a photo is taken by a NADRA agent. This information is further used to cross-verify with the central database of NADRA to secure identity and reject duplications. The beneficiary then completes a registration form and moves on to a counter manned by bank staff. The bank collects the form, creates a pre-paid bank account in the name of the beneficiary using the CNIC number and tags a generic card to the CNIC number of the beneficiary and issues a Watan Card. In the CDCP I, about 126 Watan Card Facilitation Centres were established across the country.

57. The Watan Card is activated within 48 hours after NADRA completes an identity check. Most cards are activated immediately but in cases of problems of verification this could take 48 hours. Once the card is activated, the enrolled beneficiary becomes eligible to withdraw money at the Watan Card Centres where payment points are installed or at any ATM or swiping at a Point of Sale (POS) terminal (Figure 2-2).

Figure 2-2: Payment Disbursement Instrument Used in CDCP



Source: ICF GHK

58. The partner banks were selected in August 2010 after consultation between the NDMA, PDMA, NADRA and the Cabinet Division. The criteria for selection included the spread of networks and previous experience in operating social protection cash transfers. For example UBL had previous experience operating cash transfers provided for beneficiaries during the Internally Displaced Persons (IDP) crisis in Malakand in 2009, as well as its involvement in disbursement of cash transfer for BISP beneficiaries. However, there was no formal competitive bidding process. Province of Khyber Pakhtunkhwa carried out a competitive process and advertised an Expression of Interest (EoI). The proposals received by PDMA were assessed by a committee and UBL was recommended to the Federal Government. Overall in the country, three banks were selected from those indicating an interest. These were United Bank Limited, Habib Bank Limited and Bank Alfalah. During the first phase, no formal contract or Memorandum of Understanding was signed between the federal and provincial governments and the partner banks. While an initial draft of an agreement between banks and the government was drafted in December 2010, by the Cabinet Division, no formal agreement was ever executed. The partner banks provided services under the CDCP on good faith. During the second phase of CDCP, agreements have been signed between the banks and Cabinet Division. Table 2-5 below gives the number of beneficiaries and the proportion of funds disbursed by each participating bank. United Bank Limited was the leader with 76% of the beneficiaries and 78% of the payments.

Table 2-5: Share of Commercial Banks in CDCP

| Watan Card Count - Bank wise | | | | | | |
|------------------------------|------------------|----------------|-----|--------------------------------|---------------------------------|-----|
| Partner Bank | CDCP I Count | CDCP II Count | (%) | Cash Disbursed in CDCP I (PKR) | Cash Disbursed in CDCP II (PKR) | (%) |
| BAL | 108,442 | 39,966 | 6% | 2,122,559,177 | 1,560,660,000 | 6% |
| HBL | 366,384 | 119,493 | 18% | 7,134,808,000 | 3,625,120,000 | 16% |
| UBL | 1,236,699 | 764,328 | 76% | 23,912,168,482 | 28,299,240,000 | 78% |
| Total | 1,711,525 | 923,787 | | 33,169,535,659 | 33,485,020,000 | |

Source: Information Collected from NADRA

2.2 Processes Followed and Beneficiary Authentication Process Used under the Cash Transfer Programmes and Role of the Agent Network

2.2.1 Benazir Income Support Programme

59. BISP started with a targeting strategy that relied on parliamentarians to select the beneficiaries. However, due to the political overtones of such a process and the lack of transparency in such a system this targeting strategy was later changed. A Poverty Score card was used to identify the beneficiaries. This survey used a Proxy Means Test (PMT) to identify eligible households. Currently, those with scores of 16.17 or less qualify and they fall in the poverty bandwidth defined as chronic poverty. The Poverty Scorecard Survey was the largest and most reliable data bank of socio-economic conditions of the country for planning social, health and education policies and strategies. It was the first ever census of its kind in South Asia and covered almost 27 Million households. It used GPS devices to map the data of the entire country for informed decision making.

60. The payment process varies for each modality being followed under BISP. According to the stipulated process of the Pakistan Post modality, the BISP Headquarter sends out a list of beneficiaries and payment cheques to the Pakistan Post Headquarters. These cheques are then processed in a period which is said to vary significantly with the number of days being reported to be within 25 days to 60 days. The Pakistan Post prints out money orders for each beneficiary. The money orders are then dispatched to General Post Offices (GPOs) from where they are sent to post offices which fall under that particular GPO and eventually a postman delivers that money order to the stated address of the beneficiary within 30 days of the GPO receiving the money order.

61. In all other modalities of payment, the funds are sent through banks rather than the post office. The payment processes and disbursement mechanism followed by banks are governed by the Agreement signed between Partner Banks and the BISP. Standard Terms and Conditions for the disbursement of funds under the agreement are as follow:

- **Step 1:** BISP opens and maintains a main Limited Mandate Account -1 (LMA 1) with the Partner Bank for the purpose of depositing funds. The BISP shares list of verified beneficiaries (equivalent to number of beneficiaries for disbursement of deposited funds) at least five (5) working days before the cycle begins.
- **Step 2:** The Partner Bank uploads the information relating to the beneficiaries into the branchless banking system through Web-service visibility after creating Branchless Banking-Limited Mandate Accounts – (BB-LMA 2) accounts of beneficiaries along with their disbursement dates and other relevant information, if required.
- **Step 3:** BISP deposits with the Partner Banks sufficient funds so as to meet quarterly cycle of disbursement of beneficiaries and commission of disbursement at least two (2) working days before the cycle begins, that is, the first day of each month.
- **Step 4:** On receipt of the BISP funds, the Partner Bank immediately credits into BB-LMA2 accounts of beneficiaries the amounts mentioned and initiates the disbursement cycle. The Partner Banks ensure disbursement at all the specified Branchless Banking Agents six days a week throughout the month. The Partner Banks have to start disbursing money to beneficiaries after two working days.
- **Step 5:** The Partner Bank debit from BISP's LMA-1 account, the commission against the disbursed amounts at the end of each quarter
- **Step 6:** The Partner Bank have to refund the undisbursed amounts from BB-LMA2 accounts to LMA-1 account of BISP at the end of each quarter.

62. The stipulated process of payment delivery for the Smart Card is that BISP provides a list of beneficiaries to NADRA which has established distribution centres in each Smart Card Tehsil where beneficiaries verify their data, provide their original CNIC and thumb impression and are subsequently given the Smart Card along with a pin code. NADRA shares the list of beneficiaries who have been issued Smart Cards with the partner bank for the opening of virtual accounts for them. Thus after the beneficiary has been issued a card she may go to any bank franchise and collect her payments. The beneficiary has to provide her original CNIC along with the Smart Card; the card is scanned and the pin code has to be entered. Once the pin code has been accepted and the transaction is authorized the beneficiary is given a receipt slip and her cash instalment.

63. For the mobile banking modality of BISP, distribution camps were set up in the relevant districts where beneficiaries could obtain their mobile phones. Entry into these camps was conditional on showing the eligibility letter provided to the beneficiary. Once in the camp, the beneficiary would go to the NADRA counter where the beneficiary's record was verified. Then they would move to the bank counter where a virtual account would be opened for the beneficiary and a SIM card would be issued to them. Finally the beneficiary would move to the TELCO counter where the SIM card was checked and a mobile set was issued to the beneficiary; she could then exit the camp. After the mobile set and SIM card are activated, the beneficiary receives a Pin Code SMS and when the beneficiary's account has been credited with her installment, she receives an IVR alert (Interactive Voice Response) in the local language. The beneficiary can then take the mobile set along with an original CNIC to a franchise outlet and receive her payment. The first transaction can be made within 72 hours of being issued the SIM card and mobile set.

64. The Benazir Debit Card is the latest modality introduced in February 2012 and BISP has decided to transfer all beneficiaries to this system eventually. Since many of the recipients of the BDC are being transferred from one modality to another, BISP HQ informs beneficiaries about the change in payment mechanism. Two types of letters are issued by BISP. The unverified beneficiaries are asked to go to a NADRA office and get their finger prints and information verified or if required get a new CNIC. The verified beneficiaries are asked to bring their CNIC and contact number to BDC Distribution Centres on a certain date for collecting their BDC. BDC Distribution Centres are set up in every district, generally at the tehsil level. Where possible, the centres are set up within the premises of BISP tehsil offices, as it is easier for the beneficiaries to reach there because they know the location.

65. At these camps, the beneficiaries first have to go to the NADRA verification counter where their records are verified and updated. On arriving at NADRA counter she presents her CNIC. The system is centralized and connected to the central database using web services. It will fetch the record of the beneficiary, and verify her CNIC number to determine her status. NADRA staff confirms BISP beneficiary from their database by entering her CNIC number that produces the details of each beneficiary on the computer. After that her fingerprints are verified. If NADRA encounters any problem in her verification, they refer her to the nearest NADRA office for correction of CNIC. A printed token is provided which entitles her to free modification and priority service at the nearest NADRA office. The major reasons that require CNIC modification are expired CNIC, CNIC without her picture, thumb impression not clear or there is a mismatch. After getting her CNIC modified in about 2 weeks she has to revisit the BDC distribution centre for collecting her BDC. In case the beneficiary is not eligible to receive BDC (as she belongs to a different district) or she is not a BISP beneficiary in the database, the system will generate an appropriate message. In case the beneficiary has already been processed by NADRA biometric identification counter, an appropriate message will be shown. After successful matching/verification, NADRA staff enters beneficiary's phone number, print a "Receipt ID" and refer her to the Bank counter for BDC collection. Processing time at NADRA Counter is about 2 minutes.

66. Once verified by NADRA as eligible, the beneficiary can move to the bank counter, which Partner Banks are supposed to establish in each of the distribution center for the collection of data for opening of account of the beneficiaries, etc. The person at the Bank

will verify the authenticity of the combination i.e. “CNIC number” and the “Receipt ID”, issued by NADRA using a web service shared with NADRA. On successful matching, the staff will ask for personal information (Date and place of birth, mother’s name, CNIC number, expiry date of CNIC, cell phone number), and feed it in their system. They will get her signatures/thumb impression, tag the debit card in the system corresponding to applicant’s information and hand over the BDC card envelope to the beneficiary. Bank staff will guide the beneficiary about how to use the debit card and about importance and use of PIN code, and also where she can use the card to obtain her cash grant. They will also guide the beneficiary about customer support in case of any problem. Processing time at Bank Counter takes slightly longer as information has to be asked and noted, but this step is generally completed in 3-4 minutes. The beneficiary can then withdraw her payment directly from an ATM or from a franchise outlet.

67. Though this is not a standard procedure, but beneficiaries in the districts served by Bank Alfalah are being provided with a Ufone SIM also. The basic purpose of providing Ufone SIM is to inform the beneficiary about the release of disbursement through a short messaging Service (SMS). There is a Ufone counter where a Ufone representative works closely with the bank staff. After the issuance of BDC, bank staff refers the beneficiary to Ufone desk for SIM registration and activation which takes around five minutes.

68. District Administration is requested to provide security for the Centre as during initial days after set up, the crowd may become difficult to control. At some centres, BISP itself hires security staff for crowd control. On beneficiary’s arrival at BDC Distribution Centre, security staff checks her letter and CNIC and then allows her to enter. She is then helped by BISP staff to NADRA’s counter. One or two temporary staff assistants may be hired by BISP at some BDC centres for facilitating the beneficiaries. At BDC Distribution Centres, NADRA/ Bank counters are established on the basis of serving 150 beneficiaries per day. In some BDC Centres, even 6 sets of NADRA/Bank counters may be established in view of the large number of beneficiaries in the tehsil. Later when the crowd decreases then the number of counters may also be scaled down. In districts where it started in February 2012, the percentage of BDC collected by receiver women is very high, and, the 3 or 4 BDC Distribution centres set up at tehsil level have now been closed (or are in the process of being closed) and generally the one located at district HQ city remains operational.

69. In many cases where letters are sent to unverified beneficiaries requesting them to contact the nearest NADRA office to get their information/ thumb impressions corrected and obtain modified CNICs, the beneficiaries instead of following these instructions simply come to the BDC Centre resulting in over-crowding. Though letters are sent to eligible beneficiaries to come and collect their cards on a specific date, many of their neighbouring beneficiaries also accompany them (without seeing the dates on their own letters). This result in over-crowding and at a few places crowds had to be dispersed by force. At times due to a large crowd the beneficiaries could not get a BDC on the first visit and had to visit again. To address this problem BISP increased the number of NADRA and Bank counters for facilitating the beneficiaries.

70. The Partner Bank are required to establish a call center facility for complaints handling relating to payments to the beneficiaries. The registration of complaints and their resolution is expected to be automated and a reporting mechanism has been established. The complaints are resolved, depending on the nature of complaints, within a certain agreed time frame The Partner Banks also provide real time reconciliation of accounts and also provide payment data as and when required by BISP. The Partner Banks maintain separate, complete and transparent accounts of all cash transfers and transactions by clearly showing all funds received from BISP for disbursement to beneficiaries. The Partner Banks also provide real time disbursements and their withdrawal information on its corporate web-site, through a BISP Hyperlink button. The details of pending and withdrawn amounts are available to be searched by entering the CNIC number of the beneficiary by or on behalf of the beneficiaries.

2.2.2 Citizen Damage Compensation Programme

71. The CDCP cash payments took place in the first phase in a relatively ad-hoc manner in the immediate wake of the 2010 floods in Pakistan. However, thereafter a survey of flood-affected areas was conducted by provincial governments and verified by third-party sources to identify affected households for the second phase of payments. The list of CDCP beneficiaries, cross checked with the NADRA database has also been made available in the offices of the District Coordination Officers in the affected districts. The beneficiaries are sent to a Watan Card Facilitation Centre (WCFC) where they must first present their original CNICs to verify their beneficiary records. They are then directed to a biometrics counter where further verification of particulars is carried out. They are then directed to the bank counter within the WCFC where the updated record is checked, a virtual account created and cash payment of PKR 20,000 is credited into the account. The bank counter then issues the beneficiary a Watan Card along with a pin code, completing the card distribution process. The beneficiary may then withdraw this payment from the relevant bank ATM or franchise outlet/PoS (Point of Sale).

72. The payment processes and disbursement mechanism followed by banks are governed by the Agreement signed between Partner Banks, Federal Government, Provincial Government and NADRA. Standard Terms and Conditions for the disbursement of funds under the agreement are as follows:

- **Step 1:** The Partner Banks to open up Federal Government’s Limited Mandate Account (LMA -1).
- **Step 2:** The Partner Banks with the necessary authorization to establish LMA-2 accounts on receipt of batch file from NADRA containing personal data of the affected beneficiaries and perform KYC obligation of each affected beneficiary prior to LMA – 2 accounts being activated
- **Step 3:** The Federal Government credits LMA -1 from the Assignment Account of Cabinet Division with the amount of funds to be disbursed to the flood affected households as per the province/district wise case load intimated by NADRA on a monthly basis. Such funds are credited into the LMA – 1 for at least 10 calendar days prior to transferring the same to the account of beneficiaries (LMA -2) for onward disbursement and to ensure monthly reconciliation.
- **Step 4:** The Partner Banks print Watan Cards (Visa Debit Cards) for such accounts which are distributed jointly by Partner Banks and NADRA teams. However NADRA is solely responsible for biometrics of the beneficiaries receiving these cards. Upon receipt of verification, Partner Banks activate the Watan Card and transfer funds from LMA 1 to LMA 2 for disbursement.
- **Step 5:** Partner Banks place up to 200 POS Terminals outlets at such specified locations for allowing cash withdrawals by arranging ample cash on all sites by their own security arrangements. Cash withdrawals are also allowed from ATMs and Partner Bank Branches.
- **Step 6:** If funds under LMA – 2 remain unclaimed for 90 days, The Partner Bank are obliged to refund the undisbursed amounts from LMA-2 accounts to LMA-1 account.

2.3 Costs of Payment Mechanism to Implementing Partners

2.3.1 Cost to CDCP and BISP Secretariats

73. The costs to the implementing agencies of making payments under CDCP and BISP include costs incurred as initial one-time upfront investment costs, recurring operational costs on delivery of funds, on-going administrative costs and the opportunity cost of paying funds in advance. Initial one-time costs include the cost of the payment instrument such as production of cards, mobile phones; setting up card distribution centres; salary and expenses of staff manning these centres; costs of NADRA for biometric validation; etc. Recurring costs include charges paid to banks per payment cycle e.g. charges for monthly, bi-monthly or quarterly instalment in case of the payments under BISP. Many of the recurring costs have been incorporated into a fee paid per beneficiary or as a percentage of the value of the payment to the different implementing agencies.

74. Under CDCP, the implementing agency was able to get the banks to agree to disburse the funds without any commission due to the emergency nature of the programme. Once UBL, who has the largest share of disbursements agreed to the cost free disbursements as part of their corporate social responsibility, the other two banks involved in the distribution namely Bank Alfalah and Habib Bank Limited also agreed. To meet the upfront costs of card printing, CDCP agreed to provide a 10 day upfront float to the participating banks. In addition, CDCP paid NADRA PKR 120 per beneficiary for the verification of the beneficiaries. The Project cost for CDCP II included USD10 Million as World Bank Technical Assistance. This USD10 Million TA allocated USD 4 Million⁸ to cover the Incremental Administrative and Operational Costs. Based on the budgeted US \$ 4 Million and 1.2 Million expected beneficiaries of CDCP II, the administrative costs works out to PKR 316 per beneficiary using the current exchange rate of PKR 95 per USD. From this the PKR 120 paid to NADRA has been deducted to avoid double counting. Including the cost of the Technical Assistance adds another element to the cost factors of PKR 460 per beneficiary.

75. BISP's overall expenditure was reviewed for the last three years. The cost structure was very different in 2009/10 but the budgets were identical in 2010/11 and 2011/12. Part of the difficulty in calculating the costs to BISP is the huge differential in allocation and expenditures. Less than half the allocation for payments are distributed and the allocated budget for BISP is also spent in a very disproportionate manner. Nevertheless these budget figures were analysed for calculating the administrative expenditures allocable to cash transfers. The following key aspects regarding BISP are noteworthy:

- a. Against an allocation of PKR 83.8 billion for beneficiaries the actual amount disbursed during the year was PKR 30.52 billion under various programmes thus the administrative costs were assigned weights in proportion to the value of payments in each. From the payments, roughly 83% was for cash transfers to beneficiaries while the remaining 17% was for other programs namely for flood victims as well as *Waseela-e-Haq*, *Waseela-e-Sehat*, *Waseela-e-Rozgar*, and, Emergency Relief Package for IDPs.
- b. There are three heads of expenditures in the BISP budget. These are Administrative & Operational Expenditure (PKR 364 Million); Employees Pays and Benefits (PKR 230 Million) and Advertisement and Publicity (PKR 706 Million). As BISP does not have a separate cost centre for the cash transfer programme under review, these three types of expenditures were assigned to BISP in the same proportion as the cash transfer payment.

⁸ NADRA feels that this budget of USD 4 Million needs upward revision to USD 11 Million, however, we were not informed whether this has been agreed with the World Bank or not. (Meeting with NADRA)

Section 2: Assessment of Current Landscape On Cash Transfer Programmes and Modalities

- c. The total actual cash transfers of PKR 25.3 billion were converted into number of beneficiaries by dividing this figure by PKR 12,000, the amount that each beneficiary is entitled. The number of beneficiaries in 2010-11 was calculated to be 2,110,967.
- d. Table 2-6 below gives the actual cost for providing payments to a beneficiary which were PKR 665 in 2009/10 but increased to PKR 2013 per beneficiary in 2010/11. These have increased by 45% over the last year. The main drivers of cost are the poverty score card survey, the rise in the establishment cost of BISP and payment to partner organizations.

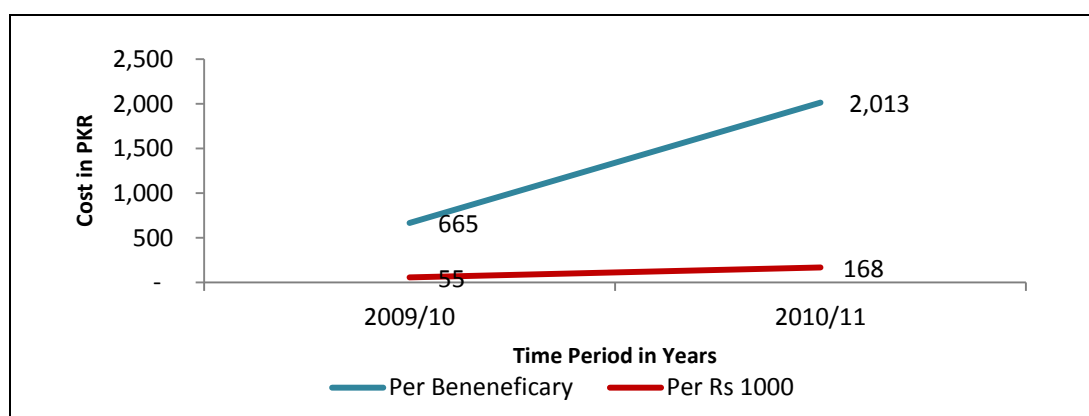
Table 2-6: Allocation Vs Expenditures of BISP Cash Transfer Programme (PKR)

| | 2009/10 BISP Expenditure | 2010/11 Total BISP Allocation | 2011/11 BISP Cash Transfer Allocation | BISP Cash Transfer Expenditure |
|---|--------------------------|-------------------------------|---------------------------------------|--------------------------------|
| Cash Transfers | 35,311,000,000 | 83,815,000,000 | 69,566,450,000 | 25,331,600,000 |
| Secretariat and Regional Establishments | 1,116,000,000 | 2,768,000,000 | 2,297,440,000 | 1,079,000,000 |
| Service Charge Partner Organizations | 841,000,000 | 3,187,000,000 | 2,645,210,000 | 963,214,332 |
| Survey Charge | 0 | 2,660,000,000 | 2,207,800,000 | 2,207,800,000 |
| Total Admin Cost | 1,957,000,000 | 8,615,000,000 | 7,150,450,000 | 4,250,014,332 |
| Number of beneficiaries | 2,942,583 | 6,984,583 | 5,797,204 | 2,110,967 |
| Total Cost per beneficiary | 665 | 1,233 | 1,233 | 2,013 |

Source: ICF GHK assessment

76. One element of the cost comparison which is often not fully recognized is that there is a significant difference in costs per beneficiary and cost per unit of payment (Figure 2-3). For BISP the cost per beneficiary is as high as PKR 2,013 but the cost per unit of payment is naturally much less. The overall cost per unit of payment shows that this was PKR 55 per unit of payment in 2009/10 but has increased in 2010/11 to PKR 168 as a result of the cost of poverty survey, change in payment mechanisms, administrative costs and the charges paid to partner banks.

Figure 2-3: Comparison of costs per Beneficiary and Per Unit of Payment



Source: ICF GHK assessments

77. Part of our remit was not just to look at BISP costs overall but to also examine the cost of each separate payment mechanism. This has been attempted in the following sections. When BISP was first initiated all payments were made through money orders delivered by Pakistan Post. BISP paid PKR 25 per money order of PKR 2,000 to the Pakistan Post. An additional PKR 5 per money order is paid as an incentive to the postal staff. According to BISP guidelines, the money orders are delivered to beneficiaries during the second month after generation and transfer of payment list from BISP to Pakistan Post, though actually this maybe delivered even later. Thus on average, the money remains with the Pakistan Post for at least 1.5 months..

78. Once BISP shifted to delivery of the funds through banks, the cost structure naturally changed. During the initial engagement with UBL for the delivery of Benazir Smart Cards (BSC), BISP agreed to pay 4% as transaction cost on all funds disbursed. This was later negotiated down to 3% for the different types of payment mechanisms. According to BISP's agreement with banks⁹, "the bank can only once retain the first quarterly instalment of all verified beneficiaries for a period of thirty (30) days, enabling it to meet the cost of printing of Benazir Cards". Assuming an interest rate of 6% per annum on one instalment of PKR 3,000 for 30 days, this translates to an opportunity cost of PKR 15¹⁰ for government. In addition, BISP cards were customized by NADRA and BISP paid PKR 400 as cost per card. BISP also spent PKR 15,000 on provision of Bluetooth enabled printer to each agent for printing of receipts. BISP provided 76 printers @ PKR 15,000 to bank agents. The total cost was allocated to 180,000 beneficiaries. Assuming that each agent was dealing with 2,368 beneficiaries this translates into an upfront cost of PKR 6 per beneficiary.

79. BISP started distribution of cash grants to beneficiaries through mobile banking in December 2010. Telenor, Ufone and Warid were the telecom partners while Tameer Bank, HBL, UBL, Summit Bank and Bank Alfalah were the partner banks. For mobile banking, responsibilities of BISP, NADRA, banks and Telecoms have been detailed in the "SOP for Launching Phone 2 Phone Banking". BISP pays a commission of 3% of the disbursed amount to the partner bank. The cost of the phone which was a major cost component of PKR 1000 per beneficiary was passed on to the banks which were persuaded to undertake this cost as part of their corporate social responsibility. Telecoms provided about 140,000 free of cost mobile phones and SIMs to BISP beneficiaries. Ufone distributed about 500,000 SIMS to BISP beneficiaries – not only to those who are receiving instalments through mobile banking but also to BDC beneficiaries of Bank Alfalah so that they can receive a text message from bank that BISP instalment has been credited to their account. The telecommunication companies are not paid anything directly neither are the agents. They are paid under arrangements they have with the banks.

80. The most recent payment mechanism for BISP is the Benazir Debit Card. BISP pays a commission of 3% of the disbursed amount to the partner bank. BISP also pays PKR 265 to NADRA for the verification of each beneficiary. In order to pay for the one-time cost of cards, BISP's agreement with banks¹¹ stipulates that "the bank can only once retain the first quarterly instalment of all verified beneficiaries for a period of thirty (30) days, enabling it to meet the cost of printing of Benazir Cards."

81. The different elements of the costs paid to different service providers are noted here to assess the cost of different payment mechanisms. It was not always easy to compute given the difficulty of getting the data readily from BISP. Table 2-7 below identifies as many of the cost elements which could be identified. Assuming an interest rate of 6% per annum as the opportunity cost to Government translates to an opportunity cost which varies depending upon the amount of payment. However, for a payment of PKR 3,000 for 30 days, translates to a cost of PKR 15.¹⁰ However for comparison with other programmes this has not been included in the analysis but is just noted here to highlight that Government money also has an opportunity cost which is often not fully acknowledged.

⁹ For Benazir Debit Cards, only the standard agreement of BISP with partner Banks was shared with the Consultants.

¹⁰ $PKR\ 3,000 \times 6\% \div 365\ days \times 30\ days = PKR\ 15.$

¹¹ For Benazir Debit Cards, only the standard agreement of BISP with partner Banks was shared with the Consultants.

Table 2-7: The Cost Elements of the Cash Transfer Programmes (PKR)

| | CDCP I | CDCP II | Pakistan Post | Benazir Smart Card | Mobile Phones | Benazir Debit Card |
|---|------------|------------|---------------|--------------------|---------------|--------------------|
| Payment Amount | 20,000 | 40,000 | 2,000 | 1,000 | 1,000 | 3,000 |
| Commission | 0 | 0 | 25 | 30 | 30 | 90 |
| Cost of Money Order | | | 5 | | | |
| Cost of equipment | | | | 0.53 | | |
| Cost paid to NADRA for processing per beneficiary | 120 | 120 | | 400 | | 265 |
| Poverty Score Card | | | 87 | 87 | 87 | 87 |
| Administrative cost | 196 | 196 | 43 | 43 | 43 | 43 |
| Technical Assistance | | 460 | | | | |
| Total | 316 | 776 | 160 | 561 | 160 | 485 |

Source: ICF GHK assessment

82. Using the above cost elements to undertake a comparison of costs of implementing the two programmes and the different payment mechanisms is given in Table 2-8. To allow a comparison between the payments of various sizes, all costs were converted to a unit cost of PKR 1,000. This analysis shows that under CDCP, the first year cost of delivering PKR 1,000 was PKR 9.8 for CDCP I and PKR 4.9 under CDCP II.

83. There was no commission paid to partner organizations. The cost of delivering payments under BISP varies significantly. The first year cost includes the cost of cards and other equipment and shows that under Pakistan Post the cost was the lowest at PKR 80 per PKR 1,000, PKR 160 for mobile phones, PKR 485 for the Benazir Debit Card and PKR 560 for the Benazir Smart Card. Including the cost of the mobile phone would drive up the cost of the mobile phone by at least PKR 1,000 per beneficiary.

84. The second year cost for each of the payment instruments under BISP varies considerably and is the lowest for Pakistan Post at PKR 36.5, followed by BDC at PKR 44 and Benazir Smart Card and mobile phones are both at PKR 73. The main difference in the cost after year 1 is the amount of funds paid per beneficiary. Spreading of upfront costs over three years was also estimated and the findings are given in the Table 2-8.

85. A comparison of costs across some countries in South America and South Africa with the two payment modalities in Pakistan shows some interesting results. However, it is not clear on whether the figures given here can be compared or not because it is not clear what elements of costs have been included in these estimates by the other countries. The weighted average of the cost is the lowest in Pakistan for CDCP but the highest for BISP. A principal reason being that BISP grant per recipient is the lowest compared to the other countries (Table 2-9).

Table 2-8: Unit Cost of Delivering PKR 1,000 under CDCP and BISP (PKR)

| | CDCP I | CDCP II | Pakistan Post | Benazir Smart Card | Mobile Phones | Benazir Debit Card |
|--|--------|---------|---------------|--------------------|---------------|--------------------|
| Payment Amount | 20,000 | 40,000 | 2,000 | 1,000 | 1,000 | 3,000 |
| Cost Per PKR 1,000 for First Payment | 15.8 | 19.4 | 80.0 | 560.5 | 160.0 | 485.0 |
| Cost Per PKR 1,000 for Subsequent Payments | 9.80 | 4.90 | 36.50 | 73.00 | 73.00 | 44.33 |
| Upfront costs spread over three years | 0.00 | 0.00 | 36.50 | 170.51 | 90.40 | 138.20 |

Source: ICF GHK assessment

Table 2-9: Comparison of Costs in Pakistan and Selected Countries

| | Brazil | Colombia | Mexico | South Africa | Pakistan | |
|-----------------------------------|------------|-------------|------------|--------------|--------------|-------------|
| | | | | | BISP | CDCP II |
| Average grant per recipient | \$71.00 | \$55.10 | \$118.20 | \$144.70 | \$10.64 | \$425.53 |
| Weighted average cost per payment | \$0.84 | \$6.24 | \$2.52 | \$3.50 | \$ 1.78 | \$8.26 |
| As % of average grant | 1.2 | 11.3 | 2.1 | 2.4 | 16.78 | 1.94 |

Source: ICF GHK assessment

2.3.2 Cost to Pakistan Post – BISP – Money Orders

86. Pakistan Post has to bear the cost of: (i) printing of money orders for beneficiaries at Postal Foundation Lahore according to list provided by BISP; (ii) sorting of money orders and distribution of MOs to all district GPOs of Pakistan; (iii) sorting at GPOs and then distribution of MOs to delivery post offices; (iv) transfer of money along with these money orders; (iv) delivery of money orders to beneficiaries through branch post offices and postmen; (v) sending back the delivered MOs through the same channel so that these could be scanned and entered in the database to show that these have been delivered; (vi) sending back the undelivered MOs along with money and reasons why these could not be delivered; (vii) establishment and manning of BISP complaint cells at each District GPO; (viii) reimbursement of misappropriated MOs to the beneficiaries; etc. though the existing network of about 12,000 post offices/ post men is used but the quantum of money handling substantially increases during delivery of BISP instalments.

87. Pakistan Post usually charges PKR 50 per money order from its customer but is charging only 25 from BISP. Approximately three Million money orders per alternate month provide a new revenue stream of about PKR 450 Million per annum to Pakistan Post's total annual revenues of over PKR 8 billion (2010-11). Pakistan Post has not worked out the unit cost for providing money orders to BISP beneficiaries.

2.3.3 Cost to Banks – BISP – BDC, Mobile Banking and BSC

88. This includes costs such as (i) per transaction that banks pay to the franchisees and agents/ telecom companies (ii) costs to telecom companies; (iii) Cost of PoS machines provided to the agents; (iv) Costs per ATM transaction worked out by banks (based on capital and maintenance costs of ATM machines); (v) costs per transaction to franchisee/ agent; (vi) provision of bar-code readers to agents with high volume of BISP payments; (vii) salary and other costs of Omni business development staff (1 business development officer per 15 Omni agents doing BISP payments); (viii) cost for renewal of card; cost for getting a new pin code; cost for replacing a damaged/lost card; cost for blocking an account; etc. A

detailed analysis of the business case for banks to participate in the cash transfer programme and provide financial services to the beneficiaries is included in the report.

2.3.4 Cost to Telecoms

89. While Telenor and Tameer Bank work together for “Easy Paisa”, Ufone works as a telecom partner with UBL for “Omni *Dukaan*”, as well as, with a number of other banks. Telecoms have to bear the Initial high investment for expanding their network infrastructure. As Larkana district did not have a satisfactory coverage for providing mobile banking services to BISP beneficiaries, Ufone had to invest about PKR 90 Million on additional towers and infrastructure. The infrastructure expansion cost is borne by Telecoms after considering opportunity and threat – the opportunity that mobile SIMs will remain active, will be used, and will increase the revenue stream of Telecoms while the threat is that the mobile SIMs will be used only for receiving the text message from BISP regarding transfer of instalment. Ufone has experienced that whereas a normal Ufone connection provides a revenue of PKR 200-250 per month, SIMs used by BISP beneficiaries start providing a revenue of PKR 50-70 per month about 6 months after they are activated.

90. For mobile banking, Telecoms provided about 140,000 free of cost mobile phones and SIMs to BISP beneficiaries. Ufone has distributed about 500,000 SIMs to BISP beneficiaries – not only to those who were receiving instalments through mobile banking but also to BDC beneficiaries of Bank Alfalah so that they could receive a text message from bank that BISP instalment has been credited to their account. Partner banks provide between 1.2% to 1.5% of the disbursed instalment to their bank agents or their Telecom partners as fee. Ufone pass 1% to those franchises/ agents from where the beneficiaries collect their BISP cash grant instalments. Tameer Bank pays 1% to its franchises/ retailers from where the beneficiaries collect their BISP cash grant instalments.

2.3.5 Cost to Bank Agents Network

91. We observed that the mobile franchise and retailer bear the following costs for disbursement of cash grant instalments to BISP beneficiaries: (i) Tent, seating arrangement and drinking water for the beneficiaries (some of the franchise and retailer have procured their own tents); (ii) cost of banners for BISP disbursement and their shop promotion to attract a large number of beneficiaries; (iii) commission given to rickshaw, tonga drivers to bring the beneficiaries to their shops/outlet; salary of one staff member hired for the purpose of BISP transactions; (iv) training of their staff to deal with BISP beneficiaries; (v) stationery cost of PoS machine paper rolls, register and books; cost of generator and fuel, etc. Itemised cost was, however, not shared by the bank agents with us.

2.4 Frequency of the Payments

92. The total payment amount, the type of payment, number of payments and the value of each payment are reproduced in Table 2-10. Payments in CDCP I were made on the basis of a one-time lump sum amount of PKR 20,000 to affected households. Under CDCP II payments were made in two equal installments of PKR 20,000 to households. Under BISP, payments of PKR 1000 were accrued on a monthly basis but paid out in installments which varied from monthly, to once in two months to once in four months depending upon the payment mechanism. Regardless of the accrual of the installment, the actual payments depend upon the instrument and modality of payment. In some cases, there is a protracted delay in payments due to some of the processes which have been introduced or the teething problems associated with switching from one payment mechanism to another. For example, many of the CDCP II payments had not been made because third party validation had still not been completed in some districts.

Table 2-10: Frequency and Value of Payments

| | Total Amount | Type of Payment | No of payments | Instalment amount each time |
|---------------------|--------------|--------------------|----------------|-----------------------------|
| CDCP I | PKR 20,000 | One Time | 1 | PKR 20,000 |
| CDCP II | PKR 40,000 | One Time | 2 | PKR 20,000 |
| Post Office | PKR 1,000 | Once in two months | 6 | PKR 2,000 |
| Benazir Smart Card | PKR 1,000 | Monthly Payment | 12 | PKR 1,000 |
| Mobil Phone Banking | PKR 1,000 | Monthly Payment | 12 | PKR 1,000 |
| Benazir Debit Card | PKR 1,000 | Monthly Payment | 4 | PKR 3,000 |

Source: ICF GHK

93. Through Pakistan Post, standard bi-monthly instalments of PKR 2,000 were released through one money order. However, instalments of much larger amounts were sent as first payment to a beneficiary. The first release to a beneficiary covered the period from 1st July of that financial year to the month when she became entitled for the cash grants. These first instalments could even be of PKR 8,000, i.e. four money orders of PKR 2,000 each were sent at the same time. Though every beneficiary could get a maximum of 48 instalments, but these uneven first payments were a cause of confusion (as well as complaints) as some beneficiaries would get PKR 2,000 if they joined in August 2010 while others joining in February 2011 may get PKR 8,000. The frequency for money orders cannot be changed to quarterly basis because according to their agreement BISP pays PKR 25 per money order of PKR 2,000 to Pakistan Post, and Pakistan Post may want to re-negotiate the fee in case of a higher amount sent through a money order. After July 2012, through alternate payment mechanisms, regular quarterly instalments of PKR 3,000 are being released, which has removed a major source of confusion to the beneficiaries.

94. The dependence upon the postman increases the lead turnaround time between the funds release date by BISP and the receiving date for the beneficiary. The average lead turnaround time under the PP model is reported to vary between 31 to 60 days. The cash grants transferred through alternate banking channels can be potentially credited to beneficiaries' accounts the next day and they can withdraw them almost immediately. The Bank led model for G2P payments has several benefits over the conventional G2P payment model. The issuance of payment instruments by Partner Banks to beneficiaries, Benazir Debit Card and Mobile handset with SIM card, potentially allows the beneficiary to withdraw funds at convenience through 24x7 ATM services availability within the vicinity or the POS availability at Retail Agents. The bank led model also ensures that beneficiaries can withdraw funds as soon as funds are transferred by BISP to the Partner Banks and thus reduces the overall lead time between the funds transfer date and receiving date. In some cases, money orders could not be delivered when beneficiaries were not at home. The bank led model avoids this problem.

95. A major change which has been made under BISP is that in the case of the Benazir Debit Card, payments are now made on a quarterly basis and a payment of PKR 3,000 is released at the start of each quarter. Since only one payment has been made up to the time of the survey, the regularity of this mechanism has not yet been established. This is expected to end a major source of confusion because earlier money orders of varying amounts were being sent after varying periods and it was difficult for the beneficiary to know that she had received all her installments. Reduction of delivery time will be another major benefit of switching to the bank led model of the Benazir Debit card. In Benazir Debit Card

(under a special permission obtained from State Bank of Pakistan) unutilized/ undrawn money lying in beneficiary's account will revert back to BISP account after 90 days.

2.5 Efficiency and Transparency

96. The model of money transfers through the Pakistan Post is a tried and tested model to deliver small payments and has been around for decades especially in rural and semi-urban locations of the country, which provides significant comfort and familiarity to the un-banked population of Pakistan at large. The preference of this model is based on the lack of access, literacy and knowledge of the formal payment system. The efficiency level under the conventional post office model has been relatively low due to longer turnaround time for funds transfer to beneficiaries coupled with substantial leakages in disbursements in the form of demand for baksheesh from postman and frauds leading to partial payments to beneficiaries¹². In addition, BISP disbursements are designed to target the female population, a segment of the population which faces significant socio-economic and cultural barriers and mobility of women is restricted. The Pakistan post model of delivery of payment at the door step is considered a preferred channel.¹³ However, with the increase in financial literacy and inclusion along with the ongoing cycles of disbursements, it is envisaged this trend could change towards preference for formal distribution channels.¹⁴

97. The switch to alternative delivery channels under the bank led model is reported to have reduced the overall level of leakages (fraud and corruption) through establishment of identification criteria for recipients and putting the payment instrument directly into the hands of recipients. The mechanism of making payments directly under the instruments controlled by recipients, such as debit cards and mobile phone has also decreased the opportunities for leakages and corruption by the Pakistan Post office staff. However even under the bank led model, Partner Banks have faced some verification and leakage issues while issuance of Benazir debit cards, where the bank staff has been pressed to issue the payment instrument (Debit Card) to a relative (brother / husband) at the camp site, especially in the case of female beneficiaries, and the actual beneficiary has later complained about non-availability of funds in their account. Literature review provides evidence that switching to alternate / electronic payment systems leads to reduction in leakages and improvement in efficiency levels as in the case of Argentina, where the percentage of recipients who bribed local officials to access benefits, dropped from 3.6 percent to 0.3 percent after launch of an electronic benefits card.¹⁵

98. Another major problem in the current system was the lack of or late reconciliation between BISP and Pakistan Post regarding funds transferred. Due to late reconciliation between BISP and Pakistan Post, unutilized funds keep lying with Pakistan Post for a long time. In the three alternative payment modes, the reconciliation is almost in real-time and on-line. Timely reconciliation between BISP and Payment Providers is a third efficiency indicator. Currently a major problem is the late reconciliation between BISP and Pakistan Post regarding funds transferred to Pakistan Post and delivered by it to beneficiaries. In the three alternative payment mechanisms (BDC, Mobile Banking, BSC), the reconciliation is on-line and almost in real-time. This is a huge advantage for fund management.

¹² 2009 BISP Beneficiary Survey Report (updated May 08, 2012).

¹³ 2009 BISP Beneficiary Survey Report (updated May 08, 2012)

¹⁴ CGAP Report # 77, dated February 2012 "Social Cash Transfers and Financial Inclusion: Evidence from Four Countries".

¹⁵ CGAP Report # 58, dated December 2009 "Banking the Poor via G2P Payments", "Duryea and Schargrosky (2007)"



SECTION 3

Current State of Practice and Plans of Commercial Banks

3 CURRENT STATE OF PRACTICE AND PLANS OF COMMERCIAL BANKS

3.1 Current Access to Financial Services

99. The share of adult population aged 15 and above with an account at a formal financial institution is the lowest in Pakistan at just over 10 percent which is less than one third the regional average for South Asia.¹⁶ The gender disaggregation of this figure shows an even greater disparity, with a mere 3 percent of adult females having an account at a formal financial institution, compared to 25 percent for South Asia. A rural-urban analysis shows that only 7.2 percent of the adult population in rural areas of the country has an account with a formal financial service provider. This is less than one-fourth the South Asian average. Pakistan ranks last in terms of the proportion of adults having an account with a formal service provider, its gender and rural-urban breakup as well as by the level of education. Moreover, only 4.0 percent of adults in the lowest 20 percent of income distribution have an account with a formal financial institution. The findings of the quantitative and qualitative analysis support these findings. It was found that most target beneficiaries had virtually no access to formal banking services, such as savings accounts or credit services. However, there was a small difference in the findings in the beneficiaries of the two cash transfer programmes. At the provincial level the difference between the provinces was insignificant as was difference based on payment method.

100. On the savings side, the use of formal services in Pakistan is abysmally low with just 1.4 percent of adults saving with a formal financial service provider, compared to 11.6 percent in India and 16.6 percent in Bangladesh. The use of informal rotating savings and credit associations (ROSCAs) in Pakistan is at a level comparable with that of India and Bangladesh – in the range of 3.2 to 3.6 percent of the adult population. In terms of credit, only 1.6 percent of Pakistani adults had received a loan in the survey year from a formal financial provider, with this share being the highest in Bangladesh where over 23 percent of adults received a loan from a formal institution for the same period. Pakistanis mainly rely on informal sources like family and friends to obtain loans, with 23 percent of adults resorting to this source – the highest amongst South Asian countries. The use of informal private moneylenders, on the other hand, is the lowest in Pakistan. While access to credit from formal financial providers is shown to be limited in Pakistan, this is particularly the case for the ultra poor segments of the population. The WB-PMN Project Focus Group Discussions indicate that beneficiaries of G2P payments such as BISP rarely have access to credit from formal institutions, and in most cases would not even be able to borrow from informal sources, such as money lenders, family or friends due to fear of inability to make repayments. In use of insurance services, Pakistan is at the bottom again with a mere 0.5 percent of the adult population having paid for any form of health insurance, in comparison to India (nearly 7.0 percent), Bangladesh (2.1 percent) and Sri Lanka (7.5 percent).

101. The Access to Finance Survey (A2FS) conducted in 2008 was a comprehensive national household survey of all types of financial services used and needed by consumers in both the formal and informal sectors. This survey covered 10,305 households all over Pakistan, excluding the tribal areas. Although the survey is over three years old, it is currently the most comprehensive dataset available on the use of financial services in the country. This dataset provides a good baseline for the state of practice at the time BISP was initiated. The Access to Finance Survey classifies the entire adult population of Pakistan (18 years and above) into four strands in terms of access to financial services. About 11 percent of the adult population is using traditional banking services. Only 1 percent of adults are using financial products offered by formal financial institutions other than banks, such as

¹⁶ Source: The Little Data Book on Financial Inclusion, World Bank 2012

leasing, insurance, etc. The adult population in the aforementioned two access strands together make up the financially served population. A significant share of the population – 32 percent is using financial products and services offered informally, without any legal governance structure. This is the third access strand. The fourth strand represents the financially excluded, who have no access to or do not use either formal or informal financial services. This segment accounts for 56 percent of the adult population of the country. Out of the financially excluded population, 18.6 percent is voluntarily excluded and does not want to use financial services on religious or cultural grounds,¹⁷ while the remaining 37.4 percent is the involuntarily excluded population that wants to use financial services but is not being served by any provider.

102. Some studies on the subject were reviewed to assess variables which had a significant and positive correlation with FIL. One of the World Bank's latest study shows that three-quarters of the world's poor do not have a bank account, not only because of poverty, but also because of the cost, travel distance, and amount of paper work involved in opening one.¹⁸ One study in India found that branch density had a positive and significant coefficient with the percentage of adults having saving as well as credit accounts. The coefficient of per capita income was also positive and significant in explaining percentage of adults having saving accounts, though; this coefficient was not significant with level of credit account. Literacy percentage was surprisingly found to have a negative relationship with both percentage of saving as well as credit accounts of adults. This finding was partly explained by the higher literacy percentage of the population below 18 years who were not eligible to open bank account and partly due to lack of financial education among the educated ones. The empirical results substantiate that the person having low income and less geographical access to bank e.g., agricultural labourers, marginal and small farmers, migrant labourers, tribal and women may be excluded from financial services.¹⁹ Another study found that remittances had a positive impact on financial inclusion by promoting the use of deposit accounts although they did not have a significant and robust effect on the demand for and use of credit from formal institutions. If anything, by relaxing credit constraints, remittances might reduce the need for external financing from financial institutions, while at the same time increasing the demand for savings instruments.²⁰

103. Women living below \$2 a day are 28% less likely than men to have a bank account. Even among those who do have a formal bank account, only 43% of adults use their account to save. Yet 61% of account holders worldwide use their account to receive payments from an employer, the government or family members living elsewhere. Few adults in developing countries use formal financial products to manage risk. More than 11% of adults in developing countries have an outstanding loan for emergencies or health-care needs, but more than 80% of these adults use only informal sources of credit. Of adults in developing countries working in farming, forestry or fishing, only 6% of them have crop, rainfall or livestock insurance.²¹ An understanding of these basic statistics regarding financial inclusion and their relevance for Pakistan helped us sharpen our analysis.

104. Money transfer services are utilized by just over 2.0 percent of the adult population, with access and usage being higher in urban areas and among males. The provincial breakdown shows that use of money transfers is highest in Punjab at 3.2 percent of the population, followed by AJK and KP. The use of money transfer services in the ultra poor

¹⁷ Bringing Finance to Pakistan's Poor, World Bank 2009, p. 32

¹⁸ World Bank's Global Financial Inclusion Database. The data was collected by Gallup, Inc. using the Gallup World Poll Survey. The World Bank's Development Research Group is building the database with a 10-year grant from the Bill & Melinda Gates Foundation. April 19, 2012.

¹⁹ Financial Inclusion and Self Help Groups. S S Sangwan.

²⁰ Policy Research Working Paper. 5839. Remittances and Financial Inclusion. Evidence from El Salvador. Diego Anzoategui. Asli Demirgüç-Kunt María Soledad Martínez Pería. The World Bank. Development Research Group. Finance and Private Sector Development Team. October 2011. WPS5839 Public.

²¹ World Bank's Global Financial Inclusion Database. The data was collected by Gallup, Inc. using the Gallup World Poll Survey. The World Bank's Development Research Group is building the database with a 10-year grant from the Bill & Melinda Gates Foundation. April 19, 2012.

population of Pakistan is essentially non-existent, revealing not only a lack of utilization, but also a lack of awareness about such services.²² The penetration of insurance services in Pakistan is very low – only 2.0 percent of the population holds any kind of insurance policy, with insurance coverage being abysmally low for females (0.7 percent) and almost non-existent for inhabitants of Balochistan. On the other hand, over 4 percent of the adult population of AJK is using insurance services.²³

105. Moving from access to finance towards access to mobile phones, the A2FS survey reveals that around 59 percent of the adult population had access to a mobile phone in 2008, with 44 percent using them regularly. However, this figure is an underestimate, as mobile penetration in Pakistan has shot up considerably during the last four years. According to the Pakistan Telecommunications Authority (PTA) mobile subscribers in Pakistan increased from just over 88 Million in 2008 to 119.86 Million as of May 2012. Mobile teledensity, as a result, has jumped up by 14 percentage points to 68.6 percent in May 2012 and is one of the highest amongst developing countries at similar levels of income. This presents a huge opportunity for mobile branchless banking (BB) services to reach out to a significant proportion of the unbanked population in the country, especially in far-flung and rural areas that are difficult and expensive for conventional financial service providers to reach.

3.2 Current plans of the partner commercial banks and stakeholders in moving towards financially inclusive cash transfer mechanisms as well as enhancing beneficiary financial literacy

3.2.1 Overview

106. The commercial banks have been very strategic in the manner in which they have approached the cash transfer programmes. They appear to view this partnership as both a short-term and a long-term opportunity. In the short term, this enables them to forge a closer relationship with Government which is an important client for all banks as well as make some quick returns in a high volume but low margin business. It also enables them to demonstrate corporate social responsibility in responding to a request from government. Over the long term, there is an opportunity to expand the network and client base to whom a growing number of products could perhaps be cross-sold. However, banks are colluding and competing with each other and some classic features of game theory are in evidence in the manner in which the banks have conducted their interaction with donors, BISP, CDCP and State Bank of Pakistan. The banks collude when it comes to joint negotiations with the programmes as is evidenced by the common stance they have maintained on several issues in discussions with the cash transfer programmes but also compete amongst themselves based on their business interest.

107. Existing partner commercial banks in the two cash transfer programmes include the United Bank Limited (UBL), Habib Bank Limited (HBL), Bank Alfalah Limited (BAFL), Tameer Bank, Summit Bank and most recently Sindh Bank. In 2008, the State Bank of Pakistan created an enabling regulatory environment to promote the bank-led model of branchless banking. Of these banks implementing the cash transfer programmes, only 2 have a Branchless Banking license i.e UBL and Tameer Bank. The rest are all operating through their normal branch model. The current plans of the partner commercial banks in moving towards financially inclusive cash transfer mechanisms as well as enhancing beneficiary financial literacy depends upon (i) the regulatory environment (ii) the overall plans for expansion and growth (iii) the business case of participating in cash transfer programmes (iv) the extent to which participation in cash transfer programmes helps banks

²² Pakistan Microfinance Network- World Bank Focus Group Discussions.. August 2012. GDs revealing not only a lack of utilization, but also a lack of awareness about such services

²³ Pakistan Microfinance Network- World Bank Focus Group Discussions.. August 2012. GDs revealing not only a lack of utilization, but also a lack of awareness about such services

meet a long term business objective and (v) the value of the BISP and CDCP client as a potential market segment of interest. Each of these aspects are discussed below to assess how banks view this opportunity and the likelihood of them offering services to the target group of BISP and CDCP.

3.2.2 The Regulatory Environment

108. The regulatory environment in Pakistan is being shaped by a very proactive State Bank of Pakistan (SBP) which has displayed a strong commitment to promote financial inclusion in the country. Today Pakistan is one of the fastest developing markets for branchless banking in the world. Clear regulations and a regulator that is willing to both listen to the private sector and provide incentives for innovation have promoted a dynamic branchless banking sector. Furthermore, the introduction and implementation of the formal regulation for branchless banking has provided an impetus for growth amongst the existing players in the banking arena. The SBP issued the Branchless Banking Regulations in April 2008 to allow banks to offer several modes of branchless banking by which banks could offer services through a network of agents or mobile phones. In June 2011, SBP amended the Branchless Banking Regulations for Financial Institutions (FIs) and introduced Level '0' Branchless Banking (BB) accounts to offer the low income earning segment of the society access to formal financial services. At the same time the State Bank also removed some of the more restrictive aspects of the regulation like the stipulation that one branchless banking client could have only one BB account with the same Financial Institution. This regulation is expected to bring the un-banked or the "mass retail customer" into the fold of the formal banking system. A variety of business models are emerging that involves a wide range of players, including Mobile Network Operators (MNOs), telecommunication companies, those offering advanced technological options and even a courier business has evinced interest in entering this sphere.

109. The State Bank of Pakistan has also signed a Memorandum of Understanding (MoU) with the Pakistan Telecommunication Authority (PTA) to enhance collaboration on technical and regulatory matters with respect to branchless banking in Pakistan. The introduction of branchless banking has resulted in innovative models being put into practice, and have offered opportunities for inter-sectoral synergy in poverty alleviation and financial inclusion. Such models include the 'EasyPaisa' model developed by Tameer Microfinance Bank and Telenor Pakistan in 2009, and the 'UBL Omni' service offered by United Bank Limited which commenced in 2010. MCB Bank and Askari Bank have also launched their initial pilot branchless banking projects in 2011; MCB Bank's service is currently known as 'MCB Lite'. Orascom, the largest mobile network operator in Pakistan, obtained a license in 2011 to set up Waseela Microfinance Bank.

110. The SBP has also implemented the Financial Inclusion Programme (FIP), sponsored by the UK Department for International Development (DFID), with the objective to improve access to financial services for the poor and marginalized groups and for micro, and small enterprises in Pakistan. The focus of FIP is financing for micro and small enterprises followed by strategies to promote low income housing finance and rural finance with remittances and Islamic finance as the cross cutting themes. The State Bank of Pakistan has also launched the Nationwide Financial Literacy Programme (NFLP), sponsored by the Asian Development Bank (ADB) which has the aim to conduct financial workshops for low-income Pakistanis across the country. The pilot phase of the NFLP has been rolled out with the help of a third party consultant and the program involved class room training, street theatres and public service messages through local newspapers, radio and television advertisements. More than 50,000 beneficiaries in remote areas all over Pakistan have been educated through this program with 35,000 through classroom training and 15,000 through street theaters. Street theaters have been a success and demand for such theaters is growing as it is a source of entertainment within which soft messages related to financial planning and literacy have been imparted to viewers. At present, SBP is planning to conduct an impact assessment study in selected districts where the pilot project was launched to assess the overall impact of the program.

111. Furthermore, in order to spur innovation to increase financial access and to support pilot projects by providing seed capital and a platform for coordination and knowledge sharing, SBP has launched the Financial Innovation Challenge Fund (FICF). The first round focuses on developing mechanism for G2P payments with the following objectives: (i) Promote use of technology for payments delivery such as back office links to accounting systems at government agencies; (ii) Set up a network of transaction points for delivery of G2P payments and other financial services; (iii) Leverage use of existing infrastructure by developing, training and monitoring of agent network; (iv) Increase speed and efficiency reduce leakages of G2P payments; (v) Leverage funds to attract private investment and (vi) Create linkages with donors and industry to help ensure scale of successful pilots. About 13 institutions submitted expression of interest to participate in the programme, out of which 7 institutions have been selected.

3.2.3 Overall Plans for Expansion and Growth

a. Large Scale Deployment

112. Regular Commercial Banks and those dealing with a specific market segment like the Tameer Micro-Finance Bank (TMFB) and other niche banks have plans for expansion and growth as part of their overall vision and business strategy. TMFB's model is premised on the analysis that provision of banking services using classical brick and mortar branches is costly, especially in the micro finance context, which hinders scalability of financial services to the un-banked or underserved population of Pakistan. Tameer was looking diversify its income stream as well as extend outreach without onerous investments in capital expenditure as well as organic growth in small value retail deposits. Tameer figured that the best way to approach this challenge was to offer banking services to a large captive customer base. Telecom operators with the largest customer base in Pakistan was a natural choice. Tameer initiated branchless banking services on a 1-to-1 Business Model with Telenor using their vast distribution network and existing customer base and TMFB's banking know-how and commitment to offer low cost, highly secure banking and payments services in Pakistan. A major differentiation with other global models was that Telenor also acquired a 51% stake in Tameer Microfinance Bank. Fundamo, a South African vendor of mobile banking was engaged to provide the customized solution.

113. Tameer Microfinance Bank and its parent company Telenor Pakistan, a major Mobile Network Operator (MNO) launched Easypaisa in October 2009. A new financial services brand was conceived under the Easypaisa banner in July 2009. Using the cell phone and GPRS technology, Easypaisa aims to bring efficient, instant, highly secure financial products like mobile accounts which offer, domestic remittances, utility bill payments, agent based cash deposit and withdrawal services Funds Transfers (Inter-bank, a/c to a/c), money transfers, M-commerce and retail Purchase and settlement. Easypaisa allows any customer, even someone without a Tameer account or a Telenor phone, to make over-the-counter bill payments and money transfers through Easypaisa agents. Tameer has approximately 16,000 Easypaisa agents, two-thirds of whom are processing at least one transaction per day. According to Easypaisa, 60 Million transactions had been processed by the end May 2012, with a total throughput of PKR 66 billion (US \$700 Million). Bill payment initially accounted for the vast majority of transactions, but domestic remittances have seen strong uptake, and now account for 60% of throughput.

114. In February 2010, Tameer and Telenor launched the Easypaisa "mobile account," which allows customers with a Telenor SIM card to access a Tameer account and perform a range of transactions directly from their phone. Following the introduction of zero rated accounts and with the removal of requirement to capture bio-metric data of potential customer (now the agents only need to take a photograph) Tameer and Telenor revamped the account-opening process for mobile accounts and ran a major advertising campaign, which resulted in over 500,000 new customers, according to Easypaisa. Tameer is currently a partner in the BISP G2P payments. However, the conversion of the beneficiary accounts into banking customers or cross-sell opportunities are not being targeted by the Bank. The

BISP beneficiaries of Tameer only have Limited Mandate Accounts. Tameer's current focus remains to increase transaction volume and value while building trust and efficiencies in its payment solutions. Of the existing agents, only 350 are dealing with BISP payments.

115. Omni Dukaan is a new branchless banking service launched in April 2010 by the United Bank limited (UBL). UBL Omni supports both direct and super agent models. UBL Omni's Dukaan concept focuses on provision of banking services from a neighborhood general store that also provides daily need grocery items to consumers thus acting as a one-stop shop for them. Since a majority of these shops are sole proprietorship owned, creating a direct agent net-work was the natural option. In parallel, UBL is continuously evaluating Super Agency arrangements and when they find a partner who they can work with, they expect to roll out a super agency based model as well. UBL Omni currently has over 9,000 agent Dukaans in over 660 cities, towns and villages of Pakistan including rural areas. Dukaan density is planned according to population density, thus it is natural that urban centers have more agent locations. Also, the urban centers have a large unbanked population that can benefit from these services. The rural network strength is also being built to ensure that migrant workers in cities are able to leverage the Branchless banking network to send money to family in villages.

116. UBL has won several contracts to disburse payments for non-government organizations and government schemes such as the World Food Programme, the Benazir Income Support Programme (BISP) and the Citizen's Disaster Compensation programme. In fact UBL was the first to respond to the Government's request for delivery of cash transfer programmes and has the largest share in the two cash transfer programmes. UBL reports that at the end of June, 2011, 5,000 agents were disbursing payments to over 2 Million recipients under these programs. Recently, UBL also started accepting loan repayments for microfinance institutions (MFIs) and providing cash management facilities for businesses. In addition UBL has acquired Khushhali Micro Finance Bank and is expected to aggressively deep sell and wide sell basic banking services to a larger pool of mass retail customers. Looking ahead three to five years, UBL can foresee Omni serving 15 to 20 Million customers largely through its agent channel.

117. Often what is ignored or forgotten is that the Pakistan Post, operating on behalf of the Ministry of Finance, offers a number of saving schemes under the program titled Pakistan Post Savings Bank (PPSB). It is the largest network of savings bank services in Pakistan, functional in both urban and rural areas of Pakistan; however, it is more widespread in the latter, and is the only banking service available in most of the remote areas of the country. PPSB offers three different types of savings accounts and three types of savings certificates. The Post Office also provides relatively inexpensive options for money transfer as well. When the First Microfinance Bank Limited (FMFBL) pioneered branchless banking in March 2008 with special permission from the SBP it was in collaboration with Pakistan Post to provide 'branchless' microfinance services to its target clientele across 52 post office locations in the country.²⁴

b. Pilots or Small-Scale Launches

118. The First Microfinance Bank (FMB) was the first bank in Pakistan to experiment with branchless banking. It received special permission from SBP to collaborate with the Pakistan Post Office on a pilot in March 2008. For the pilot, FMB loan officers were stationed inside post office branches for loan disbursement and collection, allowing FMB to expand far more cheaply than it could were it to open new branch locations. FMB reports that it has now deployed staff in 52 post office locations and has disbursed 162,000 loans amounting to USD 29 Million. Loan officers report to the nearest FMB branch; they do not have an electronic system for recording transactions undertaken at the post office. There are no plans to scale up the service.

²⁴ Branchless Banking in Pakistan: A Laboratory for Innovation CGAP 2011, p. 2.

119. Dubai Islamic Bank Pakistan Ltd, which targets high net worth individuals, was awarded a branchless banking license in April 2010. It plans to operate low-cost channels for 50,000 existing customers in schools, business districts, residential areas, and shopping malls. According to the bank, service is in the pilot phase at three sites and will likely expand to 25 locations by year end. The service will not target the mass market.

c. Anticipated Market Entrants

120. HBL has been an active Participating Bank for both the BISP & CDCP programs. As per the details provided by NADRA, HBL has disbursed over PKR 10 billion in the two phases of CDCP disbursements as of 31st July 2012. With respect to CDCP, HBL had deployed 28 (19 in Sindh & 9 in Balochistan) camp sites for disbursements. Up till now all the BISP disbursements were being undertaken through the retail/branch network of HBL but the responsibility has been recently transferred to the branchless banking team. HBL is set to launch its branchless banking operations.

121. Currently it is in the process of conducting its pilot tests and is expected to effectively roll out the branchless banking services by the end of the third quarter of 2012, subject to meeting all the formal license requirements of the SBP. To date HBL has only undertaken the disbursements under the BISP and CDCP programs. The branchless banking team envisages offering future disbursements through the agent network based on the hub and spoke model, where exclusive super agents will be selected which in turn will manage approximately 100-120 sub agents. HBL is also currently in the final stages of implementing the technology and infrastructure requirements, which are expected to support the branchless banking transactions, which will also include BISP disbursements. HBL remains optimistic and determined to provide the impetus to increase the transaction volume and value which in turn will provide a sustainable fee based income for the Bank.

122. Bank Alfalah Limited (BAFL) has shown its commitment to branchless banking by distributing both flood relief payments and participating in the BISP mobile banking pilot. BAFL is currently participating in the G2P payments as a disbursement agent since it does not have the branchless banking license to offer any services. As informed by the BAFL, it has received a provisional license by SBP and is expected to launch pilot services under the brand name of Monet. The current MNO/Telco partner of BAFL is Ufone. However, moving forward BAFL plans to offer BISP disbursements with a group company - Warid Telecom in Balochistan (Warid Telecom and BAFL are owned by the Abu Dhabi Group).

123. Askari Bank is a mid-tier bank with 235 branches that is 51 percent owned by the Army Welfare Trust. Askari has recently been awarded a branchless banking license and has signed a deal to develop a branchless banking venture with Zong (China Mobile), the smallest but fastest growing MNO in Pakistan. The service will be jointly branded and will initially target army salary disbursements as a way to encourage both soldiers and their families to sign up for accounts. The plan would be to recruit agents in strategic locations near army barracks. Askari and Zong are exploring promotions, such as free SIM cards to anyone who registers for an account.

124. MCB is a large commercial bank with over 1,100 branches. Although it applied for a branchless banking license early on, it has not yet rolled out an agent network, because it is still unsure of the business case. It has developed a mobile banking interface for existing customers, powered by Fundamo. This interface is now used by 150,000 customers and has processed PKR 7 billion (USD 73.6 Million) in transactions. MCB has recently partnered with Nokia to develop a mobile banking application that can be loaded on all Nokia handsets and that will be preloaded on new models. MCB is also exploring options to use Nokia stores as agent locations. HBL is the largest private sector commercial bank operating in Pakistan. The bank is owned by the Aga Khan Fund for Economic Development, the Fund also has significant experience working with individuals/groups from low income and financially marginalized segments of society.

125. Mobilink is the largest MNO in Pakistan, with 35.2 Million SIM cards issued at the end of 2011.²⁵ It has made two unsuccessful attempts at launching a branchless banking service in Pakistan to date: the first with the Pakistan Post Office and the second with Citibank. In its third attempt, Mobilink and its parent company, Orascom, received a license for a wholly owned microfinance bank—Waseela Microfinance Bank Limited in September 2011. It is anticipated that the new bank will obtain a branchless banking license and will roll out a business model that closely resembles Easypaisa's with a range of over-the counter services, such as domestic remittances and bill payments available to anyone and an enhanced proposition, including a mobile wallet for Mobilink customers that they can access from their phone.

126. TCS is Pakistan's biggest logistics and courier company. With over 500 outlets, it has a larger footprint than DHL, and it has a strong brand. TCS has long aspired to make use of its agent network and convert its couriers into "barefoot bankers" who deliver financial services to customers' doors. TCS has resisted signing an exclusive agreement with any one commercial bank and has decided, like Mobilink, to apply for its own banking license. SBP has required a business plan for a full-service microfinance bank. If TCS succeeds, it will be the first courier company in the world to offer financial services.

3.3 Types of Products to be Developed to Enhance Financial Inclusion and Literacy

3.3.1 Branchless Banking Models

127. Currently only bank-led model of branchless banking is allowed which may be implemented in different ways. Firstly, it can be implemented either by using agency arrangements or by creating a JV between Bank and Telco/non-bank. Further, the mobile phone banking which make up for large part of branchless banking can be implemented by using one-to-one, one-to-many and many-to-many models. It is the responsibility of the FI to carry out detailed analysis of pros and cons of each model before offering any of them.²⁶ These models are briefly explained hereunder.

128. **One-to-one (1-1) Model:** In this model one bank offers mobile phone banking services in collaboration with a specific Telco. As a consequence, the services may only be offered to customers using mobile connection of that specific telco. This model can be JV-based or implemented through specific agency agreements between the telco and the bank. It offers greater customization, good service standards, possibility of co-branding and co-marketing. On the other hand, it lacks in outreach as it is limited to the customers of one telco only. It may be noted that one-to-one model does not necessarily require exclusivity. Therefore, one bank can have several one-to-one arrangements with many telcos or alternately, one telco can have several one-to-one arrangements with many banks, provided that such arrangements are under proper agency /service level agreements.

129. **One-to-many (1-∞) Model:** In this model a bank offers mobile phone banking services to customers using mobile connection of any Telcos. This model offers the possibility to reach to any bankable customer who has a mobile phone connection. But this model has several limitations in that all telcos may not be ready to offer the bank a priority SMS pipe to enable it to provide quick services which are of essence in mobile phone banking. Further, the FI needs to bear all advertising/marketing expenses. Another serious drawback of this model is that it may require the bank to rely upon its own branch network for product distribution and cash-in cash-out services etc.

²⁵ Pakistan Telecommunication Authority 2011.

²⁶ Branchless Banking Regulation. For Financial Institutions desirous to undertake Branchless Banking. Updated June 20, 2011. State Bank of Pakistan. Clause 3.1 page 5.

130. **Many-to-many (∞ - ∞) Model:** In this model many banks and many telcos join hands to offer services to virtually all bankable customers. Under this system, a —Third Party Service Provider (TPSP) is necessitated, which must be controlled by an FI; or by a subsidiary owned and controlled by an FI or a group of FIs; or by a third party under proper agency agreement with Financial Institutions. Arrangements with TPSP are subject to the regulatory approvals. However, the TPSP should be capable of; i) settling all transactions on real time basis, ii) storing all proofs of transactions and iii) providing a day end statement of account to all member banks. All settlements must take place in specific Branchless Banking clearing accounts of all participating banks /telcos/TPSP kept with a designated bank. This model offers the maximum connectivity and hence maximum outreach and is closer to the desired situation where all banks and all telcos should be able to entertain each other's customers (Just like the existing ATM network in the country where customer of any bank can use ATM of any other bank).

131. **Alternate Channels:** Branchless banking can also be done using agents other than Telcos (like Fuel distribution companies, Pakistan Post, chain stores etc.) and using technologies not limited to mobile phone (like GPRS, POS terminals etc.). The three sub-models (one-to-one, one-to-many and many-to-many) can also be applied to this type of branchless banking (i.e. one FI may join hands with one super-agent [1-1], one FI with many agents [1- ∞] or many FIs and many super-agents may join hands to provide BB services [∞ - ∞]), provided the complexities of each model are understood, the operating procedures are documented and the risks are identified and taken care of. FIs are allowed by SBP to come up with an arrangement which does not fall exactly under one of the above models. Such arrangements are allowed on case to case basis.²⁷

3.3.2 Branchless Banking Products

132. The Branchless Banking Regulation (BBR) has led to the development of several different types of products for clients through network of agents or mobile phones. Some of these products are identified in Figure 3-1. These include the full range of products that a bank offers including account opening and maintenance, cash in and cash out, fund transfer of different types, bill and merchant payments, loan disbursements, repayments and remittances. The growth in the branchless banking network offers the unbanked segment of the population an avenue for availing of services not previously available to them.

133. However, it is important to specify here that at the current time commercial banks are not thinking of any financial services specific to the BISP and CDCP beneficiaries beyond offering a reliable mechanism for disbursing their payments. The commercial banks are not specifically targeting this segment because they do not think this is a segment of the population which can currently lead to a profitable line of business. With the amendment in the BBR in June 2011, there is nothing which prevents a CDCP or a BISP beneficiary from availing the existing services on offer by the commercial banks or the branchless banking network of agents or the mobile phone facilities currently on offer.

134. Branchless banking supports savings, lending and transactional activities. It is ideal for small ticket high volume business. On the savings side, Easypaisa has launched a mobile wallet account which requires no minimum balance and has no monthly charge. It can be operated over the counter at any Easypaisa agent or over the mobile phone. The ease of opening the account which is risk based and no minimum balance will allow Tameer to scale the mobile account and start a saving habit with the formal sector.

²⁷ Ibid. June 20, 2011.

Figure 3-1: Permissible Activities under Branchless Banking Activities

| | |
|--|--|
| Opening and maintain a BB Account | <ul style="list-style-type: none"> •Accounts associated to a specific branch or to a centralized BB unit. •Account limits are ascertained after KYC and customer Due Diligence |
| Account-to-account Fund Transfer | <ul style="list-style-type: none"> •Transfer of funds to/from BB account from/to other accounts (current/savings) |
| Government to Person (G2P) transfer | <ul style="list-style-type: none"> •Transfer of funds to BB & non-BB account from Limited Mandate /Master account, which could include soical payments (BISP/CDCP) or governement salaries or any government related disbursements. |
| Person-to-Person Fund Transfer | <ul style="list-style-type: none"> •Transfer of funds from/to BB account or regular account to/from BB or regular accounts or mobile numbers of non BB account holders |
| Cash in and Cash out | <ul style="list-style-type: none"> •Deposit and withdrawal of funds using bank branch counters, ATM, authorized agent locations |
| Bill payments | <ul style="list-style-type: none"> •Payment of Utility bills |
| Merchant payments | <ul style="list-style-type: none"> •Payments for purchase of goods/services |
| Loan Disbursement/R epayment | <ul style="list-style-type: none"> •Disbursement of small loan amounts to borrowers having BB accounts and repayment of loan installments |
| Remittances | <ul style="list-style-type: none"> •Send/Receive remittances using BB accounts |

Source: ICF GHK

135. On the lending side, Microfinance customer’s loans can be disbursed into their mobile wallet account. Cash can then be obtained at any Easypaisa location. In the same manner, repayments can be made at the agent near the customer, saving him or her the traveling cost to the nearest branch of a Bank. It is a major time and cost saving for the customers. However, it is important to note as the BBR specify that in each case customer account relationship must reside with some FI and each transaction must hit the actual customer account and no actual monetary value is stored on the mobile-phone or technology service provider’s server (the balances shown on mobile phone etc. are merely a reflection of actual account balances). Consequently the use of the term e-money to represent the services offered under the BB Regulations is prohibited as being technically incorrect.²⁸

136. In Pakistan, the growth and absolute size of the mobile set segment has far outstripped the growth of the cards solution. Outstanding cards (both debit and credit) are a small fraction of this number. Some in the commercial banking sector like the CEO of Tameer believe that in the next five years time, the transaction volume being conducted by the Branchless banking industry will easily surpass the volumes being transacted though conventional means. They see branchless banking as the beginning of a financial revolution.²⁹ Mobile wallet is seeing phenomenal growth. It is easy to access, user friendly and has been viewed very positively by customers. As the banks grow the ecosystem and the applications possible through a mobile wallet are also expected to grow. The number of branchless banking accounts are expected to surpass the entire banking industry accounts within a five year period. Branchless banking is bringing financial services within the reach of the common man for the first time.

²⁸ Branchless Banking Regulation. For Financial Institutions desirous to undertake Branchless Banking. Updated June 20, 2011. State Bank of Pakistan. Clause 3.1 page 5.

²⁹ Founder of Easypaisa ‘Mr. Nadeem Husain—CEO Tameer Microfinance Bank.

137. UBL Omni allows customers to make over-the-counter bill payments and send money to friends and family in Pakistan via a network of agents known as Omni Dukaans. The service also offers an account accessible from mobile phones via SMS or WAP and cards (both generic and Visa cards are available). The Omni account requires a minimum balance of PKR 100 (USD 1.05) and offers several fee packages, including pay-as-you-go, weekly, monthly, and annual. Omni envisages serving as a front end platform for clients of banks other than UBL to access cash via agents with mobile phones. And as more customers themselves used mobile phones, they could access the features of Omni such as P2P transfers real time to other account holders; or bill payments direct from the Omni account.

138. According to the SBP quarterly report published in March 2012, the branchless banking segment has shown impressive growth. Growth in agent's network was 19% and number of mobile wallets was 14% over the previous quarter whereas the number and value of total transactions increased by 23% and 7% respectively during the quarter. The number of m-wallet accounts has reached 1.03 Million. Level-0 accounts (category that was introduced in June-2011) comprise 7% of the m-wallet accounts and level-1 accounts contribute 86% of the m-wallet accounts. Close to 5,573 debit cards have been issued; Agent network has grown to 26,792 agents which covers 89% of the total districts in Pakistan, out of which 52% districts have more than 90 agents. During the Quarter ending March 2012, more than 25 Million transactions worth PKR 85 billion (USD 938 Million) have been processed through branchless banking channels. Number of transactions and the transacted value has increased by 23% and 7% respectively during the quarter. The growth in number of transactions is mainly due to the increasing volume of bill payments, person to person fund transfers, and airtime top-ups, which accounts for 42%, 32% and 10% respectively. Similarly, the growth in value of transactions is again owed largely to P2P payments which comprise 83% of the total payments. While considering share in total value, all bulk payments constitute almost 50% of the total value of transactions followed by P2P payments (36%) and Bill payment (12%). Around PKR 13.8 billion or 12% of the total funds transfer value has been transferred on account of G2P payments through the existing agent based banking network.

3.3.3 Types of Accounts

139. To further facilitate financial inclusion in the country, the State Bank of Pakistan in June 2011, amended the Branchless Banking (BB) Regulations for Financial Institutions (FIs) and introduced Level '0' BB accounts to offer access to financial services to the low income earning segment of the society. These Level 0 accounts allowed very low account balances and transaction limits with an ability to open an account electronically without any paper work using a digital photo and scanned copy of the CNIC. The revised regulation has also removed the requirement to capture biometric fingerprint information at the time of account opening for the level I account since deploying the biometric capture technology to thousands of agents was expensive and created a significant barrier to customer enrolment.

140. Furthermore, the biometric information did not add any value since it could not be verified against the national database and, consequently, did not provide additional security. A digital photo of the account holder is required under the revised regulations to confirm that the person was present at the time the account was created. This revision has allowed FIs to further save on operational costs of account opening and made it more feasible for FIs to offer banking services to the lower income segment. However, for each type of account the FI must verify customer's CNIC particulars and his/her photograph from NADRA.

141. Table 3-1 below provides a summary of account categories allowed under the revised branchless banking regulations:

Table 3-1: Levels of Accounts Under Branchless Banking

| Account Level | Level 0 | Level 1 | Level 2 | Level 3 |
|--|---|--|--|---|
| Description | Entry Level account sufficient for most low income individuals | Entry Level account sufficient for most low income individuals | Top level account offering all BB facilities and subject to full KYC requirements as applicable to a full-service Banking account. | Account specific for merchants, businesses, banking agents or third-party Service providers. |
| KYC requirements | 1. Digital Account Opening Form, 2. Customer's digital photo 3. Image of customer's CNIC to the FI electronically. 4. Verification of customer's particulars with NADRA. | 1. Filling and signing an account opening application form. 2. Photocopy of Computerized National Identity Card. 3. Verification of CNIC by NADRA. 4. At least one personal Face-to-face contact with a designated employee of the FI and a digital photo taken by a BB agent must reach the FI. 5. Confirmation of customer's cell phone number | 1. Filling and signing an account application Form. 2. Fulfilment of all KYC requirements specified under Prudential Regulations issued by SBP as amended from time to time. 3. Verification of CNIC by NADRA 4. Confirmation of customer's cell phone number | 1. Fulfilment of all requirements of level 3 account. 2. Fulfilment of additional requirements as specified by the FI. 3. Confirmation of customer's cell phone number. 4. Verification of CNIC by NADRA |
| Maximum Balance Limits (debit/credit) | PKR 100,000 | No Limit | FI must set limits commensurate with each customer's profile. | |
| Maximum Throughput Limits (debit/credit) | PKR 15,000 per day PKR 25,000 per month PKR 120,000 per year | PKR 25,000 per day PKR 60,000 per month PKR 500,000 per year | | |

Source: ICF GHK research



SECTION 4

Assessment of Financial Inclusion Outcomes Based on Quantitative Survey

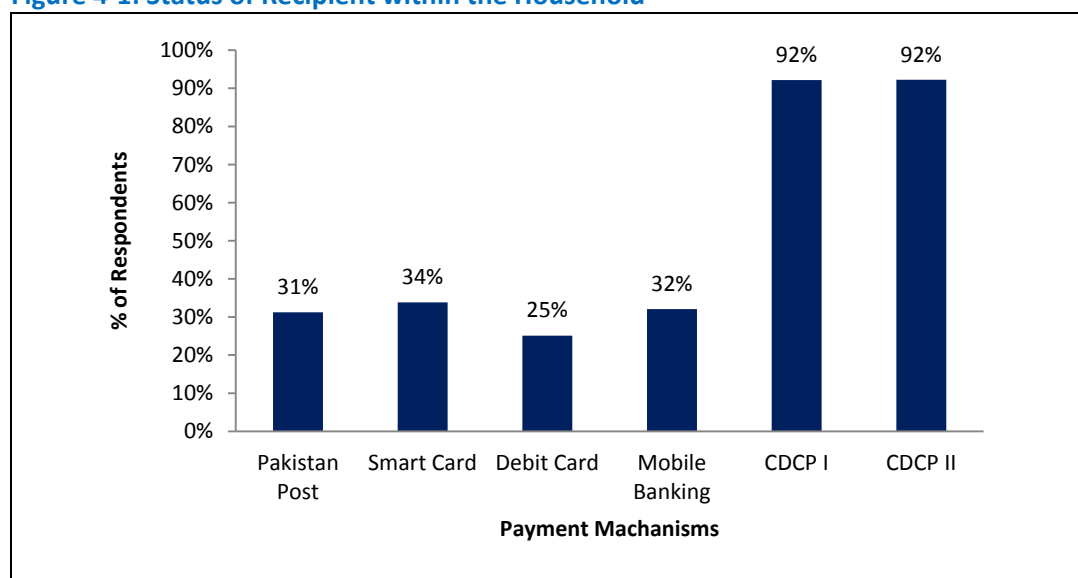
4 ASSESSMENT OF FINANCIAL INCLUSION OUTCOMES BASED ON QUANTITATIVE SURVEY

4.1 Household Characteristics and Livelihoods Profile of Cash Grant Recipients

142. The household characteristics and livelihood profiles of cash grant recipients of BISP and CDCP are different in several significant ways. BISP beneficiaries are women from among the poorest strata of society. An analysis of the gender balance in our sample shows that naturally all the BISP recipients were women while only 10% of the CDCP recipients were women (Annex Table A1.1). A provincial comparison shows that the highest number of women under CDCP were in KPK for both Phase I and Phase II (17% and 14%) followed by Punjab (10% and 4%) and Sindh (8% and 11%) and Balochistan (8% and (0%). About 67% of the respondents lived in rural areas (Annex Table A1.2). While all the respondents of CDCP had been impacted by a natural disaster particularly the floods of 2010, it appears that a high proportion of BISP recipients were also vulnerable to natural disasters. Between 19% to 59% of the BISP beneficiaries were vulnerable to the elements and thus in the overall sample 61% of the respondents reported to be susceptible to natural disasters.

143. Within CDCP, the beneficiaries were different between Phase I and Phase II. The CDCP recipient is the head of the household who is generally a man whose family was impacted by the September 2010 floods and may or may not be poor. The recipient of CDCP Phase II was the head of a family impacted by the floods of 2010 and in addition had to meet some criteria which characterised them as poorer among the affected households. Both the qualitative and quantitative surveys reaffirmed this profile of the beneficiaries. The field teams found a clear difference between the CDCP and BISP beneficiaries and felt that these two types were very different in terms of their socio-economic profile and thus the financial inclusion and literacy features of the two could be expected to be very different. About 48% of the respondents indicated that they were also the head of household (Annex Table A1.4). There is a sharp difference in the proportion of households who were head of household between BISP and CDCP (Figure 4-1). This is a significant finding as it is likely to influence the decisions regarding financial resources and household allocative decisions.

Figure 4-1: Status of Recipient within the Household

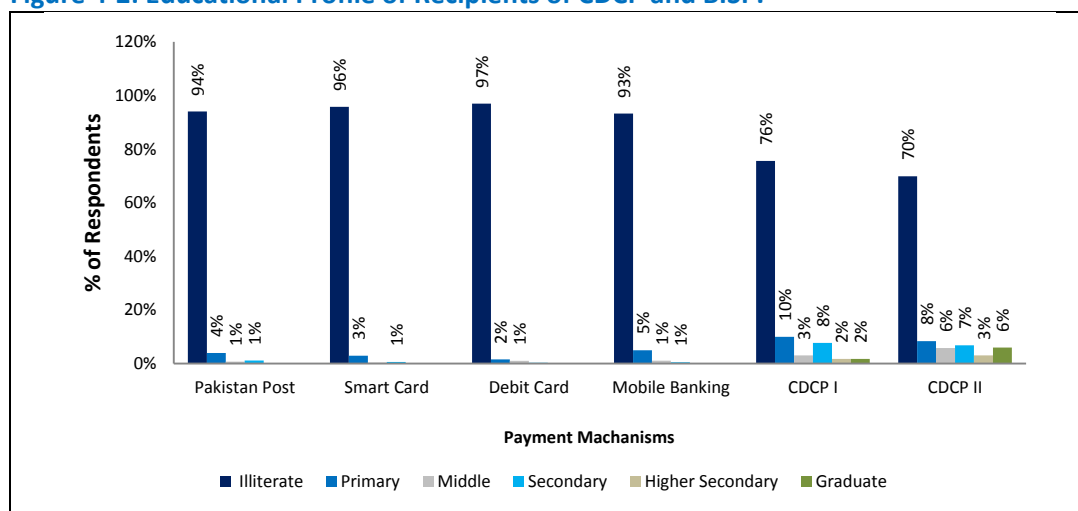


Source: ICF GHK quantitative survey results for FIL

144. The proportion of those who were head of households was highest for Balochistan (75) and lowest for Sindh (39%). For KPK and Punjab this proportion was 46% and 45% respectively. About 88% of the recipients of the two cash transfer programmes were married, 10% were divorced and only 1% were single. There was a higher proportion of widowed women in BISP in KPK and Sindh (12%) (Annex Table A1.9) The age profile of respondents indicated that 15% were up to 30 years of age, 32% were between 31 and 40 years while 27% were between 41 to 50 years and 26% were above 50 years. This age profile did not vary significantly between provinces or the BISP payment modality. In Sindh the proportion of those in the 31 to 40 years age bracket was slightly higher than in other provinces. However a comparison between BISP and CDCP shows that there was a significantly higher proportion of respondents of CDCP who were above 50 years of age (Annex Table A1.5). A comparison between women and men of CDCP showed that women respondents above the 50 year age bracket were significantly higher compared to CDCP men in the same category. (Annex Table A1.6 and Annex Table A1.7).

145. The educational profile of the recipients of the cash grant programme shows that 89% of them are illiterate. Only 5% of them have completed primary level, 2% primary, 4% secondary and higher secondary and only 1% are graduate (Annex Table A1.8). There is a stark contrast between the recipients of BISP and CDCP cash transfers as we know. Less than 5% of the BISP women have studied beyond primary and there are no BISP women who have studied beyond the higher secondary level. In sharp contrast 24% to 30% of the CDCP recipients are literate with some also have completed higher secondary and a few graduates (Figure 4-2).

Figure 4-2: Educational Profile of Recipients of CDCP and BISP.



Source: ICF GHK quantitative survey results for FIL

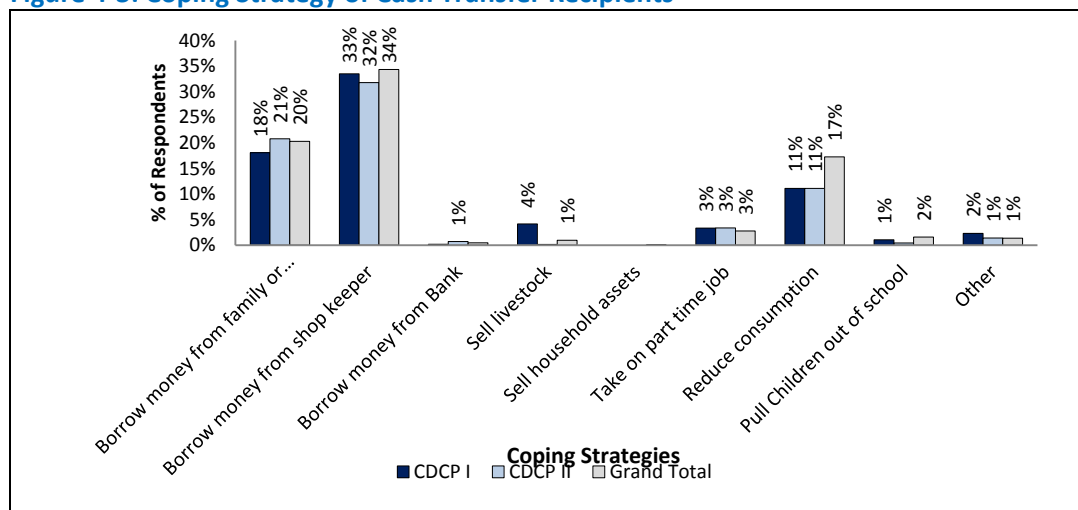
4.2 Household Management and Coping Strategy

146. Average household size was large and 63% of the respondents reported having more than 7 family members (Annex Table A1.9.1). Of the total households, 61% report that they have between 1 and 2 earning members (Annex Table A1.9.2) and the others reports having one or two more earning members. However, most of the rural households used the family labour in the agriculture and livestock sector or in low paid wage labour. The high number of family members reported to be employed were generally at very low levels of productivity and wages. In our sample, 58% were daily wage labourers, 20% were working on farming, 5% had their own small business, 5% worked in Government jobs or had other salaried employment while 3% were unemployed (Annex Table A1.9.3). There was no significant difference in this profile between BISP and CDCP or within the BISP recipients. At the provincial level, there was a higher reliance on farming in Balochistan than in other provinces and less reliance on daily wage labour.

147. There is no significant difference found in the ownership pattern of households with reference to assets between the different cash programmes or the four provinces. About 65% of the households do not own any assets. However, a higher proportion of CDCP recipients reported owning assets compared to BISP beneficiaries (Annex Table A1.10) as expected. A higher proportion of households in Punjab reported owning assets compared with the other provinces. The most widely held asset was reported to be livestock (20%) followed by a house (8%) and land (6%). Almost no one reported owning cash and only 1% of the households reported owning gold. Of the households that owned the assets less than 14% owned the asset themselves (Annex Table A1.11). There was a stark difference in this ownership pattern between the BISP and CDCP. About 28% (Phase I) to 31% (Phase II) of the recipients of CDCP owned the asset themselves compared to between 5% to 12% of the BISP recipients.

148. In terms of the financial management of households, 79% of our sample felt they could not meet their monthly expenditures. There was some provincial variation in this response with Balochistan at the lowest rung of the ladder in terms of being able to meet its expenditure and as many as 87% of the recipients in that province felt they could not meet their monthly expenditure followed by Sindh (81%, Punjab (78%) and KPK (68%) (Annex Table A1.14). A review of the coping strategy of these households revealed that the most pervasive strategy was to borrow money from the shop keeper (34%), followed by borrowing money from family or friends (20%), reducing consumption (17%), taking on a part time job (3%) and pulling children out of school (2%). The commonly held view that livestock was sold as a store of value did not appear to hold true for the respondents as only 1% of them reported selling animals in order to cope (Figure 4-3). Borrowing from banks did not appear to be a practise as less than 0.5% reported using this source. (Annex Table A1.15). A much higher proportion of respondents in Balochistan (47%) borrowed money from shopkeepers compared with other provinces and a much higher proportion sold livestock in this province as a coping strategy. This was to be expected given the extensive production systems based on range lands in the province.

Figure 4-3: Coping Strategy of Cash Transfer Recipients



Source: ICF GHK quantitative survey results for FIL

149. In addition to the limited capacity of the respondent households to cope, they also reported significant risks. The survey examined risks faced by the households in the last two years. Food inflation (35%) was the most frequently cited risk followed by floods and ill health. The incidence of floods was naturally reported by more than 59% of CDCP Phase I recipients and 53% of Phase II recipients. However, BISP beneficiaries were not immune to the adverse affects of floods and a high proportion reported floods in Sindh and parts of KPK and Punjab (Table 4-1). KPK had the highest proportion of respondents who felt they did not face any risk (Annex Table A1.16).

Table 4-1: Risks Faced by Cash Transfer Recipients

| Type of Risk | Proportion of Households Facing Risk |
|-----------------------------------|--------------------------------------|
| None | 10% |
| Food inflation | 35% |
| Fuel inflation | 1% |
| Loss of livestock | 1% |
| Ill health | 14% |
| Uncertain wages | 5% |
| Low price of agricultural produce | 1% |
| Floods | 32% |
| Earthquake | 0% |
| Displacement due to conflict | 0% |
| Other | 0% |

Source: ICF GHK quantitative survey results for FIL

4.3 The Impact of Cash Transfer Programmes on Household Expenditures

150. A significant finding of the current survey which is consistent with the findings of other assessments of cash transfer programmes in Pakistan and elsewhere is that a major share of the payments is used for purchase of food. Overall in Pakistan 67% of the respondents used the money for this purpose. This proportion is even higher when you consider only BISP beneficiaries 71% to 90% of whom spend the money on purchase of food. The other most significant expenditure item is health (17%), house improvement (8%), education (3%) and purchase of livestock (1%). An inter provincial comparison of the use of fund shows that (Annex Table A2.1). In contrast, only between 43% to 46% of CDCP beneficiaries spend the money on food. The other two main expenditure categories for CDCP respondents was house improvement and meeting health expenditures and other expenses. Table 4-2 gives some details while Annex Table A2.1 provides the breakdown by province and payment mechanism.

Table 4-2: The Use of Cash Transfer Payments

| | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|---|---------------|------------|------------|----------------|--------|---------|-------------|
| Purchase Food | 71% | 90% | 78% | 73% | 46% | 43% | 67% |
| Purchase livestock | 1% | 1% | 1% | 0% | 1% | 1% | 1% |
| Meet health expenditures | 19% | 6% | 15% | 19% | 20% | 17% | 17% |
| Education | 4% | 2% | 4% | 2% | 3% | 2% | 3% |
| Purchased consumer goods (fans, TV, motorcycles, refrigerators) | 0% | 0% | 0% | 0% | 2% | 0% | 0% |
| Improve house | 2% | 0% | 0% | 4% | 18% | 28% | 8% |
| Invest in land | 0% | 0% | 0% | 0% | 0% | 1% | 0% |
| Buy Jewelry or gold | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Other | 3% | 1% | 1% | 1% | 9% | 6% | 4% |

Source: ICF GHK quantitative survey results for FIL

4.4 Access of Beneficiaries to Formal and Informal Financial Services

151. Given that remittance income can be a major source of income in rural areas and that receipt of this income can be a major driver of financial inclusion and literacy, of the country, respondents were asked if they had access to any remittance income. Our sample showed that 98% did not receive any remittance income (Annex Table A2.2). At the provincial level, KPK had the highest proportion of respondents who received such an income and 7% of the households reported receiving such income. The small proportion who did receive this income did so very irregularly. In KPK, 3% reported that they received such income on a monthly basis while the rest received it after three months (1%) or irregularly (2%) (Annex Table A2.3). Where this income was received it was generally through family and friends (Annex Table A2.4). In KPK, 1% of the respondents reported receiving the funds through the Hundi system, 1% through the post office and 1% through formal banks. In Punjab 1% reported receiving it through an authorized money agent. Thus even for households where remittance income was received there appeared little reliance on formal mechanisms apart from KPK where there was some very limited interaction with the formal sector. Apart from Balochistan where less than 1% of the households had sent money to a relative no one was sending any money to any relative outside the village (Annex Table A2.5). How often they sent this money and the channel through which they sent this money became largely irrelevant because of the miniscule numbers in these categories.

152. The assessment of respondent household's profile also included a question regarding their payment of utility bills. The reason that this question assumes added significance from the perspective of financial inclusion and literacy is because one of the most important reasons for using a financial intermediary is for payment of bills. It was assumed that if the cash transfer recipients were availing of formal sector services their might be an incentive for them to seek some form of financial inclusion for the convenience of regular bill payment. Our assessment found that there was a surprisingly high proportion of people who were paying some form of utility bills. Almost 71% of the respondents indicated that they were paying a bill of some sort. There was a significant variation in this aspect between the provinces with KPK (above 91%) and Punjab (83%) having a very high proportion of people paying bills. Balochistan had a much lower proportion of people paying utility bills (68%) while Sindh had a very high proportion of people not paying any type of utility bills at just 50% (Annex Table A1.12). Surprisingly the proportion of CDCP respondents not paying any utility bills was much higher in every province compared with BISP. As expected 56% of the sample pay electricity bills, 12% pay gas and 4% pay water bills. (Annex Table A1.13). There was a large proportion of the respondents who had interacted with a formal sector bank for the payment of these bills. About 37% of the respondents in the overall sample had paid bills through banks (Annex Table A2.8). This number was much higher in all provinces except Sindh which had only 21% of the respondents interacting with banks for bill payments. In other provinces, 45% to 47% had experience of paying bills through banks.

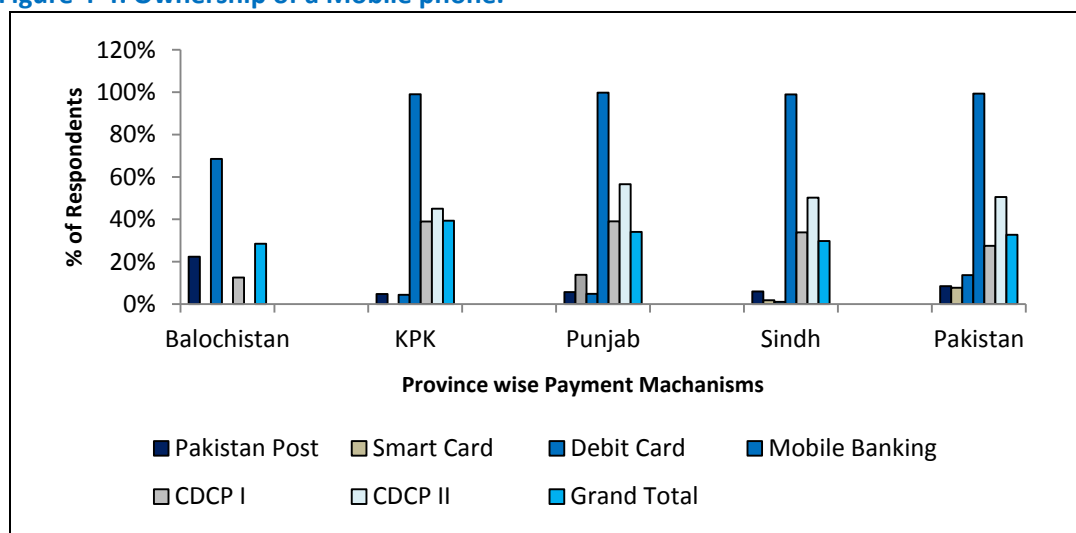
153. Less than 1% of the respondents admitted to saving anything each month (Annex Table 2.9). The question of what they did with the savings became moot. Those small numbers which admitted to savings claimed that they kept it at home in Punjab (1%) and Sindh (0.36%) (Annex Table A2.10). Less than 1% of the households admitted to saving money with an informal saving committee. There was little difference in this pattern between provinces or payment mechanisms. (Annex Table A2.11). However, people readily admitted to borrowing money. About 62% of the people in our sample admitted that they had borrowed money (Annex Table A2.12). There was no significant difference in this behaviour across provinces or payment mechanisms. When asked why those who had not borrowed had not done so, 22% of our sample said they could not afford to borrow any money, 6% did not need it, 3% had tried but did not have a guarantor, 3% had tried but had been refused, 2% thought loans were un-Islamic, 1% did not have collateral and another 1% thought the process was lengthy (Annex Table A2.13). There was some slight variation in these responses across the different provinces. While the highest

response in Balochistan, Punjab and Sindh indicated that the main reason for not borrowing was because they could not afford it, in KPK 16% of the people felt they did not need it.

154. There was a surprisingly high number of people who were enrolled in insurance schemes (Annex Table A2.14). Overall 6% of the people were enrolled in an insurance scheme. However, there was significant provincial variation in this regard. Punjab had the highest proportion of people enrolled in such a scheme (12%) followed by Balochistan (7%) and KPK (5%). No one was insured in Sindh. An analysis of the insurance behaviour between payment mechanisms indicated that those with debit cards and mobile banking options indicated the highest proportion of households insured. This was a surprising finding for the level of financial inclusion found in the sample until it was discovered that the insurance scheme in which the beneficiaries were enrolled was part of a BISP in-house insurance scheme (Annex Table A2.15).

155. Ownership of a mobile phone became a key question in our survey based on the finding that the future of financial services in Pakistan as elsewhere relied on this instrument as an important interface between the client and the financial intermediary. Thus ownership of this instrument provided an important avenue to engage with a range of financial services which were being designed by the formal financial sector in view of the spread of branchless banking options in Pakistan. Despite the generally held view that the mobile phone is ubiquitous, our survey found that only 37% of the respondents owned a mobile phone (Annex Table A2.16). Naturally all those being disbursed payments through the mobile phone had a phone. However, this number drops sharply for the other payment mechanisms indicating that the instrument is not as widely used by our market segment as we had believed. Figure 4-4 below shows the ownership by payment mechanism and by province. A very high proportion of those in Balochistan being paid via the debit card appear to have access to a phone. This is an unusual pattern which does not conform to the findings in the other provinces. It is not clear what is causing this unusual pattern. Less than 1% of the respondents had ever used this phone for paying a bill or transferring any money. (Annex table A2.19 and Annex Table A2.20).

Figure 4-4: Ownership of a Mobile phone.

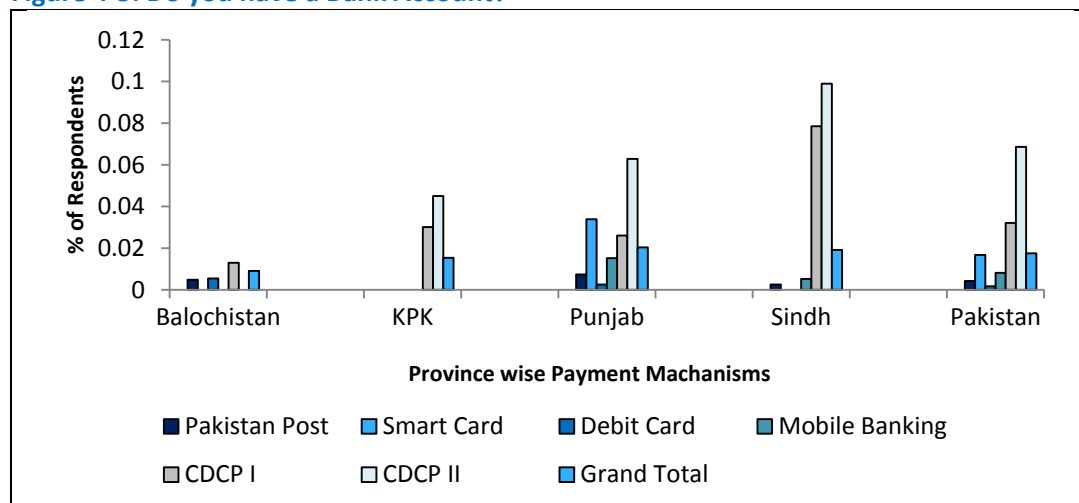


Source: ICF GHK quantitative survey results for FIL

156. A critical question in the assessment was if the beneficiaries had a bank account. Less than 2% of the respondents had a bank account (Annex Table A3.1). There was a distinct pattern in this regard among the recipients of cash transfers through the different payment mechanisms. CDCP Phase I and Phase II recipients had the highest proportion of accounts in Sindh (9.9% and 7.85) followed by Punjab (6.28% and 2.6%) and KPK (3% and 4.5%). Less than 3% of the people who did not have bank accounts had ever thought about opening a bank account (Figure 4-5, Annex Table A3.2). Those thinking of opening an

account did so primarily for savings but less than 2% of the respondents had ever though of using a bank account for saving. Availing of other banking services appeared not to be on the radar of our respondents (Annex Table A3.3).

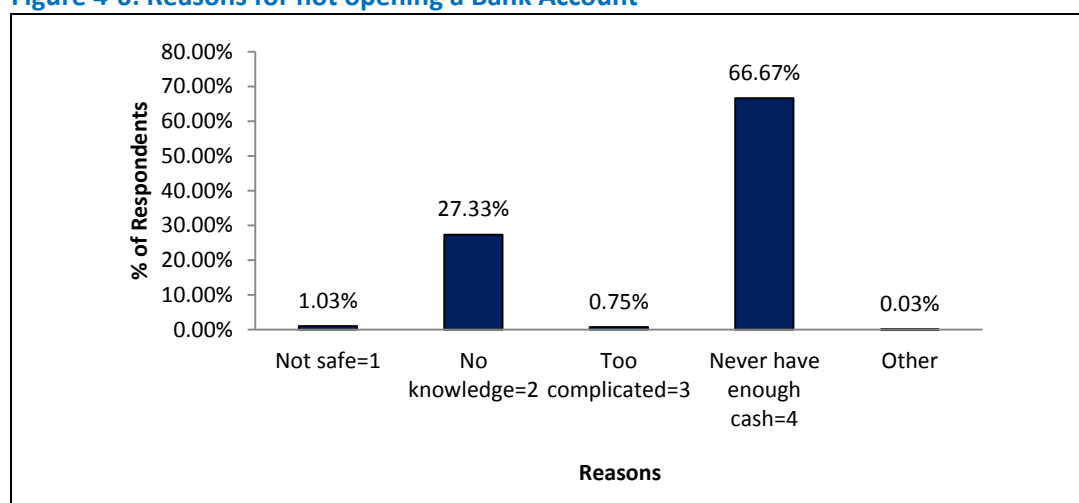
Figure 4-5: Do you have a Bank Account?



Source: ICF GHK quantitative survey results for FIL

157. The reasons why respondents did not want to have a bank account was further investigated through a set of probing questions which were also the source of some consternation in the field as many of the respondents felt we were belabouring the point. Figure 4-6 demonstrates that the major reason for not wanting to open an account was that the respondent felt they never had enough cash (Annex table A3.4). The second reason was that they had no knowledge about banks. Figure 4-6 presents these figures. The findings of Punjab are somewhat different from the findings of other provinces. While the number one reason for not having an account is not having enough cash, in Punjab the answer is split almost evenly between not having enough cash (48%) and lack of knowledge about banks (47%). However, our expectations of people wanting to open an account should be tempered by the finding that less than 3% of the respondents had ever tried to open an account previously (Annex Table A3.5). In Punjab a much higher proportion of respondents had previously tried to open an account (7%) followed by KPK (2.7%). In Balochistan and Sindh there appeared to be virtually no attempt in this regard.

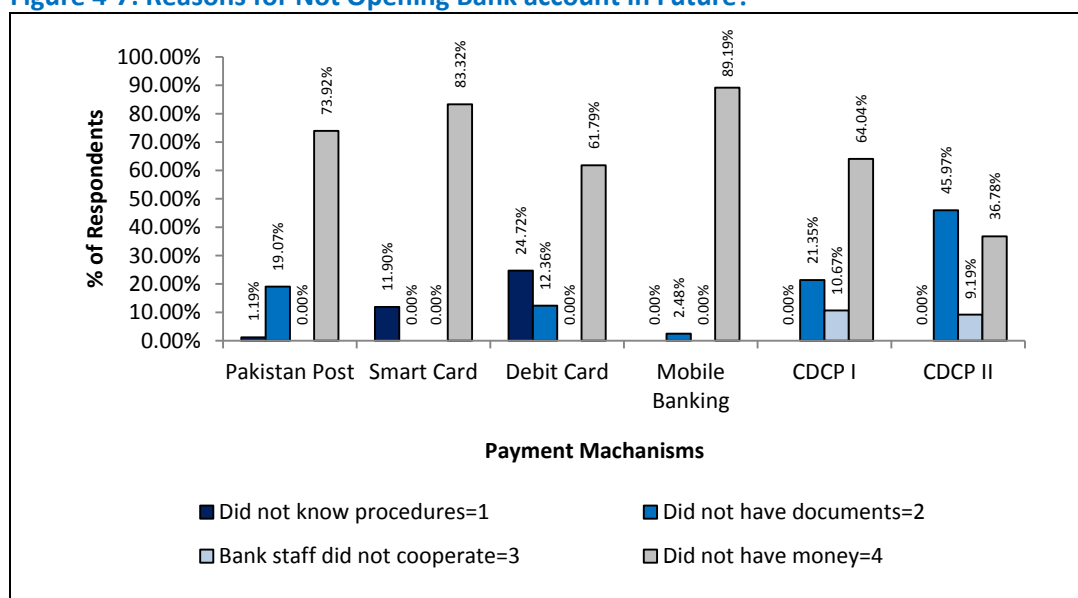
Figure 4-6: Reasons for not opening a Bank Account



Source: ICF GHK quantitative survey results for FIL

158. Of those respondents who had no banks accounts the principal reason was lack of funds and lack of documents. There was a sharp distinction in the responses between CDCP and BISP recipients in this regard. While BISP beneficiaries generally did not have bank accounts because of lack of funds, a high proportion of CDCP stated that they did not have the requisite documents. However, among the BISP beneficiaries, Balochistan and KPK presented a different profile compared with Sindh and Punjab. Lack of documents was perceived to be an important reason in Balochistan, whereas in Punjab it was lack of knowledge about procedures whereas in Sindh and KPK the top response was lack of funds (Annex Table A3.6). Regarding the future just under 1% of the respondents indicated that they had any plans to open an account immediately (Figure 4-7). About 17% indicated they might consider it later but 80% said they would never consider it (Annex Table A3.7).

Figure 4-7: Reasons for Not Opening Bank account in Future?



Source: ICF GHK quantitative survey results for FIL

159. Less than 1.4% of the respondents had a bank account prior to the cash transfer payment and only 0.33% of the respondents opened accounts after receiving this payment. Even these small percentages are noted because of CDCP I and CDCP II respondents (2.8% and 6%). Virtually no BISP recipient either had an account or opened one after the cash transfer programme (Annex Table A3.8). Those who had these accounts had them for varying lengths of time with no distinct pattern (Annex Table A3.9). Those who had these accounts generally found them easy to use (Annex Table A3.10).

160. The bank branch for these clients was located within 10 kilometres although for a few of the respondents the branches were also reported to be located at distances exceeding 15 kilometres (Annex Table A3.11). A majority of the people with accounts had gone to the bank directly while for some the employers had helped. There was a distinct pattern in BISP and CDCP recipients in this aspect. While CDCP recipients were more likely to go directly to the banks, the BISP respondents were not so readily inclined and were reported to have been provided access through employers, family and friends and in a small number of cases through leaders.

161. A few had gone to the bank directly as well (Annex Table A3.12). Less than 25% of those who have an account have an ATM (Annex Table A3.16). Even those who have the card do not always know how to use the account and generally go to the bank branch personally to operate it (Annex Tables A3.17 and Annex Table A3.18)

4.5 Level of Financial Literacy

162. An assessment of the level of financial literacy of the respondents was undertaken. This showed that overall 82% of the respondents were numerate and could add numbers. Surprisingly this number was the lowest for Punjab (62%) and highest for Balochistan (98%). The CDCP beneficiaries had a higher proportion of numeracy at 94% for CDCP I and 95% for CDCP II and for BISP it ranged between 70% and 81% (Annex Table A5.1). Those who could subtract was just below these numbers (Annex Table A5.2). Overall 93% could recognise different currency notes and coins and count them. The number who could not do so was the highest in Balochistan (26% and 28% respectively). KPK had the highest proportion of respondents who could recognize and count notes (98%) followed by Punjab (95% and 92%) and Sindh (94%). (Annex Tables A5.3 and A5.4). In terms of understanding the terminology of banking it was found that 87% of the respondents did not understand much of the common banking parlance. About 71% of the people had never heard about the term bank account, 90% had never heard about savings account, 93% did not know about current accounts or interest rate, 80% had not heard about debit card, 65% had not heard about ATM, 96% did not know about mobile banking, 91% have not heard about insurance, 99% have not heard about Swift Transfer. (Annex Tables A5.5 to Annex Tables A5.14).

163. The level of financial literacy was much higher in Sindh and Balochistan compared with KPK and Punjab. A comparison of the recipients of the different modalities shows that the CDCP II had the highest proportion of respondents who had heard and understood the various financial terms (14%) followed by smartcard recipients (11%) and CDCP Phase I (8%), Debit Cards (6%) Pakistan Post (2%) and Mobile Banking (0.8%) (Annex Table A5.5). What is most interesting about these tables is that the proportion of people who are getting paid through the Benazir Smart Card and Benazir Debit Card had the highest proportion of people who had heard about these payment mechanisms and understood them. The high proportion of people who had heard and understood ATMs compared to other financial instruments indicate that the cash transfer programmes have contributed to financial literacy (Annex Table A5.11). Given the limited knowledge regarding mobile banking and the insignificant difference between those getting paid through the mobile modality and other payment mechanisms shows that the level of financial education being imparted to the recipients through this mechanism is low (Annex Table A5.12).



SECTION 5
Assessment of Transaction and other Costs
of Cash Transfer Recipients Based on
Quantitative Survey

5 ASSESSMENT OF TRANSACTION AND OTHER COSTS OF CASH TRANSFER RECIPIENTS BASED ON QUANTITATIVE SURVEY

5.1 Overview

164. Arranging the logistics to distribute the payment instrument such as the Watan Cards, Benazir Debit Cards, mobile phones as well as the payments is a huge challenge from the administrative point of view. Payments to such a large number of beneficiaries have never been organized on this scale before. This in itself represents a major problem given that potential beneficiaries do not always appreciate the eligibility criteria and believe that they could be included by being at the right place at the right time. A key question asked in the current assessment was whether there had been any efficiency gains in terms of decreased corruption and leakages and less time for beneficiaries to receive payments. The results of the quantitative analysis showed that there were various elements of the cost to beneficiaries. Our hypothesis was that these included the cost of collecting the payment through the formal channel. This was the (i) cost of collecting the payment incurred on transportation (ii) time cost (iii) the “service fee” paid to the bank teller, guard or other agent assisting with collecting payment. We subsequently found that collecting the payment instrument can cause a substantial upfront cost for the recipient. It also includes the transport cost to Watan Card Facilitation Centre (WCFCs) and BISP camp sites; time consumed for obtaining the card and withdrawing the money; and, cost of multiple trips.

165. The results of the survey show that the highest element in the cost was transportation followed by the time cost of collecting the payment. The time cost element is not always properly appreciated given that it is generally assumed that poor people have low opportunity cost. However, the time cost is often the most critical aspect for the poor beneficiary especially those tending to several tasks in the business of survival. This section of the report undertakes a detailed analysis of the cost to the beneficiaries of the various payment mechanisms and attempts to estimate the costs across the various payment mechanisms. The result of this section is based on the quantitative survey. The observations of the enumerators provided an important insight into some of the elements of the transactions cost and have been highlighted in these opening paragraphs as anecdotes. The remaining section relies exclusively on the results of the quantitative data analysis.

166. Our field teams found beneficiaries in many locations were still scarred by the crush of people in the locations where cards and money were distributed. In Taunsa, people complained of police brutality to stop the stampede in which a woman broke her leg. In some sites, the overcrowding led to some of the beneficiaries from Charsadda to go to Peshawar to collect payments which cost an additional PKR 600. In other sites the police called to guard the location and maintain law and order also charged the beneficiaries PKR 400 to PKR 500 to allow them to enter or stood next to the machines to extract the payment. However, the observations of our teams undertaking the qualitative and quantitative surveys was that people did not want to report that they were asked to pay bribes to the postman or guards at banks or bank tellers or franchise owners due to fear that their payments would be stopped. In Mianwali, the team met a Naib Nazim, who was the local Hakim and the postman. While a few members from the community accused him of taking side payments from beneficiaries, most community members did not openly complain.

167. Our field teams³⁰ observed that financial inclusion and literacy aspects were hampered due to the low concentration of the branch networks in some areas, weak communication networks and the use of cheap technology. Thus despite having access to payment mechanisms and technology that would enable their interaction with the formal sector, it was very inconvenient for the beneficiaries to reach the banks in some areas. In

³⁰ Reported by the enumerators undertaking the quantitative survey.

Tehsil Taunsa in Dera Ghazi Khan for example, there was no bank within a radius of 60 kilometres. Some parts of Battagram were difficult to access and the closest Franchise is in the valleys below and it costs the beneficiaries PKR 600 to collect their payments each time. In some areas, the mobile network which is being used is not functioning well. It was found that in Chobara Tehsil which is a remote dessert part of the district in Layyah District where U-Fone communications are being used there is no signal. Beneficiaries recounted that they had to hang the phones on trees to get access to the signal. In Battagram, the Telenor signals are not clear in some parts of the district. Some of the phones given broke down very quickly because the phones used were the cheapest Chinese phones in the market.³¹

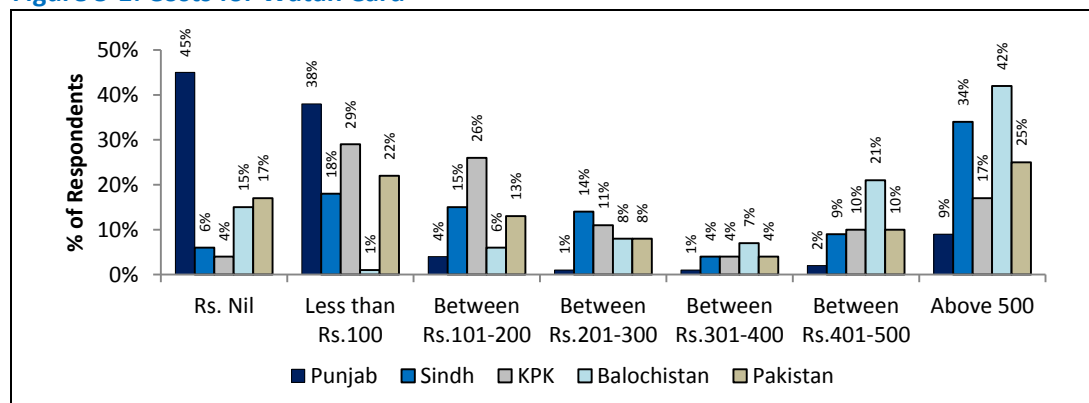
168. The field teams³² also reported some issues which BISP management is already aware of and have brought to our notice. Watan Cards and BISP cards do not have the name of the beneficiary listed on the card. The cards are tagged to the CNIC of the beneficiary at the time of the delivery of the card. However, many of the BSP beneficiaries go to the ATM or Franchise to collect their payments together in a group. They often put their cards in the same bag for safe keeping. It is easy thereafter for the cards to get mixed up without the beneficiaries realizing this has happened. The field teams also observed that many of the Smart Cards had the PIN number scribed on the top of the card with a marker. This compromised the security of the PIN code. The field team observed that in a majority of the cases the beneficiaries preferred receiving the payments through the post office. People only preferred alternate payment mechanisms where the franchise or ATMS were nearby.

5.2 Cost Elements for Cash Transfer Recipients

5.2.1 Cost to beneficiary – Watan Card

169. About 83% of beneficiaries had to spend on an average PKR.762 or 2.14% of the received amount (Annex Table A4.1) for collection of Watan card / withdrawing cash grant. This ranged between PKR.267 for Punjab and PKR.1,720 for Balochistan (Annex Table A4.2). Beneficiaries of Balochistan, on an average, had to spend 8.55% of the received amount. Table 4.3 shows the percentage of beneficiaries who spent some money for receiving their cash grants arranged according to different expenditure ranges. This shows 17% do not incur any cost, 22% pay less than PKR 100 while 35% have to pay between PKR 100 and PKR 500. About 25% of the respondents spend above PKR 500 (Annex Table 4.3). An analysis of the cost component shows that a major share of the cost driver is transport (69%), followed by a fee for those who helped (28%). Annex Table A4.4 shows the percentage of beneficiaries incurred costs on various heads of accounts for receiving their cash grants. Figure 5-1 reveals the overall situation.

Figure 5-1: Costs for Watan Card



Source: ICF GHK quantitative survey results for FIL

³¹ Reported by the enumerators undertaking the quantitative survey.

170. There was also a cost incurred for receiving the CDCP payment itself. This varied between PKR 156 and PKR 1277 with the costs being highest for Balochistan. The average cost incurred by those reporting costs was PKR 754. Table 5-1 gives illustrates these costs. A significant element of the cost of receiving the payment is the time cost. While 22% of the recipients spent less than one hour, 47% spent between one hour and four hours and only 30% spent more than 4 hours. This can represent a high opportunity cost for those who are dependent on daily wage labour like most of the BISP and even many of the CDCP beneficiaries. (Annex Table A4.6). There is a wide range of ways in which the CDCP payment was en-cashed. Only 41% of the recipients stated that they had en-cashed the card themselves while 45% said someone else had gone on their behalf. About 10% were facilitated by a bank employee and 1% used a private agent (Annex Table A4.7). Transaction cost of beneficiaries receiving cdcp cash transfer is presented in Table 5-1.

Table 5-1: Transaction Cost of Beneficiaries receiving CDCP Cash Transfer

| Beneficiaries who - | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|-------|-----|-------------|----------|
| Incurred Transport Cost ³³ | PKR. | 256 | 324 | 289 | 573 | 332 |
| Paid to someone for help | PKR. | 40 | 634 | 603 | 1,717 | 1,277 |
| Paid to franchisee/ agent | PKR. | - | 1,333 | 173 | 650 | 662 |
| Paid Other Costs | PKR. | 154 | 115 | 150 | 300 | 156 |
| Average Cost for those who incurred some cost | PKR. | 267 | 622 | 342 | 1,691 | 754 |

Source: ICF GHK quantitative survey results for FIL

171. CDCP was fairly efficient in processing payments and 74% of the recipients received the payment in the first visit. However, about 13% had to make between 8 to 3 visits and 1% had to make more than 1 visit (Annex Table A4.8). There was a variety of reasons for these multiple visits. The most often cited was that CDCP had not yet released the payment (32%), followed by lack of cash at the ATM (20%) and over crowding (20%), ATM was not working (19%) and bank branch was closed (Annex Table A4.9).

5.2.2 BISP COSTS Incurred by Beneficiaries for the Payment Instrument

172. Cost of collection of Benazir Smart Card, Mobile Phone/SIM or Benazir Debit Card is an important initial cost that the BISP beneficiary has to bear. A summary of the analysis shows that the cost ranges from PKR 182 to PKR 322 with naturally no cost incurred for the Pakistan Post. The detailed working of how this has been computed is taken from the quantitative data and is provided in Annex Tables A4.10 to A4.12. The distance that needs to be travelled by the beneficiary to collect the BSC, Mobile or BDC is an important element in the money and time cost spent for collection of these instruments. Annex table A4.13 gives these costs. This shows that 63% of the beneficiaries of BSC, 73% of mobile phone 65% of the BDC had to travel more than five km to collect their payment instruments. Table 5-2 shows the summary of initial costs for collection of BDC, BSC and Mobile phones.

173. About 84% of the beneficiaries were able to acquire their payment instrument within two hours while the rest had to spend more time for the collection of the cards and phone for the BSC, Mobile Phone or BDC (Annex Table A4.14). In some cases, the beneficiaries were unable to collect their BSC, Mobile Phone and BDC during their first visit and had to visit repeatedly resulting in increasing their cost. Three or more visits were needed by 25% of the beneficiaries for BSC, 47% of the beneficiaries for mobile phones and 17% beneficiaries for collection of BDC (Annex Table A4.15).

³³ Total transport cost divided by beneficiaries who paid transport cost. Similar formula for the four subsequent lines.

Table 5-2: Summary of Initial Costs for Collection of BDC, BSC, Mobile Phone/SIM

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|-------|-----|-------------|----------|
| Benazir Smart Card | PKR. | 116 | 209 | - | - | 182 |
| Mobile Phone/ SIM | PKR. | 161 | 248 | 371 | - | 256 |
| Benazir Debit Card | PKR. | 188 | 475 | 161 | 314 | 322 |
| Pakistan Post (there is no initial cost to beneficiary) | PKR. | NIL | NIL | NIL | NIL | NIL |

Source: ICF GHK quantitative survey results for FIL

5.2.3 Benazir Smart Card

174. Transaction cost for collection of Cash Grant through Benazir Smart Cards is detailed in Annex Table A4.16. About 91% of the recipients had to incur on an average PKR.125 for collecting their cash grant with transport cost being the major cost component. As a percentage of cash grant instalment, the overall transaction cost is 12.58% ranging between 7.68% for Punjab to 16.86% for Sindh. About 86% of the recipients were able to draw the cash on their first visit (Annex table A4.17). Of those who had to visit again, non-release of payment by BISP was quoted as the main reason, mainly because the beneficiaries keep on trying to withdraw money without knowing whether the next month's payment has become due and has been released by BISP or not (Annex Table 4.18). The time cost of collecting BSC was not very significant and almost 57% beneficiaries needed less than an hour to collect their cash grants, 25% needed between one and two hours by using BSC and 11% needed more than 4 hours (Annex Table A4.19).

5.2.4 Mobile Banking

175. Transaction cost to beneficiaries who use Mobile Banking to draw cash is detailed in Annex Table A4.20 to A4.23. About 82% beneficiaries could withdraw cash grant using Mobile Banking on their first visit. Of those who had to visit again, non-release of payment by BISP (52%) was quoted as the main reason, mainly because the beneficiaries keep on trying to withdraw money without knowing whether the next month's payment has become due and has been released by BISP or not. Lack of cash availability at the ATM and franchise was stated by 30% of those who could not draw cash on first visit. Average transaction cost for receiving cash grant through mobile banking is PKR.121 and ranges between PKR.67 for Punjab to PKR.202 for Sindh. More than 50% needed more than 2 hours for drawing cash grant through mobile banking. As a percentage of cash grant instalment the overall transaction cost is 14.12% ranging between 6.69% for Punjab to 16.86% for Sindh.

5.2.5 Benazir Debit Card (BDC)

176. Transaction cost to beneficiaries who use BDC to draw cash is detailed in Annex Tables A4.24 to A4.27. Over 92% beneficiaries could withdraw cash grant using Benazir Debit Card on their first visit. Of those who had to visit again, the main reasons were ATM not working (36%), ATM did not have cash (40%) or non-release of payment by BISP (17%). Average transaction cost for receiving cash grant through BDC is PKR.205 and ranges between PKR.76 for KPK to PKR.296 for Sindh. About 80% could draw their cash grants in less than 2 hours. As a percentage of cash grant instalment the overall transaction cost is 6.82% ranging between 2.53% for KPK to 9.27% for Sindh.

5.2.6 Money Order Received at Doorstep

177. Transaction cost to beneficiaries who receive cash through Pakistan Post at their doorsteps is detailed in Annex Table A4.28 to A4.29 In this case there is no time spent for going somewhere to get their cash grant. Average transaction cost for receiving cash grant

through Money Order at doorsteps is PKR.142.93 and ranges between PKR.118.75 for Punjab to PKR.200 for Balochistan. As a percentage of cash grant instalment the overall transaction cost is 7% ranging between 6% for Punjab to 10% for Balochistan.

5.2.7 Money order Received at Post office

178. Transaction cost to beneficiaries who collect their money orders from Post Office is detailed in Annex Table A4.29 to A4.32. About 73% could draw their cash grants in less than 2 hours and 83% could collect the cash grant on the first visit. The reasons for the payment not being received in the first visit are less clear and range from the postal staff not giving reasons (26%) making excuses (32%), absence of postman (21%) over crowding (17%) and post office closed. Average transaction cost for receiving cash grant through MO collected from Post Office is PKR.146 and ranges between PKR.73.72 for Punjab to PKR.249.09 for Sindh. As a percentage of cash grant instalment the overall transaction cost is 7.3% ranging between 3.69% for Punjab to 12.45% for Sindh.

5.2.8 Money Order Received in Neighbourhood

179. Transaction cost to beneficiaries who receive cash through Pakistan Post at some place in their neighbourhood is detailed in Annex Table A4.33. In this case there is no time spent for going in the neighbourhood to get their cash grant. Average transaction cost for receiving cash grant through Money Order at a place in the neighbourhood is PKR.125.53 and ranges between PKR.66.9 for Punjab to PKR.300 for Balochistan. As a percentage of cash grant instalment the overall transaction cost is 7.3% ranging between 3.7% for Punjab to 15% for Balochistan.

5.3 Comparison of Transaction Costs to Beneficiary

180. The transaction costs to beneficiaries through different payment mechanisms being used by BISP is summarized in Table 5-3. This shows that from the perspective of the recipient the most cost effective mechanisms is either receiving money in the neighbourhood or the Benazir Debit Card. The other mechanisms are more or less comparable and within a narrow range with the exception of the Benazir Debit Card which is at PKR 205 per beneficiary. The above costs are not comparable because instalments of different amounts are sent through BDC, Mobile Bank, BSC and Pakistan Post. A more credible comparison would be one that looks at the costs as a percentage of the payment amount.

Table 5-3: Average Transaction Cost to beneficiaries under different payment mechanisms

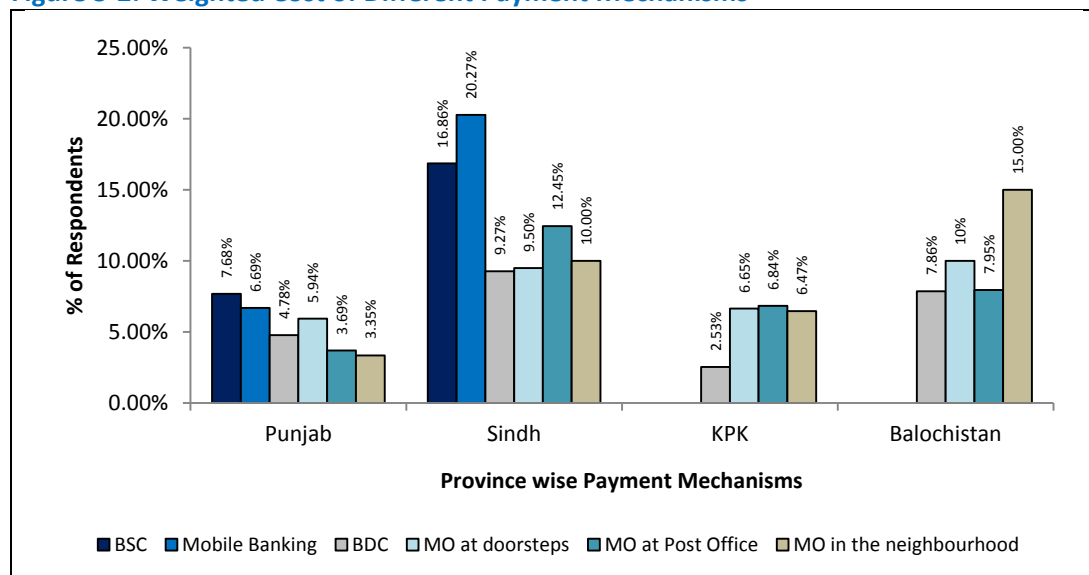
| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|-------------------------|------|--------|--------|--------|-------------|----------|
| BSC | PKR. | 76.83 | 168.62 | - | - | 125.85 |
| Mobile Banking | PKR. | 66.89 | 202.69 | 121.48 | - | 141.20 |
| BDC | PKR. | 143.34 | 291.67 | 75.94 | 235.87 | 204.69 |
| MO at doorsteps | PKR. | 118.75 | 190.00 | 132.98 | 200.00 | 142.93 |
| MO at Post Office | PKR. | 73.72 | 249.09 | 136.77 | 159.01 | 146.08 |
| MO in the neighbourhood | PKR. | 66.92 | 200.00 | 129.41 | 300.00 | 125.53 |

Source: FIL Survey and GHK calculations.

181. This comparative analysis which weighs the cost to beneficiaries with the payment amount (Annex Table A4.35) is illustrated in the Figure 5-2. This shows that Benazir Debit Card has the lowest transaction cost for beneficiaries receiving cash transfers through Alternative Payment Mechanisms, while Money Order has the lowest average transaction cost for beneficiaries. In Punjab, Money Orders (MOs) delivered in the neighbourhood have

the lowest cost, even lower than Money order at the doorsteps probably due to the element such a public distribution of funds limits the payment of the fee or baksheesh. In Sindh, KPK and Balochistan , BDC has the lowest transaction cost for beneficiaries. MO delivered at the Post Office has the lowest transaction cost for beneficiaries. The province wise weighted cost of different payment mechanism is provided in Figure 5-2.

Figure 5-2: Weighted Cost of Different Payment Mechanisms



Source: ICF GHK quantitative survey results for FIL

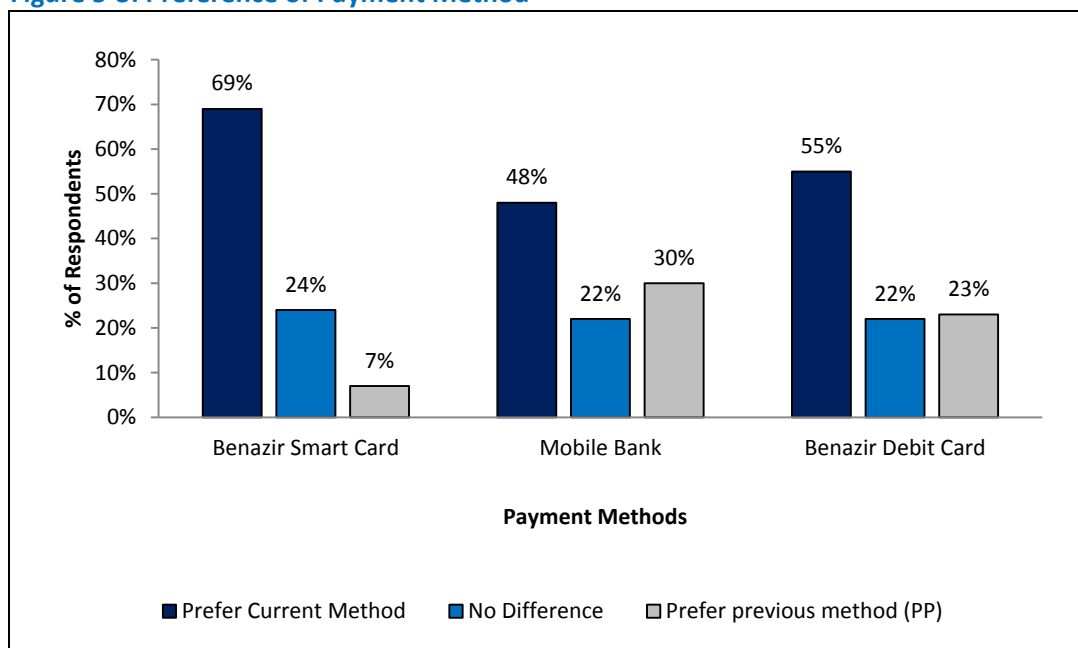
5.4 Transparency of Payments

182. For payment through Pakistan Post it is argued that the postman usually asks for some baksheesh and so using alternative mechanism of Payments may be more beneficial. The response of BISP beneficiaries who were receiving money through Pakistan Post about the reasons why they were satisfied or not satisfied with delivery of cash grants through Pakistan Post reveals that 83% beneficiaries were satisfied with delivery of cash transfers through Pakistan Post while 17% were not satisfied. The main reasons for satisfaction were that the payments are delivered at the beneficiary’s doorsteps (29%), the method is simple (24%), it is less costly (15%), the beneficiary receive money in her own hands (6%) and that there is less cheating and deductions (6%). On the other hand, those who were not satisfied complained that payments are irregular (5%), baksheesh is demanded (5%) and there are illegal deductions from money orders (4%) (Annex Table A4.36).

183. It was further assessed that 87% of the beneficiaries presently receiving cash transfers through Pakistan Post would prefer to continue receiving funds through the same agency (Figure 5-3). However, 7% would like to use a card, 3% prefer mobile banking, while 2% would like to be able to receive cash transfers from a bank branch (Annex Table A4.37). An analysis of the reasons why recipients would like an alternative payment mechanism reveals that 6% expect that they will not be required to pay baksheesh, 5% feel that they will be able to get the cash transfer at their convenience (Annex Table A4.38).

184. Beneficiaries receiving cash transfers through alternative payment mechanisms indicated the highest preference for the Smart Card. Overall between 22% to 24% of the recipients do not perceive any difference between this method and the previous method. In Punjab there was a much higher presence for the pervious method compared to other provinces.

Figure 5-3: Preference of Payment Method



Source: ICF GHK quantitative survey results for FIL



SECTION 6
Assessment of Financial Inclusion Outcomes
Based on Qualitative Survey

6 ASSESSMENT OF FINANCIAL INCLUSION OUTCOMES BASED ON QUALITATIVE SURVEY

6.1 Profile of Communities and Case Study Individuals

185. Fieldwork for the qualitative survey was carried out in 16 districts across Pakistan. Within each district a site was selected at random for interview, keeping in mind the criteria for site selection which has been outlined in the methodology section. An urban or rural tehsil was identified, depending on the selected district, before entering the field. Local informants were consulted once we entered the field to confirm that the selected site had at least 40 households, at least 10 cash transfer beneficiary households and that the site was typical of settlements in the region. If the selected site did not match these criteria it was dropped and a different site selected through a process of snowballing – consulting our informants about neighbouring settlements which matched the criteria.



In this manner, 16 sites were selected for the survey. A community profiling exercise was conducted at first within each site. This helped in establishing the social and political-economy context for the specified site as well as aiding in identifying individuals for each case study. Two individuals were selected for interview from each site except for Rajanpur in Punjab where three individuals were chosen – thus the total number of respondents for the qualitative survey amounted to 33 (Table 6-1, Table 6-2).

Table 6-1: Characteristics of Individual Case Studies

| G2P modality for site | All | Rural | Female | Beneficiary | Marginalised | Financially literate or included | Food insecure |
|-----------------------|-----|-------|--------|-------------|--------------|----------------------------------|---------------|
| Pakistan Post | 6 | 4 | 4 | 4 | 3 | 3 | 2 |
| Smart Card | 4 | 2 | 3 | 3 | 3 | 0 | 1 |
| Debit Card | 8 | 6 | 6 | 7 | 7 | 3 | 3 |
| Mobile | 6 | 4 | 6 | 5 | 5 | 2 | 2 |
| CDCP I | 4 | 2 | 2 | 4 | 3 | 2 | 1 |
| CDCP II | 5 | 3 | 3 | 3 | 5 | 0 | 3 |
| | 33 | 21 | 24 | 26 | 26 | 10 | 12 |

Source: ICF GHK qualitative survey design

186. An overwhelming characteristic of those interviewed was their extreme poverty. This was expected given that the beneficiaries of the government-to-person cash transfer schemes were directed at the poor segment of the population. The qualitative analysis team used reported experience of hunger and food insecurity as a key characteristic of household poverty. Of the 33 respondents interviewed, 12 claimed that their household had gone without any food for at least one day in the last year – this does not take into account many of the other poor respondents who did not go without food but faced different degrees of food insecurity.

187. The community profiling exercise was also used to identify those residents and beneficiaries who were socially marginalised. Social marginality was understood as a condition of persistent disadvantage on the basis of class, ethnicity, caste, religion, and/or political power in the local context. There was overlap in our sample between beneficiaries and the marginalised, as 21 out of the 26 individuals belonged to both categories. There were, however, 5 beneficiaries who were not from socially marginalised groups, and 5 respondents in the marginalised group category who were non-beneficiaries.

188. Apart from the primary focus of the survey on poor beneficiaries from marginalised backgrounds, we also surveyed a number of non-beneficiaries. There were a total of 7 non-beneficiaries interviewed. One reason for selecting non-beneficiary respondents was to ensure the presence of comparators for beneficiary respondents. Out of the 7 non-beneficiaries, 5 were also marginalised. The remaining 2 non-beneficiaries were neither poor nor marginalised, which is to say they were relatively well off, belonged to a dominant kinship group and enjoyed relatively higher levels of financial inclusion and/or literacy. These respondents were selected primarily because we needed to purposively interview 10 financially included individuals from the fieldwork communities, and it was impossible to achieve that target without allowing for some non-poor cases.

Table 6-2: Number of Respondents by Type of Payment, Financial Inclusion and Literacy

| Beneficiary status | Financially | | Total |
|--------------------------------|--------------------------------------|----------------------|-----------|
| | Not financially included or literate | included or literate | |
| None | 4 | 3 | 7 |
| Pakistan Post | 3 | 1 | 4 |
| Smart Card | 3 | 0 | 3 |
| Debit Card | 5 | 1 | 6 |
| Mobile | 4 | 0 | 4 |
| Watan card (CDCP I/II or both) | 4 | 5 | 9 |
| | 23 | 10 | 33 |

Source: ICF GHK qualitative survey design

6.2 Experience with G2P

6.2.1 Procedural Preconditions

189. The primary procedural precondition that has to be met in order to become a beneficiary of either the BISP or CDCP cash transfer schemes is possession of a computerised national identity card (CNIC).³⁴ This prerequisite allows the Government of Pakistan (GoP) to collate and corroborate a list of beneficiaries with the National Database and Registration Authority (NADRA) – the national CNIC issuing authority. One of the associated preconditions to acquire a CNIC as well as to obtain cash transfers through the above schemes is to provide a valid residential address. Thus an oft-ignored issue and one of the preliminary hurdles faced by many people who faced residential insecurity was the lack of a permanent address. This has potentially serious implications for payment delivery options to beneficiaries.

190. Respondents from our qualitative survey were probed in detail regarding their residential security, CNIC registration details and their ability to correspond freely via their residential address. While some beneficiaries were directly receiving mail at their place of

³⁴ Fulfillment of targeting criteria establish eligibility, but for an eligible person to become a beneficiary further procedural requirements must be met.

residence (as they had registered this address on their CNICs) others were getting their mail at a central location in the community from where they could go collect them. The lack of a permanent address and other forms of residential insecurity were especially acute within the rural context. In Larkana, for instance, Fateh Khatoon who is a beneficiary of the BISP has registered her ancestral village – located at a distance from where she currently lives – as her permanent address. This is because she currently lives on land belonging to the local landlord (*raees*) – who recently evicted 2 families from there – and therefore considers her residential status to be highly insecure (interestingly, it was the landlord who informed Fateh about the BISP cash grants and that she could become eligible if she had her CNIC made). In Shaheed Benazirabad district, Sakina who is also a BISP beneficiary does not receive postal mail at her address; instead the mail arrives at the landlord’s address who then forwards it to the relevant recipient through his manager. These examples highlight the problems faced by marginalised groups in corresponding directly with service providers.

191. Nonetheless a vast number of people are getting their CNICs made for the first time in an attempt to become eligible for cash support programs. While most respondents felt that the process was relatively easy for them to navigate, there were also complaints. Azizullah, a CDCP beneficiary from Mianwali, repeatedly visited the NADRA office, which is 14 km from his village, and was not provided an accurate date to collect his CNIC which wasted his time and money. A large number of people find the CNIC registration process so daunting that they have it done through various intermediaries. Shahnaz from Muzaffargarh had her card made with the assistance of a UC councillor; it took 5-6 days for her card to be made and the councillor arranged for the entire process. People are getting their CNICs made in droves to become eligible for G2P assistance but it has been observed that procedural issues such as the registration process and availability of residential address can create obstacles as far as service delivery is concerned.

6.2.2 Prior Experience with Modality

192. Most of the respondents interviewed – beneficiaries and non-beneficiaries – had no prior experience with the various payment modalities through which BISP and CDCP payments are currently being disbursed. There were few respondents who had even received any postal service at their home address, and fewer still who had used the Pakistan Post for money transfer purposes.

193. Almost all households surveyed had mobile phones and thus most people were acquainted with the operation of the same. There were restrictions in many places, however, regarding women’s independent ownership or use of mobile phone. This was explained in terms of gender segregation norms and the fear of unsanctioned contact with ‘outside’ men. As a result, women encountered social restrictions in keeping mobile phones. Many reported that they did not know how to operate phones and required a male household member’s permission (and assistance) to make phone calls. Many women who are beneficiaries of the mobile banking modality of BISP are being provided with their own mobile phones for the first time in their lives.

194. Most of the poor respondents were acquainted with Smart/Debit Cards for the first time after becoming beneficiaries of either BISP or CDCP. Even the extremely small number of poor beneficiaries who had bank accounts did not know how to operate an ATM.

6.2.3 Efficiency and Convenience

195. The actual experience of G2P beneficiaries varied from the stipulated process across modalities. While many BISP Pakistan Post beneficiaries receive their payments at home through the postman there were complaints that the postman takes too long to bring their payment and when he does arrive he usually charges a commission. In some communities it is the norm that the postman arrives at a central location in the village and disburses payments there, rather than actually making deliveries at the doorstep. The

condition of handing over the cash directly to the woman beneficiary was also often found to have been violated. In our fieldwork site in Shaheed Benazirabad, for example, it was found that the postman arrived once every three months, remained at the *autaq* (guest area) of the local landlord, and handed over payments to women beneficiaries there. While this is a violation of established procedure at one level, it is also a break from the traditional norm of female exclusion from the village *autaq*.

196. Other beneficiaries have to go to the post office themselves to collect their payments. They do not get alerted when their payment arrives at the post office therefore they have to go there based on an estimate and sometimes have to come back empty handed. Having to make repeated trips to the post office implies a great waste of time, energy and money for them. Moreover they are usually not exempted from a commission being charged on their payments even though they collect it themselves, in addition to facing the often rude behaviour of the postal staff.

197. Those beneficiaries who receive payments through non-Pakistan Post modalities (such as Mobile Banking, Smart Cards and Debit Cards) are not immune from their share of grievances. One of the biggest concerns for rural beneficiaries was the distance at which the nearest bank and/or franchise shop was located from their village and the associated cost of travel. Debit/Smart Card beneficiaries complained about having to travel far and often wait in long lines at the bank/ATM which would consume the better half of their day (daily wage workers forego a day's wages just to make the visit to the city). Many respondents also cited their illiteracy to claim that they did not know how to use the Debit/Smart Cards and have to rely on someone else to withdraw their payments, which also made them more susceptible to fraud. Mobile Banking beneficiaries getting their payments from franchise shops fared better as they avoid long lines and simply have to present the SMS on their phones and provide a thumbprint/CNIC. Whereas, those who got the mobile payments from a bank complained about long queues, while some beneficiaries complained that they were not getting phone messages from BISP alerting them about arrived payments, or when the next payment would arrive.

198. There already appears to be a narrative developing about the difficulties involved in obtaining payments in non-Pakistan Post districts; some respondents in Layyah related stories about women who fainted, gave birth and even died while waiting in line to get their BISP instalments. Therefore many beneficiaries in these districts stated that they would rather payments get delivered to their doorsteps by the postman, even if it came at the cost of being charged a commission, since they would avoid all the hassle associated with getting payments through the other modalities. Beneficiaries in Pakistan Post districts, on the other hand, stated that they would prefer to get their payments through other means because of the problems associated with the postal method.

199. Similarly, there were few CDCP beneficiaries (Watan/Pakistan Card) who withdrew their payments themselves since they did not know how to operate an ATM. They complained about travelling long distances to get to ATM kiosks, waiting in long lines, cash running out at the ATM and commissions being charged if they employed an agent to withdraw their payments.

200. In our fieldwork site in Quetta we interviewed one Debit Card beneficiary (Noor Bibi) as well as one Pakistan Post beneficiary (Zarghoona). Noor Bibi does not know how to use the Debit Card nor does her husband; they rely on the watchman/guard deputed at the ATM for assistance in withdrawing the money. She finds this process to be easy as they do not have to wait in long lines like Pakistan Post beneficiaries. Zarghoona on the other hand collects her payments from the post office which is usually very crowded resulting in long waits before her case is processed. The cost of the trip to the post office includes the travel fare. One unintended consequence of this payment modality is that Zarghoona's mobility has increased - she is not generally allowed to leave the house but goes to collect her payments from the post office. Both of these women had their CNICs made primarily to benefit from BISP. These two cases are illustrative of the gap between stipulated and actual

processes of payment delivery, and their unintended consequences for individual agency. The Debit Card beneficiary relies on the bank watchman, while the Pakistan Post beneficiary who ought to have received her payment at the doorstep has become accustomed, against the grain of tradition, to making frequent trips to the post office.

6.3 Household and Individual Economic Behaviour: Before and After

6.3.1 Consumption Cycle and Debt

201. As part of the qualitative survey we asked questions about the case study household’s recent experience with food insecurity and hunger. Food consumption is, obviously enough, a basic need. If a household has difficulty in managing its food requirements, with its members facing hunger, it is a clear indication of extreme poverty. The sampling of qualitative cases was attentive to community level information on marginality, but not about hunger. We, therefore, had no prior expectations about how many food insecure households would eventually become part of our qualitative case load.

202. As it turned out, 12 out of the 33 case study households were, in fact, food insecure (Table 6-3). They had experienced recent episodes of hunger and food insecurity, and reported that such episodes were not uncommon. Most of the 12 food insecure households were BISP beneficiaries, and only a small proportion of the CDCP beneficiaries in our qualitative sample were food insecure. Although our sample was not drawn for statistical representation, this pattern was intuitive. BISP, after all, is a poverty-targeted programme, and the fact that so many of the BISP beneficiaries were households facing food consumption vulnerability was an indication that targeting had been effective. CDCP, however, was primarily targeted on a geographical basis, and there was no expectation that it would benefit only the poorest in any particular region. It was nevertheless the case that there were some non-beneficiaries who were food insecure, suggesting that some food insecure households were still outside any safety net.

Table 6-3: Distribution of sample households by food security and beneficiary status

| | Food secure | Food insecure | All |
|-----------------|-------------|---------------|-----|
| Non-beneficiary | 4 | 3 | 7 |
| BISP | 10 | 7 | 17 |
| CDCP | 7 | 2 | 9 |
| All | 21 | 12 | 33 |

Source: ICF GHK qualitative survey design

203. Kaneez Bibi of Mianwali is typical in this regard. She is a widow who is bringing up three children and works as an agricultural labourer. She says her family goes hungry if she falls ill and is not able to find work. She can store around half a year’s requirements from grain payments for wheat harvest labour, but needs to purchase the rest from the market. Naseem of Muzzafargarh reports that her family has gone hungry several times in the last year because her husband’s employer has failed to pay his wages on time. In the past they used to work in the wheat harvest season to store grain, but her husband is too ill now. She is not a beneficiary of any safety net programme. Shahnaz in the same village also says that her family needs to reduce its food consumption and survive on one daily meal from time to time. She is a BISP beneficiary and says that they eat well, and she tries to buy 15-20 days worth of groceries when she receives the cash transfer.

204. These cases are illustrative of a much larger population and provide salient reminders of the actual economic context of the target population of social safety net programmes. The fact that the cash transfer is immediately put to use in acquiring the day’s meal, or securing adequate basic food items for the family for the coming few days, implies that the programme is reaching its policy objective. It also implies, however, that the

household economy of a large segment of the population served by the programme is too resource constrained to engage in financial planning.

205. Borrowing is an important way of managing household consumption cycles among these poor households. Many of them are able to purchase rations on credit from local retailers. Others borrow from relatives, friends and neighbours. Yet others are able to rely on their employers or landlords. Food security can be an important factor in the livelihood strategies of the poor. Bilqees from Larkana says that food is cooked thrice a day in her home, and when they faced a shortage last year, her husband who works as a share-tenant was able to secure a grain advance from his landlord. Sakina from Shaheed Benazirabad reports that her family could rely on similar advances from their landlord previously, but he changed their status from tenants to wage labourers once they repaid an earlier loan to him. He no longer advances grain at times of need. Muntaha in Batagram works as a domestic servant and receives wages only in kind and not in money. This helps her sustain the food cycle in her family. The men in her family are daily wage earners and the household can be vulnerable to hunger if they happen not to find work.

206. A large segment of the poor across the country face food insecurity as a routine concern. The work situation of an individual or a household is closely connected with their ability to manage their food consumption cycle. The comparison of Bilqees and Sakina above suggests that some families may choose to remain in tied and low remuneration occupations in the interest of food security. Muntaha's story is possibly indicative of a similar choice. This point is important because it implies that for many households, saving or borrowing for investment (i.e. financial planning), may be possible only once the risk of hunger is considerably reduced.

6.3.2 Motivations for Saving

207. Economic theory posits two main motivations for saving: investment and risk mitigation. Both motivations are ultimately aimed at maximising a household or individual's welfare over the long term. Saving is basically the current consumption foregone in favour of future consumption. If the primary motivation is investment, the saving is expected to generate higher future flows of income for consumption. Saving may also be motivated for smoothing future consumption in the face of unanticipated or anticipated income fluctuations. The savings behaviour of individuals and households will vary by their income, wealth, expected earnings, risk assessment and aversion and internal rates of discounting. Given that BISP to a great extent, and CDCP, at least in part, are policy interventions for dealing with household food insecurity, it is natural that the population of interest includes many food insecure households. The saving behaviour and instruments used by the relevant population will depend, among other things, on food consumption security.

"We eat well thanks to the BISP cash grants and I thank Benazir in my prayers (*dua*) for that; poor people, whom otherwise nobody cares about, have gotten benefits at their doorsteps (*ghar baithay*)."
Zaiwar Bibi, Dera Ismail Khan

208. While grain stocks would be regarded by economists as saving for consumption smoothing, very few respondents identified grain stocks as a form of saving (e.g. Group Discussion, Mianwali). Storing grain at harvest, from one's own crop or from in-kind payments for harvest labour, is a common activity in rural areas across the country. Many households in the smaller towns and peri-urban areas too routinely try to keep grain stocks. For landless or land-poor households with able-bodied members, harvest labour on other people's land may result in an initial stock of grain worth of up to half the annual consumption. Very few case study households, however, are willing to consider grain stocks as savings – they simply refer to such savings as consumption.

209. Besides grain stocks, there are broadly three forms of savings that are common among the qualitative survey sample. First, there are straightforward savings for investment,

though there are relatively few cases where individuals and households save in one form of instrument (say cash, or a saving committee) in order to then purchase a high value item for productive investment or long-term consumption. Second, risk mitigation too is a motive for savings, particularly if a household or individual experiences a windfall gain. Third, there are savings for future gifts, particularly to children (mostly daughters) for their weddings. This motive for saving may be seen as simply a deferred or transferred saving.

210. There is one important difference between the saving behaviour of actual Pakistani households and the classical assumptions of economic models. We came across many instances of individuals wanting to ‘save from’ other family members as well as ‘save for’ investment, risk mitigation or deferred gift-giving. Mukhtiar from Layyah told us that she kept small cash savings in a safe place hidden from her husband and children who would otherwise spend the cash. At the other end of the spectrum in terms of financial inclusion, Haji Mohammad Brohi from Jafferabad reported that he pre-empted requests for cash by keeping family members in the dark about his bank savings. The idea that the motives for saving might include not only individual or family-level optimisation, but also some degree of risk mitigation for wider members of the community was summed up in the following way in a group discussion:

211. “People respect a person who has the capability to save money and label him as ‘*chagon*’ (good man) but a person who refuses to lend money and help a needy person is a ‘*kanjoos*’ (miser) and ‘*soodkhor*’ (profiteer)”. Group discussion, Jafferabad.

6.3.3 Saving Instruments in Use

212. Broadly four types of instruments were commonly cited by respondents as being preferred in the communities where fieldwork was carried out: (a) livestock, (b) jewellery, (c) cash, and (d) formal or informal financial instruments. In addition, it might be added that if risk mitigation is an important motive for saving, the investment in reciprocal assistance may be counted as an informal mode of saving.

213. An overwhelming majority of respondents prefer to invest money in livestock animals. Within the rural context at least, this is uniformly viewed not as an investment but as the most reliable informal saving method. Respondents claimed to possess the requisite amount of expertise in rearing animals; once the animal grows it can be sold for a considerably high profit. This trend of investing in livestock exhibits three highly favourable traits of saving: a) it is relatively liquid as animals can be sold with ease on the market, even on short notice; b) it is relatively safe as your saving is constantly in front of your eyes (only a few respondents expressed concerns about theft of livestock) and; c) it yields relatively high interest in the form of the profit that can be made upon sale of the animals. According to respondents in the Group Discussion in Layyah: “an animal is like a bank cheque which you can cash any time”.

“It is very crowded at the post office; there are long lines and some women are found lying on the ground out of exhaustion.”
Group Discussion, Rajanpur

214. In rural areas, livestock combined the two main motives for saving. It was a reliable and safe store of value which could be easily encashed in time of need. Hence it helped to mitigate consumption risks of many types – though not, of course, the risk of loss of the animal itself. It could be sold easily in case cash was required urgently, and might even be sold to help a relative who might be in great distress. Yet livestock also represents a valuable investment with a high return. The reasons for the high return are two-fold. Even poor and landless families in rural areas have the space and access to relatively cheaper fodder to maintain farm animals. The poorer families may keep goats while economically stronger ones would prefer larger animals such as cows and buffalos. The other reason for the high return is the fact that rural families are able to deploy unpaid family labour of

women and children to maintain the livestock. High rates of agricultural and rural under-employment, therefore, place a high premium on livestock as investment.

215. Jewellery also serves at least two purposes. It is a store of value, even though unlike livestock its value may not increase at a very profitable rate. It nevertheless serves the purpose of risk mitigation, particularly if purchased from an infrequent income stream. It is also itself the preferred item for gift-giving or deferred savings handed over to the next generation at the time of their weddings.

216. Amongst the poorest of the poor who do not even save enough money to purchase animals or deposit in committees, small amounts of savings are kept in the form of hard cash at home. Fateh Khatoon of Larkana is typical in that she keeps her cash in plastic shopping bags which are stored in a chest (*sandooq*).

217. Financial instruments, formal or informal, were utilised by only a small number of individuals and households in the communities visited. The qualitative survey sampling purposively selected some financially included individuals, and there were many communities where such individuals were difficult to locate. Two types of households or individuals were found using formal financial instruments such as banks. First were government employees or pensioners who could only receive their payments in a bank. Then there were households which relied on foreign remittances and held bank accounts not only to receive cash transfers but also for holding savings.

218. The most common informal instrument was a saving committee through which a number of individuals pooled their regular savings. The main reported use of saving committees was reported to be saving for bulky high value expenditure, either for a purchase or for meeting expenses of a family wedding. There were some instances in the fieldwork sites of attempts at fraud in committees, but all such cases resulted in full recovery albeit with some delay.

219. Finally, if we can regard reciprocity as a form of risk mitigation, then transfers to other individuals at time of need may be regarded as a form of saving.

220. The typology of saving instruments became more diversified in a household or individual's portfolio with rising wealth. Although our sample purposively selected poor and marginalised households, we also did select some non-poor households. Livestock, cash and jewellery are common instruments for saving in addition to grain stocks for those above extreme poverty. Even relatively wealthy households in the fieldwork areas kept some of their savings in these forms.

221. Financial instruments were used by households that were relatively better off still, and among these the few who had bank accounts were almost invariably households with members in government jobs, pension recipients, or migrants sending remittances from abroad. This latter group of households had to use banks for receiving funds. But these households also happened to be among the wealthier households with greater capacity to save, and thus with greater demand for financial instruments.

222. Our qualitative work, therefore, confirmed that households and individuals demanded multiple and diversified instruments for saving as we move up the income or wealth scale. The rich households in our sample did not stop holding grain stocks simply because they could now afford to buy flour at any time. Rather they simply added multiple and diversified instruments to their saving portfolio, with formal financial instruments being located at the top of the ladder.

223. Finally, reciprocity ought to be regarded as a possible saving instrument across income classes. There was some demand side bias in favour of formal financial instruments in urban areas covered by our survey – i.e. even accounting for the fact that more urbanised households had easier physical access to bank accounts. It was noted in a group discussion

in Quetta, for instance, that “in urban areas there is less trust among neighbours, and less facility for holding livestock, and thus a bank may be more attractive.”

6.3.4 Windfall Gains

224. The qualitative fieldwork probed at the community and individual levels how men and women may utilise windfall gains. We asked what a man/woman in the community would do with a windfall gain of PKR 10,000, and PKR 100,000. We also asked case study individuals what they would do with such windfall gains. In a number of cases individuals had actually experienced such gains in the form of CDCP payments – even though these windfall gains were preceded by adverse shocks in many instances.

225. We asked hypothetical questions about windfall gains in order to initiate a discussion on non-financial constraints to the use of banks for saving. It was expected, and the expectation was borne out, that most of the poor individuals and communities would state that they did not think about using banks simply because they did not have sufficient resources. Even when we asked the hypothetical question about windfall gains of PKR 10,000 and PKR 100,000, banks came out as a relatively uncommon choice. It was commonly asserted that the preferred use of PKR 10,000 would be to buy small animals (goats or sheep). With PKR 100,000 most respondents would buy cattle. Other popular stated choices were jewellery for women and items such as motorcycles for men. Many women said they would spend the windfall on their children’s education, but were not able to clarify how they would store the value of the windfall, given that education spending was likely to be a regular flow rather than a one-off. Some people mentioned buying rations, while a few mentioned debt repayment.

226. While BISP represents a regular flow – even though in some instances beneficiaries may have received as much as PKR 10,000 in one go – the CDCP does come close to an actual case of a windfall gain. Many of the beneficiaries, of course, had suffered serious losses to their homes and other assets, so the response to this windfall cannot be seen to be analogous to a windfall representing pure gain. Even so, it is useful to compare some stated preferences with actual uses of the windfall.

227. Abdur Rehman (Swabi) obtained 2 Watan Card instalments (PKR 40,000). He said this money was mostly spent on urgent expenses such as repaying loans and for wedding preparations. His stated preference in case of a windfall of PKR 100,000 would be to buy animals or a motorcycle for himself. With PKR 10,000 he would buy rations and pay off debts.

228. Azizullah (Mianwali) received 1 instalment of the Watan Card. He used that money to purchase food rations to last his household 2 months. His stated preference for a windfall of PKR 10,000 was to buy 2 goats and for a windfall of PKR 100,000 he would buy bigger animals. He did not think about buying food with that money or paying off the agricultural debt he had accrued.

229. Ayesha Mai (Layyah) used her Watan Card payments plus the money she got from selling off her cattle, to pay off her debt; she took this loan to repair her house and pay for her daughter’s marriage. If she got a windfall of PKR 10,000 she would pay off her debts and if there was any money left over, buy animals. If given PKR 100,000 she would open a small store or buy animals.

230. Rahiman (Thatta) claimed that with a windfall of PKR 100,000 she would purchase a separate plot for herself because she lives with her daughter and son-in-law. She did not receive her Watan Card instalments together, however her actual expenditure pattern of the first installment revealed that she had spent it on basic necessities and rations (as they were at the camp then), bought gold earrings for a daughter with the second instalment and repaired her other daughter’s house with the third instalment (the daughter she lives with).

231. These examples suggest that households and individuals are involved in a myriad of complex transactions which claim attention at various moments in time. While the hypothetical question about the windfall is often interpreted as a gain that is somehow independent of existing commitments and obligations, in actual fact people try to maintain their consumption cycles through periods of distress. These cases show that the CDCP or Watan card payments were often used for non-disaster related expenses – such as daughters’ weddings, repayment of past debts, or the purchase of jewellery. In the light of our above discussion of the multiple motives for savings, and the importance of maintaining consumption cycles, including those based on reciprocity, we do not find such uses of the disaster compensation as irrational or inconsistent. What is striking, however, is that even within the wide range of hypothetical as well as actual use of windfall gains, formal banking channels are conspicuous by their absence in the strategic choices of the population of interest.

6.4 Financial Inclusion and Literacy: Before and After

6.4.1 Beneficiary Interaction with Formal Financial Instruments

232. *It is important to note that we were unable to find any G2P cash transfer beneficiary (either BISP or CDCP) who opened a bank account after receiving their payments.* The only financially included and literate people we could find were those who had bank accounts prior to becoming beneficiaries; even these were limited to people with permanent state employment or pensioners i.e. those who had no choice but to open bank accounts in order to draw their salaries/pension. Thus on a primary level, considering the lack of beneficiaries switching to banking, there did not appear to be any increase in financial inclusion/literacy amongst the non-wealthy respondents. We also interviewed a small number of relatively wealthy individuals who had bank accounts prior to becoming beneficiaries of some program. In this case too there was no increase in financial inclusion/literacy since these respondents were already well-versed with formal financial products and systems.

233. Out of the 10 financially included and literate respondents from our sample, 6 did not belong to a marginalised kinship group and only 4 could be classified as marginalised (Table 6-4). These 4 respondents from marginalised backgrounds can be treated as ‘outliers’ whose experiences can help us understand some of the processes whereby they achieved financial inclusion.

Table 6-4: Distribution of Respondents by Marginalised and FIL Status

| | Not financially included and literate | Financially included and literate | Total |
|------------------|---------------------------------------|-----------------------------------|-------|
| Not marginalised | 1 | 6 | 7 |
| Marginalised | 22 | 4 | 26 |
| Total | 23 | 10 | 33 |

Source: ICF GHK qualitative survey design

234. All 4 of these respondents (Muhammad Younus, Ayesha Mai, Salamat Maseeh and Sakina) attained financial inclusion – opened a bank account – before becoming beneficiaries of BISP/CDCP; thus their financial inclusion and literacy was not an outcome of those transfers. Sakina from Shaheed Benazirabad opened a bank account in order to obtain payments from the Shaheed Benazir Women Support Programme (a Sindh government cash grant programme) but she did not have any financial literacy about how to operate her account and it was closed down by the bank soon after she withdrew all her cash payments. Secondly, 2 of these respondents (Ayesha Mai and Salamat Maseeh) opened their accounts due to their links with government/military service. Ayesha Mai from

Layyah opened an account in order to obtain her deceased husband's pension (he was a government employee) whereas Salamat Maseeh from Thatta opened an account for the first time while in military service.

235. Only 1 of these respondents, Muhammad Younus from Dera Ghazi Khan, was a non-beneficiary (his father was a CDCP beneficiary), belonged to a marginalised kinship group and was financially included. This financial inclusion happened before his household became a CDCP beneficiary. He opened a bank account in order to deposit money obtained from the sale of land owned by the family. Even here we observed that Muhammad Younus did not display high levels of financial literacy; he had deposited the money in a fixed account as a result of which it could not be withdrawn easily and since the household had a large debt to repay (for another piece of land they had purchased) they were facing great financial stress.

236. It is evident from these examples that financial inclusion was very limited amongst marginalised groups. From the 4 marginalised respondents, 2 had achieved inclusion only as a result of being government/military employees (or being related to them). One of them opened a bank account to benefit from a G2P scheme prior to BISP and did not gain any financial literacy with regards to using a bank. Only 1 non-beneficiary opened a bank account independent of any G2P scheme, and reported to have improved his financial literacy only marginally. Thus government assistance, whether active or passive, was central in 3 out of these 4 cases. This not only provides a crucial lesson for future programming it also reveals the extent of marginality faced by the poor and the sorts of linkages which are necessary for their financial inclusion.

6.4.2 Knowledge Needed for G2P

237. All BISP beneficiaries receive an eligibility letter from BISP. This mechanism expects either a measure of literacy from the beneficiary or counts on someone in the family or neighbourhood reading this letter for them and informing them of its contents accurately. Pakistan Post beneficiaries are only expected to present their CNICs and get a receipt slip along with their payments. Those unable to read this slip are not aware of how much payment is due to them and in many places have been defrauded. Additionally there have been those beneficiaries who have simply not been aware that they must demand a payment receipt.

238. Beneficiaries of the Mobile Banking modality receive an SMS text sent to them and then present this message at the bank or franchise where they are withdrawing their payments. This mechanism also expects either a measure of literacy from the beneficiary or expects that someone will read this message for them. Smart Card beneficiaries must safely protect their pin code and present the card, pin code and original CNIC at the franchise where they collect their cash grant. Similarly, Debit Card beneficiaries must preserve their pin code and enter it either at the ATM or the franchise where they use the card. Payment details should ideally be cross-checked with the receipt slip received by them for each of these modalities. The Watan Card modality also requires beneficiaries to be able to operate an ATM where they enter the card and input the pin code provided to them.

239. It is evident from the above that beneficiaries of most payment modalities are required to have at least a basic understanding of how formal financial transactions take place at an ATM or franchise outlet. Furthermore, they must possess a basic level of literacy as well, so as to be able to verify the payments due to them and prevent fraud. It was observed however that most beneficiaries are at the lowest levels of literacy and financial literacy. As a result most of them relied on some intermediary agent to manoeuvre and negotiate their way through formal financial systems. This intermediary may be some close friend or relative, an acquaintance such as a fellow community member or a complete stranger such as a commission agent.

240. Two examples are pertinent here. Bilqees Khatoon from Larkana is a BISP beneficiary obtaining cash grants through the mobile banking facility. Bilqees received her BISP eligibility letter from the UC Nazim, Jan Muhammad Brohi who handed it to her husband. The Nazim informed her husband that she was declared eligible and that there was a mobile distribution camp established near their village where she would have to go. Bilqees subsequently went there and when she came back home with her mobile set she asked her relative, Ali Bux, to turn the phone on for her. He inserted the SIM card into the phone and dialled a number to activate her account. This narrative not only points to the discrepancies in the cash transfer process – Bilqees was not delivered the eligibility letter at home nor was her phone activated for her at the distribution camp – it also highlights the knowledge deficit of an average BISP beneficiary. Bilqees had to rely on the knowledge of at least 2 intermediaries in this instance: the information provided by the UC Nazim to get her mobile phone and the technical input of her relative to activate that phone.

241. Rahiman from Thatta heard about the Watan Card payments from another woman while she was at a flood relief camp in Makli. This woman told her to submit a written application at the NADRA office in order to become eligible for the CDCP. Rahiman then had a literate relative write an application for her which she took to the NADRA office and submitted it to the guard deputed at the gates of the office. When she received her Watan Card she did not know whether her payment had been credited to her account or not, since she did not know how the Watan Card worked, and visited the same NADRA office a number of times to inquire about that. Finally someone at the relief camp told her about a commission agent in the locality who could withdraw the payments for her. She approached this agent who charged her PKR 1,500 from her first instalment of PKR 20,000. Rahiman was not pleased that he charged such a hefty amount and went with her daughter to withdraw the next 2 instalments; her daughter asked a bank official to withdraw the money for them without any extra charge.

242. The case of Rahiman is one of the more promising examples of a beneficiary rapidly adapting to the externalities associated with the payment process; perhaps even a marginal improvement in financial literacy. However this example also underscores the nature and form of knowledge flows associated with G2P cash transfers and the wide number and types of intermediaries that are involved in the cash transfer process. Poor beneficiaries thus tend to rely on more (financially) literate intermediaries in an attempt to circumvent the knowledge asymmetry and negotiate their interaction with formal financial systems.

6.4.3 Awareness and Confidence

243. There does appear to be a marginal improvement in the financial literacy of poor beneficiaries, in the sense that they are engaging with new technologies and modalities for the first time in their lives. Thus, many people are getting their CNICs made, owning mobile phones and going to banks/ATMs for the first time. While their engagement with these processes is mostly peripheral- since a large number of them still do not know how to use a mobile or operate an ATM and rely on someone else to do so for them- it is also becoming routinised and as a result of that they are steadily gaining in confidence.

244. Some beneficiaries claimed that since they get charged a commission by agents, they are thinking about using their cards themselves soon, while others said that upon going to the bank they overcame their fear of banks (as a place where they do not belong). Thus constant exposure to new modalities is leading to a gradual increase in their awareness and confidence levels, albeit only marginally thus far.

6.4.4 Perceptions of Formal Financial Instruments

245. While constantly avowing the merits of saving money, most of the respondents felt themselves to be incapable of opening a bank account. Almost all respondents think that

banks cater primarily to rich people; a few respondents thought that they were exclusively for rich people. Those people who had enough money to save, and deposit in banks, were described as ‘big people’: “*motay log*” and “*goshat waray*” (those who consume meat). A large number of people were thus intimidated by banks and felt they that the bank was of no use to poor people like them.

246. Despite this, nearly each respondent said that if they had the requisite amount of money they would open an account. This was a huge expression of confidence in the merits of the banking system- all respondents felt that money stays safe in a bank and it helps in saving. Very few people knew the exact requirements to open an account (such as a referee with an account in the same bank) and the vast majority felt that all that was needed was money. While some beneficiaries who were withdrawing BISP or CDCP payments from ATMs complained about the rush at banks, as described above, there were others who were growing to like banks because they saw rich and poor people alike, waiting in the same line at banks.

247. Microfinance services were observed to be out of the horizon of possibility for the poorest respondents. It was felt that small to medium landlords were primarily served by microfinance institutions. For the most part, it was claimed by the respondents that the interest charged on loans taken from microfinance organisations are too high for them to repay. In some places this aversion to microcredit loans took on a religious colour and respondents said that these loans are “*haram*” (proscribed) and thus they had never considered availing them.

6.4.5 Inclusion and Literacy

248. One of the main assumptions underlying this assessment is that greater exposure to financial instruments will lead to more knowledge, and that more knowledge will, in turn, lead to greater use of modern financial facilities. While this logic has merit, our qualitative work has shown that there is a reverse direction too: the need/demand for financial services leads to the acquisition of greater knowledge about them.

249. From the vantage point of the financially included and literate, the various G2P modalities examined here – Pakistan Post, mobile banking, Smart Cards, and Debit Cards under BISP, and ATMs and POS under CDCP – might represent significant differences between them. Beneficiaries of these programmes, and particularly for the poor and marginalised women beneficiaries of BISP, regard all of these modalities, including that of Pakistan Post, as new experiences. The fact that many individuals had their first ever interaction with Pakistan Post through BISP speaks volumes about the range in the levels of institutional exposure that exists in Pakistan. The G2P experience in most cases, even when the modality in question is a seemingly simple one, involves intermediaries between the beneficiary and the programme.

250. The same applies to the use of modern financial instruments. The few cases in the fieldwork site of financially included individuals from poor and marginalised families were those who had some institutional requirement to open bank accounts. Their interaction with the bank, however, was mediated by more knowledgeable and empowered intermediaries who came forward to help either due to solidarity or possibly in the expectation of monetary compensation. Social intermediation of men for women, of literate persons for illiterate ones, and of informal suppliers of facilitation services for those who are willing to pay for these services, is a norm not only in the operation of government programmes but in the functioning of private banks too.

251. Finally, there is the possibility that individuals from poor and marginalised groups – or from the population segments that are intended beneficiaries of cash transfer programmes – will become financially included but remain financially illiterate. We came across several cases in our fieldwork sites of individuals who had received sub-optimal

products from banks and were then placed under great pressure because of ill-advised borrowing or badly-structured investments.

6.5 Broader FIL Impact

6.5.1 Share Procedural Preconditions

252. One of the more salient observations offered by the qualitative survey was that some of the vital procedural preconditions to become eligible for G2P cash transfers were similar to the procedural preconditions to becoming financially included. These preconditions were that an individual must provide a valid residential address, original CNIC and possess at least a very basic level of financial literacy. It is important to note that those who encounter obstacles in acquiring a CNIC or constantly face residential insecurity consequently also face problems in attaining financial inclusion. Conversely those who are able to become eligible for G2P programmes have already fulfilled some of the basic preconditions for financial inclusion. Nonetheless such individuals are not increasingly being financially included, which points to a lack of demand for banking services on their part and the existence of numerous other barriers to entry for them.

253. While the fact that procedural preconditions between G2P and FIL are shared, there have been policies in the past which made FIL a precondition for G2P. Ayesha Mai from Layyah attempted to open a bank account at National Bank of Pakistan (NBP) to receive her husband's pension. For this she first had to get her CNIC made – this was before she became a CDCP beneficiary. Then, due to certain procedural requirements specific to the pension fund she wanted to access, she was required to open an account at Punjab Bank. At the Punjab Bank she was told that she must present a guarantor with an account in the same bank. Since she did not know any such individual she approached the Deputy Commissioner (DC) of Layyah for assistance and his *sifarish* (reference) resulted in her account being opened. Kaneez Bibi from Mianwali started receiving Zakat funds from a bank after her husband's death. However, she did not have an account opened for this purpose; when her husband died the Zakat Committee filled out some forms for her, told her to get her CNIC made and just present this at the bank in order to obtain the Zakat money. These examples suggest that BISP and CDCP are correctly poised in not making the G2P conditional on a bank account.

6.5.2 Changing Perceptions and Norms: Gender

254. The gender dimension was observed to be extremely important to financial inclusion and literacy outcomes. Women face serious obstacles in terms of their restricted mobility in the public sphere (especially in, though not restricted to, Khyber Pakhtunkhwa). Prohibited from travelling alone, women are greatly restricted in their very access to financial institutions such as banks, which are primarily located in market places. The only exceptions to this rule are poorer women who work in order to support or run their households and enjoy somewhat greater mobility, but such women are also less likely to open bank accounts, and widowed/divorced women who generally do not have anyone to rely on therefore travel and work alone in many instances. Kaneez Bibi is a 49 year old widow from Mianwali who works as an agricultural labourer and is the only breadwinner in the family after her husband's death. She thus works to support her 3 young children and claimed that no one could stop her from working or travelling alone in her village. Rahiman is a 65 year old widow from Thatta who is a domestic worker. She lives with her daughter and son-in-law but works hard to keep herself financially self-sufficient. She can go to the market alone and she never faced any restrictions on her mobility as far as going to work was concerned, even when her husband was alive; this is because they were extremely poor and needed the additional source of income.

255. Married women, across the board, are required to gain permission from their husbands to visit a bank, let alone open bank accounts. Women cannot operate

independent bank accounts, especially if there is a male in the household who already has an account. Such practices are culturally stigmatised and frowned upon and the only exceptions are wealthier households and women who either get their salaries or pensions through a bank account (government employees and widows respectively).

256. The case of Mehtab from Batagram is highly instructive in this regard. Mehtab belongs to the dominant kinship group of the area and thus enjoys a very privileged position within the community. She recently opened a bank account, with the help of her husband who works as a government employee in a bank; to open this account Mehtab did not even have to leave her house and simply signed some papers provided by her husband. Consequently, she has remarkably low financial literacy and thus far has very little knowledge about how the banking system works. On the other hand, however, she has extremely limited mobility. She is not allowed to work as it is considered inappropriate for honourable women from higher kinship groups to work. Moreover she cannot travel anywhere within the community; domestic servants get rations for her from the local market. She goes to the market in a nearby town with her husband every weekend or fortnightly. She did not even leave her house to open her bank account; consequently, she has remarkably low financial literacy and thus far has very little knowledge about how the banking system works. Thus we observe that while her socio-economically privileged position allowed for her financial inclusion to take place, it has also prevented her financial literacy from improving; once again bringing to light the often contradictory relationship between the two. This is also further evidence that financial literacy is not necessarily a precondition to inclusion.

257. Despite all these cultural constraints, women are increasingly being subjected to novelty. Many women are getting their CNICs made for the first time, whereby they travel to the NADRA office to get their picture taken – a previously taboo practice in itself. Many women own mobile phones (provided by BISP) for the first time – women’s usage of phones is also traditionally frowned upon as there is a fear that they might run away, however communities are having to adjust to this new reality as well. Lastly, women are also visiting banks and ATMs for the first time, all of which is raising their awareness and confidence levels, as mentioned earlier. While this relative increase in mobility, awareness and confidence is not necessarily translating into increasing financial inclusion, it is altering intra-household dynamics. By imparting a greater sense of ownership and entitlement over their cash grants, women are increasingly feeling more empowered. Meer Hazar’s wife gets money from BISP and when he asked her for some amount once, she warned him to ask nicely, he told us.

258. Community members in many places expressed concerns about the gradual erosion of traditional practices. Participants of a group discussion in Jafferabad said that it was not possible for them to stop their women from going to the city to collect their BISP payments and they were worried about how women were increasingly interacting with male strangers as a result of this. Group discussants from Larkana summed up the community sentiment when they proclaimed, “*zaifan jo daur aa*” (this era belongs to women) and asked, “will women now deal with all the business traditionally related to men”?

6.5.3 Changing Perceptions and Norms: Class and Marginality

259. Perceptions and norms can be powerful inhibitors to change not only with respect to gender relations but also in other dimensions of exclusion. Class and social marginality – or hierarchy between groups due to unequal social status or political power – can trap households and individuals in a cycle of disadvantage. If individuals feel that they belong to socio-economic groups which will not have access to particular facilities or services, and if this perception is endorsed by the wider community, they may fail to take advantage of opportunities. Likewise, if service providers carry prejudices about individuals from particular classes and social groups, exclusion from access may get reinforced.

260. Example from our study relate to banks and microfinance. Across the board informants in group discussions and individual interviewed perceived banks as serving ‘the rich’, ‘people wealthy enough to consume meat’, ‘big people’ etc. Microfinance, likewise, was shown to be widely perceived as being appropriate for those with more resources. These perceptions can come in the way of taking up opportunities if and when these do open up. A number of individuals from marginalised communities who had experience of dealing with banks came away with the feeling that they had not been respected, or that the behaviour of the bank staff had not been helpful. We also came across instances where banks had been extremely flexible and cooperative, even going out of their way to bend procedures, to open accounts of relatively wealthy and well-connected individuals.

261. There are three areas in which BISP and CDCP transfers in general, and G2P modalities in particular, have led to apparently intangible but potentially significant changes in perceptions and norms relating to class and social marginality.

- First, as we have stressed above, it is easy to take for granted as a basic precondition for accessing most citizenship-based entitlement as a reliable address. For many of the BISP beneficiaries, the cash transfer was the first occasion in their lives that they actually received a postal service at their address. While there is great variation across communities in the actual outreach of postal services – as opposed to delivery at central locations – the perception among users as well as service providers that some of the poorest communities, families and individuals do have an identity linked to a particular address is a major shift. This is obviously underlined by the possession of an identity card which requires an address.
- Second, even many of the most marginalised individuals had some basic sense of their entitlement and had gained some knowledge of the processes and delivery systems involved in accessing this entitlement. The fact that a person has reason to build up knowledge of relatively sophisticated formal processes, even if some of that knowledge is factually flawed, represents an important implied shift in citizenship literacy, which may eventually lead to financial literacy.
- Thirdly, although we did not find evidence of change with respect to actual financial inclusion and literacy as a result of G2P transfers, it is important to note positive changes in the perceptions and norms of users as well as service providers due to large-scale interaction which has been unleashed between marginalised individuals and groups and formal financial institutions. A number of beneficiaries reported that they now felt confident about interacting with banks even if their economic circumstances did not allow them to actually open bank accounts. They also may not have gained a great deal of literacy in terms of formal financial institutions, but no longer felt inhibited by perceptions that these institutions could not be used by people ‘like them’.

6.6 Conclusions and Recommendations

262. Financial inclusion and literacy is determined by multiple and complex factors which include knowledge, perceptions and norms, but are largely driven by economic circumstances of individuals and households. Financial inclusion is not a simple outcome of financial literacy. The relationship can go the other way too, as those with demand for modern financial services are met with the supply of knowledge of services from various sources. While the importance of knowledge, perceptions and norms cannot be overstated, it can nevertheless play a role in facilitating change when economic circumstances of potential users allow.

263. Income growth represents the dominant pathway for greater progress towards financial inclusion and literacy. Progress along this pathway can be facilitated by knowledge of systems, and the fulfillment of the basic procedural preconditions for financial inclusion. Cash transfers such as BISP and CDCP have broken new ground in Pakistan in

institutionalising delivery systems and in engaging citizens directly. Some of the procedural preconditions for inclusion in these programmes, such as the possession of a CNIC, and proof of a functioning and reliable address, are shared with the preconditions for financial inclusion.

264. There can be potential tension between various goals of cash transfer programmes, at least in terms of the time horizon of achieving particular objectives. The primary goal of BISP is to ensure outreach to intended beneficiaries, and the use of the postal system carries advantages for beneficiary women's direct access to the cash transfer. Other G2P modalities too can act as powerful incentive for greater financial literacy and inclusion of women from poor households, but may also lead to some loss of agency if men rather than women exercise greater control over the delivery mechanism. Over time, however, it is important to both allow and encourage women to directly use modern services themselves without the help of intermediaries.

There can be tension between financial inclusion and literacy. Financially included individuals may have crossed entry barriers through the help of intermediaries or through themselves fulfilling the procedural preconditions. This does not automatically imply that they will be in a position to make optimal and safe use of modern financial services.

265. Despite rough edges, the CDCP represents a major success as a quick disbursement cash transfer after a disaster. Its bold assumptions about the ability of individuals, even in remote and under-developed communities, in being able to access a modern delivery system were proven to be correct. The precise processes through which diverse individuals actually accessed the system varied greatly, and relied on many ad hoc and informal forms of mediation.

266. The FIL impact of G2P cannot be gauged simply through actual changes in the use of modern financial services. A number of other less tangible changes in knowledge, perceptions and norms will need to be taken into account, as these will be relevant in facilitating FIL when the economic circumstances of potential users allow. Also significant is the fact that procedural preconditions are shared between G2Ps and modern financial institutions. The advance towards greater fulfillment of these preconditions ought to be treated as another less tangible FIL gain.

267. Although BISP have committed to a transition to Debit Cards, there is some value in retaining flexibility and client choice in payment modality. BISP beneficiaries are at different levels of empowerment and agency. For some the choice of a system of doorstep delivery will dominate other G2P modalities, while for others latter systems will lead to greater empowerment. Greater client choice can lead to more efficiency in delivery as well as a smoother eventual transition towards financial inclusion.

268. If and when beneficiaries of programmes such as BISP and CDCP do eventually start using modern banking services, there will be a special responsibility of care on the part of financial services to ensure that these new clients are not exploited into taking up sub-optimal products. There may be potential lessons from the experience of Microfinance services.



SECTION 7

Assessing the Business Case for Commercial Banks to Participate in Cash Transfer Programmes

7 ASSESSING THE BUSINESS CASE FOR COMMERCIAL BANKS TO PARTICIPATE IN CASH TRANSFER PROGRAMMES

7.1 Overview

269. Very early on in the assessment it became evident that understanding the commercial bank's motivation for partnering with the cash transfer programmes was critical to the analysis. The key question that needed to be answered was whether there was a business case for the banks to participate in the disbursement of these cash transfer programmes and in offering financial services to the beneficiaries of BISP and CDCP. Without understanding this fundamental issue one would misread the actions of the banks, not fully comprehend their perspective, structure agreements that were inherently unworkable and give recommendations that would not be followed. The team found that this was exactly what was happening in discussions and negotiation in many of the tripartite forums in which the implementing partners, commercial banks and donor agencies were participating. Agreements would be made and the banks would not take any action. For example, the agreement regarding conversion of CDCP LMA accounts to level zero accounts with UBL, HBL and Bank Alfalah. The Government has assumed that banks are making huge profits and therefore it is in their interest to continue to partner with these programmes. Thus when agreements are not followed everyone is left wondering why progress is not being made. Therefore, considerable time has been spent in investigating what is in it for the commercial banks to inform future decision-making. This chapter has been added to the report to present the findings of the team in this regard.

270. A legitimate business case can be built for an entity to provide a service at one or more of five distinct levels.³⁵ The most demanding level is the first (the individual account), that is, the requirement that each account be sufficiently profitable on its own. If profitability holds at that level, it will hold at higher levels, too. As indicated later on in this chapter, commercial banks even if they tried cannot either service nor cross sell to this segment. Nor do they really have a desire to address this segment with the exception of those commercial banks which are or have a plan to get into branchless banking.³⁶ The business case at the second level (the client) can be justified by cross-selling more profitable services (such as credit or insurance) to a client that compensates for the loss on the basic account into which payments are made. The third level (the portfolio) looks for positive value of a client segment as a whole even if each client or account is itself not profitable. The fourth level (strategic) brings into consideration revenues that may arise from other lines of business as a result of pursuing a particular line of business with the government. For example, providing basic bank accounts (even at a loss) may enable a bank to score more highly in competing for lucrative government funding or account mandates. It is also possible that while a particular line of business is loss making, it provides a foundation for other lines of business that may become profitable. The willingness of regulators to allow banks to operate freely in some areas of business may depend on an implicit social contract that they undertake loss-making but politically important business. This may be seen as strategic corporate social responsibility.³⁷ The reality is that no such social contract exists. None of the players are doing the G2P payments as part of social responsibility nor should they be expected to do so. As there are no cross sell opportunities for this target market, each institution is looking for profitability from the account.³⁸

271. Trying to assess the business case from the perspective of the commercial banks has proved difficult as commercial banks are reluctant to openly share their data with others. Furthermore, there are no simple answers to questions regarding the viability of the cash

³⁵ Chris Bold, David Porteous, and Sarah Rotman Focus Note No. 77. February 2012. Social Cash Transfers and Financial Inclusion: Evidence from Four Countries.

³⁶ Discussions with Nadeem Hussain. CEO of Tameer MicroFinance Bank. August, 2012.

³⁷ Ibid.

³⁸ Nadeem Hussain. CEO. Tameer MicroFinance Bank

transfer programmes for banks. Different answers emerge from talking to the banks. However, cash transfers are a viable business if other overheads are not allocated to this activity. There appears to be a business case for each service but with caveats. The margins are very fine and any change in service level expectancy, discount rate, duration of the project and or volume of the funds can tilt the balance either way. In some cases, there are fees to be paid on a per account basis to the technology vendor which is in US dollars and therefore there is also an exchange rate risk that can tilt the balance one way or the other.³⁹ While some banks like UBL make a foreign exchange argument, the reality is that no bank will set up an entirely new software that is so expensive that rather than up-front payment they would pay per volume. Some banks like UBL which have been involved with IDP, Watan, BISP and WFP now have a pretty good idea of what their cost structure is and at what point the service becomes non-viable.

272. Initially UBL made more money than it expected from the Watan Card because of the delays in disbursements. This initial profit began to erode when implementation was delayed. It is important to understand that the current plans of banks depend upon the bottom line for them in participating in these cash transfer programmes, offering financial services to the beneficiaries and contributing to their financial literacy. None of the commercial banks either have a plan or the ability to provide financial services or financial literacy to the BISP recipients. Even Tameer Microfinance Bank which only lends to customers who make less than PKR 25,000 a month family income do not rate BISP recipients as a good credit risk. Tameer Bank however considers that there maybe potential to provide a mobile saving account. It is unlikely that commercial banks who have no infrastructure and prefer to deal with this customer base through ATMs will have a program for serving this customer base.⁴⁰

7.2 Is there a Business Case for the Participation of Banks in the Disbursement of the CDCP Payments?

273. The commercial banks participating in the disbursement of CDCP were not paid a fee or commission. So the question arises whether banks were able to recover their costs or were they undertaking this service as a measure of corporate social responsibility or were they thinking about this as an investment in future operations. An analysis of rough costs and revenues was made given that most banks were reluctant to share their actual costs or were unable to precisely identify their costs. The banks were asked to pay the cost for the printing of each Watan Card and the operational costs under which staff had to be provided at each Watan Card Facilitation centre and cash arranged for distribution, cost of insurance and other costs of arranging logistics such as seating, tents, fuel costs of providing generators, etc.

274. The revenue stream for banks is generated by the upfront float offered to banks to enable them to cover some of their printing and operational costs. The income was made primarily through the interest income earned on the float as well as the income earned on funds which were not immediately claimed by the beneficiaries. The arrangement as per the contract was to disburse funds to Partner Banks at least 10 calendar days prior to transferring the same to the account of beneficiaries. This arrangement allowed Partner Banks to earn a guaranteed float of 10 days. As per agreement with NADRA, Partner Banks were required to setup POS Terminal outlets at specified locations for allowing cash withdrawals and arranging sufficient cash on all sites. Cash withdrawals were also allowed from ATMs and Partner Bank Branches. The banks were also expected to provide services through Point of Sale terminals (POS) at each centre. In practice, the banks provided only 48 POS and most of the money was withdrawn through ATMs. The main problem reported with establishing POS was handling the cash and not of setting up the POS itself. There is no record of how much money was distributed through ATMs and how much through POS.

³⁹ Abrar Mir. Head of Branchless Banking. United Bank Limited. August ,2012.

⁴⁰ Nadeem Hussain. CEO. Tameer MicroFinance Bank.

Rough calculations indicate that the cost of establishing a POS was much higher than providing funds through an ATM.

275. Keeping in view the parameters laid down under the agreement and further based on our discussions with Partner Banks following are the assumption used to assess the commercial viability for Partner Banks to make disbursement under the CDCP Programme:

- a) Float income has been assumed at a Discount Rate/Risk Free rate less 100 basis points. About 95% to 97% of the total funds have been disbursed prior to August 11, 2012 (when the discount rate was reduced by 150 basis points from 12% to 10.5%), thus for projection purposes the float income has been assumed at discount rate (12%) less 100 basis points on total deposit value after accounting for the Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) of average 15% of the Total Deposit Value.
- b) It has been assumed that on average, 20% of the disbursement value is withdrawn each day which implies that banks earn float income on reducing balance for 5 days. This is much higher in reality.
- c) The cost of issuing the payment instrument has been borne by Partner Banks which has been assumed at PKR 125 per Watan Card, which is a Visa Debit Card and its cost is PKR 25 higher than the normal Debit Card issued under the BISP Programme due to the VISA feature embedment. Further it has been assumed that only 10% of beneficiaries have been re issued the Watan Cards during CDCP II.
- d) It is assumed that on average approximately 10,000 beneficiaries have been serviced per camp site and average cost to banks per camp site was PKR 40,000 per month. This cost includes HR, IT and MIS reporting cost.
- e) Under the agreement, Partner Banks have been required to setup POS Terminals outlets at specified locations / camp sites for allowing cash withdrawals by arranging ample cash on all sites. It has been assumed that 35% of total disbursement under CDCP I and CDCP II has been done through these POS terminals. The cost to Banks of providing such services has been assumed at 0.2% of disbursement value. This cost includes the money insurance, transportation and security cost.
- f) Disbursement made under CDCP I is PKR 20,000 per beneficiary and disbursement under CDCP II is PKR 40,000 per beneficiary. The average time for CDCP I and CDCP II has been assumed at 12 months.

276. The result of the analysis shows that the bottom line is very sensitive to the assumptions being made. As specified in the agreement, if the banks were to maintain a float for only 10 days and disbursement was taking them another 5 days than CDCP I of the CDCP was likely not to be commercially viable for the banks. However, all banks made money in CDCP as the fund withdrawal was much slower than built in the financial model and the float earnings were much higher than anticipated. This was further substantiated by Partner Banks during our discussions. UBL maintains that it made some gain from CDCP I because of the large volume of funds which was parked with it at the outset for disbursement. Banks would have to hold the funds for much longer to make a commercially viable proposition from disbursing the cash transfer funds of CDCP. A full float for 20 days coupled with a disbursement cycle of 30 days for CDCP funds is where the CDCP I becomes profitable for Partner Banks. During our discussions with UBL, it was highlighted that due to teething issues of CDCP I, funds for CDCP were parked for a longer period than contractually agreed which allowed banks to earn additional float income. An analysis of unspent funds with partner banks under CDCP II reveals that on 31st July 2012, PKR 571.8 Million was with HBL, PKR 555.4 Million with UBL and PKR 210.1 Million with Bank Alfalah. Thus there was an unspent balance of PKR 1,337.3 Million with the three participating banks. Of this, PKR 515 Million or 39% had been credited to LMA-2 accounts of

beneficiaries but not withdrawn by them as yet. The remaining amount or 61% was still in LMA-1 accounts.

277. CDCP II of the Programme is marginally viable for Partner Banks because the cost of the card which is the most expensive item on the cost side was incurred for only a small section of the beneficiaries. Banks maintain that the financial benefit gained from CDCP II is eroding owing to the fact that approximately 100 CDCP sites are still active and banks have to employ their resources even though the large majority of the disbursements have already been made. It appears that the contention of commercial banks that they were undertaking the disbursement as part of their corporate social responsibility or as part of their business strategy for extending their agent network appears to be somewhat correct. Mr. Abrar Mir, Group Head Branchless & E - Banking, United Bank Limited counted as one of the externalities of this the “positive PR which the bank has received from its participation, these programmes enabled us to roll out our Omni agents quicker, further and wider than we would otherwise have done”. The revenue and cost of disbursing CDCP funds is given in Table 7-1.

Table 7-1: Revenue and Costs of Disbursing CDCP Funds

| Particulars | CDCP I Value as a percentage of CDCP I disbursement amount (PKR 20,000) | CDCP II Value as a percentage of CDCP II disbursement amount (PKR 40,000) |
|---|--|--|
| Full float for 10 days | 0.260% | 0.260% |
| Float for disbursement days (5 days) | 0.061% | 0.061% |
| Total Revenue | 0.321% | 0.321% |
| Expense | | |
| One Time Cost | | |
| Card Issuance Cost | 0.625% | 0.031% |
| Recurring Cost | | |
| Disbursement cost to banks (Cash at campsite) | 0.070% | 0.070% |
| Other Recurring cost | 0.240% | 0.120% |
| Total Expense | 0.935% | 0.221% |
| Profit / (Loss) | -0.614% | 0.100% |

Source: ICF GHK assessment

7.3 Is there a Business Case for the Participation of Banks in the Disbursement of the BISP Payments?

278. An analysis was also undertaken to assess if there was a business case for banks to disburse the payments of BISP for the two payment instruments of Mobile Phone banking and the debit Card. The analysis was not undertaken for Smart cards as this mechanism is being discontinued due to technological issues. The cost side takes into account the upfront cost of printing cards, issuing mobile phones, retailer’s commission and other operational costs. Mobile costs have been added because Government asked private sector providers interested in the mobile phone pilot to subsidize the provision of the handsets as well. To provide a basic handset would cost around USD15, plus another USD 5 to cover costs of distribution, to make a total of USD 20 each. This additional cost had a significant effect on the business case for providers to participate in government to person (G2P) payment programmes like BISP. BISP argued that the additional cost should be seen as a form of corporate social responsibility and that with the planned addition of other subsidies on the

same platform, this would make commercial sense as well in the long run. However, UBL was concerned that if it opted out of BISP's mobile pilot, this could prejudice UBL's future participation in the area of government to person (G2P) business. Thus banks agreed to provide the phones at their own cost. The cost assumptions are based on our discussions with the Partner Banks. Table 7-2 and 7-3 give the specific results of this analysis regarding the Mobile Phone instrument and Benazir debit Card (BDC).

Table 7-2: Revenue and Costs of Disbursing BISP Funds through Benazir Mobile Phone

| Viability for Banks - Mobile Banking | | | |
|---|---------------|---------------|---------------|
| <i>As a percentage of Annual Disbursement Value</i> | | | |
| Particulars | Year 1 | Year 2 | Year 3 |
| Revenue | | | |
| Fee / Commission Income | 3.00% | 3.00% | 3.00% |
| One time float for 30 days | 0.06% | 0.00% | 0.00% |
| Monthly float for 2 days | 0.04% | 0.04% | 0.04% |
| Additional float for 30 days on 3% undisbursed amount | 0.02% | 0.02% | 0.02% |
| Total Revenue | 3.12% | 3.07% | 3.07% |
| Expense | | | |
| One Time Cost | | | |
| Mobile Issuance Cost | 8.33% | 0.00% | 0.00% |
| Recurring Cost | | | |
| Retailers Commission | 1.20% | 1.20% | 1.20% |
| Other Recurring Cost | 1.50% | 1.50% | 1.50% |
| Total Expense | 11.03% | 2.70% | 2.70% |
| Profit / (Loss) | -7.91% | 0.37% | 0.37% |
| Cumulative Profit / (Loss) over three years | -7.18% | | |

Source: ICF GHK assessment

279. Based on a review of agreements signed between the BISP and Partner Banks for providing disbursement services under the BISP Programme, the BISP is paying 3% (standard pricing for all Partner Banks) of the disbursement value to each Partner Bank. Furthermore, under the agreement Partner Bank is also entitled to earn 30 days float on the disbursement value for the initial disbursement to cover the cost of issuing the payment instrument. Additionally, funds are disbursed by BISP to Partner Banks two days prior to disbursement thus allowing the Partner Banks to earn a float for average two days.

280. The revenue stream is generated as a result of the 3% commission, a one-time float of 30 days allowed to the banks as a one time facility to cover the costs of printing cards, etc. In addition, in the process of disbursement, banks get a cushion of a quarterly float of 2 days. In practice, this could be a little more and some residual money is always left undisbursed in the account. This is estimated to be about 3% of the total BISP payments.⁴¹ A revenue stream was generated based on the assumption that the Partner Banks earn a float income of risk free discount rate (10.5%⁴²) less 100 basis points after accounting for the Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) of average 15% of the Total Deposit Value.

⁴¹ Based on discussion with Tameer.

⁴² As at 14th August 2012

Table 7-3: Revenue and Costs of Disbursing BISP Funds through Benazir Debit Card

| Viability for Banks under the Benazir Debit Card | | | |
|---|---------------|---------------|---------------|
| <i>As a percentage of Annual Disbursement Value</i> | | | |
| Particulars | Year 1 | Year 2 | Year 3 |
| Revenue | | | |
| Fee / Commission Income | 3.00% | 3.00% | 3.00% |
| One time float for 30 days | 0.17% | 0.00% | 0.00% |
| Quarterly float for 2 days | 0.04% | 0.04% | 0.04% |
| Additional float for 30 days on 3% undisbursed amount | 0.02% | 0.02% | 0.02% |
| Total Revenue | 3.23% | 3.07% | 3.07% |
| Expense | | | |
| One Time Cost | 0.83% | 0.00% | 0.00% |
| Card Issuance Cost | | | |
| Recurring Cost | | | |
| Retailers Commission | 0.96% | 0.96% | 0.96% |
| Other Recurring Cost | 1.50% | 1.50% | 1.50% |
| Total Expense | 3.29% | 2.46% | 2.46% |
| Profit / (Loss) | -0.06% | 0.61% | 0.61% |
| Cumulative Profit / (Loss) over three years | 1.15% | | |

Source: ICF GHK assessment

281. Information on the costs incurred by Partner Banks was extracted from discussions, field visits and camp site visits and used to further develop assumptions on the cost incurred by the Partner Banks to provide disbursement services to the BISP: The cost of issuing the payment instrument has been borne by banks which are assumed to be PKR 100 for Benazir Debit Card and PKR 1,000 for the Mobile Phone. The said cost also includes the issuance cost incurred by Partner Banks at the Camp site. As per the agreement signed between the BISP and Partner Banks, the Partner Banks were to ensure to setup of at least one agent/touch point per 2000 beneficiaries, and ensure to increase their numbers to one agent/touch point per 1000 beneficiaries for maximizing the outreach.

282. Based on this it was assumed that the banks would setup 1 touch point per 1,000 beneficiaries. The Partner Banks have not set up any dedicated ATMs for disbursing the BISP funds thus no infrastructure cost has been assumed in the model. Moreover for most of the Partner Banks, the payment infrastructure was already in place which further substantiates that the Partner Banks did not incur any infrastructure cost. However, Partner banks have set up retail agents for disbursing the funds, the cost for which has been assumed at PKR 40,000 per agent / touch point.

283. This cost attributes to the Point of Sale (POS) equipment cost which has been provided by the Partner Banks to retail agents for verification of the BISP customer. As per our discussion with the Partner Banks, the retail agents are being paid a fee of 1.2% - 1.5% of disbursement value. Under BDC it has been assumed that 80% of disbursements have been made through the retail network (based on discussion with Tameer there is a possibility that this percentage will decrease in future cycles of disbursements as beneficiaries develop an understanding to withdraw funds from ATMs)⁴³ whereas under Mobile Banking 100% of disbursements have been made through the retail network. Other recurring cost, which includes human resource cost, MIS reporting cost and other additional

⁴³ The 20% which is currently being disbursed through the ATM network provides revenue cushion for the Partner Banks

overheads has been assumed at 1.5% which translates into PKR 15,000 per touch point of annual disbursement value. This assumption is based on our discussions with Partner Banks.⁴⁴

284. In the Mobile banking model the principal cost item is the upfront cost of the mobile phone, the retailer's commission of 1.2% and other recurring costs estimated to be 1.5%. Based on this analysis, it appears that disbursing funds under the Mobile payment instrument incurs a loss for the commercial banks primarily due to the upfront cost of issuing this payment instrument. This is the primary reason Partner Banks are not willing to take the cost of issuing the mobile phone to beneficiaries, at present. This upfront loss is not made up in even the subsequent two years because of the very small margins. In practice it has been reported that because of the most inexpensive version of the phone used, the instrument often breaks down and cannot be repaired or is lost by the beneficiary. Thus unless other types of products or services through the mobile phone can be offered to the client through which the bank can recoup its initial cost, this model is not sustainable for the banks. Banks were coerced to provide the cell phones despite the fact that some maintained that Banks were not in the business of providing phones. In the key meeting after agreeing with Tameer Bank that Banks would not provide phones both UBL and HBL Presidents buckled under pressure and agreed to provide cell phones. Thus some maintain that recovery of cell phone cost should not be part of the financial model. This should be viewed as their corporate social responsibility as otherwise they should have refused providing free cell phones.

285. An analysis of the cost and revenue stream of banks in disbursing BISP funds through the Benazir Debit Card was also attempted. The main cost item was the 1.2% retailer's commission and 1.5% operating cost and the issuance of the card. The revenue stream was assumed to be 3% from the commission and income from the float leading to a total revenue stream of 3.23%. The analysis shows that there appears to be a business case for banks for disbursing funds under the BDC instrument over a three year period in which they can recover their initial investment and make a cumulative profit of 1.15%. Given the large volumes that are disbursed under BISP this could translate into a substantial gain for the participating commercial banks. The viability for banks to disburse cash under the BISP Programme is subject to continuation of the Programme to enable the banks to recover their sunk costs of issuing the cards. The float income earned by banks varies based on market indicators and risk free discount rate which as of 14th August 2012 has been reduced to 10.5%. Any downward revision of the discount rate will reduce the float income for the partner Banks accordingly.

7.4 Is there a Business case for the Banks to offer Financial Services to BISP and CDCP Beneficiaries?

286. Not a single virtual account of CDCP or BISP beneficiaries had been converted into a branchless banking account or a regular bank account by August 21, 2012. The questions that naturally emanate from this finding is that was this a problem which has its origins on the demand side or the supply side. On the supply side was there a legitimate business case for the participating banks to provide financial services to the CDCP beneficiaries? The opening of bank accounts of level zero or level one or conventional accounts has to be justified by the banks on its business merit as these banks were not being paid a fee for providing financial services to the CDCP beneficiaries. The United Bank is the only one with a license for branchless banking from among the three selected banks dealing with CDCP. Habib Bank and Alfalah Bank had to get special dispensation from the State Bank of Pakistan to open virtual accounts for disbursement of the CDCP funds. Thus these two banks were not in a position to convert the Limited Mandate Account to a level zero or level one account for the beneficiaries in any case.

⁴⁴ Based on discussion with Tameer. Was PKR 12,000 previously

287. To provide a better idea of the average balance that needs to be held in each account to make them profitable for the banks in the absence of government fees, an illustrative financial model has been constructed. The need to resort to this model was due to the difficulty of acquiring actual cost structures as this information is sensitive and banks naturally do not want to share this in public forums. A generic model has been constructed for level zero and level 1 branchless banking accounts and current accounts and a savings account under the conventional banking method. Revenue for these accounts is limited to the value of the savings float. Most recipients use less than the free transaction bundle so there is very low or no transactional income expected. Therefore, float interest alone must cover the fixed costs of these accounts.

288. Assuming an account-opening cost of PKR 25 for branchless banking accounts and PKR 40 for conventional banking and Verisys cost for Level Zero BB account has been assumed at PKR 15 which is as per our discussion with Tameer Bank. Verisys cost for Level 1 BB Account and conventional banking accounts have been assumed at PKR 35 which is as per our discussions with NADRA. Account maintenance cost for BB accounts have been assumed at PKR 15 per month which is in line with SOBC for UBL OMNI Accounts. For conventional banking accounts such cost has been assumed to be 30% higher than the BB accounts. Internal float interest rate has been assumed at discount rate (10.5%) less 100 basis points. Interest cost for savings account has been assumed at 6% which is as per SBP requirement. The average minimum balance that must be maintained in the different types of accounts to break even in Year 1 and subsequent years is given in Table 7-4. The table depicts that the financial viability for Banks to provide saving account services to beneficiaries is subject to an average deposit size of PKR 2,724 to PKR 11,566 for year 1 under branchless banking and PKR 3,827 to PKR 14,892 under conventional banking. The average balance reduces somewhat in year 2 because the account opening cost is not incurred. Thus beneficiaries must leave 13% to 75% of their installment value for the banks to break even.

Table 7-4: Costs and Revenues of Different Types of Accounts (PKR)

| Particulars | Branchless Banking | | Conventional Banking | | |
|--|--------------------|--------------------|----------------------|---------------|-----------------|
| | Level zero | Level 1 BB Account | Savings Account | Basic Account | Savings Account |
| Account Opening Cost - One time | 25.0 | 25.0 | 25.0 | 40.0 | 40.0 |
| Verisys Verification – One Time | 15.0 | 35.0 | 35.0 | 35.0 | 35.0 |
| Account Maintenance Cost per year | 180.0 | 180.0 | 180.0 | 234.0 | 234.0 |
| Interest Cost per year | N/A | N/A | 6.0% | N/A | 6.0% |
| Internal Float Interest Rate | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% |
| SLR & CRR Requirement | 15% | 15% | 15% | 15% | 15% |
| Average balance required to break even in Year 1 | 2,724 | 2,972 | 11,566 | 3,827 | 14,892 |
| Average balance required to break even in Subsequent years | 2,229 | 2,229 | 8,675 | 2,898 | 11,277 |

Source: ICF GHK assessment

289. The history of cash withdrawals by CDCP beneficiaries shows that 95% of the payments are withdrawn within 24 hours of the validation of the Watan Card and BISP payments are also disbursed very quickly. It would appear therefore that there is limited interest among commercial banks to open and maintain any type of account with such low average balances as have been witnessed in CDCP and BISP. Thus unless the banks have some other strategic reason for opening and maintaining these accounts it does not appear to make business sense for them to do so. Opening savings accounts for BISP and CDCP

beneficiaries would incur an additional cost of 6% which is the minimum mandatory interest rate stipulated for these accounts. Naturally, the banks would be unwilling to provide the CDCP and BISP beneficiaries this type of an account. This is the reason that banks have been arguing for the need to develop a new category of remunerative account for these high maintenance micro-savings accounts.

290. At the level of the individual clients, it only makes sense for the banks to maintain these accounts if the clients maintain a certain amount of average minimum balance. However, the agenda to get banks to open accounts for the clients is being aggressively pursued at the behest of donor agencies. The last meeting called to discuss this agenda was at the end of July 2012 for CDCP beneficiaries. In this meeting it was agreed that all Commercial Banks would convert the virtual accounts to level zero Branchless Banking accounts as these accounts had minimum regulations stipulated by the State Bank. The Commercial Banks would send NADRA the minimum Know Your Client (KYC) requirements as per State Bank regulations to convert these accounts from virtual accounts to level zero accounts. An agreement was also secured under which NADRA would not charge the verification fee to the banks pertaining to cross-checking of CNICs. It was also agreed that the mode of payment for these level zero branchless banking accounts would be POS and ATM as most of the recipients of cash transfers were generally not literate and would be unable to use cheque books. It was also agreed that it may not be appropriate for the commercial banks to charge a service charge on these accounts and alternate measures or proposals would need to be discussed. The Commercial Banks would provide NADRA pilot areas where they would launch this service. Two districts per commercial bank would be identified and NADRA would subsequently provide the banks with the case loads for these areas. It was agreed that a communication's campaign would be launched to inform the CDCP beneficiaries on the conversion of these accounts to level zero Branchless Banking accounts. This would be finalised once the numbers and pilot areas had been decided. It was also mutually agreed that the commercial banks would need to provide help lines and account support services.

291. It is not clear what would be achieved by initiating these discussions at this stage when more than 90% of the payments under CDCP have been disbursed. The foregoing analysis shows that the commercial banks are likely to show little interest in pursuing these accounts from a purely business perspective given the additional communication and support costs that would be incurred. Furthermore, the demand of beneficiaries to use this opportunity to open level zero accounts has not been ascertained. Under these circumstances, we conclude that it is unlikely that something positive emerges from these initiatives. It is no wonder that there has been little or virtually no progress regarding financial inclusion and literacy of the CDCP beneficiaries. Commercial banks have not even been able to make a success of the basic account which is for a far more affluent target market.

7.5 Is there a Business case for the Banks to Offer Financial Services to BISP Beneficiaries?

292. The United Bank and Tameer bank are the only two with a branchless banking license so far who are dealing with BISP beneficiaries. The other banks such as HBL, Bank Alfalah, Summit and Sindh Bank are at various stages of acquiring the license or piloting different products. Partner Banks have currently not targeted the BISP beneficiaries since the viability of providing financial services to BISP beneficiaries is still being assessed by them. Most banks appear to have entered the cash transfer market without having fully assessed the costs and benefits of this transaction. Keeping in view the profile of BISP beneficiaries, the banks are highly uncertain regarding the ability of the beneficiaries to actually save and thus little or no resources have been mobilized by banks to offer any financial products to such beneficiaries. Partner Banks are of the view that the beneficiaries lack the ability to save or deposit any money with the banks and there also appears to be little demand by the beneficiary to save with the banks.

293. Discussions with Partner Banks revealed that the current structure under which Limited Mandate Accounts are set up for each beneficiary can be used to capitalize upon the opportunity to offer level zero accounts to beneficiaries, provided that BISP readdresses the requirement to transfer the funds back to the Limited Mandate Account of BISP in the event the funds are undrawn by the beneficiary for a period of 90 days. Moreover, as per our discussion with Partner Banks, the banks are of the view that under the current structure it is more beneficial for the Partner Bank to disburse such funds, since they earn a flat fee of 3% of disbursement value as opposed to float income if such funds are undrawn by the beneficiary. As such, the Partner Banks would be more interested to bank the BISP beneficiaries if the fee / commission income for banks was dependent upon the deposited value of funds by BISP rather than the disbursement value.

294. Additionally, another structure under which the partner banks could offer banking services to BISP beneficiaries would be in case if a separate banking account, be it Level Zero or Level One, could be setup for the beneficiaries where the beneficiaries could transfer funds to the separate Level Zero or Level One account subsequent to receiving the BISP disbursement. However under this structure, banks would need to incur KYC cost and the verification cost of NADRA for setting up the new account, which is approximately PKR 35. Banks are currently unwilling to incur the said KYC cost and have thus approached NADRA for waiving of the KYC fee which shall enable the banks to open up Level Zero accounts of beneficiaries.

295. Moreover, keeping in view the profile of BISP customers, Partner Banks recognize that the beneficiaries shall not be able to afford any transaction cost and the volumes under the bank accounts shall remain low which translates to a very low or no monetary benefit for banks to provide such financial services to the beneficiaries. However, there is a scenario under which Partner Banks can earn monetary benefit from providing savings account services to BISP beneficiaries, wherein beneficiaries maintain an average deposit size which provides the opportunity to banks to earn an interest spread covering the onetime KYC cost of PKR 35 and annual account maintenance cost of approximately PKR 15 per month.⁴⁵ (The said cost assumptions are based on our discussions with the Partner Banks). Table 7-4 depicts the assumptions and scenario under which it is commercially viable for banks to provide saving account services to beneficiaries. BISP beneficiaries leave two and half to 7 installments in their accounts for the banks to break even.

296. Banks are highly uncertain about the ability of BISP beneficiaries to maintain the said balance with the banks for a fixed time period since the value of average deposit requirement greatly exceeds the monthly cash grant currently being received by the BISP beneficiaries. Some maintain that conventional accounts structure will never be able to support BISP recipients. There is very little potential for cross sell. The only possibility of making this a viable business model is through a mobile account as opposed to a conventional bank account.⁴⁶ Mobile accounts can be viable at a much lower level of deposit. However currently only Tameer Bank (Easypaisa) and UBL (OMNI) provide mobile accounts but others are also poised to enter the market.

⁴⁵ This revision in assumption is based on the SOBC of UBL Omni Account and as per our discussion with Tameer.

⁴⁶ Nadeem Hussain, CEO, Tameer Microfinance Bank.



SECTION 8

Assessing the Impact on the Financial Sector

8 ASSESSING THE IMPACT ON THE FINANCIAL SECTOR

8.1 Extent to Which Delivery Payments can Land in a Regulated Bank Account

297. Not a single payment from CDCP and BISP has landed into a regulated bank account so far. Most beneficiaries use the money almost immediately and even when they postpone their use of the funds, they do not land into an account because the beneficiaries do not have an account. Both the qualitative and quantitative analysis confirmed that few if any of the beneficiaries actually had bank accounts and the accounts which they had opened in the past were to receive either a government salary, pension or another cash transfer grant and the funds were drawn almost immediately. The Pakistan Post has been the major payment instrument for much of the life of BISP since 2008. The Pakistan Post offers financial services such as a current account, savings account and money order services under a special dispensation from the Ministry of Finance. BISP and CDCP have never utilized this option because of the post office's low level of automation, poor record keeping and lack of a strategic vision which fits with the overall vision of the cash transfer programmes. The bank led model of cash transfer programmes was only introduced in Pakistan close to the end of 2010. Until May 2012 about 70% of the payments were being made through the Pakistan Post. The CDCP model which also used banking channels was also introduced after the floods at the end of 2010. Thus the bank led model has only been in operation for the last 18 months or so. The majority of payments under CDCP have already been made and the opportunity to leverage the cash transfer of CDCP for financial inclusion appears to be either wholly or partially lost already. While discussions are on-going with banks, the motivation level of banks to participate in providing financial services to beneficiaries appears to be low. The reason for this stems from factors related to both supply side and demand side issues some of which have been discussed in the preceding chapter.

298. BISP's primary objective behind the switch to electronic payment mechanism for cash transfers was to increase efficiency, create transparency, reduce leakages and enhance reconciliation capability. For the above purpose, BISP entered into agreements with Banks to utilize formal banking channels for disbursement of beneficiary funds. Under this structure BISP shared a list of verified beneficiaries with Partner Banks, which created Branchless Banking-Limited Mandate Account for each beneficiary and credits the funds allocated from BISP in each account upon receipt of the same from BISP. Beneficiaries were issued various instruments (Benazir Debit Card or Mobile Phone) by the partner banks to withdraw funds within 90 days. BISP's agreement with the banks, under a special concession from the State Bank, stipulates that if funds are not withdrawn from an account for more than 90 days, the bank has to return this money to BISP. The banks would be unable to meet this requirement if they converted these accounts from Limited Mandate Accounts to branchless banking accounts at any level. In essence the instrument issued by the Partner Banks has limited functionality for the recipient as the beneficiary cannot use this account to deposit her own funds.

299. The beneficiaries of BISP and CDCP are being served by the commercial banks under both conventional and Branchless Banking Regulation and through special dispensation granted by the State Bank of Pakistan in some cases. State Bank policy regarding branchless banking has been evolving and many restrictions stipulated in the 2008 Branchless Banking Regulation have only recently been waived such as the State Bank Policy which did not allow a client under the Branchless Banking Regulation to have more than one branchless account in any one financial institution, (para 3, page 4, 2008). This policy was revised only in July 2011. Thus prior to this policy change, a customer could not deposit any funds into his LMA account and even if the customer wanted he could not open another account.

300. Banks are required by law to follow very strict Know Your Client (KYC) requirements which required the collection of some information and documents from the client. Some banks claimed that they were not able to collect the copy of the ID cards or take a digital photo at the time of distribution of the Watan Cards or the other payment mechanisms under BISP and therefore could not meet the basic requirement for opening accounts for these clients. The level zero account which further minimized the Know Your Customer (KYC) requirements was introduced only in July, 2011 when the State Bank regulation was modified and banks were allowed to open the accounts based on information and documents received digitally from the agent.

301. When a bank converts any beneficiary into an account it has to verify the KYC information at an additional cost. NADRA has introduced a tool for verification of citizens in the country named Verisys which provides online verifications of Pakistani citizens to the government, private and corporate sectors for minimizing the risk of fraud and forgery. This web-based real-time service displays the front and rear image of the CNIC with added hidden information for verification. NADRA charges banks a fee of PKR 35 per verification. While the fee was waived or reduced for CDCP and BISP beneficiaries, the verification process still has to be completed. The waiver of the fee for verification of the CNIC was only agreed to recently and there are still questions regarding who will initiate the process of ensuring that waiver is granted.

302. Despite the changes in the modification of the regulation, minimizing the KYC requirements and reduction or waiver of fee there has been little progress in converting LMA accounts to level zero accounts because the banks have (i) a written agreement with BISP which says that funds have to be transferred back to BISP in case of non-withdrawal within 90 days (ii) Banks get paid on the basis of disbursements and they are apprehensive that if they convert these accounts into level zero accounts, they might jeopardize the fee payment as there is ambiguity on how the money sitting in accounts would be treated. Unless there is clarity on these aspects the banks are unwilling to convert these accounts to level zero accounts. Most of these issues have either only recently been identified and while some have been resolved others are still under discussion. As such, there were some practical difficulties on the supply side which limited the financial inclusion of the cash transfer beneficiaries.

303. Banks maintain that converting these accounts into level zero accounts can be done in an instant by them through “press of a button”⁴⁷ but there is little point in doing so given that banks do not see a business interest in it. On the beneficiary’s side, the issue is that they do not generally save with formal sector banks, have little information on the functionality of these accounts and have evinced little interest in maintaining these accounts for purposes other than cash out. There is also considerable apprehension on the part of the beneficiaries of cash transfer programmes that if they start saving with the same banks which are paying them they might jeopardise their future payments. Besides the growing inflation has eroded the purchasing power of the rupee and the payment that the target group receives is spent on consumption expenditure with little surplus left for investment. Currently though, even if the cash transfer beneficiaries wanted to save in these accounts they could not. Keeping in view the above limitations, the impact of G2P cash transfers on financial inclusion and literacy has been very limited to non-existent and none of the Partner Banks have initiated the process of converting the beneficiaries into clients.

304. An analysis of the commercial viability of offering financial services to the BISP and CDCP beneficiaries reveals that it is not financially viable for commercial banks to open and maintain regular bank accounts for the beneficiaries of BISP and CDCP unless they keep a certain minimum payment in these accounts. The typical pattern of withdrawal shows that beneficiaries have been quick to withdraw all funds received in their accounts because they needed the money, did not save with the banks, were unsure of what would happen if they

⁴⁷ Abrar Mir. Head of Branchless Banking. United Bank Limited. August ,2012.

left the funds in the account, the practical difficulty of visiting the bank again and lack of information of whether they could use this account as a normal account even if they wanted to. Furthermore, the banks did not encourage retention of funds in this account as they are paid on the basis of disbursement from the account. The Banks are definitely not interested in offering savings accounts to BISP or CDCP beneficiaries. Banks are reluctant to pay the 6% minimum mandatory interest stipulated for these accounts. There is need to develop a new category of remunerative account for these high maintenance accounts which were likely to have small average balances every month. In the absence of such accounts, the banks have not been very keen to open accounts for the beneficiaries and this is naturally going to negatively impact the financial inclusion element of the cash transfer payments.

8.2 Level of Services Available with the Bank Account, Such as Savings and Probability of Usage by the Targeted Recipients

305. The level of service provided through a cash transfer account is generally severely proscribed. This is the case not just in Pakistan but in most places where cash transfers are being provided. The payment instruments transfer the grant to a notional account earmarked for the recipient. This virtual or actual earmarking enables more choice of times and locations at which the recipient can withdraw the funds. Nonetheless, the functionality of the accounts is restricted in one or more ways as indicated below;

- Accumulation: The funds cannot be stored indefinitely; if not withdrawn in a defined window, the program may reclaim the unused funds. This is the case in Pakistan as we have seen and the funds can be technically withdrawn if unpaid after 90 days. We have seen little accumulation of the funds and beneficiaries withdraw the money as soon as they can.
- Convenience: The cash transfer funds in Pakistan can only be withdrawn at specific locations. However, these are not dedicated infrastructure in that these have not been specially established for beneficiaries. Most beneficiaries receive the funds at home, others have to go to have to go to ATMs, specific agents managing POS machines for payments.
- Additional uses. There is no mechanism to deposit any additional funds into this account from other sources even where the payments are being made by agents who are connected with Tameer MicroFinance Bank and Omni Dukaan and they can technically open zero level accounts for other walk in customers. However, there is no arrangement to do that for beneficiaries of the cash transfer programmes.

306. At the moment the delivery of payment does not land in a regulated bank account because no bank has transferred any of the customers to any level of account including the minimum level zero account. There is a range of services which the beneficiaries can use over the counter even without having a bank account. In fact most of these over the counter services are more highly valued by the clients than opening of an account. These services include the following; payments of bills and payment to persons, cash withdrawals, money transfers, retail purchase and settlement. In order to avail the mobile M-wallet facility offered by Tameer Bank, one does not have to have an account and in the system it is optional for the customer to decide. Facilities which could in addition become available as a result of opening of level zero accounts would include mobile accounts (M-wallet), account to fund transfer within a certain limit, deposit mobilization, etc.

307. Those with branchless banking licences are offering access points across the country and without the cost of expensive branch infrastructure, branchless banking could theoretically be able to reach many more people and at a much cheaper cost. Financial services are potentially accessible and affordable to many poor people for the first time. Until recently there has been very little data on the income levels of the users of branchless banking in Pakistan. However, CGAP commissioned Coffey International Development to

carry out studies of customers of several branchless banking services. The first study to take place was with EasyPaisa customers in Pakistan. At that time EasyPaisa had more than 10,000 agents across the country and had more access points than the entire banking sector of Pakistan combined, and allowed customers to send and receive money to friends and family, to pay their bills and to open an account on their Telenor phone. The purpose of the study was to assess whether poor customers and those that were previously unbanked were using the service. The study found that 41% of the Easypaisa users lived on less than USD2.50 per day (in 2005 PPP adjusted dollars). The majority of customers (69%) lived on less than USD 3.75 per day, but few customers (5%) were living below USD 1.25 per day.⁴⁸

8.3 Impact Pertaining to the use of Formal Payment Mechanisms on Transaction Costs in the Financial Sector

308. An assessment was made of the impact of the use of formal payment mechanisms on transaction costs in the financial sector and estimating the ratio of transaction costs to GDP per capita. The first finding is that the cash transfer programmes have not led to financial inclusion and as such the financial sector has not been influenced in any manner to reduce or increase its costs as a result of these transactions. There are slightly diverging views within the banking sector about whether the banking costs are declining or increasing. Some maintain that “banking services for now are pretty stable if not going down but bankers suspect that as we see in rest of the world, we shall see cost going up in future as the spreads gets squeezed due to drop in interest rates”.⁴⁹ Others feel that the costs have been going up⁵⁰ but there will be certain categories of accounts where the costs will stay low.⁵¹

309. The results from the quantitative survey were used to assess the average transaction costs per beneficiary in terms of time cost, transportation cost and “service fee” cost or what represents the leakage in the system due to paying the intermediaries who assist with en-cashing the payment. It was assumed that each beneficiary would, on average, spend one day to go to collect the payment each month. The opportunity cost of one day of the beneficiary has been estimated at PKR 200 based on the minimum wage rate. The transportation cost was estimated to be PKR 300 on average for each beneficiary for each time the payment has to be collected. The “service fee” paid as a bribe or as a fee to the person who helped get access to the cash through the ATM or POS or bank agent was estimated to be PKR 200 each month. Based on this the annual transaction cost of BISP payments was estimated to be about 7.4% of GDP per capita in 2011 and PKR 6.8% of GDP per capita in 2012 (Table 8-1).

Table 8-1: Transactions cost of BISP Payments as (%) of GDP Per Capita

| Year | GDP Per capita (USD) | Time Cost of Collecting payment (USD) | Transportation Cost of Collecting Payment (USD) | Service fee Cost of Collecting payment (USD) | Total as (%) of GDP Per Capita | |
|------|----------------------|---------------------------------------|---|--|--------------------------------|-----------------------|
| | | | | | Total (USD) | (%) of GDP Per Capita |
| 2011 | 1201 | 26 | 38 | 26 | 89 | 7.4% |
| 2012 | 1305 | 26 | 38 | 26 | 89 | 6.8% |

Source: ICF GHK assessment

310. As a result of the cash transfer programme of CDCP and BISP an attempt has been made to modify the costs of opening a beneficiary account with participating banks by modifying or waiving off some element of the fee. However, this reduction in cost is for the

⁴⁸ 327 interviews were carried out with EasyPaisa customers at 10 locations across both rural/semi-urban and urban Pakistan between January and February 2011.

⁴⁹ Abrar Mir. United Bank Limited. September 3, 2012.

⁵⁰ Nadeem Hussain. CEO. Tameer MicroFinance Bank. September 3, 2012.

⁵¹ Abrar Ameen. Bank Alfalah.

partnering bank such as the waiving off of the verification fee that banks have to pay to NADRA. Since there has so far not been any attempt to convert the beneficiary LMA accounts to level zero accounts it remains untested whether these costs would have been passed on to the beneficiary. There has been no reduction in the account opening costs for beneficiaries as a result of cash transfer programmes. The interaction of beneficiaries with banks as a result of these programmes has been limited and it has not improved information regarding banks or improved the trust in banks. It is not surprising therefore that the recipients of cash transfers have not changed savings behavior. However, one major change as a result of the cash transfer programmes which may have a significant impact in the future on financial inclusion is that the cash transfer programmes have facilitated the recipients to obtain their CNIC. This is a prerequisite for opening an account and transacting with a formal sector financial institution. Most CNICs of eligible beneficiaries were made as a result of the cash transfer programme and in this aspect the cash transfer programme will help to facilitate the interaction with the formal FIs should the beneficiaries choose to deal with them.

8.4 Impact of Availability (both depth and breadth) and Costs of Banking Services for Beneficiaries and the Larger Population

311. Banking services in Pakistan remains primarily limited to a small percentage of the population due to both supply and demand factors as has been discussed in the preceding sections of this report. However a regional study claims that commercial banks in Pakistan maintain a proactive stance in offering products and services to the banked population at competitive rates. It has been estimated that widespread use of mobile financial services can reduce the number of the unbanked population by 20 percent and increase the number of formal credit holders by 10 Million in Pakistan by 2020. The number of people with formal savings accounts could increase by 27 Million by 2020, which would double the transaction volume to 14 transactions per user. By 2020, the number of formally insured individuals could increase by 4 Million, while users of remittance services could reach 57 Million, increasing the formal remittance volume by 24.0 percent. At the macro-economic level, the increased use of mobile financial services could add USD 20 billion or 3.0 percent to the country's Gross Domestic Product (GDP) by 2020.⁵²

312. Indeed, growth in branchless banking thus far is promising. According to the State Bank of Pakistan branchless banking transactions increased by 23 percent to 25.3 Million during January to March 2012; total number of branchless banking agents increased by 19 percent to 26,792 agents nationally, with a footprint in 89 percent of districts in Pakistan. Total number of branchless banking accounts surged by 14 percent and surpassed the one Million mark.⁵³ Branchless banking deposits grew by 18 percent to PKR 594 Million during the quarter. From among these transactions, 8 Million were person-to-person (P2P) fund transfers, compared to 1.1 Million G2P payments out of a total of 25 Million transactions in the quarter. Further, average transaction size was PKR 3,367 (down by 13 percent from the previous quarter, suggesting that BB technology is going down market.⁵⁴ Bills payment remained the dominating activity with 42% share in total numbers, followed by person to person (over the counter) fund transfers and airtime top-ups with share of 32% and 10% respectively. Encouragingly, the BB service providers are trying to increase their linkages with microfinance institutions as loan repayments of PKR 312 Million were collected through BB agents during the quarter. The growth expectation in coming quarters is fairly high as the largest brand of the country is in the process of technology up-gradation for account opening and thereafter it plans to start registration of customers for Level Zero Account. Banks are progressively exploring avenues to increase the attractiveness of the m-wallets to the customers and offering them new services such as purchasing air-tickets, receiving

⁵² The Socio-Economic Impact of Mobile Financial Services: Analysis of Pakistan, Bangladesh, India, Serbia and Malaysia, Boston Consulting Group 2011, p. 28

⁵³ Branchless Banking Newsletter Issue 3: January to March 2012, SBP 2012, p. 4

⁵⁴ Ibid.

salaries/ pensions, utilizing ATM through debit cards, and internet banking. Moreover, few other banks are likely to start their BB operations soon.

313. UBL Omni now brings a host of banking services through the "Dukaan." UBL Omni Dukaans are located in more than 580 cities and towns across Pakistan. This is a major milestone in the evolution of banking that is expected to contribute to reshaping the traditional banking model by offering basic banking services across urban and rural Pakistan, well beyond the regular branch networks of banks. Customers across Pakistan can now open a UBL Omni bank account at any UBL Omni Dukaan of their choice, whether close to their home or place of work, by using their CNIC number and mobile phone number - their mobile phone number will effectively become their bank account number irrespective of which service provider they use. UBL Omni account holder will subsequently be able to deposit and withdraw cash, make utility bill payments, send or receive money, purchase mobile card vouchers, make post paid mobile bill payment by using a diversified array of convenient channels which includes UBL Net banking/ WAP, SMS, Contact Centre or ATM. Clients will not have to visit a bank branch to conduct their basic banking transactions nor will they be limited by standard banking hours. People without a UBL Omni bank account will also be entertained at a UBL Omni Dukaan where they can make utility bill payments, send or receive money, purchase mobile card vouchers and make post paid mobile bill payments.

314. An attempt was made to trace the costs of the formal banking system over the last few years and to assess whether banking costs were declining or increasing as a proportion of GDP per capita in Pakistan. This analysis shows that while the actual cost of availing of financial services may not have declined but there is a reduction in transactions costs in the aftermath of the Branchless Banking Regulation due to reduction of the requirements for account opening, minimum account balance requirements. Furthermore, the establishment of a large number of retail agents at convenient locations has led to a considerable reduction in time costs and transportation costs and increased the spectrum of choice for the average user of these services. A review of the schedule of charges that banks submit to the State Bank of Pakistan indicates that there is an upward trend which compelled the regulator to issue a circular. The circular was issued on 27th May 2011 regarding service charges on PLS Deposit Accounts. The circular refers to BPD Circular No.23 dated July 4, 2003 and subsequent instructions issued from time to time, allowing banks to recover service charges on deposit accounts commensurate with the services provided by them. SBP has taken a number of initiatives such as introduction of the Basic Banking Accounts (BBA), liberalization of Branch Licensing Policy, fixation of maximum limit on service charges at PKR 50/per month, exemption of Salary and Zakat Accounts from service charges, introduction of Branchless Banking and encouraging the establishment of Microfinance Banks, with the objective of promoting savings and improving financial inclusion. Nevertheless, the SBP observed that in recent years the number of account holders, in particular *the number of small depositors, has declined despite an increase in the number of bank branches*. Among other factors, the levy of service charges on deposit accounts is considered to be one of the main reasons for this trend. Hence with the objective of encouraging documented transactions and increasing financial outreach, the following instructions on the opening, maintenance and closing etc. of all types of bank accounts, except the Special Deposit Accounts wherein banks offer added services to its customers/account holders, are being issued under Section 41 of Banking Companies Ordinance 1962. These instructions would be applicable with effect from July 1, 2011.

315. The banks were asked in the circular not to refuse opening of accounts for prospective clients who meet the requirements laid out in the Prudential Regulations, other instructions issued by SBP from time to time and banks' own policies. The services rendered by banks for the opening and maintenance of regular savings accounts were stipulated to be " free of charge. There shall be no condition of maintaining a minimum balance for these accounts. These instructions are applicable equally on all existing and new accounts. Similarly, no charges would be recovered by banks at the time of closing an account." Banks shall not demand more than PKR 100/- as an initial amount for opening of regular savings accounts. However, no initial deposit would be required for opening of

accounts by (i) Mustahkeen of Zakat, (ii) Students, (iii) Employees of Government or Semi Government institutions for salary and pension purposes (including widows/children of deceased employees eligible for family pension/benevolent fund grant, etc.) and other similar types of accounts. The banks shall pay profit invariably on "Profit and loss sharing (PLS) Accounts" without any condition of minimum balance in accordance with instructions issued by SBP from time to time.

8.5 Overall impact in Terms of Financial Deepening for the Local Economy

316. The number of beneficiaries of the two cash programmes under review is large and comprise close to 16% of the total households in Pakistan under BISP and about 6.7% under CDCP I and 3.7% in CDCP II. A comparison of the size of other cash transfer programmes internationally shows a wide range in the number of beneficiaries and the proportion of population included. Table 8-2 below provides these comparisons. However, the key question for our analysis is how did this widespread coverage and payments impact the rural economy.

Table 8-2: Comparison of Different Cash Transfer Programmes

| | Brazil | Colombia | Mexico | South Africa | Pakistan | | |
|---------------------------|---------------|--------------------|---------------|---------------------|----------|--------|---------|
| Population (mn) | 193 | 46 | 109 | 50 | 173 | | |
| Programme name | Bolsa Familia | Familias en Accion | Oportunidades | Child Care, Old Age | BISP | CDCP I | CDCP II |
| Number of recipients (mn) | 12.9 | 2.4 | 5.8 | 9 | 4.03 | 1.7 | 0.93 |
| % of population covered | 30 | 11 | 20 | 30 | 15.8 | 6.7 | 3.7 |

Source: ICF GHK assessment

317. Financial inclusion can shore up financial deepening if, for instance, bank regulations relax branching constraints and allow (or lower the costs) for the operation of mobile phone-based banking systems. Financial deepening can lower banking costs, but policy-makers have to focus on the ways in which these cost reductions are actually passed on to low-income consumers (by, for instance, subsidizing basic banking accounts. These lower costs of formal financial services can clearly improve access. They are also likely to reduce the implementation costs of cash transfer programmes thereby expanding their potential effectiveness. Cash transfers can improve access to financial services, which may lower banking account fees, which, in turn, drive financial deepening, improve access to finance and lower the costs, and increase the efficiency of cash delivery programmes. Albeit intuitive, these links are still largely unexplored.⁵⁵ However, we have seen that the cash transfer programmes have not led to financial inclusion and have therefore not influenced financial deepening. While branchless banking regulation is likely to enhance financial inclusion in the country and may in the long run also reduce the cost of banking and lead to financial deepening this has not begun to happen as yet.

318. One of the key features of financial deepening is that it accelerates economic growth through the expansion of access to those who do not have adequate finance. One key aspect of our work was to examine how the large volume of cash grants which are now flowing to the poor districts has impacted local growth. A review of literature confirms our beneficiary assessment findings that farmers spend half of increments to income on the rural non-farm sector.⁵⁶ Thus, it is the rise in rural incomes that drives demand for the large,

⁵⁵ How To Maximize The Development Impact Of Social Protection. Policies In Africa? The Role Of Financial Development ¥ Nauro F. Campos* , Professor Of Economics And Finance At Brunel University (London) Fabrizio Coricelli** , Professor Of Economics At Université Paris 1, Panthéon-Sorbonne Paper Prepared For The Workshop "Experiences And Lessons From Social Protection Programmes Across The Developing World: What Role For The E?" Organised By The European Report On Development In Paris, 17-18 June 2010.

⁵⁶ Mellor 1995 and 1986.

employment-intensive, non-tradable, rural non-farm sector. The cash transfer is a type of increase in income and therefore it is likely to have an impact on rural demand. BISP payments are about 9% of the GDP per capita in 2012, while CDCP I payment represents 16% and CDCP II payment represents 32% of GDP per capita. Since CDCP payments are one time payments their impact on the local economy can be expected to be limited. The impact of BISP payments on the local economy can be expected to be more sustained because of its on-going nature. The major share of the cash transfers under BISP are used for consumption goods, health expenditures, education and the CDCP funds were used for consumption as well as reconstruction of homes. BISP was initiated as a result of high food inflation of 17.5 percent and 26.6 percent in 2007-08 and 2008-09.⁵⁷ Average food price inflation over the last three years in Pakistan has averaged above 10%. Thus the increase in food prices are likely to have absorbed the major share of the gains from the BISP cash transfer programme. There has also been a rapid increase in energy prices in the last three years which represents an almost 300% increase in energy prices. This increase has led to an overall increase in inflation in the country. Thus any gains experienced by food producers is also likely to have been eliminated as a result of the general price increase in energy prices and the cost of production. In view of these factors impact on financial deepening is likely to have been limited.

319. The hypothesis that development in the financial sectors leads to development of the economy as a whole was examined. Although the commercial banking sector remains one of the leading sectors in terms of performance - however it has not been on the back of robust economic growth. In fact access and deepening of the financial sector was limited even during the years Pakistan witnessed over 6% average growth in GDP. The major constraint in trying to assess financial deepening is that while finance is a key constraint to rural growth, the local economy has been very badly affected by electricity shortages, competition from China, lack of security, Government price support policy, etc. As a result the financial deepening expected from the availability of additional financial services and volumes may not have the requisite impact. Besides the indicators of financial deepening are generally impacted by a variety of macroeconomic variables and policy initiatives of the Central Bank (SBP) and it would be erroneous to conclude that any change in these ratios is a result of GoP's initiative of introducing the social cash transfer programme.

- Share of the Financial Sector in GDP
- Real Per Capita M3
- M3/GDP Ratio and M2 to GDP Ratio
- Total assets of the Financial Sector/GDP
- Advances of Commercial Banks to Private sector/GDP
- Private Sector Credit/Total Domestic Credit
- Money multiplier
- Currency to total deposits
- Currency to M2
- Currency to GDP

⁵⁷ Muhammad Abdullah and 2Rukhsana Kalim Empirical Analysis of Food Price Inflation in Pakistan. World Applied Sciences Journal 16 (7). 2012.



SECTION 9

Recommendations on the Design and Implementation of Current Cash Programme

9 RECOMMENDATIONS ON THE DESIGN AND IMPLEMENTATION OF CURRENT CASH PROGRAMME

9.1 Overview

320. Based on the analysis of the design and implementation of the current cash transfer programmes of BISP and CDCP, this section has been written to inform the design and implementation of future financial inclusion and literacy programmes outcomes for cash transfer beneficiaries. This section attempts to focus on those findings which improve the design and implementation from the perspective of financial inclusion and literacy outcomes rather than general improvement of the implementation of cash transfers per se. In the last decade or so, substantial innovations have taken place in the way social protection policies are designed and implemented. As their overall objective is to help the poor escape poverty permanently, concerns about the development impact of such interventions are becoming increasingly important.⁵⁸ The potential of cash transfers to bolster financial inclusion has received scant attention in the literature until recently.⁵⁹ This section of the report addresses those issues in the design, implementation and structure of cash transfer programmes which can have a positive impact on financial inclusion and literacy and identify those factors which limit the potential impact of cash transfers on financial inclusion and literacy outcomes.

9.2 Mechanisms and Approaches for Enhancing Financial Inclusion and Literacy

9.2.1 Understanding Demand for Formal Financial Services

321. Data from several sources indicates the very low use of formal sector financial institutions in Pakistan with just 10 percent of the population with an account at a formal financial institution. The gender disaggregation of this figure shows an even greater disparity, with a mere 3.0 percent of adult females having an account at a formal financial institution. On the savings side, the use of formal services in Pakistan is abysmally low with just 1.4 percent of adults saving with a formal financial service provider. In terms of credit, only 1.6 percent of Pakistani adults had received a loan in the survey year from a formal financial provider. In use of insurance services, Pakistan is at the bottom again with a mere 0.5 percent of the adult population having paid for any form of health insurance.⁶⁰ National household survey provides more in-depth understanding of both the formal and informal sectors and shows that 32 percent of the population is using financial products and services offered informally, without any legal governance structure. The financially excluded strand of the population or those who have no access to or do not use either formal or informal financial services accounts for a majority of the adult population (56 percent) of the country. Out of the financially excluded population, a significant proportion (18.6 percent) is voluntarily excluded and does not want to use financial services on religious or cultural grounds,⁶¹ while the remaining 37.4 percent is the involuntarily excluded population that wants to use financial services but is not being served by any provider.⁶²

322. The preceding section shows that there are legitimate questions which can be raised with reference to the demand for formal sector financial services. There are three times more people using informal financial services than there are using formal services. A

⁵⁸ Hanlon, J, A Barrientos and D Hulme (2010), *Just Give Money to the Poor: The Development Revolution from the Global South*, Sterling VA, Kumarian Press.

⁵⁹ Hanlon, J, A Barrientos and D Hulme (2010), *Just Give Money to the Poor: The Development Revolution from the Global South*, Sterling VA, Kumarian Press.

⁶⁰ The Little Data Book on Financial Inclusion, World Bank 2012.

⁶¹ Bringing Finance to Pakistan's Poor, World Bank 2009, p. 32

⁶² Access to Finance Survey (A2FS). 2008

majority of the population is currently not using any of these services. Thus it may well be that most people do not need these services or that the services offered by the informal sector are better suited to the client needs or that the formal sector is simply not offering the services required by the people. Although there is increasing attention being paid to the relationship between social transfers and financial inclusion, the impact of social transfers on financial access has not featured as a central aspect of social safety-net design. Moreover, as forcefully argued by Collins et al. (2009),⁶³ the low financial access of the poor is largely due to inefficient supply, especially to the lack of appropriate financial products for the poor. A legitimate question which arises is why is there so much importance being given to financial inclusion defined narrowly as having access to formal banks. One needs to stop and reflect on why it is so important for the beneficiaries of cash transfer programmes to open accounts with banks if they are subsequently not going to be served by these institutions and if there is limited value that the account can offer to the clients. It is important to undertake a more careful analysis of what types of services the cash transfer beneficiaries need and to assess how formal sector institutions can offer these, if at all they can offer them. Any programme which is serious about financial inclusion and literacy has to undertake a proper diagnostic, design an appropriate strategy and find partners interested in this segment of the clients. It is not enough to assume beneficiaries demand services and commercial banks are willing to supply these services.

9.2.2 Need for a Paradigm Shift in the Way Financial Inclusion and Cash Transfer Programmes are Viewed

323. One of the most significant findings of this assessment is that there is need for a paradigm shift in the manner in which we view financial inclusion and literacy. Unless we make this shift we will be asking the wrong questions and finding unworkable solutions that are not relevant for the type of financial services that are currently required. A classic example of this is the G2P payments made in AJK in the aftermath of the earthquake in 2005. The government announced the G2P Livelihood Support Cash Grant, through the Earthquake Rehabilitation and Reconstruction Authority (ERRA) during March 2006 to March 2007. This grant provided PKR 3,000 to eligible families for six months. Families were identified with the help of NADRA through CNIC/NIC information. Beneficiaries were required to have bank accounts in order to access the G2P cash grants. Payments through Pakistan Post were an alternative in case there was no bank in the area. Because it was incumbent upon the receipt of to have a bank account, it created an impetus for targeted beneficiaries to open bank accounts to receive these payments. Thus survey data shows that AJK has the highest financial inclusion rate. The key question to ask is did people really benefit from opening the account. Did they use this account afterwards and at what cost? Otherwise what is the value of being forced to open an account simply to receive a payment. Certainly for the purposes of the payment it is a convenient modality but what does it actually mean for the beneficiary and what value does it add to financial management aspects, savings behavior and expenditure patterns?

324. Detailed econometric analysis shows that the level of household income is the main driver of the difference in financial inclusion across the different provinces in Pakistan⁶⁴. Organizations undertaking the analysis constantly misread the motivations of the banks. If you do that you will attribute them business plans which they do not have. A recent review of the market in Pakistan⁶⁵ stated that “more and more financial institutions are recognizing the huge untapped potential offered by excluded clientele. “Undoubtedly, in a market like Pakistan where 30.9 percent of the population is involuntarily financially excluded, and 89.7 percent do not have a savings account⁶⁶, managers of “commercial

63 Collins, Daryl, Jonathan Murdoch, Stuart Rutheford and Orlanda Ruthven (2009). *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*. Princeton University Press.

64 *Bringing Finance to Pakistan's Poor*, World Bank 2009, p. 34

65 *Financial Inclusion and Literacy in Pakistan – A State of Practice Report* Prepared by Pakistan Microfinance Network. August 11, 2012.

66 A2FS 2008.

financial institutions are recognizing the potential that financial inclusion at the base of the pyramid offers.” The report further states that “Acquisitions of microfinance banks by telecom companies and commercial banks also suggest that deep pocket commercial entities see serious potential in targeting the currently “un-served”. The point is that while some of the banks are certainly looking to expand their market share, few banks are actually looking at this segment of the market to provide them bank accounts. The same report also concluded that “In the effort to retain their G2P recipients as BB clients, United Bank Limited (UBL) obtained permission from the SBP to convert BISP beneficiaries’ limited mandate accounts into basic BB level zero accounts in mid 2012.”⁶⁷ UBL confirms that it can technically convert these accounts to level zero account without much problem, the reason they haven’t done it is because of some operational issues that need to be sorted with BISP and the fact that there would be little point in converting these into level zero accounts for the bank and the recipient.

9.2.3 Broadening the Definition of Financial Inclusion

325. Conventionally, financial inclusion has been defined as opening an account with a bank, saving with it and borrowing from it. However, the nature of banking itself is changing and the type of services demanded is changing. We need to review and redefine the way in which we look at financial inclusion. There is limited demand in Pakistan for opening bank accounts and limited interest by banks to provide this service especially to the market segment which can be profiled as cash transfer recipients. However, one area for which there is growing demand is funds transfer. The rapid growth of branchless banking in Pakistan has been spurred on because of demand for transfer fund services and utility payments. The growth in number of transactions is mainly due to the increasing volume of bill payments, person to person fund transfers, and airtime top-ups, which accounts for 42%, 32% and 10% respectively. Similarly, the growth in value of transactions is again owed largely to P2P payments.⁶⁸ This shows that the services which customers value is not necessarily opening a bank account but a host of others. The current assessment shows clearly that the narrow definition of financial inclusion which sees it as having a bank account with a formal financial institution is not relevant in the current context and should be broadened to mean “an absence of obstacles to the use of financial services.”⁶⁹

9.2.4 Choosing the Indicators of Financial Inclusion

326. The core set of indicators used to monitor financial inclusion tend to focus very narrowly on the conventional model of banking and the types of services that are used by the clients in the upper income brackets mainly deposits and loans. These indicators are not relevant for the cash transfer beneficiaries. Thus if we shift the paradigm and the definition of financial inclusion. Instead of the focus on just ATM and agents we would also need to include those using mobile accounts, transfer services and bill payments. We may also need to monitor it differently for which we will have to assess how financial inclusion and literacy indicators are collected, verified and reported for the conventional indicators and the existing approach lends itself to collection of data on the revised indicators relevant for our target segment.

⁶⁷ Financial Inclusion and Literacy in Pakistan – A State of Practice Report Prepared by Pakistan Microfinance Network. August 11, 2012.

⁶⁸ Branchless Banking Newsletter. March 2012. State Bank of Pakistan.

⁶⁹ As defined in the PMN report on Financial Inclusion and Literacy in Pakistan – A State of Practice Report Prepared by Pakistan Microfinance Network. August 11, 2012

9.3 Improving Payment Procedures to Improve Access and Enhance Available Financial Services

9.3.1 Incorporating Financial Inclusion into Programme Design

327. One of the principal constraints which limited the financial inclusion and literacy outcomes of cash transfer programmes was the limited focus given to this aspect in the design of both CDCP and BISP. A review of the Programme Appraisal Documents (PAD) of BISP and CDCP clearly illustrates that financial inclusion and literacy were not envisaged as part of the agenda when these programmes were designed. The PAD of BISP states that the World Bank is “well positioned to support the GoP in establishing a national social safety net platform given its previous social protection involvement in Pakistan and international experience with strengthening social safety net systems.” Its concern was more with scorecard based targeting and it recognized that the “ task of establishing a national targeting system and rolling out an income support program for up to seven Million families in a relatively short time was colossal.” Thus the manner in which the project objectives were formulated was focused more on reducing poverty and improving income distribution, as well as human capital development as outlined in Pakistan’s National Social Protection Strategy.

328. The PAD stated that the Government seeks to support inclusive growth through the development and implementation of a financially sustainable, efficiently targeted, and well administered national safety net system in Pakistan. There was no mention of financial inclusion and literacy in the original project document. The project was seen as the beginning of a longer term engagement to establish structures and systems for better social protection of the poor in the country. At this time the payments were to be made through the Pakistan Post “Money Order”. This arrangement was favoured keeping in view the vast coverage, easy accessibility and money handling and delivery capacity of Pakistan Post. Over time, however, BISP “management seeks to investigate alternative payment options using modern technology such as smartcard or others.”⁷⁰ Nevertheless, the specific agenda of financial inclusion was not part of the original strategy.

329. The PAD of the Flood Emergency Cash Transfer Programme or CDCP as it is alternatively known outlined the development objective of the project as supporting the recovery of flood affected households by assisting the Government of Pakistan (GoP) in strengthening the implementation of its Citizen’s Damage Compensation Programme (CDCP). The document noted that CDCP “payment mechanisms are making use of the formal banking system and thereby expanding the net of financial system to among others, the poor. Since one of the objectives of BISP is to develop technology based payment solutions that reduce the leakage and increase the transparency, CDCP will help in providing the platform for scaling up the **financial inclusion of the poor** in the formal banking system. This will open additional avenues of economic improvement at individual and family level (by increasing access to financial resources and systems) both for the extremely poor as well as those affected by the disasters.”⁷¹ However, it appears that this was lip service as there was nothing in the design of the programme which showed how the financial inclusion was actually to be achieved. The expected outcomes did not include any aspect related to financial inclusion or literacy. The key performance criteria never mentioned financial inclusion and literacy as an indicator to be monitored.

330. While the Project Appraisal Document of the Flood Emergency Cash Transfer Programme stated that it would help in providing the platform for scaling up the financial inclusion of the poor in the formal banking system, the key agencies responsible for the

⁷⁰ The World Bank. (March 16, 2011). Appraisal Stage. Report No.: Ab4594. Pakistan Social Safety Net Technical Assistance Project. Project Information Document (PID).

⁷¹ The World Bank. (March 16, 2011). Flood Emergency Cash Transfer Project. Report No: 59311-Pk.

implementation of the programme, i.e the Cabinet Division and CDCP did not see it as their mandate or role to pursue the financial inclusion agenda. The World Bank has been pursuing the financial inclusion agenda because it is keen to leverage its investment in the cash transfer programme. The Bank has been encouraging a dialogue with the banks to pursue this agenda. There was little ownership of the financial inclusion agenda by the Cabinet Division. The Citizen's Damage Compensation Programme (CDCP) implementers at NADRA also maintained that financial inclusion and literacy was not their mandate and so they had little role in it.

331. The initial design of the cash transfer programmes was not intended to leverage the opportunity of providing cash transfers to extend to provision of financial services to the beneficiaries. As such, the agreements between BISP and commercial banks and CDCP did not identify any specific opportunities to provide the beneficiaries financial services. The corporate position of BISP on the financial inclusion agenda appears to be gradually evolving. In its current negotiations with commercial banks, BISP has put the financial inclusion agenda on the negotiating table. BISP is now invested in trying to get banks to abide by their commitment to establish level zero accounts for the beneficiaries. BISP is also, independently of the banks, evolving financial products for its beneficiaries such as *Waseela-e-Haq*: for provision of interest free loans to help the recipients set up small businesses and *Waseela-e-Sehet* for the provision of life and health insurance cover. The total number of families with life cover of PKR 100,000 currently stands at 2 Million. It is a matter for discussion whether this approach of providing beneficiaries financial services through a cash transfer programme is more appropriate or whether this approach should have been mainstreamed through the existing commercial institutions as a more sustainable arrangement.

9.3.2 Better Appreciation of the Business Case for Commercial Banks

332. There has generally been very limited understanding of the business case of participating in the cash transfer payments for banks. There has also been a failure to understand that the business case for the delivery of the cash payments has to be evaluated separately from the business case for providing financial services to the beneficiaries. To be fair, the lack of appreciation of the business case has not been only on the part of the implementing agencies such as BISP, CDCP and donor agencies but the banks themselves. UBL which first ventured into this area had not fully assessed its costs. Given that this was a new area most banks did not fully understand the business model either. It has only been gradually that the banks have begun to gain a better understanding of the costs and revenue stream of cash transfer programmes. There has however been a presumption on the part of other implementing partners including the donor agencies involved that banks must be earning huge margins. Our analysis shows that while some banks have made profits from this business, the margins are narrow and any delay in payments or extension in operational costs very quickly erodes those margins. Our discussions also shows that CDCP and BISP have been somewhat oblivious of the fact that banks experience serious cost overruns when their presence in the Facilitation Centres is prolonged beyond the period initially decided. Furthermore, banks have a substantial cost in terms of managing cash on site because of security and insurance issues. Failure to understand the economics of the business model has led the implementing partners to push the commercial banks into arrangements which are unsustainable. This is a principal reason that many of the tripartite discussions between the implementing agencies, commercial banks and donor agencies has led to poor follow up of the recommendations.

333. The business case for providing financial services to the beneficiaries of CDCP and BISP is a separate agenda which has not been actively pursued until recently. There has to be a separate evaluation of whether on the supply side there is any interest by the banks to offer this service and whether on the demand side there is any interest in opening and maintaining bank accounts. Some of the institutional aspects such as change in the nature of the contract which stipulates the 90 day period beyond which funds have to be returned to BISP would have to be revised and clarity would have to be sought if putting the

money in the beneficiary account constitutes disbursement. Our analysis shows that it is only financially viable for commercial banks to maintain regular bank accounts for the beneficiaries of BISP and CDCP if they maintain a certain minimum average balance in the account. Based on available evidence and findings of this assessment show that beneficiaries are unwilling to do so. Even if there was a demand from the beneficiaries, there would be need to develop a new category of remunerative account for these high maintenance accounts which were likely to have small average balances every month. In the absence of such accounts, the banks are reluctant to further squeeze their profits and provide savings accounts to beneficiaries.

334. It is clear that the business case for disbursing cash transfer payments under BISP at present depends on receiving a regular fee from BISP. Without this fee, the business case is challenging. Governments cannot and should not assume that banks will generate sufficient revenue from the revenue stream earned on interest income from the float, since the float doesn't last in the accounts or from cross-selling at this early stage. Over time, a combination of increasing balances, more customer-initiated payment transactions and cross-selling may support a strong business case. But even then, an efficient widespread agent distribution network is a key factor in reducing the cost of opening accounts and servicing client transactions. Unless the institutional infrastructure and systems are in place the relationship with banks has to be carefully evaluated. The cash transfer programmes also have to recognise that the bank's investment should not be viewed as merely a public service, but should be considered a core element in their strategy for agent network expansion to serve previously untapped markets, and central to their projected revenue and profit growth.

9.3.3 Allowing Time for Banks to Incorporate Changes in the Banking Regulation into their Business Models

335. The banking regulation in Pakistan has evolved rapidly in the last few years in Pakistan. The branchless banking regulation which has led to a new impetus in the growth of financial services in Pakistan was formulated at the same time as the largest cash transfer programme, i.e. BISP. Many stipulations in the original Branchless Banking Regulation of 2008 did not encourage financial inclusion for beneficiaries of cash transfer programmes such as the restriction on opening more than one branchless banking account with the same financial institution, the Know Your Client requirements, etc. It was only in June 2011, about a year ago, that the banking regulation was modified to drop the one account restriction and innovated a new level zero account which considerably reduced the KYC requirements. On the sidelines there have also been discussions to waive off some of the costs of verifying customers for the BISP and CDCP programmes. Thus the regulation which encourages financial inclusion has gradually evolved and perhaps more time needs to be provided to allow for the banking sector to incorporate these into their business models and offer a set of services which are commercially viable for them.

9.3.4 Recognizing the Limits of Service Provision by Formal Sector Institutions to Poor Segment of the Population

336. There are limits to the extent to which the commercial banks will serve this segment of the population. The reason that the microfinance sector grew in Pakistan was precisely because the commercial sector was unwilling to provide services to the poor. To expect that the commercial sector would be willing to offer services to the poorest segment which the BISP and CDCP beneficiaries represent would be unrealistic. Basing any plans on this presumption would simply not work. The BISP and CDCP cash transfer programmes chose partners they needed for delivering the cash efficiently, transparently and cost effectively to their target group but these partners are not always the best placed to offer financial services to this segment of the population. Thus if there is a serious intention to serve this segment it is important to bifurcate the two very distinct type of services that commercial banks are offering to BISP and CDCP and evaluate them separately that is (i)

the delivery of cash payments and (ii) financial services on offer to the beneficiaries. Those with a good infrastructure to disburse the delivery may not necessarily be able to offer financial services. Thus it is best to have separate agreements for the two functions.

337. The key question therefore would be to ask that (i) if commercial banks are unable to offer financial services to these clients at the current time would they be able to offer these services in the future and (ii) who would be best placed to offer these services if commercial banks are unwilling or unable. The answer to the first question is that commercial banks are currently not interested in offering services to this target segment given that most banks have been unable to make their existing basic accounts into a profitable line of business. For the future, only those commercial banks and microfinance banks will be interested in offering services to these clients who are able to develop lines of business which are commercially viable for them such as Easy Paisa and Omni Dukhan. The latest report of the State Bank shows that there has been rapid growth in branchless banking transactions. The G2P payments are not the only payments which are using this modality. In fact, G2P make up less than 5% of the total volume of transactions and 16% of the value of branchless banking transactions. The branchless modality has to date offered the most promising avenue for enhancing financial inclusion of the poor segment.

9.3.5 Increase the Efficiency of Implementation and Outreach to Beneficiaries When Using Financial Inclusive Payment Services

338. As part of this assessment, a comparison of costs of the different payment mechanisms was undertaken. The Pakistan electronic payments are not cheaper than delivering cash through the banks. The main drivers of cost in the cash transfer programmes was (i) the cost of identifying the beneficiary (ii) the cost paid for the payment instrument such as the card (iii) the payment made to banks for disbursement (iv) the administrative infrastructure and (v) the frequency of payments. Admittedly some of these payments are a one-time cost and may not have to be incurred again. However, given that Pakistan has one of the leading institutions for registering all citizens perhaps over time the poverty score card information could be linked to the CNIC in a manner which is updated on a periodic basis. Some countries like China maintain a regular record of poor households and this enables them to target them on an on-going basis. Secondly one could also explore using the CNIC as the payment instrument and obviate the need for a separate card. The commission to banks and the need to pay them a float arose because banks were delivering a service and because the social payments were made through a payment infrastructure which was being developed concurrently or had to be put in place. While the delivery of the payment instrument, the verification of beneficiaries was made through separate centres and camp sites, the payments themselves were generally not made through an expensive closed-loop infrastructure set up only to pay out cash to program recipients. Most payments were made through ATMS and the rapidly expanding network of network agents and franchise holders which are expected to be used in the future. While banks were expected to establish separate POS at campsites they only did so in about half of the camps sites. Thus the payment mechanisms mostly used in Pakistan can potentially be used to transition toward a mainstream financial account that can be widely used. Unlike in other countries the cash transfer programmes in Pakistan do not run the risk of the social cash transfer programmes getting caught in a position from where it is hard to transition beyond this point to enable recipients to access a full range of financial services.

339. While the Pakistan Post was cheaper for BISP in terms of delivery of the cash grants alone, it was more expensive and inefficient in terms of reconciliation, grievance redress and monitoring costs. Furthermore, while the Pakistan Post does offer a range of financial services it has been unable to market itself as a leader in cross-selling its postal services with financial services. Some like the First MicroFinance Bank have attempted to partner with it but these models have not been taken to scale. Thus it appears that the bank led model with the growth in branchless banking would be the preferable choice and could also potentially provide, over time, an opportunity for building inclusive financial services into

social cash transfer programs in a manner which is affordable for the social programs based on the rapid growth in institutional infrastructure and the move towards inter-operability which allows a wider choice to clients. Literature review also indicates that based on hypothetical modeling, that banks become cheaper over time once infrastructure is put in place.

9.3.6 Is there more that could be done to improve the implementation of CDCP and BISP to ensure financial inclusion of the target group?

340. The first thing is to get the banks interested in participating in these programmes by assessing that the regulatory and operational aspects of these programmes facilitate the participation of formal financial institutions. BISP and CDCP have considerable leverage over ensuring policy change on some key aspects to support these programmes. The Banks themselves have taken a lead role in trying to influence policy. The State Bank of Pakistan has also had a very proactive and supportive attitude and has put in place an enabling and conducive regulatory framework through its regulations for branchless banking and microfinance. The State Bank's concern with financial inclusion is also evinced through its participation in UK Aid supported Financial Inclusion Programme (FIP), Improving Access to Financial Services (IAFS) fund and the recently launched Financial Innovation Challenge Fund (FICF). SBP is making efforts at building relationships with other regulators, most importantly the Pakistan Telecommunications Authority (PTA) in this regard as well. As a result of the combined efforts of all key partners there have been supportive changes in the regulation and other operational aspects of these programmes. The creation of the level zero account, the waiving off of the verification fee for CDCP beneficiaries were all moves designed to improve the implementation of these programmes to lead to financial inclusion. The State Bank Reports that the number of registered m-wallets had reached 1.03 Million at the end of March 2012. Level 1' accounts were almost 86% of total m-wallet accounts while Level 0' accounts were only 7% of the total. Women constitute less than 8% of these accounts. Despite waiving the fee for verification of the CDCP clients, the three banks participating in the CDCP programme have not converted any of the accounts to level zero accounts.

341. Our assessment found that there were several operational aspects which banks were facing and even though these may not lead to their withdrawal from the cash transfer programmes is likely to dampen their enthusiasm. This was mainly due to cost overrun factors such as the delay in the disbursement of cash payments which meant that banks had to prolong their field presence on camps and this entailed retaining the temporary staff, seating arrangements, guards, etc on sites. The handling of the large volumes of cash entailed a substantial cost for banks in terms of arranging security and insurance. The reason that banks did not provide the requisite number of POS machines was not the additional cost of providing POS machines but the additional costs of arranging for cash.

342. Branchless banking also requires finding a local merchant to become a branchless banking agent. This can pose a few key challenges for banks particularly in remote areas. Even if interested, many rural shopkeepers may not be able to comply with the burdensome requirements for becoming an 'agent'. Remote, and these days, most areas in Pakistan often lack the electricity or telecommunications connectivity necessary for use of technology needed to execute branchless banking services. To circumvent this difficult challenge, stakeholders and banks can sometimes work with mobile network operators (MNOs) to reach these areas – but this may take time. Agent liquidity is another issue and this and has become an issue in more populated areas and areas from which recipients prefer to access their benefits. Thus, there is a need to understand beneficiary movement habits as well as to set up multiple agents to mitigate liquidity challenges in areas of concentrated demand. Financial institutions, with proper logistical planning can provide mobile cash vans to support agent liquidity as well.

343. As BISP moves to expand the geographical coverage of the program, some other challenges faced by the Partner Banks need to be addressed. The first one being the

liquidity constraints at the point of disbursements, the cost is being borne by the banks by providing the required liquidity to the agent network through extended hours from their nearby branches or through Liquidity Services Agents. However, the LSA arrangement cannot be a permanent solution for increasing geographical footprint. This constraint is caused by lack of timely disbursement of funds by BISP and accurate assessment of fund requirements at agent locations based on the registered number of beneficiaries. The second is the current political scenario which is extremely un-friendly in certain locations, where cash transportation facilities and insurance is not available. If this issue cannot be adequately addressed it can be a major road block for participation of banks. Banks feel that BISP and CDCP do not fully appreciate these logistics issue. A better cash management strategy on the part of cash transfer programmes in close coordination with Banks would certainly help reduce the costs of banks and keep them more fully engaged.

9.3.7 Partnering with banks which know what the clients want offers inroads into the lower market segment

344. Understanding what clients want is the first step to include them financially. The Tameer Microfinance Bank which entered the business as a microfinance bank was from the outset geared towards the lower end of the market and is better attuned to understanding client needs of this market segment. The business model of Easypaisa is modeled on the understanding that a majority of un-banked are not seeking bank accounts to deposit money into but easily accessible bank accounts such as via a mobile phone. They want to pay people, or transfer funds, without having to physically travel distances. They want this done instantly, safely and with confirmation. Easypaisa model is premised on providing an opportunity for transaction processing and will develop into a deposit taking opportunity later. This model has built on findings of research conducted internationally which shows that this target group is extremely price elastic in terms of transaction cost which includes both the fee for sending payments and transportation costs – the bulk of which is transportation cost to the nearest available service point.⁷² Poor recipients need to be able to access their accounts in ways that are cost effective and not time consuming. Branchless Banking (BB) can enable financial institutions to operate service points in places where bank branches are not feasible.

345. Our assessment of the implementing partnerships between BISP and CDCP shows that these programmes have not been very discriminatory in terms of the banking relationships they have contracted. To be fair, there were few banks which were willing to take on the responsibility of disbursing the funds of the cash transfer programmes. Most banks had not undertaken a careful analysis of the business opportunity that this presented and even fewer were poised to offer financial service to the target market. Thus contracts were offered to all those who came forward regardless of the products and services they had to offer the clients. In CDCP, two of the three banks had no license for BB at the time of their selection. In BISP only two banks had BB licenses backed up by a business model which had outreach to rural areas. For the future, BISP and CDCP or programmes like it also need to evaluate the product line and services available for the beneficiaries. The implementing agencies together with the commercial banks have to define a clear financial inclusion and literacy strategy which has the concurrence of all participating partners. This would enhance the efficiency of implementing the financial inclusion agenda.

9.3.8 Varying the Amount of Instalments

346. The cash transfer programmes under review in Pakistan have considerable variation in the amount of cash grants fixed and the amount of instalments in which this is actually paid. There has been considerable vacillation in both programmes regarding the amounts. CDCP I payments were given in one tranche of PKR 20,000 while in CDCP II of CDCP, double this amount was given in two equal instalments. Under BISP the payments a

⁷² Focus Note 58: Banking the Poor via G2P Payments, CGAP 2009, p. 5

standard PKR 12000 payment has been given monthly, bi-monthly and now quarterly. The question that this assessment was (i) would the efficiency of the payment systems be improved if the number of instalments were varied and (ii) what would be the impact of this on saving and consumption patterns of household.

347. Based on our review of global G2P social program, the average individual disbursement value ranges from USD 70 to USD 144⁷³, which is significantly higher than the BISP amounts but lower than CDCP. However, the CDCP grant is one time and therefore the relevant programme for comparison is probably BISP. Our analysis shows that changing the instalment amount has a critical impact on costs of implementation agencies. The higher value of disbursements for G2P payments in selected countries also provides commercial banks the opportunities and the incentives to structure tailored products and services for similar target markets. An assessment of the variation in how the money between the various payment modalities in Pakistan shows clearly that when the payments are larger, the amounts are much less likely to be spent on immediate consumption of food items. This is evident by a comparison of not just CDCP and BISP but also within BISP. The larger amounts were much less likely to be spent on food than the monthly payments. There are instructive lessons here for both reducing the cost of disbursement and influencing household consumption patterns.

(i) The Role of Research

348. This assessment contributes to the body of research and analysis that needs to be undertaken on an on-going basis. Econometric evidence on the effects of cash transfers on financial behaviour is not yet widely-available and should feature as a high priority in both future research and on the policy agenda.⁷⁴ The fact that the cash transfer programmes of BISP and CDCP include the following variations (i) poor and non-poor beneficiaries (ii) men and women, (iii) individual versus households (iv) emergency assistance versus regular payments provides an opportunity to study some of these differences and assess how different groups of cash transfer beneficiaries compare in terms of financial inclusion and literacy outcomes and the processes of change with respect to financial inclusion and literacy for different groups of cash transfer beneficiaries. This study presents some interesting finds but because some of the payment modalities have only recently been rolled out such as the BDC which probably needs more time to lapse to see how this experience evolves. Furthermore, the regulatory environment and the institutional infrastructure for branchless banking has only recently been launched and as such the impact of these developments on how social transfers evolve and their impact on financial inclusion and literacy has only just begun to emerge in Pakistan. Thus research should be an important part of the agenda for the future.

9.3.9 Enhance public knowledge, awareness and appreciation of the electronic payments and technology driven programmes

349. Our findings in the current study show that enhancing public knowledge, awareness and appreciation of the electronic payments and technology driven programmes is important not just from the perspective of the G2P payments but also because a new range of services are being offered under Branchless banking which are expected to bring a financial revolution in the country.⁷⁵ BB is a tremendous opportunity for promoting financial inclusion as it has the potential to offer reliable and cost effective accessibility to poor clients. There were 26,792 agents nationally, with a footprint in 89 percent of districts in Pakistan at the end of March 2012. According to the Pakistan Telecommunications Authority (PTA) mobile subscribers in Pakistan increased from just over 88 Million in 2008 to 119.86 Million as of May 2012. Mobile teledensity, was 68.6 percent in May 2012 and is one of the

⁷³ CGAP Report # 77, dated February 2012 "Social Cash Transfers and Financial Inclusion: Evidence from Four Countries"

⁷⁴ How Financial Development Can Maximise the Impact of Social Protection Policies in Low-Income Countries

Nauro F Campos, Fabrizio Coricelli, 22 November 2010.

⁷⁵ Nadeem Hussain. CEO. Tameer Micro-Finance Bank.

highest amongst developing countries at similar levels of income. This presents a huge opportunity for mobile branchless banking (BB) services to reach out to a significant proportion of the unbanked population in the country, especially in far-flung and rural areas that are difficult and expensive for conventional financial service providers to reach. Given that the literacy levels of the recipients is exceedingly low and the range of services is increasing rapidly it is important to enhance public knowledge and awareness about the financial services which are rapidly growing. However, one should focus only on those services which are demanded by the clients.

350. The cash transfer programmes were the first opportunity for many beneficiaries to interact with the formal financial system. Any broad based programmes for enhancing the knowledge about financial products should be tempered with the knowledge that the interaction of the target beneficiaries with the formal sector is likely to continue to be limited in the near future. Many cash transfer beneficiaries are chosen because by definition they are isolated from the formal sector and are unlikely to use the types of services which have witnessed rapid growth such as utility payments, funds transfers, mobile top ups, etc. Their only interaction with the formal financial sector is receiving cash transfer payments. It is more relevant for these beneficiaries to inform them of those aspects of financial literacy which are of relevance to them. In this connection we would like to propose that the broad definition of financial literacy is relevant for the cash transfer recipients. The broad definitions are very appropriate for the BISP and CDCP beneficiaries as they do not focus only on teaching clients about formal products which are mostly not relevant for this group given that only 3% of women use formal financial services in Pakistan but should focus on savings services, m-wallet accounts, transfer payments, remittance services, etc.

351. Our field assessment which had a separate module on financial literacy corroborates the findings of the Access to Finance Survey regarding financial literacy. We also concur with the findings of the Pakistan MicroFinance Network that financial literacy linked to the specific use of cash transfer mechanism which can help recipients reduce the costs of withdrawal which have shown to be substantial and can actually reduce the value of the transfer payments. We agree with PMN that a key element of any financial literacy initiative for the ultra poor should be educating them about the use of technologically driven financial services, like ATMs/ debit cards, mobile banking, etc. However, we think that the financial literacy programme should not be linked only to educating the recipients about formal institutions but making them aware about the full range of financial services that they use. As far as the formal institutions are concerned the focus should be on comparative shopping about services which the recipients are likely to use such as remittance of funds, utility bill payments, etc.

352. Our assessment concludes that many of the recent recommendations and reports tend to oversell the case for financial literacy seeing it as the critical barrier to financial inclusion. The truth is that financial literacy is one small element which prevents financial inclusion. The more important part of the story is that formal sector institutions do not provide the type of services required by the poor nor do they provide it in a manner which makes it accessible to them. If they did, the story would be very different from the one which is narrated by the current indicators of financial inclusion. That having been said, our literature review indicates the following lessons for a programme of financial literacy;

- **Financial education plays an important role in branchless banking initiatives and partnerships with external organisations specialising in curriculum and learning programme development (education specialists), achieved significant benefit.** For example, FINCA Mexico's experience shows that financial education helped bring the introduction of pre-paid cards to scale in the Mexican financial services market. FINCA Mexico sees financial education as the principal driver for the increased uptake and use of the cards.
- **To be effective, the content and delivery channel for financial education programmes need to be practical and useful to their target audiences.** The Private

Education Development Network (PEDN) in Uganda combines financial education with entrepreneurial and business skills training, as well as an opportunity to save, so that participants are able to immediately put new knowledge into practice. Individuals are more likely to retain and adopt key messages if the financial education curriculum is relevant to particular goals or problems they face. This requires that content and messages be refreshed and updated at regular intervals.

- **Market research is integral to the successful development of financial education programmes.** Organisations require insight into the cultural, social, and economic dynamics of their target audiences in order to ensure their financial education curriculum is relevant. Certain financial management skills need to be prioritized according to these dynamics. Investing, for example, may be less relevant to young and vulnerable groups than, say, budgeting and saving. Thus, in successful programmes, financial institutions gather data on clients' levels of financial literacy and status of financial inclusion to inform the development of the programmes. However, in practice, some financial institutions focus on understanding financial product gaps, rather than focusing exclusively on the financial education needs of their clients.
- Similarly socio-economic analysis of the target audience will also help to determine the appropriate financial education delivery channel for a programme. Socio-economic determinants may include educational levels and/or geographic locations. For example, rural populations—many of whom may have limited or no formal education—prefer learning in communal environments, such as group training classes or study circles. By contrast, market research shows that urban populations prefer one-on-one counselling or conversation-style learning environments.
- The sustainability of a financial education programme is directly linked to the funding model and the demand for such information by the target audience. Funding models with inherent sustainability are those which in different ways enhance profitability, such as (i) Profit-driven programmes or services (e.g., Free to Grow in Kenya, Namibia, Tanzania, Uganda and South Africa which charges for its financial education training sessions) (ii) Financial education subsidised by the financial services provider as a value-added component of their business model (e.g., Opportunity International Bank in Malawi (OIBM), Faulu in Kenya, and XacBank in Mongolia) and (iii) Financial education as a vehicle to influence the market.



ANNEXURE

Annex 1 List of Data Tables from Quantitative Survey

Table A1.1 Gender Profile of Respondents

| Province | Gender | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Female | 100% | - | 100% | | 8% | | 54% |
| Balochistan | Male | | | 0% | | 92% | | 46% |
| KPK | Female | 100% | | 100% | 100% | 17% | 14% | 65% |
| KPK | Male | | | 0% | 0% | 84% | 87% | 35% |
| Punjab | Female | 100% | 100% | 100% | 100% | 10% | 4% | 82% |
| Punjab | Male | 0% | 0% | 0% | 0% | 90% | 96% | 18% |
| Sindh | Female | 100% | 100% | 100% | 100% | 8% | 11% | 82% |
| Sindh | Male | 0% | 0% | 0% | 0% | 92% | 89% | 18% |
| Pakistan | Female | 100% | 100% | 100% | 100% | 10% | 10% | 75% |
| Pakistan | Male | 0% | 0% | 0% | 0% | 90% | 90% | 25% |

Table A1.2: Urban Rural Location of Respondents

| Province | Rural/Urban | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|-------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Rural | 71% | | 70% | | 65% | | 68% |
| Balochistan | Urban | 29% | | 30% | | 35% | | 32% |
| KPK | Rural | 49% | | 57% | 35% | 51% | 61% | 51% |
| KPK | Urban | 51% | | 43% | 65% | 50% | 39% | 49% |
| Punjab | Rural | 59% | 75% | 74% | 68% | 87% | 78% | 71% |
| Punjab | Urban | 41% | 25% | 26% | 32% | 13% | 22% | 29% |
| Sindh | Rural | 69% | 70% | 70% | 70% | 71% | 72% | 70% |
| Sindh | Urban | 31% | 30% | 30% | 30% | 29% | 28% | 30% |
| Pakistan | Rural | 63% | 73% | 69% | 62% | 68% | 70% | 67% |
| Pakistan | Urban | 37% | 27% | 31% | 38% | 32% | 30% | 33% |

Table 1.3: Proportion Affected by Natural Disasters

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 49% | | 1% | | 100% | | 63% |
| Balochistan | No | 51% | | 99% | | 0% | | 37% |
| KPK | Yes | 57% | | 11% | 94% | 100% | 100% | 74% |
| KPK | No | 43% | | 89% | 6% | 0% | 0% | 26% |
| Punjab | Yes | 49% | 5% | 59% | 0% | 100% | 100% | 43% |
| Punjab | No | 51% | 95% | 41% | 100% | 0% | 0% | 57% |
| Sindh | Yes | 75% | 98% | 96% | 0% | 100% | 100% | 74% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Sindh | No | 25% | 2% | 4% | 100% | 0% | 0% | 26% |
| Pakistan | Yes | 59% | 52% | 55% | 19% | 100% | 100% | 61% |
| Pakistan | No | 41% | 48% | 45% | 81% | 0% | 0% | 39% |

Table A1.4: Position of Respondent in Hosuse Hierarchy

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 44% | | 64% | | 97% | | 75% |
| Balochistan | No | 56% | | 36% | | 3% | | 25% |
| KPK | Yes | 25% | | 19% | 7% | 81% | 91% | 45% |
| KPK | No | 75% | | 81% | 93% | 19% | 10% | 55% |
| Punjab | Yes | 29% | 57% | 22% | 29% | 90% | 94% | 46% |
| Punjab | No | 71% | 43% | 78% | 71% | 10% | 6% | 54% |
| Sindh | Yes | 30% | 12% | 13% | 48% | 97% | 92% | 39% |
| Sindh | No | 70% | 88% | 87% | 52% | 3% | 8% | 61% |
| Pakistan | Yes | 31% | 34% | 25% | 32% | 92% | 92% | 48% |
| Pakistan | No | 69% | 66% | 75% | 68% | 8% | 8% | 52% |

Table A1.5: Age Profile of Respondents

| Province | Age Group | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Upto 30 Yrs | 17% | | 20% | | 14% | | 16% |
| Balochistan | 31 - 40 yrs | 28% | | 34% | | 28% | | 30% |
| Balochistan | 41 - 50 yrs | 30% | | 27% | | 23% | | 26% |
| Balochistan | Above 50 yrs | 25% | | 20% | | 34% | | 28% |
| KPK | Upto 30 Yrs | 15% | | 20% | 20% | 16% | 9% | 16% |
| KPK | 31 - 40 yrs | 35% | | 36% | 38% | 21% | 12% | 28% |
| KPK | 41 - 50 yrs | 21% | | 23% | 24% | 27% | 27% | 24% |
| KPK | Above 50 yrs | 28% | | 21% | 19% | 38% | 53% | 32% |
| Punjab | Upto 30 Yrs | 18% | 9% | 22% | 12% | 14% | 21% | 16% |
| Punjab | 31 - 40 yrs | 32% | 28% | 34% | 38% | 28% | 17% | 31% |
| Punjab | 41 - 50 yrs | 26% | 39% | 28% | 35% | 30% | 30% | 31% |
| Punjab | Above 50 yrs | 24% | 24% | 17% | 15% | 28% | 32% | 22% |
| Sindh | Upto 30 Yrs | 13% | 7% | 22% | 13% | 13% | 15% | 14% |
| Sindh | 31 - 40 yrs | 36% | 41% | 33% | 42% | 30% | 26% | 36% |
| Sindh | 41 - 50 yrs | 19% | 31% | 24% | 26% | 22% | 23% | 25% |
| Sindh | Above 50 yrs | 32% | 20% | 21% | 19% | 34% | 36% | 25% |
| Pakistan | Upto 30 Yrs | 16% | 8% | 21% | 14% | 14% | 15% | 15% |
| Pakistan | 31 - 40 yrs | 33% | 34% | 34% | 40% | 27% | 18% | 32% |

| Province | Age Group | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDPC I | CDPC II | Grand Total |
|----------|--------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Pakistan | 41 - 50 yrs | 24% | 35% | 26% | 29% | 25% | 27% | 27% |
| Pakistan | Above 50 yrs | 27% | 22% | 19% | 17% | 34% | 40% | 26% |

Table A1.6: Age Profile of Female Respondents

| Province | Age Group | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDPC I | CDPC II | Grand Total |
|-------------|--------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Upto 30 Yrs | 17% | | 20% | | 3% | | 17% |
| Balochistan | 31 - 40 yrs | 28% | | 34% | | 13% | | 30% |
| Balochistan | 41 - 50 yrs | 30% | | 27% | | 20% | | 28% |
| Balochistan | Above 50 yrs | 25% | | 20% | | 63% | | 25% |
| KPK | Upto 30 Yrs | 15% | | 20% | 20% | 9% | 11% | 18% |
| KPK | 31 - 40 yrs | 35% | | 36% | 38% | 27% | 15% | 35% |
| KPK | 41 - 50 yrs | 21% | | 23% | 24% | 21% | 37% | 23% |
| KPK | Above 50 yrs | 28% | | 21% | 19% | 42% | 37% | 24% |
| Punjab | Upto 30 Yrs | 18% | 9% | 22% | 12% | 5% | 0% | 15% |
| Punjab | 31 - 40 yrs | 32% | 28% | 34% | 38% | 15% | 0% | 33% |
| Punjab | 41 - 50 yrs | 26% | 39% | 28% | 35% | 15% | 13% | 31% |
| Punjab | Above 50 yrs | 24% | 24% | 17% | 15% | 65% | 88% | 21% |
| Sindh | Upto 30 Yrs | 13% | 7% | 22% | 13% | 7% | 0% | 14% |
| Sindh | 31 - 40 yrs | 36% | 41% | 33% | 42% | 7% | 14% | 37% |
| Sindh | 41 - 50 yrs | 19% | 31% | 24% | 26% | 0% | 18% | 25% |
| Sindh | Above 50 yrs | 32% | 20% | 21% | 19% | 87% | 68% | 24% |
| Pakistan | Upto 30 Yrs | 16% | 8% | 21% | 14% | 6% | 5% | 15% |
| Pakistan | 31 - 40 yrs | 33% | 34% | 34% | 40% | 17% | 12% | 34% |
| Pakistan | 41 - 50 yrs | 24% | 35% | 26% | 29% | 16% | 26% | 27% |
| Pakistan | Above 50 yrs | 27% | 22% | 19% | 17% | 60% | 56% | 23% |

Table A1.7: Age Profile of Male Respondents

| Province | Age Group | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDPC I | CDPC II | Grand Total |
|-------------|--------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Upto 30 Yrs | 0% | | 0% | 0% | 15% | | 15% |
| Balochistan | 31 - 40 yrs | 0% | | 0% | 0% | 30% | | 30% |
| Balochistan | 41 - 50 yrs | 0% | | 0% | 0% | 23% | | 23% |
| Balochistan | Above 50 yrs | 0% | | 0% | 0% | 32% | | 32% |
| KPK | Upto 30 Yrs | 0% | | 0% | 0% | 17% | 8% | 12% |
| KPK | 31 - 40 yrs | 0% | | 0% | 0% | 19% | 11% | 15% |
| KPK | 41 - 50 yrs | 0% | | 0% | 0% | 28% | 25% | 26% |
| KPK | Above 50 yrs | 0% | | 0% | 0% | 37% | 55% | 46% |

| Province | Age Group | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|--------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Punjab | Upto 30 Yrs | 0% | 0% | 0% | 0% | 15% | 22% | 18% |
| Punjab | 31 - 40 yrs | 0% | 0% | 0% | 0% | 30% | 18% | 24% |
| Punjab | 41 - 50 yrs | 0% | 0% | 0% | 0% | 32% | 31% | 31% |
| Punjab | Above 50 yrs | 0% | 0% | 0% | 0% | 24% | 29% | 27% |
| Sindh | Upto 30 Yrs | 0% | 0% | 0% | 0% | 14% | 16% | 15% |
| Sindh | 31 - 40 yrs | 0% | 0% | 0% | 0% | 32% | 28% | 30% |
| Sindh | 41 - 50 yrs | 0% | 0% | 0% | 0% | 24% | 24% | 24% |
| Sindh | Above 50 yrs | 0% | 0% | 0% | 0% | 30% | 32% | 31% |
| Pakistan | Upto 30 Yrs | 0% | 0% | 0% | 0% | 15% | 16% | 15% |
| Pakistan | 31 - 40 yrs | 0% | 0% | 0% | 0% | 28% | 19% | 25% |
| Pakistan | 41 - 50 yrs | 0% | 0% | 0% | 0% | 26% | 27% | 26% |
| Pakistan | Above 50 yrs | 0% | 0% | 0% | 0% | 31% | 39% | 34% |

Table A1.8 Education Profile of respondents

| Province | Education | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------------------------------|----------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan 0 - Illiterate | | 90% | | 95% | | 78% | | 86% |
| Balochistan 1 - Primary | | 6% | | 2% | | 6% | | 5% |
| Balochistan 2 - Middle | | 2% | | 2% | | 2% | | 2% |
| Balochistan 3 - Secondary | | 2% | | 1% | | 10% | | 6% |
| Balochistan 4 - Higher Secondary | | 0% | | 0% | | 1% | | 1% |
| Balochistan 5 - Graduate | | 0% | | 0% | | 2% | | 1% |
| KPK | 0 - Illiterate | 98% | | 97% | 100% | 81% | 80% | 91% |
| KPK | 1 - Primary | 1% | | 1% | 0% | 5% | 3% | 2% |
| KPK | 2 - Middle | 0% | | 2% | 0% | 6% | 8% | 3% |
| KPK | 3 - Secondary | 1% | | 1% | 1% | 6% | 8% | 3% |
| KPK | 4 - Higher Secondary | 0% | | 0% | 0% | 2% | 1% | 1% |
| KPK | 5 - Graduate | 0% | | 0% | 0% | 2% | 3% | 1% |
| Punjab | 0 - Illiterate | 95% | 95% | 96% | 91% | 78% | 75% | 91% |
| Punjab | 1 - Primary | 3% | 3% | 3% | 6% | 13% | 12% | 5% |
| Punjab | 2 - Middle | 1% | 1% | 1% | 2% | 3% | 5% | 2% |
| Punjab | 3 - Secondary | 1% | 1% | 0% | 1% | 4% | 5% | 1% |
| Punjab | 4 - Higher Secondary | 0% | 0% | 0% | 0% | 1% | 1% | 0% |
| Punjab | 5 - Graduate | 0% | 0% | 0% | 0% | 1% | 2% | 0% |
| Sindh | 0 - Illiterate | 93% | 96% | 98% | 92% | 63% | 55% | 88% |
| Sindh | 1 - Primary | 6% | 3% | 1% | 6% | 21% | 11% | 6% |
| Sindh | 2 - Middle | 0% | 0% | 1% | 1% | 2% | 5% | 1% |
| Sindh | 3 - Secondary | 1% | 1% | 0% | 1% | 8% | 8% | 2% |
| Sindh | 4 - Higher Secondary | 0% | 0% | 0% | 0% | 3% | 8% | 1% |
| Sindh | 5 - Graduate | 0% | 0% | 0% | 0% | 3% | 14% | 2% |
| Pakistan | 0 - Illiterate | 94% | 96% | 97% | 93% | 76% | 70% | 89% |
| Pakistan | 1 - Primary | 4% | 3% | 2% | 5% | 10% | 8% | 5% |
| Pakistan | 2 - Middle | 1% | 0% | 1% | 1% | 3% | 6% | 2% |
| Pakistan | 3 - Secondary | 1% | 1% | 0% | 1% | 8% | 7% | 3% |
| Pakistan | 4 - Higher Secondary | 0% | 0% | 0% | 0% | 2% | 3% | 1% |
| Pakistan | 5 - Graduate | 0% | 0% | 0% | 0% | 2% | 6% | 1% |

Table A1.9: Marital Status of Respondents

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Single | 6% | | 0% | | 2% | | 3% |
| Balochistan | Married | 82% | | 87% | | 95% | | 89% |
| Balochistan | Divorced | 0% | | 0% | | 1% | | 0% |
| Balochistan | Widow | 11% | | 13% | | 3% | | 7% |
| KPK | Single | 2% | | 1% | | 4% | 5% | 2% |
| KPK | Married | 79% | | 88% | 93% | 82% | 84% | 85% |
| KPK | Divorced | 1% | | 0% | 0% | 1% | 0% | 0% |
| KPK | Widow | 19% | | 12% | 7% | 13% | 11% | 12% |
| Punjab | Single | 1% | | 0% | 0% | 1% | 0% | 0% |
| Punjab | Married | 86% | 89% | 91% | 92% | 91% | 95% | 90% |
| Punjab | Divorced | 0% | 1% | 1% | 1% | 1% | 0% | 1% |
| Punjab | Widow | 13% | 10% | 8% | 7% | 8% | 5% | 9% |
| Sindh | Single | 1% | 0% | 0% | 0% | 0% | 1% | 0% |
| Sindh | Married | 78% | 90% | 86% | 93% | 94% | 88% | 88% |
| Sindh | Divorced | 1% | 1% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Widow | 20% | 9% | 13% | 7% | 6% | 11% | 12% |
| Pakistan | Single | 2% | 0% | 0% | 0% | 2% | 2% | 1% |
| Pakistan | Married | 82% | 89% | 88% | 93% | 91% | 89% | 88% |
| Pakistan | Divorced | 0% | 1% | 0% | 0% | 1% | 0% | 0% |
| Pakistan | Widow | 16% | 10% | 11% | 7% | 6% | 9% | 10% |

Table A1.9.1: Total Number of Household Members (%)

| Province | No. of Household Members | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Total |
|-------------|--------------------------|---------------|------------|------------|----------------|--------|---------|-------|
| Balochistan | 1 - 2 | 1.5% | | .5% | | 3.6% | | 1.9% |
| | 3 - 4 | 13.1% | | 2.2% | | 13.8% | | 9.7% |
| | 5 - 6 | 24.3% | | 13.0% | | 20.6% | | 19.3% |
| | 7 - 8 | 24.8% | | 18.5% | | 21.4% | | 21.5% |
| | 9 - 10 | 12.6% | | 23.4% | | 18.5% | | 18.2% |
| | Above 10 | 23.8% | | 42.4% | | 22.1% | | 29.4% |
| KPK | 1 - 2 | 4.2% | | .0% | 1.5% | 4.0% | 4.0% | 2.7% |
| | 3 - 4 | 11.1% | | 4.3% | 3.5% | 13.0% | 8.5% | 8.1% |
| | 5 - 6 | 14.7% | | 21.6% | 7.5% | 28.0% | 16.0% | 17.6% |
| | 7 - 8 | 25.8% | | 38.9% | 35.5% | 20.5% | 29.5% | 30.0% |
| | 9 - 10 | 19.5% | | 19.5% | 22.5% | 15.0% | 21.5% | 19.6% |
| | Above 10 | 24.7% | | 15.7% | 29.5% | 19.5% | 20.5% | 22.0% |
| Punjab | 1 - 2 | 5.1% | 4.2% | 3.5% | 1.0% | 6.8% | 6.7% | 4.6% |
| | 3 - 4 | 9.8% | 9.4% | 8.8% | 5.6% | 15.8% | 13.3% | 10.4% |
| | 5 - 6 | 27.1% | 19.7% | 24.7% | 27.4% | 24.8% | 24.0% | 24.6% |
| | 7 - 8 | 28.1% | 36.1% | 31.2% | 38.3% | 23.5% | 19.3% | 29.4% |
| | 9 - 10 | 22.0% | 21.8% | 20.7% | 19.8% | 17.9% | 19.3% | 20.3% |
| | Above 10 | 7.8% | 8.8% | 11.1% | 7.9% | 11.1% | 17.3% | 10.7% |
| Sindh | 1 - 2 | 6.4% | 2.6% | 5.2% | .8% | 4.2% | 5.7% | 4.1% |

| Province | No. of Household Members | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Total |
|----------|--------------------------|---------------|------------|------------|----------------|--------|---------|-------|
| | 3 - 4 | 15.5% | 6.9% | 20.9% | 5.2% | 22.0% | 15.5% | 14.3% |
| | 5 - 6 | 30.7% | 26.5% | 31.2% | 17.7% | 29.3% | 28.0% | 27.2% |
| | 7 - 8 | 24.7% | 34.9% | 28.1% | 28.4% | 14.7% | 22.8% | 25.6% |
| | 9 - 10 | 12.9% | 22.2% | 11.3% | 22.9% | 12.0% | 14.5% | 16.0% |
| | Above 10 | 9.8% | 6.9% | 3.4% | 25.0% | 17.8% | 13.5% | 12.7% |
| Pakistan | 1 - 2 | 4.3% | 3.4% | 2.3% | 1.1% | 4.7% | 5.5% | 3.5% |
| | 3 - 4 | 12.4% | 8.1% | 9.0% | 4.8% | 16.2% | 12.5% | 10.5% |
| | 5 - 6 | 24.2% | 23.1% | 22.6% | 17.5% | 25.7% | 22.7% | 22.6% |
| | 7 - 8 | 25.9% | 35.5% | 29.2% | 34.1% | 20.0% | 23.9% | 28.1% |
| | 9 - 10 | 16.7% | 22.0% | 18.7% | 21.7% | 15.9% | 18.4% | 18.9% |
| | Above 10 | 16.5% | 7.9% | 18.1% | 20.8% | 17.6% | 17.1% | 16.3% |

Table A1.9.2: Number of Household Members Who Earn (%)

| Province | No. of Persons Who Earn | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Total |
|-------------|-------------------------|---------------|------------|------------|----------------|--------|---------|-------|
| Balochistan | None | 3.4% | | 2.2% | | 0.0% | | 1.9% |
| | 1 - 2 | 92.7% | | 87.5% | | 3.6% | | 61.3% |
| | 3 - 4 | 3.4% | | 8.7% | | 13.8% | | 8.6% |
| | 5 - 6 | .5% | | 1.6% | | 20.6% | | 7.6% |
| | 7 - 8 | .0% | | .0% | | 21.4% | | 7.1% |
| | 9 - 10 | .0% | | .0% | | 18.5% | | 6.2% |
| | Above 10 | .0% | | .0% | | 22.1% | | 7.4% |
| KPK | None | 5.3% | | 2.7% | 1.5% | 0.0% | 0.0% | 1.9% |
| | 1 - 2 | 83.2% | | 90.8% | 92.0% | 4.0% | 4.0% | 54.8% |
| | 3 - 4 | 10.0% | | 5.9% | 5.5% | 13.0% | 8.5% | 8.6% |
| | 5 - 6 | 1.6% | | .5% | 1.0% | 28.0% | 16.0% | 9.4% |
| | 7 - 8 | .0% | | .0% | .0% | 20.5% | 29.5% | 10.0% |
| | 9 - 10 | .0% | | .0% | .0% | 15.0% | 21.5% | 7.3% |
| | Above 10 | .0% | | .0% | .0% | 19.5% | 20.5% | 8.0% |
| Punjab | None | 2.0% | 2.6% | 1.8% | 3.0% | 0.0% | 0.0% | 1.6% |
| | 1 - 2 | 93.9% | 89.1% | 95.7% | 86.0% | 6.8% | 6.7% | 63.0% |
| | 3 - 4 | 2.7% | 7.0% | 2.5% | 9.9% | 15.8% | 13.3% | 8.5% |
| | 5 - 6 | 1.2% | 1.3% | .0% | .5% | 24.8% | 24.0% | 8.6% |
| | 7 - 8 | .0% | .0% | .0% | .3% | 23.5% | 19.3% | 7.2% |
| | 9 - 10 | .0% | .0% | .0% | .0% | 17.9% | 19.3% | 6.2% |
| | Above 10 | .2% | .0% | .0% | .3% | 11.1% | 17.3% | 4.8% |
| Sindh | None | .5% | .0% | .3% | .3% | 0.0% | 0.0% | 0.2% |
| | 1 - 2 | 92.3% | 96.4% | 96.1% | 82.8% | 4.2% | 5.7% | 62.9% |

| Province | No. of Persons Who Earn | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Total |
|----------|-------------------------|---------------|------------|------------|----------------|--------|---------|-------|
| | 3 - 4 | 7.0% | 3.1% | 3.1% | 14.1% | 22.0% | 15.5% | 10.8% |
| | 5 - 6 | .0% | .5% | .3% | 2.3% | 29.3% | 28.0% | 10.1% |
| | 7 - 8 | .3% | .0% | .3% | .3% | 14.7% | 22.8% | 6.4% |
| | 9 - 10 | .0% | .0% | .0% | .3% | 12.0% | 14.5% | 4.5% |
| | Above 10 | .0% | .0% | .0% | .0% | 17.8% | 13.5% | 5.2% |
| Pakistan | None | 2.8% | 1.3% | 1.7% | 1.6% | .0% | .0% | 1.2% |
| | 1 - 2 | 90.5% | 92.8% | 92.5% | 87.0% | 4.7% | 5.5% | 62.1% |
| | 3 - 4 | 5.8% | 5.0% | 5.1% | 9.8% | 16.2% | 12.5% | 9.0% |
| | 5 - 6 | .8% | .9% | .6% | 1.3% | 25.7% | 22.7% | 8.7% |
| | 7 - 8 | .1% | .0% | .1% | .2% | 20.0% | 23.9% | 7.4% |
| | 9 - 10 | .0% | .0% | .0% | .1% | 15.9% | 18.4% | 5.7% |
| | Above 10 | .1% | .0% | .0% | .1% | 17.6% | 17.1% | 5.8% |

Table A1.9.3: Occupation of Various Household Members of Respondents (%)

| Province | Occupation | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Total |
|-------------|-------------------|---------------|------------|------------|----------------|--------|---------|-------|
| Balochistan | Unemployed | 3.9% | | 2.7% | | 1.0% | | 2.5% |
| | Farming | 37.4% | | 3.8% | | 50.5% | | 30.6% |
| | Daily Wages | 19.4% | | 34.2% | | 41.9% | | 31.9% |
| | Govt Employee | 6.8% | | 15.2% | | 1.8% | | 7.9% |
| | Salaried Employee | 6.8% | | 14.7% | | 1.3% | | 7.6% |
| | Own Business | 8.3% | | 8.7% | | 3.1% | | 6.7% |
| | Domestic Worker | 17.5% | | 20.7% | | .3% | | 12.8% |
| KPK | Unemployed | 6.8% | | 3.2% | 6.0% | 5.0% | 8.5% | 5.9% |
| | Farming | 12.6% | | 14.1% | 9.5% | 11.0% | 12.5% | 11.9% |
| | Daily Wages | 56.8% | | 64.3% | 60.0% | 66.5% | 62.5% | 62.0% |
| | Govt Employee | 5.3% | | 1.1% | 2.5% | 3.5% | 3.0% | 3.1% |
| | Salaried Employee | 10.5% | | 7.0% | 10.5% | 3.5% | 5.0% | 7.3% |
| | Own Business | 5.3% | | 7.0% | 9.0% | 8.5% | 5.5% | 7.1% |
| | Domestic Worker | 2.6% | | 3.2% | 2.5% | 2.0% | 3.0% | 2.7% |
| Punjab | Unemployed | 3.4% | 2.6% | 4.3% | 2.8% | 2.6% | 2.7% | 3.1% |
| | Farming | 10.5% | 8.1% | 11.1% | 7.4% | 13.2% | 30.7% | 13.5% |
| | Daily Wages | 69.7% | 69.1% | 71.8% | 72.3% | 56.4% | 46.0% | 64.2% |
| | Govt Employee | 1.5% | 5.5% | 1.0% | 2.3% | 3.8% | 4.7% | 3.1% |
| | Salaried Employee | 4.2% | 6.2% | 1.3% | 3.6% | 7.7% | 4.0% | 4.5% |
| | Own Business | 5.4% | 3.9% | 6.5% | 8.4% | 14.5% | 9.3% | 8.0% |
| | Domestic Worker | 5.4% | 4.7% | 4.0% | 3.3% | 1.7% | 2.7% | 3.6% |
| Sindh | Unemployed | .3% | .3% | .8% | .3% | .0% | 2.1% | 0.6% |

| Province | Occupation | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Total |
|----------|-------------------|---------------|------------|------------|----------------|--------|---------|-------|
| | Farming | 20.4% | 29.1% | 26.0% | 28.1% | 41.9% | 28.5% | 29.0% |
| | Daily Wages | 63.1% | 61.0% | 62.6% | 58.6% | 45.5% | 52.3% | 57.2% |
| | Govt Employee | 3.1% | 1.3% | 1.8% | 4.4% | 5.2% | 9.8% | 4.3% |
| | Salaried Employee | 3.6% | 2.6% | 3.1% | 4.7% | 5.2% | 5.7% | 4.1% |
| | Own Business | 2.3% | 1.0% | 1.5% | 1.3% | 1.6% | 1.0% | 1.5% |
| | Domestic Worker | 7.2% | 4.8% | 4.1% | 2.6% | .5% | .5% | 3.3% |
| Pakistan | Unemployed | 3.6% | 1.4% | 2.8% | 3.0% | 2.2% | 4.4% | 2.9% |
| | Farming | 20.2% | 18.6% | 13.7% | 15.0% | 29.2% | 23.9% | 20.1% |
| | Daily Wages | 52.3% | 65.0% | 58.2% | 63.6% | 52.6% | 53.6% | 57.6% |
| | Govt Employee | 4.2% | 3.4% | 4.8% | 3.1% | 3.6% | 5.8% | 4.1% |
| | Salaried Employee | 6.3% | 4.4% | 6.5% | 6.2% | 4.4% | 4.9% | 5.5% |
| | Own Business | 5.3% | 2.5% | 6.0% | 6.2% | 6.9% | 5.3% | 5.4% |
| | Domestic Worker | 8.2% | 4.8% | 8.0% | 2.8% | 1.1% | 2.1% | 4.5% |

Table A1.10: Household Asset Ownership (Multiple Responses)

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Live Stock | 13% | | 2% | | 29% | | 18% |
| Balochistan | Cash | 0% | | 0% | | 1% | | 1% |
| Balochistan | Gold | 0% | | 0% | | 0% | | 0% |
| Balochistan | Land | 5% | | 2% | | 6% | | 5% |
| Balochistan | None | 79% | | 96% | | 60% | | 74% |
| Balochistan | House | 0% | | 0% | | 1% | | 0% |
| Balochistan | Others | 2% | | 0% | | 3% | | 2% |
| KPK | Live Stock | 14% | | 9% | 22% | 20% | 16% | 16% |
| KPK | Cash | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Gold | 1% | | 0% | 1% | 0% | 0% | 0% |
| KPK | Land | 7% | | 5% | 9% | 16% | 7% | 9% |
| KPK | None | 79% | | 87% | 68% | 64% | 76% | 74% |
| KPK | House | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Others | 0% | | 0% | 0% | 0% | 0% | 0% |
| Punjab | Live Stock | 18% | 25% | 23% | 23% | 34% | 32% | 24% |
| Punjab | Cash | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Punjab | Gold | 0% | 0% | 1% | 1% | 0% | 1% | 1% |
| Punjab | Land | 6% | 6% | 5% | 6% | 16% | 21% | 8% |
| Punjab | None | 49% | 61% | 39% | 36% | 38% | 38% | 44% |
| Punjab | House | 26% | 8% | 31% | 34% | 10% | 6% | 22% |
| Punjab | Others | 0% | 0% | 0% | 0% | 0% | 1% | 0% |
| Sindh | Live Stock | 15% | 11% | 14% | 23% | 16% | 21% | 16% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Sindh | Cash | 0% | 0% | 0% | 0% | 1% | 1% | 0% |
| Sindh | Gold | 1% | 2% | 1% | 2% | 1% | 1% | 1% |
| Sindh | Land | 2% | 0% | 0% | 4% | 7% | 6% | 2% |
| Sindh | None | 83% | 87% | 85% | 71% | 72% | 72% | 80% |
| Sindh | House | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Others | 0% | 0% | 0% | 0% | 2% | 0% | 0% |
| Pakistan | Live Stock | 16% | 18% | 15% | 23% | 26% | 24% | 20% |
| Pakistan | Cash | 0% | 0% | 0% | 0% | 1% | 0% | 0% |
| Pakistan | Gold | 0% | 1% | 1% | 1% | 0% | 1% | 1% |
| Pakistan | Land | 4% | 3% | 3% | 6% | 11% | 12% | 6% |
| Pakistan | None | 70% | 73% | 70% | 55% | 58% | 61% | 65% |
| Pakistan | House | 9% | 4% | 11% | 14% | 2% | 2% | 8% |
| Pakistan | Others | 0% | 0% | 0% | 0% | 2% | 0% | 0% |

Table A1.11 Asset Ownership of the Recipient

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 5% | 0% | 1% | 0% | 35% | 0% | 19% |
| Balochistan | No | 95% | 0% | 99% | 0% | 65% | 0% | 81% |
| KPK | Yes | 8% | 0% | 3% | 15% | 28% | 21% | 15% |
| KPK | No | 92% | 0% | 97% | 85% | 73% | 80% | 85% |
| Punjab | Yes | 7% | 5% | 8% | 13% | 34% | 42% | 14% |
| Punjab | No | 93% | 95% | 92% | 87% | 66% | 58% | 86% |
| Sindh | Yes | 9% | 6% | 5% | 10% | 21% | 22% | 10% |
| Sindh | No | 91% | 94% | 95% | 90% | 79% | 78% | 90% |
| Pakistan | Yes | 7% | 6% | 5% | 12% | 31% | 28% | 14% |
| Pakistan | No | 93% | 94% | 95% | 88% | 69% | 72% | 86% |

Table A1.12 Do you Pay any Utility Bills

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 79% | | 93% | | 51% | | 68% |
| Balochistan | No | 21% | | 7% | | 49% | | 32% |
| KPK | Yes | 93% | | 96% | 94% | 89% | 85% | 91% |
| KPK | No | 7% | | 4% | 6% | 12% | 16% | 9% |
| Punjab | Yes | 81% | 91% | 88% | 89% | 72% | 65% | 83% |
| Punjab | No | 19% | 9% | 12% | 11% | 28% | 35% | 17% |
| Sindh | Yes | 49% | 48% | 68% | 53% | 24% | 41% | 50% |
| Sindh | No | 51% | 52% | 32% | 47% | 76% | 59% | 50% |
| Pakistan | Yes | 72% | 69% | 83% | 76% | 58% | 64% | 71% |
| Pakistan | No | 28% | 31% | 17% | 24% | 42% | 36% | 29% |

Table A1.13 Which Bills Do you Pay?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|-------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Electricity | 36% | | 32% | | 43% | | 34% |
| Balochistan | Gas | 23% | | 33% | | 8% | | 20% |
| Balochistan | Water | 20% | | 28% | | 0% | | 15% |
| Balochistan | Other | 0% | | 0% | | 0% | | 0% |
| KPK | Electricity | 85% | | 94% | 94% | 88% | 69% | 85% |
| KPK | Gas | 8% | | 1% | 0% | 0% | 16% | 5% |
| KPK | Water | 0% | | 1% | 0% | 0% | 0% | 0% |
| KPK | Other | 0% | | 0% | 0% | 0% | 0% | 0% |
| Punjab | Electricity | 80% | 90% | 84% | 89% | 70% | 65% | 82% |
| Punjab | Gas | 1% | 1% | 2% | 0% | 2% | 0% | 1% |
| Punjab | Water | 0% | 0% | 1% | 0% | 0% | 0% | 0% |
| Punjab | Other | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Electricity | 33% | 33% | 45% | 36% | 14% | 26% | 33% |
| Sindh | Gas | 15% | 15% | 23% | 18% | 9% | 15% | 16% |
| Sindh | Water | 0% | 0% | 0% | 0% | 2% | 0% | 0% |
| Sindh | Other | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | Electricity | 54% | 60% | 56% | 67% | 51% | 52% | 56% |
| Pakistan | Gas | 13% | 9% | 18% | 9% | 6% | 11% | 12% |
| Pakistan | Water | 6% | 0% | 9% | 0% | 1% | 0% | 4% |
| Pakistan | Other | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

Table A1.14: Are You Able to Meet Your Expenditures Every Month?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 13% | | 13% | | 13% | | 13% |
| Balochistan | No | 87% | | 88% | | 87% | | 87% |
| KPK | Yes | 22% | | 12% | 34% | 46% | 44% | 32% |
| KPK | No | 78% | | 88% | 66% | 54% | 56% | 68% |
| Punjab | Yes | 11% | 16% | 14% | 18% | 39% | 32% | 19% |
| Punjab | No | 89% | 84% | 86% | 82% | 61% | 68% | 81% |
| Sindh | Yes | 25% | 19% | 18% | 25% | 20% | 14% | 21% |
| Sindh | No | 75% | 81% | 82% | 75% | 80% | 86% | 79% |
| Pakistan | Yes | 18% | 17% | 15% | 24% | 26% | 30% | 21% |
| Pakistan | No | 82% | 83% | 85% | 76% | 74% | 70% | 79% |

Table A1.15: The Coping Strategy for those not being able to meet expenditures

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|-------------------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Borrow money from family or friends | 27% | | 32% | | 15% | | 24% |
| Balochistan | Borrow money from shop keeper | 28% | | 22% | | 47% | | 33% |
| Balochistan | Borrow money from Bank | 0% | | 0% | | 0% | | 0% |
| Balochistan | Sell livestock | 1% | | 0% | | 10% | | 4% |
| Balochistan | Sell household assets | 0% | | 0% | | 0% | | 0% |
| Balochistan | Take on part time job | 8% | | 17% | | 1% | | 8% |
| Balochistan | Reduce consumption | 19% | | 12% | | 9% | | 13% |
| Balochistan | Pull Children out of school | 2% | | 5% | | 1% | | 2% |
| Balochistan | Other | 3% | | 1% | | 4% | | 2% |
| KPK | Borrow money from family or friends | 36% | | 38% | 24% | 16% | 17% | 26% |
| KPK | Borrow money from shop keeper | 34% | | 45% | 30% | 23% | 24% | 31% |
| KPK | Borrow money from Bank | 1% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Sell livestock | 1% | | 1% | 0% | 0% | 0% | 1% |
| KPK | Sell household assets | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Take on part time job | 4% | | 2% | 6% | 8% | 7% | 5% |
| KPK | Reduce consumption | 0% | | 1% | 5% | 5% | 4% | 3% |
| KPK | Pull Children out of school | 0% | | 0% | 0% | 0% | 0% | 0% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|-------------------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| KPK | Other | 2% | | 1% | 1% | 2% | 3% | 2% |
| Punjab | Borrow money from family or friends | 16% | 14% | 18% | 16% | 7% | 18% | 15% |
| Punjab | Borrow money from shop keeper | 43% | 45% | 38% | 28% | 28% | 34% | 37% |
| Punjab | Borrow money from Bank | 1% | 1% | 0% | 1% | 0% | 0% | 1% |
| Punjab | Sell livestock | 1% | 0% | 1% | 1% | 3% | 0% | 1% |
| Punjab | Sell household assets | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Punjab | Take on part time job | 1% | 2% | 1% | 2% | 3% | 2% | 2% |
| Punjab | Reduce consumption | 25% | 15% | 24% | 31% | 16% | 12% | 22% |
| Punjab | Pull Children out of school | 1% | 2% | 1% | 1% | 3% | 1% | 1% |
| Punjab | Other | 1% | 4% | 2% | 2% | 1% | 0% | 2% |
| Sindh | Borrow money from family or friends | 18% | 16% | 20% | 17% | 39% | 28% | 20% |
| Sindh | Borrow money from shop keeper | 33% | 42% | 32% | 28% | 24% | 38% | 34% |
| Sindh | Borrow money from Bank | 0% | 0% | 1% | 1% | 0% | 1% | 0% |
| Sindh | Sell livestock | 0% | 0% | 0% | 0% | 1% | 0% | 0% |
| Sindh | Sell household assets | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Take on part time job | 0% | 0% | 0% | 1% | 1% | 0% | 0% |
| Sindh | Reduce consumption | 19% | 21% | 25% | 28% | 14% | 18% | 22% |
| Sindh | Pull Children out of school | 4% | 2% | 4% | 0% | 0% | 0% | 2% |
| Sindh | Other | 0% | 0% | 0% | 1% | 1% | 0% | 0% |
| Pakistan | Borrow money from family or friends | 22% | 15% | 24% | 18% | 18% | 21% | 20% |
| Pakistan | Borrow money from shop keeper | 36% | 43% | 34% | 29% | 33% | 32% | 34% |
| Pakistan | Borrow money from Bank | 1% | 0% | 0% | 1% | 0% | 1% | 0% |
| Pakistan | Sell livestock | 1% | 0% | 0% | 1% | 4% | 0% | 1% |
| Pakistan | Sell household assets | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | Take on part time job | 3% | 1% | 4% | 2% | 3% | 3% | 3% |
| Pakistan | Reduce consumption | 17% | 19% | 19% | 24% | 11% | 11% | 17% |
| Pakistan | Pull Children out of school | 2% | 2% | 3% | 1% | 1% | 0% | 2% |
| Pakistan | Other | 1% | 2% | 1% | 1% | 2% | 1% | 1% |

Table A1.16: Risks Faced by the Households

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|-----------------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | None | 18% | | 26% | | 9% | | 16% |
| Balochistan | Food inflation | 27% | | 45% | | 7% | | 22% |
| Balochistan | Fuel inflation | 5% | | 12% | | 0% | | 5% |
| Balochistan | Loss of livestock | 0% | | 1% | | 1% | | 1% |
| Balochistan | Ill health | 7% | | 13% | | 0% | | 5% |
| Balochistan | Uncertain wages | 2% | | 2% | | 0% | | 1% |
| Balochistan | Low price of agricultural produce | 0% | | 0% | | 0% | | 0% |
| Balochistan | Floods | 41% | | 0% | | 82% | | 51% |
| Balochistan | Earthquake | 0% | | 0% | | 0% | | 0% |
| Balochistan | Displacement due to conflict | 0% | | 0% | | 0% | | 0% |
| Balochistan | Other | 0% | | 0% | | 0% | | 0% |
| KPK | None | 41% | | 71% | 62% | 11% | 7% | 34% |
| KPK | Food inflation | 8% | | 5% | 21% | 8% | 17% | 12% |
| KPK | Fuel inflation | 1% | | 1% | 2% | 0% | 4% | 2% |
| KPK | Loss of livestock | 0% | | 1% | 0% | 1% | 1% | 0% |
| KPK | Ill health | 6% | | 8% | 7% | 6% | 12% | 8% |
| KPK | Uncertain wages | 1% | | 2% | 3% | 9% | 6% | 5% |
| KPK | Low price of agricultural produce | 0% | | 0% | 1% | 0% | 0% | 0% |
| KPK | Floods | 39% | | 10% | 0% | 64% | 53% | 37% |
| KPK | Earthquake | 1% | | 1% | 3% | 0% | 0% | 1% |
| KPK | Displacement due to conflict | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Other | 3% | | 2% | 0% | 0% | 1% | 1% |
| Punjab | None | 6% | 9% | 0% | 14% | 4% | 3% | 6% |
| Punjab | Food inflation | 44% | 45% | 46% | 50% | 33% | 28% | 43% |
| Punjab | Fuel inflation | 1% | 1% | 0% | 0% | 1% | 0% | 1% |
| Punjab | Loss of livestock | 2% | 0% | 3% | 2% | 2% | 1% | 2% |
| Punjab | Ill health | 20% | 26% | 21% | 18% | 12% | 14% | 20% |
| Punjab | Uncertain wages | 9% | 11% | 13% | 15% | 10% | 4% | 11% |
| Punjab | Low price of agricultural produce | 0% | 0% | 0% | 1% | 1% | 6% | 1% |
| Punjab | Floods | 17% | 6% | 16% | 0% | 37% | 44% | 17% |
| Punjab | Earthquake | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Punjab | Displacement due to conflict | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|-----------------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Punjab | Other | 1% | 1% | 0% | 0% | 0% | 1% | 0% |
| Sindh | None | 5% | 1% | 0% | 21% | 1% | 3% | 5% |
| Sindh | Food inflation | 32% | 58% | 45% | 31% | 34% | 0% | 38% |
| Sindh | Fuel inflation | 1% | 0% | 0% | 1% | 1% | 0% | 1% |
| Sindh | Loss of livestock | 1% | 0% | 0% | 3% | 4% | 1% | 1% |
| Sindh | Ill health | 15% | 0% | 0% | 42% | 10% | 29% | 13% |
| Sindh | Uncertain wages | 0% | 0% | 0% | 0% | 1% | 0% | 0% |
| Sindh | Low price of agricultural produce | 0% | 0% | 1% | 0% | 1% | 0% | 0% |
| Sindh | Floods | 45% | 41% | 53% | 1% | 49% | 65% | 42% |
| Sindh | Earthquake | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Displacement due to conflict | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Other | 1% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | None | 12% | 5% | 10% | 25% | 6% | 5% | 10% |
| Pakistan | Food inflation | 34% | 51% | 41% | 38% | 20% | 17% | 35% |
| Pakistan | Fuel inflation | 1% | 1% | 2% | 1% | 1% | 1% | 1% |
| Pakistan | Loss of livestock | 1% | 0% | 1% | 2% | 2% | 1% | 1% |
| Pakistan | Ill health | 15% | 14% | 11% | 24% | 7% | 17% | 14% |
| Pakistan | Uncertain wages | 4% | 6% | 6% | 8% | 5% | 4% | 5% |
| Pakistan | Low price of agricultural produce | 0% | 0% | 0% | 1% | 1% | 2% | 1% |
| Pakistan | Floods | 32% | 23% | 28% | 0% | 59% | 53% | 32% |
| Pakistan | Earthquake | 0% | 0% | 0% | 1% | 0% | 0% | 0% |
| Pakistan | Displacement due to conflict | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | Other | 1% | 0% | 0% | 0% | 0% | 1% | 0% |

Table A2.1: How have you used the Money from BISP?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Purchase Food | 65% | | 65% | | 52% | | 58% |
| Balochistan | Purchase livestock | 0% | | 0% | | 1% | | 0% |
| Balochistan | Meet health expenditures | 16% | | 20% | | 27% | | 23% |
| Balochistan | Education | 13% | | 14% | | 5% | | 9% |
| Balochistan | Purchased consumer goods (fans, TV, refrigerators, motorcycles) | 0% | | 0% | | 0% | | 0% |
| Balochistan | Improve house | 1% | | 0% | | 1% | | 1% |
| Balochistan | Invest in land | 0% | | 0% | | 0% | | 0% |
| Balochistan | Buy Jewelry or gold | 0% | | 0% | | 0% | | 0% |
| Balochistan | Other | 4% | | 0% | | 15% | | 9% |
| KPK | Purchase Food | 58% | | 63% | 81% | 24% | 45% | 54% |
| KPK | Purchase livestock | 1% | | 2% | 0% | 0% | 1% | 1% |
| KPK | Meet health expenditures | 32% | | 27% | 12% | 9% | 13% | 19% |
| KPK | Education | 3% | | 2% | 0% | 1% | 2% | 2% |
| KPK | Purchased consumer goods (fans, TV, refrigerators, motorcycles) | 0% | | 0% | 0% | 0% | 1% | 0% |
| KPK | Improve house | 1% | | 0% | 4% | 59% | 33% | 20% |
| KPK | Invest in land | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Buy Jewelry or gold | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Other | 5% | | 5% | 3% | 7% | 5% | 5% |
| Punjab | Purchase Food | 84% | 83% | 83% | 88% | 46% | 37% | 74% |
| Punjab | Purchase livestock | 0% | 1% | 1% | 0% | 1% | 1% | 1% |
| Punjab | Meet health expenditures | 11% | 10% | 10% | 6% | 16% | 13% | 11% |
| Punjab | Education | 2% | 4% | 4% | 4% | 5% | 1% | 3% |
| Punjab | Purchased consumer goods (fans, TV, refrigerators, motorcycles) | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Punjab | Improve house | 0% | 0% | 0% | 0% | 22% | 36% | 7% |
| Punjab | Invest in land | 0% | 0% | 1% | 1% | 1% | 2% | 1% |
| Punjab | Buy Jewelry or gold | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Punjab | Other | 2% | 2% | 0% | 1% | 7% | 10% | 3% |
| Sindh | Purchase Food | 71% | 97% | 91% | 60% | 56% | 47% | 71% |
| Sindh | Purchase livestock | 1% | 1% | 0% | 0% | 4% | 1% | 1% |
| Sindh | Meet health expenditures | 20% | 3% | 8% | 31% | 18% | 26% | 18% |
| Sindh | Education | 1% | 0% | 0% | 2% | 1% | 5% | 1% |
| Sindh | Purchased consumer goods (fans, TV, refrigerators, motorcycles) | 0% | 0% | 0% | 0% | 10% | 0% | 1% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|---|---------------|------------|------------|----------------|--------|---------|-------------|
| | refrigerators) | | | | | | | |
| Sindh | Improve house | 5% | 0% | 1% | 7% | 9% | 16% | 6% |
| Sindh | Invest in land | 0% | 0% | 0% | 0% | 0% | 1% | 0% |
| Sindh | Buy Jewelry or gold | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Other | 2% | 0% | 0% | 0% | 3% | 4% | 1% |
| Pakistan | Purchase Food | 71% | 90% | 78% | 73% | 46% | 43% | 67% |
| Pakistan | Purchase livestock | 1% | 1% | 1% | 0% | 1% | 1% | 1% |
| Pakistan | Meet health expenditures | 19% | 6% | 15% | 19% | 20% | 17% | 17% |
| Pakistan | Education | 4% | 2% | 4% | 2% | 3% | 2% | 3% |
| Pakistan | Purchased consumer goods (fans, TV, refrigerators, motorcycles, | 0% | 0% | 0% | 0% | 2% | 0% | 0% |
| Pakistan | Improve house | 2% | 0% | 0% | 4% | 18% | 28% | 8% |
| Pakistan | Invest in land | 0% | 0% | 0% | 0% | 0% | 1% | 0% |
| Pakistan | Buy Jewelry or gold | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | Other | 3% | 1% | 1% | 1% | 9% | 6% | 4% |

Table A2.2 Remittance Income from Family Member Outside the Village

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 1% | | 3% | | 0% | | 1% |
| Balochistan | No | 99% | | 97% | | 100% | | 99% |
| KPK | Yes | 7% | | 2% | 10% | 4% | 11% | 7% |
| KPK | No | 93% | | 98% | 91% | 96% | 90% | 93% |
| Punjab | Yes | 3% | 5% | 1% | 1% | 0% | 1% | 2% |
| Punjab | No | 97% | 95% | 99% | 99% | 100% | 99% | 98% |
| Sindh | Yes | 1% | 0% | 1% | 1% | 1% | 1% | 1% |
| Sindh | No | 99% | 100% | 99% | 99% | 99% | 99% | 99% |
| Pakistan | Yes | 2% | 2% | 1% | 3% | 1% | 4% | 2% |
| Pakistan | No | 98% | 98% | 99% | 97% | 99% | 96% | 98% |

Table A2.3 Frequency of Receiving Remittance Income

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Monthly | 0% | | 1% | | 0% | | 0% |
| Balochistan | After 3 months | 0% | | 0% | | 0% | | 0% |
| Balochistan | Six monthly | 0% | | 0% | | 0% | | 0% |
| Balochistan | Annually | 0% | | 1% | | 0% | | 0% |
| Balochistan | Irregularly | 1% | | 1% | | 0% | | 1% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|----------------|---------------|------------|------------|----------------|--------|---------|-------------|
| KPK | Monthly | 2% | | 0% | 5% | 2% | 5% | 3% |
| KPK | After 3 months | 2% | | 0% | 3% | 0% | 0% | 1% |
| KPK | Six monthly | 0% | | 0% | 0% | 0% | 1% | 0% |
| KPK | Annually | 0% | | 1% | 1% | 1% | 0% | 0% |
| KPK | Irregularly | 2% | | 1% | 1% | 2% | 5% | 2% |
| Punjab | Monthly | 1% | 1% | 1% | 1% | 0% | 1% | 1% |
| Punjab | After 3 months | 1% | 1% | 0% | 0% | 0% | 0% | 0% |
| Punjab | Six monthly | 0% | 0% | 0% | 0% | 0% | 1% | 0% |
| Punjab | Annually | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Punjab | Irregularly | 1% | 2% | 0% | 0% | 0% | 0% | 1% |
| Sindh | Monthly | 1% | 0% | 0% | 0% | 1% | 1% | 0% |
| Sindh | After 3 months | 0% | 0% | 1% | 1% | 0% | 0% | 0% |
| Sindh | Six monthly | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Annually | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Irregularly | 0% | 0% | 0% | 0% | 0% | 1% | 0% |
| Pakistan | Monthly | 1% | 1% | 1% | 1% | 0% | 2% | 1% |
| Pakistan | After 3 months | 1% | 1% | 0% | 1% | 0% | 0% | 0% |
| Pakistan | Six monthly | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | Annually | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | Irregularly | 1% | 1% | 0% | 0% | 0% | 2% | 1% |

Table A2.4: Channel for Receiving Remittance Income

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Delivered personally | 1% | | 2% | | 0% | | 1% |
| Balochistan | Through friends or Family | 0% | | 1% | | 0% | | 0% |
| Balochistan | Through Hundi or other informal system | 0% | | 0% | | 0% | | 0% |
| Balochistan | Money Order through post office | 0% | | 0% | | 0% | | 0% |
| Balochistan | Through Mobile | 0% | | 0% | | 0% | | 0% |
| Balochistan | Authorized Money Transfer Agencies | 0% | | 0% | | 0% | | 0% |
| Balochistan | Through Bank | 0% | | 0% | | 0% | | 0% |
| KPK | Delivered personally | 1% | | 0% | 1% | 2% | 5% | 2% |
| KPK | Through friends or Family | 3% | | 1% | 3% | 1% | 2% | 2% |
| KPK | Through Hundi or other informal system | 2% | | 0% | 2% | 0% | 1% | 1% |
| KPK | Money Order through post | 1% | | 1% | 3% | 1% | 1% | 1% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|--|---------------|------------|------------|----------------|--------|---------|-------------|
| | office | | | | | | | |
| KPK | Through Mobile | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Authorized Money Transfer Agencies | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Through Bank | 1% | | 0% | 1% | 0% | 2% | 1% |
| Punjab | Delivered personally | 0% | 1% | 0% | 1% | 0% | 0% | 0% |
| Punjab | Through friends or Family | 1% | 0% | 1% | 0% | 0% | 0% | 0% |
| Punjab | Through Hundi or other informal system | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Punjab | Money Order through post office | 1% | 0% | 0% | 0% | 0% | 0% | 0% |
| Punjab | Through Mobile | 0% | 0% | 0% | 0% | 0% | 1% | 0% |
| Punjab | Authorized Money Transfer Agencies | 0% | 3% | 0% | 0% | 0% | 0% | 1% |
| Punjab | Through Bank | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Delivered personally | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Through friends or Family | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Through Hundi or other informal system | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Money Order through post office | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Through Mobile | 0% | 0% | 0% | 1% | 1% | 0% | 0% |
| Sindh | Authorized Money Transfer Agencies | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Through Bank | 0% | 0% | 0% | 1% | 0% | 0% | 0% |
| Pakistan | Delivered personally | 0% | 0% | 0% | 0% | 0% | 2% | 1% |
| Pakistan | Through friends or Family | 1% | 0% | 0% | 1% | 0% | 1% | 1% |
| Pakistan | Through Hundi or other informal system | 1% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | Money Order through post office | 1% | 0% | 0% | 1% | 0% | 0% | 0% |
| Pakistan | Through Mobile | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | Authorized Money Transfer Agencies | 0% | 2% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | Through Bank | 0% | 0% | 0% | 0% | 0% | 1% | 0% |

Table A2.5 Do you send money to a household member or relative living outside.

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0% | | 2% | | 0% | | 1% |
| Balochistan | No | 100% | | 98% | | 100% | | 99% |
| KPK | Yes | 0% | | 0% | 0% | 0% | 2% | 0% |
| KPK | No | 100% | | 100% | 100% | 100% | 99% | 100% |
| Punjab | Yes | 0% | 1% | 0% | 0% | 0% | 1% | 0% |
| Punjab | No | 100% | 99% | 100% | 100% | 100% | 99% | 100% |
| Sindh | Yes | 0% | 0% | 0% | 1% | 0% | 1% | 0% |
| Sindh | No | 100% | 100% | 100% | 99% | 100% | 99% | 100% |
| Pakistan | Yes | 0% | 0% | 0% | 0% | 0% | 1% | 0% |
| Pakistan | No | 100% | 100% | 100% | 100% | 100% | 99% | 100% |

Table A2.6 How Often do you send this money

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Monthly | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | After 3 months | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Six monthly | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Annually | 0.00% | | 0.82% | | 0.00% | | 0.17% |
| Balochistan | Irregularly | 0.49% | | 0.82% | | 0.00% | | 0.34% |
| KPK | Monthly | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | After 3 months | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Six monthly | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Annually | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Irregularly | 0.00% | | 0.00% | 0.00% | 0.00% | 1.50% | 0.31% |
| Punjab | Monthly | 0.00% | 0.52% | 0.00% | 0.00% | 0.00% | 0.52% | 0.08% |
| Punjab | After 3 months | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | Six monthly | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | Annually | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | Irregularly | 0.24% | 0.00% | 0.00% | 0.25% | 0.00% | 0.00% | 0.17% |
| Sindh | Monthly | 0.00% | 0.00% | 0.00% | 0.26% | 0.00% | 0.52% | 0.10% |
| Sindh | After 3 months | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | Six monthly | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.52% | 0.05% |
| Sindh | Annually | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | Irregularly | 0.00% | 0.26% | 0.26% | 0.26% | 0.00% | 0.00% | 0.15% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|----------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Pakistan | Monthly | 0.00% | 0.26% | 0.00% | 0.10% | 0.00% | 0.34% | 0.08% |
| Pakistan | After 3 months | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Pakistan | Six monthly | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.17% | 0.02% |
| Pakistan | Annually | 0.00% | 0.00% | 0.12% | 0.00% | 0.00% | 0.00% | 0.02% |
| Pakistan | Irregularly | 0.17% | 0.13% | 0.23% | 0.20% | 0.00% | 0.51% | 0.21% |

Table A2.7 What Channel do you send this money through

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|------------------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Delivered personally = 1 | 0.49% | | 1.09% | | 0.00% | | 0.39% |
| Balochistan | Through Family or friends = 2 | 0.00% | | 0.54% | | 0.00% | | 0.13% |
| Balochistan | Money Order through post office =3 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | By Bank=4 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Through Mobile=5 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Through Hundi system=6 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| KPK | Delivered personally = 1 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Through Family or friends = 2 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Money Order through post office =3 | 0.00% | | 0.00% | 0.00% | 0.00% | 1.00% | 0.21% |
| KPK | By Bank=4 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Through Mobile=5 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Through Hundi system=6 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.50% | 0.10% |
| Punjab | Delivered personally = 1 | 0.00% | 0.26% | 0.00% | 0.00% | 0.00% | 0.00% | 0.06% |
| Punjab | Through Family or friends = 2 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | Money Order through post office =3 | 0.24% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.06% |
| Punjab | By Bank=4 | 0.00% | 0.26% | 0.00% | 0.00% | 0.00% | 0.00% | 0.06% |
| Punjab | Through Mobile=5 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.52% | 0.06% |
| Punjab | Through Hundi system=6 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | Delivered personally = 1 | 0.00% | 0.00% | 0.26% | 0.00% | 0.00% | 0.52% | 0.15% |
| Sindh | Through Family or friends = 2 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | Money Order through post office =3 | 0.00% | 0.00% | 0.00% | 0.52% | 0.00% | 0.00% | 0.08% |
| Sindh | By Bank=4 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.52% | 0.08% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|------------------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Sindh | Through Mobile=5 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | Through Hundi system=6 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Pakistan | Delivered personally = 1 | 0.08% | 0.19% | 0.26% | 0.00% | 0.00% | 0.17% | 0.13% |
| Pakistan | Through Family or friends = 2 | 0.00% | 0.00% | 0.09% | 0.00% | 0.00% | 0.00% | 0.02% |
| Pakistan | Money Order through post office =3 | 0.08% | 0.00% | 0.00% | 0.31% | 0.00% | 0.34% | 0.08% |
| Pakistan | By Bank=4 | 0.00% | 0.19% | 0.00% | 0.00% | 0.00% | 0.17% | 0.04% |
| Pakistan | Through Mobile=5 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.17% | 0.02% |
| Pakistan | Through Hundi system=6 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.17% | 0.02% |

Table A2.8. Have you ever paid any bills through the Bank?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 46% | | 41% | | 50% | | 47% |
| Balochistan | No | 54% | | 59% | | 50% | | 53% |
| KPK | Yes | 58% | | 66% | 19% | 42% | 43% | 45% |
| KPK | No | 42% | | 34% | 81% | 58% | 57% | 55% |
| Punjab | Yes | 29% | 56% | 57% | 41% | 50% | 51% | 47% |
| Punjab | No | 71% | 44% | 43% | 59% | 50% | 49% | 53% |
| Sindh | Yes | 22% | 18% | 27% | 17% | 16% | 22% | 21% |
| Sindh | No | 78% | 82% | 73% | 83% | 84% | 78% | 79% |
| Pakistan | Yes | 34% | 36% | 46% | 27% | 41% | 39% | 37% |
| Pakistan | No | 66% | 64% | 54% | 73% | 59% | 61% | 63% |

Table A2.9: Do You save any money each month?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0% | | 2% | | 0% | | 0% |
| Balochistan | No | 100% | | 98% | | 100% | | 100% |
| KPK | Yes | 0% | | 1% | 0% | 0% | 1% | 0% |
| KPK | No | 100% | | 99% | 100% | 100% | 99% | 100% |
| Punjab | Yes | 1% | 1% | 2% | 1% | 2% | 2% | 1% |
| Punjab | No | 99% | 99% | 98% | 99% | 98% | 98% | 99% |
| Sindh | Yes | 1% | 0% | 0% | 0% | 4% | 2% | 1% |
| Sindh | No | 99% | 100% | 100% | 100% | 96% | 98% | 99% |
| Pakistan | Yes | 1% | 1% | 1% | 0% | 1% | 2% | 1% |
| Pakistan | No | 99% | 99% | 99% | 100% | 99% | 98% | 99% |

Table A2.10 What do you do with the savings?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|-----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | cash at home= 1 | 0.00% | | 0.54% | | 0.00% | | 0.13% |
| Balochistan | save in Committee=2 | 0.00% | | 1.09% | | 0.00% | | 0.26% |
| Balochistan | invest in Livestock =3 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Purchase household asset= 4 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | invest in Jewelry=5 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | invest in Land =6 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | save with NGO=7 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | save in Bank =8 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| KPK | cash at home= 1 | 0.00% | | 0.00% | 0.00% | 0.00% | 1.01% | 0.21% |
| KPK | save in Committee=2 | 0.00% | | 0.54% | 0.00% | 0.00% | 0.00% | 0.10% |
| KPK | invest in Livestock =3 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Purchase household asset= 4 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | invest in Jewelry=5 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | invest in Land =6 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | save with NGO=7 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | save in Bank =8 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | cash at home= 1 | 1.17% | 0.26% | 1.26% | 0.76% | 2.08% | 2.08% | 1.11% |
| Punjab | save in Committee=2 | 0.00% | 0.78% | 0.00% | 0.00% | 0.00% | 0.00% | 0.16% |
| Punjab | invest in Livestock =3 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | Purchase household asset= 4 | 0.29% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.05% |
| Punjab | invest in Jewelry=5 | 0.00% | 0.00% | 0.25% | 0.00% | 0.00% | 0.00% | 0.05% |
| Punjab | invest in Land =6 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | save with NGO=7 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | save in Bank =8 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | cash at home= 1 | 0.77% | 0.00% | 0.00% | 0.00% | 0.52% | 1.56% | 0.36% |
| Sindh | save in Committee=2 | 0.26% | 0.26% | 0.00% | 0.26% | 3.65% | 0.00% | 0.52% |
| Sindh | invest in Livestock =3 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | Purchase household asset= 4 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | invest in Jewelry=5 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | invest in Land =6 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | save with NGO=7 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | save in Bank =8 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Pakistan | cash at home= 1 | 0.65% | 0.13% | 0.52% | 0.31% | 0.52% | 1.55% | 0.56% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|-----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Pakistan | save in Committee=2 | 0.09% | 0.51% | 0.26% | 0.10% | 0.72% | 0.00% | 0.29% |
| Pakistan | invest in Livestock =3 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Pakistan | Purchase household asset= 4 | 0.09% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.02% |
| Pakistan | invest in Jewelry=5 | 0.00% | 0.00% | 0.09% | 0.00% | 0.00% | 0.00% | 0.02% |
| Pakistan | invest in Land =6 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Pakistan | save with NGO=7 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Pakistan | save in Bank =8 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Table A2.11: Are You a Member of a Savings Committee?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 1% | | 4% | | 0% | | 1% |
| Balochistan | No | 99% | | 96% | | 100% | | 99% |
| KPK | Yes | 1% | | 1% | 0% | 2% | 0% | 1% |
| KPK | No | 99% | | 99% | 100% | 99% | 100% | 99% |
| Punjab | Yes | 1% | 3% | 0% | 1% | 1% | 1% | 1% |
| Punjab | No | 99% | 97% | 100% | 99% | 99% | 99% | 99% |
| Sindh | Yes | 1% | 0% | 0% | 1% | 5% | 1% | 1% |
| Sindh | No | 99% | 100% | 100% | 99% | 95% | 99% | 99% |
| Pakistan | Yes | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| Pakistan | No | 99% | 99% | 99% | 99% | 99% | 99% | 99% |

Table A2.12: Have you ever borrowed money?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 51% | | 81% | | 68% | | 66% |
| Balochistan | No | 49% | | 19% | | 32% | | 34% |
| KPK | Yes | 71% | | 85% | 55% | 62% | 67% | 68% |
| KPK | No | 29% | | 15% | 46% | 38% | 33% | 32% |
| Punjab | Yes | 65% | 56% | 59% | 49% | 48% | 56% | 56% |
| Punjab | No | 35% | 44% | 41% | 51% | 52% | 44% | 44% |
| Sindh | Yes | 58% | 69% | 69% | 47% | 72% | 70% | 63% |
| Sindh | No | 42% | 31% | 31% | 53% | 28% | 30% | 37% |
| Pakistan | Yes | 61% | 63% | 70% | 50% | 64% | 64% | 62% |
| Pakistan | No | 39% | 37% | 30% | 50% | 36% | 36% | 38% |

Table A2.13: If Not Why Have you never borrowed Money?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Did not need to=1 | 4% | | 5% | | 1% | | 2% |
| Balochistan | Could not afford it=2 | 27% | | 14% | | 17% | | 19% |
| Balochistan | Lack of guarantor = 3 | 1% | | 0% | | 2% | | 2% |
| Balochistan | Lack of collateral =4 | 0% | | 0% | | 0% | | 0% |
| Balochistan | Lengthy process=5 | 0% | | 0% | | 2% | | 1% |
| Balochistan | Interest on Loan is un-Islamic=6 | 13% | | 0% | | 8% | | 8% |
| Balochistan | Tried but was refused=7 | 5% | | 0% | | 2% | | 2% |
| KPK | Did not need to=1 | 13% | | 12% | 22% | 20% | 15% | 16% |
| KPK | Could not afford it=2 | 14% | | 3% | 22% | 16% | 15% | 14% |
| KPK | Lack of guarantor = 3 | 0% | | 0% | 1% | 2% | 2% | 1% |
| KPK | Lack of collateral =4 | 0% | | 0% | 1% | 0% | 0% | 0% |
| KPK | Lengthy process=5 | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Interest on Loan is un-Islamic=6 | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | Tried but was refused=7 | 2% | | 0% | 0% | 0% | 1% | 1% |
| Punjab | Did not need to=1 | 4% | 6% | 4% | 6% | 9% | 7% | 6% |
| Punjab | Could not afford it=2 | 22% | 22% | 24% | 31% | 17% | 15% | 23% |
| Punjab | Lack of guarantor = 3 | 3% | 1% | 5% | 4% | 4% | 3% | 3% |
| Punjab | Lack of collateral =4 | 0% | 1% | 1% | 1% | 2% | 5% | 1% |
| Punjab | Lengthy process=5 | 2% | 1% | 1% | 3% | 7% | 6% | 3% |
| Punjab | Interest on Loan is un-Islamic=6 | 0% | 1% | 1% | 1% | 5% | 1% | 1% |
| Punjab | Tried but was refused=7 | 3% | 12% | 5% | 5% | 8% | 5% | 6% |
| Sindh | Did not need to=1 | 4% | 2% | 3% | 4% | 3% | 2% | 3% |
| Sindh | Could not afford it=2 | 29% | 17% | 19% | 47% | 22% | 27% | 27% |
| Sindh | Lack of guarantor = 3 | 6% | 10% | 8% | 1% | 0% | 1% | 5% |
| Sindh | Lack of collateral =4 | 0% | 0% | 0% | 0% | 3% | 0% | 0% |
| Sindh | Lengthy process=5 | 1% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Interest on Loan is un-Islamic=6 | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | Tried but was refused=7 | 1% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | Did not need to=1 | 5% | 4% | 5% | 8% | 6% | 8% | 6% |
| Pakistan | Could not afford it=2 | 24% | 19% | 18% | 36% | 18% | 19% | 22% |
| Pakistan | Lack of guarantor = 3 | 3% | 6% | 5% | 2% | 2% | 2% | 3% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|----------------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Pakistan | Lack of collateral =4 | 0% | 1% | 0% | 0% | 1% | 2% | 1% |
| Pakistan | Lengthy process=5 | 1% | 1% | 0% | 1% | 2% | 2% | 1% |
| Pakistan | Interest on Loan is un-Islamic=6 | 3% | 1% | 0% | 1% | 5% | 1% | 2% |
| Pakistan | Tried but was refused=7 | 3% | 6% | 2% | 2% | 2% | 2% | 3% |

Table A2.14: Are you enrolled in any Insurance scheme

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 8% | | 22% | | 0% | | 7% |
| Balochistan | No | 92% | | 78% | | 100% | | 93% |
| KPK | Yes | 3% | | 0% | 22% | 0% | 0% | 5% |
| KPK | No | 97% | | 100% | 78% | 100% | 100% | 95% |
| Punjab | Yes | 20% | 3% | 17% | 16% | 1% | 4% | 12% |
| Punjab | No | 80% | 97% | 83% | 84% | 99% | 96% | 88% |
| Sindh | Yes | 0% | 0% | 0% | 0% | 0% | 2% | 0% |
| Sindh | No | 100% | 100% | 100% | 100% | 100% | 98% | 100% |
| Pakistan | Yes | 9% | 1% | 9% | 11% | 0% | 2% | 6% |
| Pakistan | No | 91% | 99% | 91% | 89% | 100% | 98% | 94% |

Table A2.15: If Yes what Type of Insurance Scheme

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | BISP Insurance Company = 1 | 7% | | 22% | | 0% | | 7% |
| Balochistan | Insurance company=2 | 0% | | 1% | | 0% | | 0% |
| Balochistan | NGO=3 | 0% | | 0% | | 0% | | 0% |
| Balochistan | BISP | 0% | | 0% | | 0% | | 0% |
| KPK | BISP Insurance Company = 1 | 3% | | 0% | 22% | 0% | 0% | 5% |
| KPK | Insurance company=2 | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | NGO=3 | 0% | | 0% | 0% | 0% | 0% | 0% |
| KPK | BISP | 0% | | 0% | 0% | 0% | 0% | 0% |
| Punjab | BISP Insurance Company = 1 | 20% | 3% | 17% | 16% | 1% | 1% | 11% |
| Punjab | Insurance company=2 | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Punjab | NGO=3 | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Punjab | BISP | 0% | 0% | 0% | 0% | 1% | 4% | 0% |
| Sindh | BISP Insurance Company = 1 | 0% | 0% | 0% | 0% | 0% | 2% | 0% |
| Sindh | Insurance company=2 | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | NGO=3 | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Sindh | BISP | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | BISP Insurance Company = 1 | 9% | 1% | 9% | 11% | 0% | 1% | 6% |
| Pakistan | Insurance company=2 | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | NGO=3 | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Pakistan | BISP | 0% | 0% | 0% | 0% | 0% | 1% | 0% |

Table A2.16: Do you Own a Mobile Phone ?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 22% | | 68% | | 13% | | 28% |
| Balochistan | No | 78% | | 32% | | 87% | | 72% |
| KPK | Yes | 5% | | 4% | 99% | 39% | 45% | 39% |
| KPK | No | 95% | | 96% | 1% | 61% | 55% | 61% |
| Punjab | Yes | 6% | 14% | 5% | 100% | 39% | 57% | 34% |
| Punjab | No | 94% | 86% | 95% | 0% | 61% | 43% | 66% |
| Sindh | Yes | 6% | 2% | 1% | 99% | 34% | 50% | 30% |
| Sindh | No | 94% | 98% | 99% | 1% | 66% | 50% | 70% |
| Pakistan | Yes | 8% | 8% | 14% | 99% | 28% | 51% | 33% |
| Pakistan | No | 92% | 92% | 86% | 1% | 72% | 49% | 67% |

Table A2.17: Do you Own a mobile SIM?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 30% | | 76% | | 13% | | 32% |
| Balochistan | No | 70% | | 24% | | 87% | | 68% |
| KPK | Yes | 4% | | 3% | 99% | 39% | 45% | 39% |
| KPK | No | 96% | | 97% | 1% | 61% | 56% | 61% |
| Punjab | Yes | 5% | 9% | 4% | 100% | 38% | 56% | 33% |
| Punjab | No | 95% | 91% | 96% | 0% | 63% | 44% | 67% |
| Sindh | Yes | 5% | 2% | 1% | 100% | 34% | 50% | 30% |
| Sindh | No | 95% | 98% | 99% | 0% | 66% | 50% | 70% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Pakistan | Yes | 9% | 6% | 14% | 100% | 27% | 50% | 33% |
| Pakistan | No | 91% | 94% | 86% | 0% | 73% | 50% | 67% |

Table 2.18: Is the Mobile SIM in Your name?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 73% | | 66% | | 13% | | 32% |
| Balochistan | No | 27% | | 34% | | 87% | | 68% |
| KPK | Yes | 75% | | 50% | 97% | 37% | 39% | 58% |
| KPK | No | 25% | | 50% | 3% | 63% | 61% | 42% |
| Punjab | Yes | 53% | 67% | 20% | 99% | 35% | 54% | 71% |
| Punjab | No | 47% | 33% | 80% | 1% | 65% | 46% | 29% |
| Sindh | Yes | 75% | 57% | 33% | 99% | 25% | 48% | 68% |
| Sindh | No | 25% | 43% | 67% | 1% | 75% | 52% | 32% |
| Pakistan | Yes | 70% | 65% | 61% | 99% | 25% | 47% | 59% |
| Pakistan | No | 30% | 35% | 39% | 1% | 75% | 53% | 41% |

Table A2.19: Have you ever made any bill payments through the mobile phone?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0% | | 2% | | 3% | | 2% |
| Balochistan | No | 100% | | 98% | | 97% | | 98% |
| KPK | Yes | 0% | | 0% | 0% | 0% | 1% | 0% |
| KPK | No | 100% | | 100% | 100% | 100% | 99% | 100% |
| Punjab | Yes | 0% | 1% | 1% | 2% | 3% | 2% | 1% |
| Punjab | No | 100% | 99% | 99% | 98% | 97% | 98% | 99% |
| Sindh | Yes | 1% | 1% | 0% | 3% | 1% | 7% | 2% |
| Sindh | No | 99% | 99% | 100% | 97% | 99% | 93% | 98% |
| Pakistan | Yes | 0% | 1% | 0% | 2% | 2% | 3% | 1% |
| Pakistan | No | 100% | 99% | 100% | 98% | 98% | 97% | 99% |

Table A2.20: Have you ever transferred Money through the mobile phone

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0% | | 2% | | 0% | | 0% |
| Balochistan | No | 100% | | 98% | | 100% | | 100% |
| KPK | Yes | 0% | | 0% | 0% | 0% | 1% | 0% |
| KPK | No | 100% | | 100% | 100% | 100% | 100% | 100% |
| Punjab | Yes | 0% | 0% | 1% | 10% | 2% | 2% | 3% |

Annex 1: List of Data Tables from Quantitative Survey

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Punjab | No | 100% | 100% | 99% | 90% | 98% | 98% | 97% |
| Sindh | Yes | 1% | 1% | 0% | 1% | 1% | 8% | 1% |
| Sindh | No | 99% | 99% | 100% | 99% | 99% | 92% | 99% |
| Pakistan | Yes | 0% | 0% | 0% | 4% | 1% | 3% | 1% |
| Pakistan | No | 100% | 100% | 100% | 96% | 99% | 97% | 99% |

Table A3.1: Do You Have a Bank account?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0.49% | | 0.55% | | 1.30% | | 0.91% |
| Balochistan | No | 99.51% | | 99.45% | | 98.70% | | 99.09% |
| KPK | Yes | 0.00% | | 0.00% | 0.00% | 3.02% | 4.50% | 1.54% |
| KPK | No | 100.00% | | 100.00% | 100.00% | 96.98% | 95.50% | 98.46% |
| Punjab | Yes | 0.74% | 3.39% | 0.25% | 1.52% | 2.60% | 6.28% | 2.04% |
| Punjab | No | 99.26% | 96.61% | 99.75% | 98.48% | 97.40% | 93.72% | 97.96% |
| Sindh | Yes | 0.26% | 0.00% | 0.00% | 0.52% | 7.85% | 9.90% | 1.91% |
| Sindh | No | 99.74% | 100.00% | 100.00% | 99.48% | 92.15% | 90.10% | 98.09% |
| Pakistan | Yes | 0.42% | 1.68% | 0.17% | 0.82% | 3.21% | 6.86% | 1.75% |
| Pakistan | No | 99.58% | 98.32% | 99.83% | 99.18% | 96.79% | 93.14% | 98.25% |

Table A3.2: If you do not have an account have you thought of opening one?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 1.96% | | 22.48% | | 0.00% | | 5.74% |
| Balochistan | No | 97.55% | | 76.98% | | 98.70% | | 93.35% |
| KPK | Yes | 0.00% | | 0.00% | 0.00% | 4.02% | 10.50% | 2.98% |
| KPK | No | 100.00% | | 100.00% | 100.00% | 92.96% | 85.00% | 95.48% |
| Punjab | Yes | 2.48% | 2.37% | 0.25% | 0.51% | 2.08% | 0.52% | 1.38% |
| Punjab | No | 96.78% | 94.25% | 99.49% | 97.97% | 95.31% | 93.19% | 96.58% |
| Sindh | Yes | 1.55% | 1.28% | 1.29% | 0.00% | 7.85% | 3.13% | 1.91% |
| Sindh | No | 98.19% | 98.72% | 98.71% | 99.48% | 84.29% | 86.98% | 96.17% |
| Pakistan | Yes | 1.69% | 1.81% | 4.01% | 0.20% | 2.80% | 4.80% | 2.43% |
| Pakistan | No | 97.89% | 96.51% | 95.82% | 98.98% | 94.00% | 88.34% | 95.81% |

Table A3.3: The reason you might want to open an account

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Saving=1 | 0.39% | | 8.31% | | 0.00% | | 2.03% |
| Balochistan | Receiving payments=2 | 0.39% | | 3.42% | | 0.00% | | 0.90% |
| Balochistan | Making payments=3 | 0.78% | | 6.35% | | 0.00% | | 1.69% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | ATM card=4 | 0.39% | | 4.40% | | 0.00% | | 1.13% |
| KPK | Saving=1 | 0.00% | | 0.00% | 0.00% | 4.02% | 8.11% | 2.48% |
| KPK | Receiving payments=2 | 0.00% | | 0.00% | 0.00% | 0.00% | 1.91% | 0.40% |
| KPK | Making payments=3 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.48% | 0.10% |
| KPK | ATM card=4 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | Saving=1 | 2.23% | 1.58% | 0.25% | 0.00% | 1.25% | 0.52% | 0.99% |
| Punjab | Receiving payments=2 | 0.25% | 0.79% | 0.00% | 0.25% | 0.42% | 0.00% | 0.30% |
| Punjab | Making payments=3 | 0.00% | 0.00% | 0.00% | 0.00% | 0.42% | 0.00% | 0.05% |
| Punjab | ATM card=4 | 0.00% | 0.00% | 0.00% | 0.25% | 0.00% | 0.00% | 0.05% |
| Sindh | Saving=1 | 0.78% | 0.00% | 0.00% | 0.00% | 7.33% | 3.13% | 1.19% |
| Sindh | Receiving payments=2 | 0.78% | 0.00% | 0.00% | 0.00% | 0.52% | 0.00% | 0.21% |
| Sindh | Making payments=3 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | ATM card=4 | 0.00% | 1.28% | 1.29% | 0.00% | 0.00% | 0.00% | 0.52% |
| Pakistan | Saving=1 | 1.05% | 0.78% | 1.39% | 0.00% | 2.50% | 3.97% | 1.43% |
| Pakistan | Receiving payments=2 | 0.40% | 0.39% | 0.54% | 0.10% | 0.20% | 0.66% | 0.37% |
| Pakistan | Making payments=3 | 0.16% | 0.00% | 1.00% | 0.00% | 0.10% | 0.17% | 0.28% |
| Pakistan | ATM card=4 | 0.08% | 0.65% | 1.08% | 0.10% | 0.00% | 0.00% | 0.35% |

Table A3.4: Reasons for not having a Bank Account

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Not safe=1 | 0.00% | | 0.00% | | 0.51% | | 0.25% |
| Balochistan | No knowledge=2 | 22.13% | | 17.42% | | 3.56% | | 11.84% |
| Balochistan | Too complicated=3 | 1.35% | | 1.12% | | 0.25% | | 0.76% |
| Balochistan | Never have enough cash=4 | 74.07% | | 58.44% | | 94.37% | | 80.50% |
| Balochistan | Other | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| KPK | Not safe=1 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | No knowledge=2 | 23.39% | | 44.68% | 37.44% | 14.65% | 9.60% | 25.26% |
| KPK | Too complicated=3 | 0.00% | | 0.53% | 0.00% | 0.00% | 0.46% | 0.19% |
| KPK | Never have enough cash=4 | 76.61% | | 54.79% | 62.56% | 78.31% | 74.49% | 69.94% |
| KPK | Other | 0.00% | | 0.00% | 0.00% | 0.00% | 0.46% | 0.10% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|--------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Punjab | Not safe=1 | 0.47% | 0.99% | 0.50% | 0.25% | 1.05% | 2.07% | 0.74% |
| Punjab | No knowledge=2 | 51.09% | 38.09% | 41.04% | 53.12% | 45.81% | 55.40% | 46.80% |
| Punjab | Too complicated=3 | 0.70% | 3.22% | 0.00% | 0.50% | 2.63% | 2.07% | 1.34% |
| Punjab | Never have enough cash=4 | 44.52% | 51.95% | 57.96% | 44.10% | 45.29% | 33.65% | 47.65% |
| Punjab | Other | 0.00% | 0.00% | 0.00% | 0.00% | 0.53% | 0.00% | 0.05% |
| Sindh | Not safe=1 | 5.01% | 0.76% | 4.01% | 0.00% | 2.04% | 0.00% | 2.17% |
| Sindh | No knowledge=2 | 24.05% | 2.79% | 15.03% | 18.78% | 16.86% | 9.61% | 14.80% |
| Sindh | Too complicated=3 | 1.25% | 0.25% | 0.00% | 0.51% | 0.00% | 0.51% | 0.45% |
| Sindh | Never have enough cash=4 | 67.88% | 94.92% | 79.67% | 80.19% | 65.39% | 76.87% | 78.75% |
| Sindh | Other | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Pakistan | Not safe=1 | 1.74% | 0.88% | 1.54% | 0.10% | 0.80% | 0.66% | 1.03% |
| Pakistan | No knowledge=2 | 32.71% | 20.68% | 29.11% | 36.34% | 16.65% | 24.14% | 27.33% |
| Pakistan | Too complicated=3 | 0.87% | 1.75% | 0.26% | 0.40% | 0.60% | 0.99% | 0.75% |
| Pakistan | Never have enough cash=4 | 62.57% | 73.20% | 64.90% | 62.14% | 75.84% | 62.39% | 66.67% |
| Pakistan | Other | 0.00% | 0.00% | 0.00% | 0.00% | 0.10% | 0.16% | 0.03% |

Table A3.5: Have you tried to open a Bank account?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0.49% | | 1.65% | | 0.00% | | 0.52% |
| Balochistan | No | 99.03% | | 97.81% | | 98.70% | | 98.58% |
| KPK | Yes | 11.64% | | 0.54% | 0.00% | 0.00% | 2.00% | 2.78% |
| KPK | No | 88.36% | | 99.46% | 100.00% | 96.98% | 93.50% | 95.68% |
| Punjab | Yes | 10.15% | 5.74% | 1.52% | 18.07% | 2.08% | 0.52% | 7.41% |
| Punjab | No | 89.11% | 90.87% | 98.23% | 80.41% | 95.31% | 93.19% | 90.55% |
| Sindh | Yes | 0.00% | 0.51% | 0.26% | 0.53% | 1.57% | 1.04% | 0.52% |
| Sindh | No | 99.74% | 99.49% | 99.74% | 98.95% | 90.58% | 89.06% | 97.57% |
| Pakistan | Yes | 5.40% | 3.10% | 0.96% | 7.51% | 0.72% | 1.20% | 3.30% |
| Pakistan | No | 94.18% | 95.23% | 98.87% | 91.67% | 96.07% | 91.94% | 94.94% |

Table A3.6; Why do you not have an account?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Did not know procedures=1 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Did not have | 0.00% | | 65.20% | | 0.00% | | 39.43% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--------------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| | documents=2 | | | | | | | |
| Balochistan | Bank staff did not cooperate=3 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Did not have money=4 | 99.03% | | 32.60% | | 98.70% | | 59.15% |
| KPK | Did not know procedures=1 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Did not have documents=2 | 32.13% | | 0.00% | 0.00% | 48.49% | 46.75% | 36.15% |
| KPK | Bank staff did not cooperate=3 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Did not have money=4 | 56.23% | | 99.46% | 100.00% | 48.49% | 46.75% | 59.54% |
| Punjab | Did not know procedures=1 | 2.03% | 8.26% | 39.29% | 0.00% | 0.00% | 0.00% | 4.20% |
| Punjab | Did not have documents=2 | 8.10% | 0.00% | 0.00% | 2.27% | 0.00% | 0.00% | 3.60% |
| Punjab | Bank staff did not cooperate=3 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 93.19% | 0.60% |
| Punjab | Did not have money=4 | 78.98% | 82.61% | 58.94% | 78.15% | 95.31% | 0.00% | 82.16% |
| Sindh | Did not know procedures=1 | 0.00% | 49.74% | 0.00% | 0.00% | 0.00% | 0.00% | 8.87% |
| Sindh | Did not have documents=2 | 0.00% | 0.00% | 0.00% | 0.00% | 30.19% | 89.06% | 17.74% |
| Sindh | Bank staff did not cooperate=3 | 0.00% | 0.00% | 0.00% | 0.00% | 30.19% | 0.00% | 8.87% |
| Sindh | Did not have money=4 | 99.74% | 49.74% | 99.74% | 98.95% | 30.19% | 0.00% | 62.09% |
| Pakistan | Did not know procedures=1 | 1.19% | 11.90% | 24.72% | 0.00% | 0.00% | 0.00% | 3.58% |
| Pakistan | Did not have documents=2 | 19.07% | 0.00% | 12.36% | 2.48% | 21.35% | 45.97% | 12.09% |
| Pakistan | Bank staff did not cooperate=3 | 0.00% | 0.00% | 0.00% | 0.00% | 10.67% | 9.19% | 0.90% |
| Pakistan | Did not have money=4 | 73.92% | 83.32% | 61.79% | 89.19% | 64.04% | 36.78% | 78.37% |

Table A3.7: Do you plan to open an account in the future.

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Soon | 0.00% | | 6.04% | | 2.86% | | 2.85% |
| Balochistan | Later | 14.56% | | 37.91% | | 71.35% | | 48.32% |
| Balochistan | Never | 84.95% | | 55.50% | | 24.48% | | 47.93% |
| KPK | Soon | 0.00% | | 0.00% | 0.00% | 0.00% | 4.00% | 0.82% |
| KPK | Later | 0.00% | | 0.00% | 0.00% | 21.11% | 24.00% | 9.27% |
| KPK | Never | 100.00% | | 100.00% | 100.00% | 75.88% | 67.50% | 88.37% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Punjab | Soon | 0.74% | 0.52% | 0.00% | 0.25% | 0.52% | 5.24% | 0.87% |
| Punjab | Later | 17.33% | 23.04% | 13.96% | 17.05% | 17.71% | 12.04% | 17.23% |
| Punjab | Never | 81.19% | 73.05% | 85.79% | 81.17% | 79.17% | 76.44% | 79.86% |
| Sindh | Soon | 0.52% | 0.00% | 0.00% | 0.00% | 0.52% | 0.52% | 0.21% |
| Sindh | Later | 4.91% | 2.55% | 4.66% | 5.00% | 32.98% | 24.48% | 9.13% |
| Sindh | Never | 94.32% | 97.45% | 95.34% | 94.48% | 58.64% | 65.10% | 88.75% |
| Pakistan | Soon | 0.42% | 0.26% | 0.96% | 0.10% | 1.35% | 3.26% | 0.91% |
| Pakistan | Later | 10.04% | 12.66% | 12.38% | 8.85% | 42.75% | 20.24% | 17.35% |
| Pakistan | Never | 89.11% | 85.40% | 86.49% | 90.23% | 52.69% | 69.64% | 79.99% |

Table A3.8: Do you know how to use the card?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Before | 0.49% | | 0.55% | | 1.30% | | 0.91% |
| Balochistan | After | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| KPK | Before | 0.00% | | 0.00% | 0.00% | 3.02% | 3.50% | 1.33% |
| KPK | After | 0.00% | | 0.00% | 0.00% | 0.00% | 1.00% | 0.21% |
| Punjab | Before | 0.50% | 1.82% | 0.25% | 1.02% | 2.08% | 4.71% | 1.38% |
| Punjab | After | 0.25% | 1.56% | 0.00% | 0.51% | 0.52% | 1.57% | 0.66% |
| Sindh | Before | 0.26% | 0.00% | 0.00% | 0.52% | 6.28% | 9.90% | 1.76% |
| Sindh | After | 0.00% | 0.00% | 0.00% | 0.00% | 1.57% | 0.00% | 0.16% |
| Pakistan | Before | 0.34% | 0.90% | 0.17% | 0.61% | 2.80% | 6.00% | 1.44% |
| Pakistan | After | 0.08% | 0.77% | 0.00% | 0.20% | 0.41% | 0.86% | 0.32% |

Table A3.9: How Many years have you had this account?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | upto 1 Year | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | 2 - 4 Years | 0.49% | | 0.00% | | 0.26% | | 0.26% |
| Balochistan | 5 - 6 Years | 0.00% | | 0.55% | | 0.00% | | 0.13% |
| Balochistan | 7- 8 Years | 0.00% | | 0.00% | | 0.26% | | 0.13% |
| Balochistan | 9 - 10 Years | 0.00% | | 0.00% | | 0.78% | | 0.39% |
| Balochistan | More than 10 Years | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| KPK | upto 1 Year | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | 2 - 4 Years | 0.00% | | 0.00% | 0.00% | 0.50% | 1.93% | 0.47% |
| KPK | 5 - 6 Years | 0.00% | | 0.00% | 0.00% | 1.01% | 1.93% | 0.59% |
| KPK | 7- 8 Years | 0.00% | | 0.00% | 0.00% | 1.01% | 0.00% | 0.24% |
| KPK | 9 - 10 Years | 0.00% | | 0.00% | 0.00% | 0.50% | 0.00% | 0.12% |
| KPK | More than 10 Years | 0.00% | | 0.00% | 0.00% | 0.00% | 0.64% | 0.12% |
| Punjab | upto 1 Year | 0.25% | 2.34% | 0.00% | 0.00% | 1.04% | 0.52% | 0.66% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|--------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Punjab | 2 - 4 Years | 0.25% | 0.52% | 0.00% | 1.27% | 0.52% | 2.62% | 0.71% |
| Punjab | 5 - 6 Years | 0.25% | 0.26% | 0.25% | 0.00% | 0.52% | 1.05% | 0.31% |
| Punjab | 7- 8 Years | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | 9 - 10 Years | 0.00% | 0.00% | 0.00% | 0.25% | 0.00% | 0.52% | 0.10% |
| Punjab | More than 10 Years | 0.00% | 0.26% | 0.00% | 0.00% | 0.52% | 1.57% | 0.25% |
| Sindh | upto 1 Year | 0.00% | 0.00% | 0.00% | 0.00% | 0.52% | 0.00% | 0.05% |
| Sindh | 2 - 4 Years | 0.00% | 0.00% | 0.00% | 0.00% | 2.09% | 2.08% | 0.41% |
| Sindh | 5 - 6 Years | 0.00% | 0.00% | 0.00% | 0.00% | 2.09% | 1.04% | 0.31% |
| Sindh | 7- 8 Years | 0.00% | 0.00% | 0.00% | 0.00% | 0.52% | 0.00% | 0.05% |
| Sindh | 9 - 10 Years | 0.00% | 0.00% | 0.00% | 0.26% | 1.05% | 2.60% | 0.41% |
| Sindh | More than 10 Years | 0.26% | 0.00% | 0.00% | 0.26% | 1.57% | 4.17% | 0.67% |
| Pakistan | upto 1 Year | 0.08% | 1.16% | 0.00% | 0.00% | 0.31% | 0.18% | 0.25% |
| Pakistan | 2 - 4 Years | 0.17% | 0.26% | 0.00% | 0.51% | 0.72% | 2.17% | 0.51% |
| Pakistan | 5 - 6 Years | 0.08% | 0.13% | 0.17% | 0.00% | 0.72% | 1.26% | 0.33% |
| Pakistan | 7- 8 Years | 0.00% | 0.00% | 0.00% | 0.00% | 0.41% | 0.00% | 0.07% |
| Pakistan | 9 - 10 Years | 0.00% | 0.00% | 0.00% | 0.20% | 0.62% | 1.08% | 0.25% |
| Pakistan | More than 10 Years | 0.08% | 0.13% | 0.00% | 0.10% | 0.41% | 2.17% | 0.34% |

Table A3.10: Do Yo find it easy to use this Account?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0.49% | | 0.00% | | 1.30% | | 0.78% |
| Balochistan | No | 0.00% | | 0.55% | | 0.00% | | 0.13% |
| KPK | Yes | 0.00% | | 0.00% | 0.00% | 2.51% | 3.50% | 1.23% |
| KPK | No | 0.00% | | 0.00% | 0.00% | 0.50% | 1.00% | 0.31% |
| Punjab | Yes | 0.50% | 1.04% | 0.25% | 0.25% | 2.60% | 6.28% | 1.26% |
| Punjab | No | 0.25% | 2.34% | 0.00% | 1.27% | 0.00% | 0.00% | 0.78% |
| Sindh | Yes | 0.26% | 0.00% | 0.00% | 0.52% | 7.85% | 9.90% | 1.91% |
| Sindh | No | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Pakistan | Yes | 0.34% | 0.52% | 0.09% | 0.31% | 3.10% | 6.52% | 1.41% |
| Pakistan | No | 0.08% | 1.16% | 0.09% | 0.51% | 0.11% | 0.34% | 0.34% |

Table A3.11: How far is this bank branch from you?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|-----------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | upto 1 km | 0.49% | | 0.00% | | 0.26% | | 0.26% |
| Balochistan | 2 - 5 km | 0.00% | | 0.55% | | 1.04% | | 0.65% |
| Balochistan | 6 - 10 km | 0.00% | | 0.00% | | 0.00% | | 0.00% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|-----------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | 11 - 15 km | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | More than 15 km | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| KPK | upto 1 km | 0.00% | | 0.00% | 0.00% | 0.00% | 0.50% | 0.10% |
| KPK | 2 - 5 km | 0.00% | | 0.00% | 0.00% | 1.01% | 1.50% | 0.51% |
| KPK | 6 - 10 km | 0.00% | | 0.00% | 0.00% | 0.00% | 2.50% | 0.51% |
| KPK | 11 - 15 km | 0.00% | | 0.00% | 0.00% | 0.50% | 0.00% | 0.10% |
| KPK | More than 15 km | 0.00% | | 0.00% | 0.00% | 1.51% | 0.00% | 0.31% |
| Punjab | upto 1 km | 0.74% | 0.78% | 0.00% | 0.00% | 1.04% | 3.43% | 0.70% |
| Punjab | 2 - 5 km | 0.00% | 1.82% | 0.00% | 0.25% | 0.00% | 1.14% | 0.54% |
| Punjab | 6 - 10 km | 0.00% | 0.78% | 0.00% | 1.27% | 0.00% | 0.00% | 0.43% |
| Punjab | 11 - 15 km | 0.00% | 0.00% | 0.25% | 0.00% | 0.52% | 1.14% | 0.21% |
| Punjab | More than 15 km | 0.00% | 0.00% | 0.00% | 0.00% | 1.04% | 0.57% | 0.16% |
| Sindh | upto 1 km | 0.26% | 0.00% | 0.00% | 0.26% | 4.19% | 0.52% | 0.57% |
| Sindh | 2 - 5 km | 0.00% | 0.00% | 0.00% | 0.26% | 0.00% | 0.52% | 0.10% |
| Sindh | 6 - 10 km | 0.00% | 0.00% | 0.00% | 0.00% | 2.09% | 6.25% | 0.83% |
| Sindh | 11 - 15 km | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.04% | 0.10% |
| Sindh | More than 15 km | 0.00% | 0.00% | 0.00% | 0.00% | 1.57% | 1.56% | 0.31% |
| Pakistan | upto 1 km | 0.42% | 0.39% | 0.00% | 0.10% | 1.14% | 1.41% | 0.49% |
| Pakistan | 2 - 5 km | 0.00% | 0.90% | 0.09% | 0.20% | 0.62% | 1.06% | 0.40% |
| Pakistan | 6 - 10 km | 0.00% | 0.39% | 0.00% | 0.51% | 0.41% | 2.99% | 0.52% |
| Pakistan | 11 - 15 km | 0.00% | 0.00% | 0.09% | 0.00% | 0.21% | 0.70% | 0.13% |
| Pakistan | More than 15 km | 0.00% | 0.00% | 0.00% | 0.00% | 0.83% | 0.70% | 0.22% |

Table A3.12: How did you know how to open an account?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Went to bank directly=1 | 0.00% | | 0.00% | | 0.98% | | 0.45% |
| Balochistan | Had account since childhood opened by parent/guardian=2 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Family member/relative informed/helped=3 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Employer informed/helped=4 | 0.00% | | 0.55% | | 0.33% | | 0.30% |
| Balochistan | Local notable/political worker helped=5 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Others | 0.49% | | 0.00% | | 0.00% | | 0.15% |
| KPK | Went to bank directly=1 | 0.00% | | 0.00% | 0.00% | 3.02% | 3.15% | 1.25% |
| KPK | Had account since childhood opened by parent/guardian=2 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Family member/relative informed/helped=3 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|---|---------------|------------|------------|----------------|--------|---------|-------------|
| KPK | Employer informed/helped=4 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.90% | 0.19% |
| KPK | Local notable/political worker helped=5 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Others | 0.00% | | 0.00% | 0.00% | 0.00% | 0.45% | 0.10% |
| Punjab | Went to bank directly=1 | 0.25% | 0.26% | 0.00% | 0.25% | 2.08% | 5.71% | 0.89% |
| Punjab | Had account since childhood opened by parent/guardian=2 | 0.00% | 0.26% | 0.00% | 0.00% | 0.00% | 0.00% | 0.05% |
| Punjab | Family member/relative informed/helped=3 | 0.25% | 0.78% | 0.25% | 0.51% | 0.52% | 0.57% | 0.47% |
| Punjab | Employer informed/helped=4 | 0.00% | 1.30% | 0.00% | 0.51% | 0.00% | 0.00% | 0.37% |
| Punjab | Local notable/political worker helped=5 | 0.25% | 0.26% | 0.00% | 0.25% | 0.00% | 0.00% | 0.16% |
| Punjab | Others | 0.00% | 0.52% | 0.00% | 0.00% | 0.00% | 0.00% | 0.10% |
| Sindh | Went to bank directly=1 | 0.26% | 0.00% | 0.00% | 0.35% | 5.40% | 4.95% | 1.15% |
| Sindh | Had account since childhood opened by parent/guardian=2 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | Family member/relative informed/helped=3 | 0.00% | 0.00% | 0.00% | 0.00% | 0.98% | 0.49% | 0.14% |
| Sindh | Employer informed/helped=4 | 0.00% | 0.00% | 0.00% | 0.17% | 1.47% | 3.46% | 0.53% |
| Sindh | Local notable/political worker helped=5 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Sindh | Others | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.99% | 0.10% |
| Pakistan | Went to bank directly=1 | 0.17% | 0.13% | 0.00% | 0.27% | 2.48% | 4.52% | 0.99% |
| Pakistan | Had account since childhood opened by parent/guardian=2 | 0.00% | 0.13% | 0.00% | 0.00% | 0.00% | 0.00% | 0.02% |
| Pakistan | Family member/relative informed/helped=3 | 0.08% | 0.39% | 0.09% | 0.18% | 0.31% | 0.33% | 0.21% |
| Pakistan | Employer informed/helped=4 | 0.00% | 0.64% | 0.09% | 0.27% | 0.41% | 1.51% | 0.38% |
| Pakistan | Local notable/political worker helped=5 | 0.08% | 0.13% | 0.00% | 0.09% | 0.00% | 0.00% | 0.05% |
| Pakistan | Others | 0.08% | 0.26% | 0.00% | 0.00% | 0.00% | 0.50% | 0.10% |

Table A3.13: what documents did you require to open the account?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | CNIC=1 | 0.00% | | 0.00% | | 1.30% | | 0.65% |
| Balochistan | Proof of address=2 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Introduction by existing account holder=3 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Supporting letter from | 0.49% | | 0.55% | | 0.00% | | 0.26% |

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--|---------------|------------|------------|----------------|--------|---------|-------------|
| | notable/ govt official/employer=4 | | | | | | | |
| Balochistan | Don't know=5 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | Others | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| KPK | CNIC=1 | 0.00% | | 0.00% | 0.00% | 3.02% | 3.38% | 1.28% |
| KPK | Proof of address=2 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Introduction by existing account holder=3 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Supporting letter from notable/ govt official/employer=4 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Don't know=5 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | Others | 0.00% | | 0.00% | 0.00% | 0.00% | 1.13% | 0.26% |
| Punjab | CNIC=1 | 0.25% | 2.15% | 0.00% | 0.65% | 2.17% | 3.64% | 1.17% |
| Punjab | Proof of address=2 | 0.00% | 0.31% | 0.00% | 0.00% | 0.43% | 1.65% | 0.30% |
| Punjab | Introduction by existing account holder=3 | 0.00% | 0.00% | 0.00% | 0.22% | 0.00% | 0.33% | 0.09% |
| Punjab | Supporting letter from notable/ govt official/employer=4 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.66% | 0.09% |
| Punjab | Don't know=5 | 0.50% | 0.92% | 0.00% | 0.44% | 0.00% | 0.00% | 0.30% |
| Punjab | Others | 0.00% | 0.00% | 0.25% | 0.22% | 0.00% | 0.00% | 0.09% |
| Sindh | CNIC=1 | 0.26% | 0.00% | 0.00% | 0.35% | 3.65% | 5.11% | 0.97% |
| Sindh | Proof of address=2 | 0.00% | 0.00% | 0.00% | 0.00% | 1.40% | 1.28% | 0.27% |
| Sindh | Introduction by existing account holder=3 | 0.00% | 0.00% | 0.00% | 0.00% | 1.68% | 1.28% | 0.30% |
| Sindh | Supporting letter from notable/ govt official/employer=4 | 0.00% | 0.00% | 0.00% | 0.17% | 0.84% | 1.60% | 0.27% |
| Sindh | Don't know=5 | 0.00% | 0.00% | 0.00% | 0.00% | 0.28% | 0.32% | 0.06% |
| Sindh | Others | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.32% | 0.03% |
| Pakistan | CNIC=1 | 0.17% | 1.07% | 0.00% | 0.41% | 2.07% | 3.98% | 1.03% |
| Pakistan | Proof of address=2 | 0.00% | 0.15% | 0.00% | 0.00% | 0.43% | 1.00% | 0.21% |
| Pakistan | Introduction by existing account holder=3 | 0.00% | 0.00% | 0.00% | 0.08% | 0.43% | 0.55% | 0.16% |
| Pakistan | Supporting letter from notable/ govt official/employer=4 | 0.08% | 0.00% | 0.09% | 0.08% | 0.21% | 0.77% | 0.17% |
| Pakistan | Don't know=5 | 0.17% | 0.46% | 0.00% | 0.16% | 0.07% | 0.11% | 0.12% |
| Pakistan | Others | 0.00% | 0.00% | 0.09% | 0.08% | 0.00% | 0.44% | 0.08% |

Table A3.14: Can you easily Sign your name?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0.00% | | 0.55% | | 1.30% | | 0.78% |
| Balochistan | No | 0.49% | | 0.00% | | 0.00% | | 0.13% |
| KPK | Yes | 0.00% | | 0.00% | 0.00% | 2.51% | 3.50% | 1.23% |
| KPK | No | 0.00% | | 0.00% | 0.00% | 0.50% | 1.00% | 0.31% |
| Punjab | Yes | 0.25% | 0.26% | 0.25% | 0.25% | 2.60% | 6.28% | 1.07% |
| Punjab | No | 0.50% | 3.13% | 0.00% | 1.27% | 0.00% | 0.00% | 0.97% |
| Sindh | Yes | 0.26% | 0.00% | 0.00% | 0.52% | 6.28% | 9.90% | 1.76% |
| Sindh | No | 0.00% | 0.00% | 0.00% | 0.00% | 1.57% | 0.00% | 0.16% |
| Pakistan | Yes | 0.17% | 0.13% | 0.17% | 0.31% | 2.80% | 6.52% | 1.29% |
| Pakistan | No | 0.25% | 1.55% | 0.00% | 0.51% | 0.41% | 0.34% | 0.46% |

Table A3.15: Can you write a cheque?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0.00% | | 0.00% | | 1.04% | | 0.52% |
| Balochistan | No | 0.49% | | 0.55% | | 0.26% | | 0.39% |
| KPK | Yes | 0.00% | | 0.00% | 0.00% | 2.51% | 2.00% | 0.92% |
| KPK | No | 0.00% | | 0.00% | 0.00% | 0.50% | 2.50% | 0.62% |
| Punjab | Yes | 0.00% | 0.26% | 0.25% | 0.25% | 2.60% | 4.71% | 0.87% |
| Punjab | No | 0.74% | 3.13% | 0.00% | 1.27% | 0.00% | 1.57% | 1.17% |
| Sindh | Yes | 0.26% | 0.00% | 0.00% | 0.52% | 5.76% | 9.38% | 1.65% |
| Sindh | No | 0.00% | 0.00% | 0.00% | 0.00% | 2.09% | 0.52% | 0.26% |
| Pakistan | Yes | 0.08% | 0.13% | 0.09% | 0.31% | 2.59% | 5.32% | 1.10% |
| Pakistan | No | 0.34% | 1.55% | 0.09% | 0.51% | 0.62% | 1.54% | 0.66% |

Table A3.16: Do you have an ATM other than the one given by the Programme

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0.00% | | 0.00% | | 0.52% | | 0.26% |
| Balochistan | No | 0.49% | | 0.55% | | 0.78% | | 0.65% |
| KPK | Yes | 0.00% | | 0.00% | 0.00% | 1.01% | 0.00% | 0.21% |
| KPK | No | 0.00% | | 0.00% | 0.00% | 2.01% | 4.50% | 1.33% |
| Punjab | Yes | 0.00% | 0.00% | 0.00% | 0.25% | 1.56% | 1.57% | 0.36% |
| Punjab | No | 0.74% | 3.39% | 0.25% | 1.27% | 1.04% | 4.71% | 1.68% |
| Sindh | Yes | 0.00% | 0.00% | 0.00% | 0.00% | 2.09% | 3.65% | 0.57% |
| Sindh | No | 0.26% | 0.00% | 0.00% | 0.52% | 5.76% | 6.25% | 1.34% |
| Pakistan | Yes | 0.00% | 0.00% | 0.00% | 0.10% | 1.14% | 1.72% | 0.39% |
| Pakistan | No | 0.42% | 1.68% | 0.17% | 0.72% | 2.07% | 5.15% | 1.36% |

Table A3.17: Do you know how to use the card?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 0.00% | | 0.00% | | 0.52% | | 0.26% |
| Balochistan | No | 0.49% | | 0.55% | | 0.78% | | 0.65% |
| KPK | Yes | 0.00% | | 0.00% | 0.00% | 1.01% | 1.50% | 0.51% |
| KPK | No | 0.00% | | 0.00% | 0.00% | 2.01% | 3.00% | 1.03% |
| Punjab | Yes | 0.00% | 0.00% | 0.00% | 0.25% | 2.08% | 4.19% | 0.66% |
| Punjab | No | 0.74% | 3.39% | 0.25% | 1.27% | 0.52% | 2.09% | 1.38% |
| Sindh | Yes | 0.00% | 0.00% | 0.00% | 0.00% | 5.24% | 8.33% | 1.34% |
| Sindh | No | 0.26% | 0.00% | 0.00% | 0.52% | 2.62% | 1.56% | 0.57% |
| Pakistan | Yes | 0.00% | 0.00% | 0.00% | 0.10% | 1.86% | 4.63% | 0.82% |
| Pakistan | No | 0.42% | 1.68% | 0.17% | 0.72% | 1.35% | 2.23% | 0.94% |

Table A3.18: How do you normally operate your account?

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|---|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | By visiting bank branch personally=1 | 0.00% | | 0.00% | | 1.30% | | 0.60% |
| Balochistan | Someone going on my behalf with cheque/deposit slip=2 | 0.49% | | 0.55% | | 0.00% | | 0.30% |
| Balochistan | Writing/signing cheques=3 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| Balochistan | ATM card=4 | 0.00% | | 0.00% | | 0.00% | | 0.00% |
| KPK | By visiting bank branch personally=1 | 0.00% | | 0.00% | 0.00% | 2.51% | 4.50% | 1.43% |
| KPK | Someone going on my behalf with cheque/deposit slip=2 | 0.00% | | 0.00% | 0.00% | 0.50% | 0.00% | 0.11% |
| KPK | Writing/signing cheques=3 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| KPK | ATM card=4 | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Punjab | By visiting bank branch personally=1 | 0.74% | 0.85% | 0.25% | 0.51% | 1.95% | 3.14% | 0.97% |
| Punjab | Someone going on my behalf with cheque/deposit slip=2 | 0.00% | 0.28% | 0.00% | 0.76% | 0.00% | 0.52% | 0.27% |
| Punjab | Writing/signing cheques=3 | 0.00% | 1.97% | 0.00% | 0.25% | 0.00% | 2.09% | 0.64% |
| Punjab | ATM card=4 | 0.00% | 0.28% | 0.00% | 0.00% | 0.65% | 0.52% | 0.16% |
| Sindh | By visiting bank branch personally=1 | 0.00% | 0.00% | 0.00% | 0.52% | 4.71% | 9.35% | 1.49% |
| Sindh | Someone going on my behalf with | 0.26% | 0.00% | 0.00% | 0.00% | 2.09% | 0.00% | 0.27% |

Annex 1: List of Data Tables from Quantitative Survey

| Province | Column1 | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|---|---------------|------------|------------|----------------|--------|---------|-------------|
| | cheque/deposit slip=2 | | | | | | | |
| Sindh | Writing/signing cheques=3 | 0.00% | 0.00% | 0.00% | 0.00% | 1.05% | 0.55% | 0.16% |
| Sindh | ATM card=4 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Pakistan | By visiting bank branch personally=1 | 0.25% | 0.42% | 0.09% | 0.41% | 2.32% | 5.60% | 1.18% |
| Pakistan | Someone going on my behalf with cheque/deposit slip=2 | 0.17% | 0.14% | 0.09% | 0.31% | 0.55% | 0.18% | 0.24% |
| Pakistan | Writing/signing cheques=3 | 0.00% | 0.98% | 0.00% | 0.10% | 0.22% | 0.90% | 0.28% |
| Pakistan | ATM card=4 | 0.00% | 0.14% | 0.00% | 0.00% | 0.11% | 0.18% | 0.06% |

Table A4.1: Does it cost any money to receive the CDCP Cash Transfer?

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|-----|------|--------|-------|-----|-------------|----------|
| Yes | % | 55% | 94% | 96% | 85% | 83% |
| No | % | 45% | 6% | 4% | 15% | 17% |

Source: FIL Survey and GHK calculations.

Table A4.2: Average cost incurred by beneficiaries to receive CDCP Cash Transfer

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|--------|--------|-------------|----------|
| Average transaction cost for beneficiaries who incurred some cost | PKR. | 267 | 622 | 342 | 1,720 | 762 |
| Average Amount of CDCP grant received by respondents | PKR. | 36,321 | 26,354 | 57,188 | 20,122 | 35,626 |
| Average transaction cost on CDCP grant received | % | 0.74% | 2.36% | 0.60% | 8.55% | 2.14% |

Source: FIL Survey and GHK calculations.

Table A4.3: Range of Cost incurred by beneficiaries to collect CDCP Cash Transfer

| Range of Cost incurred | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|------------------------|------|------|-------|------|-------------|----------|
| PKR. Nil | % | 45% | 6% | 4% | 15% | 17% |
| Less than PKR.100 | % | 38% | 18% | 29% | 1% | 22% |
| Between PKR.101-200 | % | 4% | 15% | 26% | 6% | 13% |
| Between PKR.201-300 | % | 1% | 14% | 11% | 8% | 8% |
| Between PKR.301-400 | % | 1% | 4% | 4% | 7% | 4% |
| Between PKR.401-500 | % | 2% | 9% | 10% | 21% | 10% |
| Above 500 | % | 9% | 34% | 17% | 42% | 25% |
| Total | % | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculations.

Table A 4.4: Percentage of Beneficiaries who had to incur some cost for receiving CDCP Cash Transfer

| Percentage of beneficiaries who paid following costs | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|--|------|-----|-------|-----|-------------|----------|
| Transport Cost | % | 93% | 70% | 89% | 34% | 69% |
| Paid to someone for help | % | 2% | 28% | 8% | 64% | 28% |
| Paid to franchisee/ agent | % | 0% | 1% | 2% | 2% | 2% |
| Other Cost | % | 6% | 0% | 2% | 0% | 1% |
| Beneficiaries who incurred some transaction cost | % | 55% | 94% | 96% | 85% | 83% |
| Beneficiaries who did not incur any cost | % | 45% | 6% | 4% | 15% | 17% |

Table A4.5: Transaction Cost of Beneficiaries receiving CDCP Cash Transfer

| Beneficiaries who - | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|-------|-----|-------------|----------|
| Incurred Transport Cost ⁷⁶ | PKR. | 256 | 324 | 289 | 573 | 332 |
| Paid to someone for help | PKR. | 40 | 634 | 603 | 1,717 | 1,277 |
| Paid to franchisee/ agent | PKR. | - | 1,333 | 173 | 650 | 662 |
| Paid Other Costs | PKR. | 154 | 115 | 150 | 300 | 156 |
| Average Cost for those who incurred some cost | PKR. | 267 | 622 | 342 | 1,691 | 754 |

Source: FIL Survey and GHK calculations.

Table A 4.6: Time Spent by beneficiaries to receive CDCP Cash Transfer

| Range of Time Spent | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--------------------------------|------|--------|-------|------|-------------|----------|
| Between 0-30 minutes | % | 14% | 11% | 5% | 10% | 10% |
| Between 30 minutes to one hour | % | 14% | 20% | 6% | 8% | 12% |
| Between 1 hr. and 2 hrs. | % | 22% | 22% | 20% | 20% | 21% |
| Between 2 hrs. and 3 hrs. | % | 15% | 10% | 14% | 23% | 15% |
| Between 3 hrs. and 4 hrs. | % | 3% | 13% | 11% | 19% | 11% |
| Between 4 hrs. and 5 hrs. | % | 7% | 16% | 9% | 9% | 10% |
| More than 5 hrs. | % | 26% | 9% | 35% | 10% | 20% |
| Total of the above | % | 100% | 100% | 100% | 100% | 100% |

Table A4.7: How was the CDCP Cash Transfer received?

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|--------------------------------|------|------|-------|------|-------------|----------|
| En-cashed the Card myself | % | 62% | 47% | 31% | 25% | 41% |
| Someone else went on my behalf | % | 26% | 47% | 37% | 71% | 45% |
| Private Agent | % | 0% | 3% | 2% | 1% | 1% |
| Through Bank employee | % | 8% | 1% | 28% | 2% | 10% |
| Others | % | 4% | 3% | 3% | 1% | 3% |
| Total | % | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculations.

Table A4.8: Did the beneficiaries receive CDCP Cash Transfer on their first visit?

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|--------------------|------|------|-------|------|-------------|----------|
| First Visit | % | 82% | 65% | 76% | 74% | 74% |
| Two Visits | % | 5% | 1% | 3% | 22% | 8% |
| Three Visits | % | 8% | 1% | 5% | 2% | 4% |
| More than 3 visits | % | 2% | 0% | 2% | 1% | 1% |
| No Answer | % | 3% | 33% | 15% | 1% | 13% |
| All respondents | % | 100% | 100% | 100% | 100% | 100% |

⁷⁶ Total transport cost divided by beneficiaries who paid transport cost. Similar formula for the four subsequent lines.

Table A 4.9 : Reason for not getting CDCP Cash Transfer on the first visit

| Reason | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|------|--------|-------|------|-------------|----------|
| Bank Branch Closed | % | 6% | 2% | 5% | 16% | 7% |
| ATM did not have cash | % | 6% | 8% | 15% | 45% | 20% |
| ATM was not working | % | 39% | 4% | 22% | 28% | 19% |
| Franchise did not have cash | % | 9% | 2% | 1% | 0% | 2% |
| Payment was not released by CDCP | % | 21% | 76% | 11% | 0% | 32% |
| Over crowding | % | 9% | 9% | 44% | 11% | 20% |
| Others | % | 9% | 0% | 2% | 0% | 1% |
| Persons who could not get money on 1st visit | % | 100% | 100% | 100% | 100% | 100% |

Table A4.10: Initial Cost for Collection of Benazir Smart Card

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|-------------|---------------|---------------|----------|-------------|---------------|
| a. Number of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| Beneficiaries who incurred transport cost | Number | 160 | 363 | 0 | 0 | 523 |
| Beneficiaries who paid someone for help | Number | 4 | 338 | 0 | 0 | 342 |
| Beneficiaries who paid to franchise agent | Number | 0 | 4 | 0 | 0 | 4 |
| Beneficiaries who paid some other cost | Number | 1 | 4 | 0 | 0 | 5 |
| Total Beneficiaries who incurred some cost | Number | 160 | 385 | 0 | 0 | 545 |
| Total Beneficiaries who did not incur any cost | Number | 225 | 7 | 0 | 0 | 232 |
| b. Percentage of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| % of Beneficiaries who incurred transport cost | % | 42% | 93% | 0% | 0% | 67% |
| % of Beneficiaries who paid someone to help out | % | 1% | 86% | 0% | 0% | 44% |
| % of Beneficiaries who paid to franchisee/ agent | % | 0% | 1% | 0% | 0% | 1% |
| % of Beneficiaries who paid some other cost | % | 0% | 1% | 0% | 0% | 1% |
| % of beneficiaries who paid some cost for collection of BSC | % | 42% | 98% | 0% | 0% | 70% |
| % of Beneficiaries who did not incur any cost | % | 58% | 2% | 0% | 0% | 30% |
| c. Average Cost to Beneficiaries who paid some cost for collection of BSC | | | | | | |
| Transport Cost ⁷⁷ | PKR. | 114.16 | 117.49 | - | - | 116.47 |
| Cost paid to someone for help | PKR. | 87.50 | 108.43 | - | - | 108.19 |
| paid to franchisee/ agent | PKR. | - | 112.50 | - | - | 112.50 |
| Other Cost | PKR. | 95.00 | 187.50 | - | - | 169.00 |
| Total Average Cost for those who actually incurred collection cost | PKR. | 116.94 | 209.09 | - | - | 182.04 |

Source: FIL Survey and GHK calculations.

⁷⁷ Total transport cost divided by beneficiaries who paid transport cost. Similar formula for the five subsequent lines.

Table A4.11: Initial Cost for Collection of Mobile Phone and SIM for Mobile Banking

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|-------------|---------------|---------------|---------------|-------------|---------------|
| a. Number of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| Beneficiaries who incurred transport cost | Number | 178 | 334 | 172 | 0 | 684 |
| Beneficiaries who paid someone for help | Number | 7 | 4 | 1 | 0 | 12 |
| Beneficiaries who paid to franchise agent | Number | 0 | 0 | 1 | 0 | 1 |
| Beneficiaries who paid some other cost | Number | 3 | 1 | 0 | 0 | 4 |
| Total Beneficiaries who incurred some cost | Number | 179 | 334 | 172 | 0 | 685 |
| Total Beneficiaries who did not incur any cost | Number | 215 | 50 | 28 | 0 | 293 |
| b. Percentage of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| % of Beneficiaries who incurred transport cost | % | 45% | 87% | 86% | 0% | 70% |
| % of Beneficiaries who paid someone to help out | % | 2% | 1% | 1% | 0% | 1% |
| % of Beneficiaries who paid to franchisee/ agent | % | 0% | 0% | 1% | 0% | 0% |
| % of Beneficiaries who paid some other cost | % | 1% | 0% | 0% | 0% | 0% |
| % of beneficiaries who paid some cost for collection of Mobile/SIM | % | 45% | 87% | 86% | 0% | 70% |
| % of Beneficiaries who did not incur any cost | % | 55% | 13% | 14% | 0% | 30% |
| c. Average Cost to Beneficiaries who paid some cost for collection of Phone/SIM | | | | | | |
| Transport Cost ⁷⁸ | PKR. | 153.48 | 243.26 | 368.20 | - | 251.32 |
| Cost paid to someone for help | PKR. | 187.14 | 400.00 | 300.00 | - | 267.50 |
| paid to franchisee/ agent | PKR. | - | - | 300.00 | - | 300.00 |
| Other Cost | PKR. | 73.33 | 100.00 | - | - | 80.00 |
| Total Average Cost for those who actually incurred collection cost | PKR. | 161.17 | 248.35 | 371.69 | - | 256.54 |

Source: FIL Survey and GHK calculations.

Table A4.12: Initial Cost for Collection of Benazir Debit Card

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|--------|--------|-------|-----|-------------|----------|
| a. Number of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| Beneficiaries who incurred transport cost | Number | 262 | 382 | 140 | 164 | 948 |
| Beneficiaries who paid someone for help | Number | 3 | 273 | 6 | 0 | 282 |
| Beneficiaries who paid to franchise agent | Number | 0 | 3 | 7 | 0 | 10 |
| Beneficiaries who paid some other cost | Number | 2 | 11 | 1 | 1 | 15 |
| Total Beneficiaries who incurred some cost | Number | 262 | 385 | 140 | 164 | 951 |

⁷⁸ Total transport cost divided by beneficiaries who paid transport cost. Similar formula for the five subsequent lines.

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|-------------|---------------|---------------|---------------|---------------|---------------|
| Total Beneficiaries who did not incur any cost | Number | 135 | 3 | 45 | 20 | 203 |
| b. Percentage of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| % of Beneficiaries who incurred transport cost | % | 66% | 98% | 76% | 89% | 82% |
| % of Beneficiaries who paid someone to help out | % | 1% | 70% | 3% | 0% | 24% |
| % of Beneficiaries who paid to franchisee/ agent | % | 0% | 1% | 4% | 0% | 1% |
| % of Beneficiaries who paid some other cost | % | 1% | 3% | 1% | 1% | 1% |
| % of beneficiaries who paid some cost for collection of BDC | % | 66% | 99% | 76% | 89% | 82% |
| % of Beneficiaries who did not incur any cost | % | 34% | 1% | 24% | 11% | 18% |
| c. Average Cost to Beneficiaries who paid some cost for collection of BDC | | | | | | |
| Transport Cost ⁷⁹ | PKR. | 185.92 | 336.81 | 155.44 | 313.72 | 264.33 |
| Cost paid to someone for help | PKR. | 100.00 | 190.66 | 75.00 | - | 187.23 |
| paid to franchisee/ agent | PKR. | - | 100.00 | 50.00 | - | 65.00 |
| Other Cost | PKR. | 125.00 | 181.82 | 60.00 | 200.00 | 167.33 |
| Total Average Cost for those who actually incurred collection cost | PKR. | 188.02 | 475.35 | 161.59 | 314.94 | 322.34 |

Source: FIL Survey and GHK calculations.

Table A4.13: Distance Travelled for Collection of BDC, BSC, Mobile Phone/SIM

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|-------|-----|-------------|----------|
| a. Benazir Smart Card | | | | | | |
| Less than 2 km | % | 28% | 12% | 0% | 0% | 20% |
| Between 3 - 4 km | % | 13% | 15% | 0% | 0% | 14% |
| Between 5 - 6 km | % | 20% | 19% | 0% | 0% | 19% |
| Between 7 - 9 km | % | 11% | 24% | 0% | 0% | 17% |
| Above 10 km | % | 25% | 18% | 0% | 0% | 21% |
| No Answer | % | 3% | 14% | 0% | 0% | 8% |
| Total beneficiaries who collected BSC | % | 100% | 100% | 0% | 0% | 100% |
| b. Mobile Phone and SIM for Mobile Banking | | | | | | |
| Less than 2 km | % | 18% | 36% | 14% | 0% | 24% |
| Between 3 - 4 km | % | 4% | 3% | 0% | 0% | 3% |
| Between 5 - 6 km | % | 10% | 20% | 15% | 0% | 15% |
| Between 7 - 9 km | % | 8% | 0% | 21% | 0% | 8% |

⁷⁹ Total transport cost divided by beneficiaries who paid transport cost. Similar formula for the five subsequent lines.

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|-------|------|-------------|----------|
| Above 10 km | % | 58% | 39% | 50% | 0% | 49% |
| No Answer | % | 2% | 2% | 1% | 0% | 1% |
| Total beneficiaries who collected Mobile Phone/ SIM | % | 100% | 100% | 100% | 0% | 100% |
| c. Benazir Debit Card | | | | | | |
| Less than 2 km | % | 8% | 39% | 35% | 11% | 23% |
| Between 3 - 4 km | % | 4% | 3% | 15% | 43% | 12% |
| Between 5 - 6 km | % | 7% | 0% | 2% | 17% | 5% |
| Between 7 - 9 km | % | 5% | 0% | 0% | 26% | 6% |
| Above 10 km | % | 74% | 56% | 48% | 1% | 52% |
| No Answer | % | 3% | 1% | 1% | 1% | 2% |
| Total beneficiaries who collected BDC | % | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculations.

Table A4.14: Time Spent for Collection of BDC, BSC, Mobile Phone/SIM

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|-------|------|-------------|----------|
| a. Benazir Smart Card | | | | | | |
| Between 0-30 minutes | % | 17% | 24% | 0% | 0% | 21% |
| Between 30 minutes to one hour | % | 30% | 65% | 0% | 0% | 47% |
| Between 1 hr and 2 hrs | % | 22% | 10% | 0% | 0% | 16% |
| Between 2 hrs and 3 hrs | % | 14% | 1% | 0% | 0% | 7% |
| Between 3 hrs and 4 hrs | % | 12% | 0% | 0% | 0% | 6% |
| Between 4 hrs and 5 hrs | % | 4% | 0% | 0% | 0% | 2% |
| More than 5 hrs | % | 1% | 0% | 0% | 0% | 1% |
| Total who collected BSC | % | 100% | 100% | 0% | 0% | 100% |
| b. Mobile Phone and SIM for Mobile Banking | | | | | | |
| Between 0-30 minutes | % | 16% | 19% | 34% | 0% | 21% |
| Between 30 minutes to one hour | % | 33% | 13% | 17% | 0% | 22% |
| Between 1 hr and 2 hrs | % | 33% | 13% | 26% | 0% | 24% |
| Between 2 hrs and 3 hrs | % | 2% | 20% | 7% | 0% | 10% |
| Between 3 hrs and 4 hrs | % | 12% | 8% | 6% | 0% | 9% |
| Between 4 hrs and 5 hrs | % | 4% | 7% | 6% | 0% | 5% |
| More than 5 hrs | % | 0% | 20% | 6% | 0% | 9% |
| Total who collected Mobile Phone/ SIM | % | 100% | 100% | 100% | 0% | 100% |
| c. Benazir Debit Card | | | | | | |
| Between 0-30 minutes | % | 12% | 10% | 48% | 25% | 19% |
| Between 30 minutes to one hour | % | 22% | 37% | 35% | 33% | 31% |
| Between 1 hr and 2 hrs | % | 36% | 47% | 8% | 41% | 36% |

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|-------------------------|------|--------|-------|------|-------------|----------|
| Between 2 hrs and 3 hrs | % | 10% | 4% | 3% | 1% | 5% |
| Between 3 hrs and 4 hrs | % | 13% | 1% | 1% | 1% | 5% |
| Between 4 hrs and 5 hrs | % | 7% | 0% | 3% | 0% | 3% |
| More than 5 hrs | % | 0% | 1% | 2% | 0% | 1% |
| Total who collected BDC | % | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculations.

Table A4.15: Number of Visits required for Collection of BDC, BSC, Mobile Phone/SIM

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|-------|------|-------------|----------|
| a. Benazir Smart Card | | | | | | |
| One visit | % | 29% | 69% | 0% | 0% | 49% |
| Two visits | % | 21% | 24% | 0% | 0% | 22% |
| Three visits | % | 19% | 4% | 0% | 0% | 11% |
| More than 3 Visits | % | 27% | 1% | 0% | 0% | 14% |
| No Answer | % | 5% | 2% | 0% | 0% | 3% |
| Total who collected BSC | % | 100% | 100% | 0% | 0% | 100% |
| b. Mobile Phone and SIM for Mobile Banking | | | | | | |
| One visit | % | 17% | 34% | 52% | 0% | 31% |
| Two visits | % | 20% | 16% | 25% | 0% | 19% |
| Three visits | % | 34% | 34% | 16% | 0% | 30% |
| More than 3 Visits | % | 22% | 16% | 8% | 0% | 17% |
| No Answer | % | 7% | 1% | 1% | 0% | 3% |
| Total who collected Mobile Phone/ SIM | % | 100% | 100% | 100% | 0% | 100% |
| c. Benazir Debit Card | | | | | | |
| One visit | % | 51% | 45% | 55% | 75% | 53% |
| Two visits | % | 36% | 27% | 8% | 14% | 25% |
| Three visits | % | 5% | 14% | 15% | 3% | 9% |
| More than 3 Visits | % | 4% | 7% | 21% | 3% | 8% |
| No Answer | % | 4% | 7% | 2% | 5% | 5% |
| Total who collected BDC | % | 100% | 100% | 100% | 100% | 100% |

Table A4.16: Transaction Cost for collection of Cash Grant through BSC

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|--------|--------|-------|-----|-------------|----------|
| a. Number of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| Beneficiaries who incurred transport cost | Number | 328 | 371 | 0 | 0 | 699 |
| Beneficiaries who paid someone for help | Number | 4 | 144 | 0 | 0 | 148 |
| Beneficiaries who paid to franchise agent | Number | 0 | 0 | 0 | 0 | 0 |
| Beneficiaries who paid some other cost | Number | 0 | 0 | 0 | 0 | 0 |

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|-------------|--------------|---------------|--------------|--------------|---------------|
| Total Beneficiaries who incurred some cost | Number | 328 | 376 | 0 | 0 | 704 |
| Total Beneficiaries who did not incur any cost | Number | 57 | 16 | 0 | 0 | 73 |
| b. Percentage of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| % of Beneficiaries who incurred transport cost | % | 99% | 72% | 0% | 0% | 83% |
| % of Beneficiaries who paid someone to help out | % | 1% | 28% | 0% | 0% | 17% |
| % of Beneficiaries who paid to franchisee/ agent | % | 0% | 0% | 0% | 0% | 0% |
| % of Beneficiaries who paid some other cost | % | 0% | 0% | 0% | 0% | 0% |
| % of beneficiaries who paid some cost for collection of cash grant through BSC | % | 85% | 96% | 0% | 0% | 91% |
| % of Beneficiaries who did not incur any cost | % | 15% | 4% | 0% | 0% | 9% |
| c. Average Cost to Beneficiaries who paid some cost for collecting cash grant by using BSC | | | | | | |
| Transport Cost ⁸⁰ | PKR. | 76.34 | 126.95 | - | - | 103.21 |
| Cost paid to someone for help | PKR. | 40.00 | 113.19 | - | - | 111.22 |
| paid to franchisee/ agent | PKR. | - | - | - | - | - |
| Other Cost | PKR. | - | - | - | - | - |
| Total Average Cost for those who incurred collection cost | PKR. | 76.83 | 168.62 | - | - | 125.85 |
| Average Instalment of Cash Grant through Benazir Smart Card | PKR. | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| % Transaction Cost for collecting cash grant through BSC | % | 7.68% | 16.86% | - | - | 12.58% |

Source: FIL Survey and GHK calculations.

Table A4.17: Were the beneficiaries able to draw their cash grant on their first visit?

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|-----|------|--------|-------|-----|-------------|----------|
| Yes | % | 72% | 100% | | | 86% |
| No | % | 28% | 0% | | | 14% |

Source: FIL Survey and GHK calculations

Table A4.18: Reason why cash grant could not be collected on their first visit

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|-----------------------|------|--------|-------|-----|-------------|----------|
| Bank Branch Closed | % | 0% | 0% | 0% | 0% | 0% |
| ATM did not have cash | % | 1% | 0% | 0% | 0% | 1% |
| ATM was not working | % | 0% | 0% | 0% | 0% | 0% |

⁸⁰ Total transport cost divided by beneficiaries who paid transport cost. Similar formula for the five subsequent lines.

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|------|--------|-------|-----|-------------|----------|
| Franchise did not have cash | % | 5% | 100% | 0% | 0% | 6% |
| Payment was not released by BISP | % | 78% | 0% | 0% | 0% | 77% |
| Over Crowding | % | 11% | 0% | 0% | 0% | 11% |
| Others | % | 6% | 0% | 0% | 0% | 6% |
| Total beneficiaries who could not get their cash grant on first visit by using BSC | % | 100% | 100% | 0% | 0% | 100% |

Source: FIL Survey and GHK calculations

Table A4.19: Time Spent for collection of Cash Grant through BSC

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|-------|-----|-------------|----------|
| Between 0-30 minutes | % | 23% | 23% | 0% | 0% | 23% |
| Between 30 minutes to one hour | % | 15% | 53% | 0% | 0% | 34% |
| Between 1 hr and 2 hrs | % | 27% | 22% | 0% | 0% | 25% |
| Between 2 hrs and 3 hrs | % | 12% | 1% | 0% | 0% | 7% |
| Between 3 hrs and 4 hrs | % | 12% | 0% | 0% | 0% | 6% |
| Between 4 hrs and 5 hrs | % | 7% | 0% | 0% | 0% | 3% |
| More than 5 hrs | % | 5% | 0% | 0% | 0% | 2% |
| Total beneficiaries who used BSc | % | 100% | 100% | 0% | 0% | 100% |

Table A 4.20: Transaction Cost for collection of Cash Grant through Mobile Banking

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|--------|--------|-------|------|-------------|----------|
| a. Number of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| Beneficiaries who incurred transport cost | Number | 261 | 372 | 169 | 0 | 802 |
| Beneficiaries who paid someone for help | Number | 0 | 4 | 0 | 0 | 4 |
| Beneficiaries who paid to franchise agent | Number | 3 | 1 | 0 | 0 | 4 |
| Beneficiaries who paid some other cost | Number | 0 | 0 | 0 | 0 | 0 |
| Total Beneficiaries who incurred some cost | Number | 263 | 372 | 169 | 0 | 804 |
| Total Beneficiaries who did not incur any cost | Number | 131 | 12 | 31 | 0 | 174 |
| b. Percentage of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| % of Beneficiaries who incurred transport cost | % | 99% | 99% | 100% | 0% | 99% |
| % of Beneficiaries who paid someone to help out | % | 0% | 1% | 0% | 0% | 0% |
| % of Beneficiaries who paid to franchisee/ agent | % | 1% | 0% | 0% | 0% | 0% |
| % of Beneficiaries who paid some other cost | % | 0% | 0% | 0% | 0% | 0% |
| % of beneficiaries who paid some cost for collecting cash grant through Mobile banking | % | 67% | 97% | 85% | 0% | 82% |

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|-------------|--------------|---------------|---------------|--------------|---------------|
| % of Beneficiaries who did not incur any cost | % | 33% | 3% | 16% | 0% | 18% |
| c. Average Cost to Beneficiaries who paid some cost for collection of cash through Mobile Banking | | | | | | |
| Transport Cost ⁸¹ | PKR. | 67.17 | 198.92 | 121.48 | - | 139.73 |
| Cost paid to someone for help | PKR. | - | 250.00 | - | - | 250.00 |
| paid to franchisee/ agent | PKR. | 20.00 | 400.00 | - | - | 115.00 |
| Other Cost | PKR. | - | - | - | - | - |
| Total Average Cost for those who incurred collection cost | PKR. | 66.89 | 202.69 | 121.48 | - | 141.20 |
| Average Instalment of Cash Grant through Mobile Banking | PKR. | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| % Transaction Cost for collecting cash grant through Mobile Banking | % | 6.69% | 20.27% | - | - | 14.12% |

Source: FIL Survey and GHK calculations.

Table A 4.21: Were the beneficiaries able to draw their cash grant on their first visit through Mobiles

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|-----|------|--------|-------|-----|-------------|----------|
| Yes | % | 91% | 66% | 98% | 0% | 82% |
| No | % | 9% | 34% | 3% | 0% | 18% |

Source: FIL Survey and GHK calculations.

Table A 4.22: Time Spent for collection of Cash Grant through Mobile Banking

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|----------|-------------|-------------|-----------|-------------|-------------|
| Between 0-30 minutes | % | 21% | 4% | 2% | 0% | 10% |
| Between 30 minutes to one hour | % | 25% | 5% | 35% | 0% | 19% |
| Between 1 hr and 2 hrs | % | 20% | 13% | 32% | 0% | 20% |
| Between 2 hrs and 3 hrs | % | 5% | 20% | 19% | 0% | 13% |
| Between 3 hrs and 4 hrs | % | 13% | 14% | 9% | 0% | 13% |
| Between 4 hrs and 5 hrs | % | 6% | 10% | 3% | 0% | 7% |
| More than 5 hrs | % | 10% | 34% | 2% | 0% | 18% |
| Total beneficiaries who used Mobile Banking | % | 100% | 100% | 0% | 0% | 100% |

Source: FIL Survey and GHK calculations.

Table A4.23: Reason why cash grant through Mobile could not be collected on their first visit

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|-----------------------|------|--------|-------|-----|-------------|----------|
| Bank Branch Closed | % | 3% | 2% | 0% | 0% | 2% |
| ATM did not have cash | % | 3% | 12% | 0% | 0% | 10% |
| ATM was not working | % | 6% | 2% | 0% | 0% | 2% |

⁸¹ Total transport cost divided by beneficiaries who paid transport cost. Similar formula for the five subsequent lines.

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|-------|------|-------------|----------|
| Franchise did not have cash | % | 9% | 21% | 60% | 0% | 20% |
| Payment was not released by BISP | % | 54% | 52% | 40% | 0% | 52% |
| Over Crowding | % | 26% | 11% | 0% | 0% | 13% |
| Others | % | 0% | 1% | 0% | 0% | 1% |
| Total beneficiaries who could not get their cash grant on first visit by using Mobile Banking | % | 100% | 100% | 100% | 0% | 100% |

Source: FIL Survey and GHK calculations.

Table A4.24: Transaction Cost for collection of Cash Grant through BDC

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|-------------|---------------|---------------|--------------|---------------|---------------|
| a. Number of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| Beneficiaries who incurred transport cost | Number | 338 | 382 | 137 | 170 | 1,027 |
| Beneficiaries who paid someone for help | Number | - | 198 | 23 | 2 | 223 |
| Beneficiaries who paid to franchise agent | Number | 1 | 9 | 10 | 1 | 21 |
| Beneficiaries who paid some other cost | Number | - | - | - | - | - |
| Total Beneficiaries who incurred some cost | Number | 338 | 384 | 140 | 172 | 1,034 |
| Total Beneficiaries who did not incur any cost | Number | 59 | 4 | 45 | 12 | 120 |
| b. Percentage of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| % of Beneficiaries who incurred transport cost | % | 100% | 65% | 81% | 98% | 81% |
| % of Beneficiaries who paid someone to help out | % | 0% | 34% | 14% | 1% | 18% |
| % of Beneficiaries who paid to franchisee/ agent | % | 0% | 2% | 6% | 1% | 2% |
| % of Beneficiaries who paid some other cost | % | 0% | 0% | 0% | 0% | 0% |
| % of beneficiaries who paid some cost for collecting cash grant through BDC | % | 85% | 99% | 76% | 93% | 90% |
| % of Beneficiaries who did not incur any cost | % | 15% | 1% | 24% | 7% | 10% |
| c. Average Cost to Beneficiaries who paid some cost for collection of cash through BDC | | | | | | |
| Transport Cost ⁸² | PKR. | 143.25 | 198.95 | 60.45 | 235.00 | 168.11 |
| Cost paid to someone for help | PKR. | - | 173.99 | 71.74 | 300.00 | 164.57 |
| paid to franchisee/ agent | PKR. | 30.00 | 172.22 | 70.00 | 20.00 | 109.52 |
| Other Cost | PKR. | - | - | - | - | - |
| Total Average Cost for those who incurred collection cost | PKR. | 143.34 | 291.67 | 75.94 | 235.87 | 204.69 |
| Average Instalment of Cash Grant through BDC | PKR. | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| % Transaction Cost for collecting cash grant through BDC | % | 4.78% | 9.27% | 2.53% | 7.86% | 6.82% |

Source: FIL Survey and GHK calculations.

⁸² Total transport cost divided by beneficiaries who paid transport cost. Similar formula for the five subsequent lines.

Table A4.25: Were the BDC beneficiaries able to draw their cash grant on their first visit?

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|-----|------|-----|-------|-----|-------------|----------|
| Yes | % | 91% | 86% | 99% | 96% | 92% |
| No | % | 9% | 14% | 1% | 4% | 8% |

Source: FIL Survey and GHK calculations.

Table A 4.26: Time Spent for collection of Cash Grant through BDC

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|---|------|------|-------|------|-------------|----------|
| Between 0-30 minutes | % | 12% | 9% | 11% | 59% | 18% |
| Between 30 minutes to one hour | % | 19% | 37% | 33% | 25% | 28% |
| Between 1 hr and 2 hrs | % | 21% | 43% | 42% | 16% | 31% |
| Between 2 hrs and 3 hrs | % | 14% | 8% | 10% | 0% | 9% |
| Between 3 hrs and 4 hrs | % | 11% | 2% | 2% | 0% | 5% |
| Between 4 hrs and 5 hrs | % | 11% | 0% | 2% | 0% | 4% |
| More than 5 hrs | % | 11% | 1% | 1% | 0% | 4% |
| Total beneficiaries who used BDC | % | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculations.

Table A 4.27: Reason why cash grant could not be collected through BDC on their first visit

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|--|------|------|-------|------|-------------|----------|
| Bank Branch Closed | % | 6% | 0% | 0% | 29% | 4% |
| ATM did not have cash | % | 11% | 63% | 0% | 14% | 40% |
| ATM was not working | % | 43% | 36% | 0% | 14% | 36% |
| Franchise did not have cash | % | 0% | 0% | 0% | 0% | 0% |
| Payment was not released by BISP | % | 37% | 0% | 100% | 43% | 17% |
| Over Crowding | % | 3% | 0% | 0% | 0% | 1% |
| Others | % | 0% | 2% | 0% | 0% | 1% |
| Total beneficiaries who could not get their cash grant on first visit by using BDC | % | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculation

Table A 4.28: Transaction Cost for collection of Cash Grant through Money Order at Doorsteps

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|--|-------------|---------------|---------------|---------------|---------------|---------------|
| Average Cost to Beneficiaries who paid some cost for collection of cash through MO at doorsteps | | | | | | |
| Transport Cost | PKR. | - | - | - | - | - |
| Cost paid to someone for help | PKR. | - | - | - | - | -- |
| Baksheesh to Postman | PKR. | 118.75 | 190.00 | 132.98 | 200.00 | 142.93 |
| Other Cost | PKR. | - | - | - | - | - |
| Total Average Cost for those who incurred collection cost | PKR. | 118.75 | 190.00 | 132.98 | 200.00 | 142.93 |
| Average Instalment of Cash Grant | PKR. | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|---|------|-------|-------|-------|-------------|----------|
| through Money Order | | | | | | |
| % Transaction Cost for collecting cash grant through MO at Doorsteps | % | 5.94% | 9.50% | 6.65% | 10% | 7.15% |

Source: FIL Survey and GHK calculations.

Table A 4.29: Transaction Cost for collection of Cash Grant through MO at Post Office

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|-------------|--------------|---------------|---------------|---------------|---------------|
| a. Number of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| Beneficiaries who incurred transport cost | Number | 44 | 19 | 50 | 81 | 194 |
| Beneficiaries who paid someone for help | Number | 0 | 7 | 1 | 0 | 8 |
| Beneficiaries who paid Baksheesh | Number | 3 | 17 | 105 | 7 | 132 |
| Beneficiaries who paid some other cost | Number | 0 | 0 | 1 | 1 | 2 |
| Total Beneficiaries who incurred some cost | Number | 46 | 33 | 127 | 86 | 292 |
| Total Beneficiaries who did not incur any cost | Number | 145 | 11 | 15 | 32 | 203 |
| b. Percentage of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| % of Beneficiaries who incurred transport cost | % | 23% | 33% | 28% | 66% | 34% |
| % of Beneficiaries who paid someone to help out | % | 0% | 12% | 1% | 0% | 1% |
| % of Beneficiaries who paid Baksheesh | % | 2% | 30% | 60% | 6% | 23% |
| % of Beneficiaries who paid some other cost | % | 0% | 0% | 1% | 1% | 0% |
| % of beneficiaries who paid some cost for collecting cash grant through MO | % | 24% | 75% | 89% | 73% | 59% |
| % of Beneficiaries who did not incur any cost | % | 76% | 25% | 11% | 27% | 41% |
| c. Average Cost to Beneficiaries who paid some cost for collection of cash through MO | | | | | | |
| Transport Cost ⁸³ | PKR. | 66.84 | 216.84 | 55.60 | 149.07 | 112.97 |
| Cost paid to someone for help | PKR. | - | 200.00 | 200.00 | - | 200.00 |
| paid to franchisee/ agent | PKR. | 150.00 | 158.82 | 132.29 | 214.29 | 140.45 |
| Other Cost | PKR. | - | - | 500.00 | 100.00 | 300.00 |
| Total Average Cost for those who incurred collection cost | PKR. | 73.72 | 249.09 | 136.77 | 159.01 | 146.08 |
| Average Instalment of Cash Grant through Money Order | PKR. | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| % Transaction Cost for collecting cash grant through Money Order at Post Office | % | 3.69% | 12.45% | 6.84% | 7.95% | 7.30% |

Source: FIL Survey and GHK calculations.

⁸³ Total transport cost divided by beneficiaries who paid transport cost. Similar formula for the five subsequent lines.

Table A 4.30: How many visits were required to receive their cash grant from Post Office?

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|---|------|------|-------|------|-------------|----------|
| One visit | % | 79% | 66% | 88% | 88% | 83% |
| Two visits | % | 9% | 9% | 6% | 8% | 8% |
| Three visits | % | 5% | 25% | 5% | 4% | 6% |
| More than 3 Visits | % | 7% | 0% | 1% | 0% | 3% |
| Persons who receive MO at the Post Office | % | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculations

Table A 4.31: Reason why cash grant could not be collected on their first visit

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|--|------|------|-------|------|-------------|----------|
| Post Office was Closed | % | 0% | 7% | 6% | 14% | 5% |
| Postman was not available | % | 15% | 40% | 18% | 21% | 21% |
| Over crowding | % | 18% | 13% | 6% | 36% | 17% |
| Postal staff makes excuses | % | 28% | 40% | 12% | 21% | 26% |
| Reasons not given | % | 40% | 0% | 59% | 7% | 31% |
| Persons who did not receive MO at the Post Office on first visit | % | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculations.

Table A 4.32: Time Spent for collection of Cash Grant through MO from Post Office

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|--|------|------|-------|------|-------------|----------|
| Between 0-30 minutes | % | 34% | 23% | 59% | 16% | 36% |
| Between 30 minutes to one hour | % | 24% | 16% | 25% | 12% | 21% |
| Between 1 hr and 2 hrs | % | 17% | 27% | 10% | 17% | 16% |
| Between 2 hrs and 3 hrs | % | 5% | 14% | 1% | 34% | 12% |
| Between 3 hrs and 4 hrs | % | 9% | 7% | 2% | 18% | 9% |
| Between 4 hrs and 5 hrs | % | 7% | 7% | 1% | 3% | 4% |
| More than 5 hrs | % | 5% | 7% | 1% | 0% | 3% |
| Total beneficiaries who collect MO at Post Office | % | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculations.

Table A 4.33: Transaction Cost for collection of Cash Grant through MO at some place in neighbourhood

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|--|--------|----|-------|-----|-------------|----------|
| a. Number of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| Beneficiaries who incurred transport cost | Number | 6 | 0 | 0 | 1 | 7 |
| Beneficiaries who paid someone for help | Number | 2 | 2 | 0 | 0 | 4 |
| Beneficiaries who paid Baksheesh | Number | 5 | 6 | 16 | 1 | 28 |
| Beneficiaries who paid some other cost | Number | 0 | 0 | 0 | 0 | 0 |

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|--|-------------|--------------|---------------|---------------|---------------|---------------|
| Total Beneficiaries who incurred some cost | Number | 13 | 8 | 17 | 1 | 38 |
| Total Beneficiaries who did not incur any cost | Number | 55 | 2 | 8 | 8 | 73 |
| b. Percentage of Beneficiaries who paid some cost (multiple costs are possible) | | | | | | |
| % of Beneficiaries who incurred transport cost | % | 9% | 0% | 0% | 6% | 6% |
| % of Beneficiaries who paid someone to help out | % | 3% | 19% | 0% | 0% | 4% |
| % of Beneficiaries who paid Baksheesh | % | 7% | 58% | 68% | 6% | 25% |
| % of Beneficiaries who paid some other cost | % | 0% | 0% | 0% | 0% | 0% |
| % of beneficiaries who paid some cost for collecting cash grant through MO | % | 19% | 78% | 68% | 11% | 34% |
| % of Beneficiaries who did not incur any cost | % | 81% | 22% | 32% | 89% | 66% |
| c. Average Cost to Beneficiaries who paid some cost for collection of cash through MO | | | | | | |
| Transport Cost ⁸⁴ | PKR. | 41.67 | - | - | 200.00 | 64.29 |
| Cost paid to someone for help | PKR. | 60.00 | 150.00 | - | - | 105.00 |
| paid to franchisee/ agent | PKR. | 100.00 | 183.33 | 137.50 | 100.00 | 139.29 |
| Other Cost | PKR. | - | - | - | - | - |
| Total Average Cost for those who incurred collection cost | PKR. | 66.92 | 200.00 | 129.41 | 300.00 | 125.53 |
| Average Instalment of Cash Grant through Money Order | PKR. | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| % Transaction Cost for collecting cash grant through Money Order at some place in neighbourhood | % | 3.35% | 10.00% | 6.47% | 15.00% | 6.28% |

Source: FIL Survey and GHK calculations.

Table A 4.34: Average Transaction Cost to beneficiaries under different payment mechanisms (PKR.)

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|-------------------------|------|--------|--------|--------|-------------|----------|
| BSC | PKR. | 76.83 | 168.62 | - | - | 125.85 |
| Mobile Banking | PKR. | 66.89 | 202.69 | 121.48 | - | 141.20 |
| BDC | PKR. | 143.34 | 291.67 | 75.94 | 235.87 | 204.69 |
| MO at doorsteps | PKR. | 118.75 | 190.00 | 132.98 | 200.00 | 142.93 |
| MO at Post Office | PKR. | 73.72 | 249.09 | 136.77 | 159.01 | 146.08 |
| MO in the neighbourhood | PKR. | 66.92 | 200.00 | 129.41 | 300.00 | 125.53 |

Source: FIL Survey and GHK calculations.

⁸⁴ Total transport cost divided by beneficiaries who paid transport cost. Similar formula for the five subsequent lines.

Table A 4.35: Average Transaction Cost to beneficiaries under different payment mechanisms (%)

| | Unit | Pb | Sindh | KPK | Balochistan | Pakistan |
|-------------------------|------|-------|--------|-------|-------------|----------|
| BSC | % | 7.68% | 16.86% | - | - | 12.58% |
| Mobile Banking | % | 6.69% | 20.27% | - | - | 14.12% |
| BDC | % | 4.78% | 9.27% | 2.53% | 7.86% | 6.82% |
| MO at doorsteps | % | 5.94% | 9.50% | 6.65% | 10% | 7.15% |
| MO at Post Office | % | 3.69% | 12.45% | 6.84% | 7.95% | 7.30% |
| MO in the neighbourhood | % | 3.35% | 10.00% | 6.47% | 15.00% | 6.28% |

Source: FIL Survey and GHK calculations.

Table A 4.36: Reasons for Beneficiaries' Satisfaction/ Dis-satisfaction with Pakistan Post (%)

| | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|-------------|-------------|-------------|-------------|-------------|
| Those Who are Satisfied with Pakistan Post: | | | | | |
| Method is simpler and easy to understand | 36% | 8% | 56% | 8% | 24% |
| Timing of Payments is reliable | 2% | 2% | 1% | 2% | 2% |
| Receive money in my own hands | 2% | 10% | 13% | 3% | 6% |
| There is less cheating and deductions | 12% | 1% | 2% | 6% | 6% |
| Method is less costly | 21% | 3% | 1% | 34% | 15% |
| Payments are delivered at my doorsteps | 12% | 58% | 16% | 23% | 29% |
| Total of the above | 85% | 81% | 88% | 76% | 83% |
| Those Who are not Satisfied with Pakistan Post | | | | | |
| Payments are irregular | 6% | 6% | 1% | 5% | 5% |
| I do not get full payment | 3% | 5% | 3% | 7% | 4% |
| I am always asked for Baksheesh | 4% | 6% | 4% | 6% | 5% |
| Payment is not delivered at my doorsteps | 1% | 1% | 2% | 0% | 1% |
| Postman does not give the money in my hands | 0% | 0% | 1% | 0% | 0% |
| Others | 1% | 1% | 1% | 5% | 2% |
| Total of the above | 15% | 19% | 12% | 24% | 17% |
| Beneficiaries receiving payments through Pakistan Post | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculations.

Table A4.37: What Payment Mechanism do Beneficiaries getting cash transfers from Pakistan Post prefer (%)

| | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|--------|-------|-----|-------------|----------|
| Those who prefer Pakistan Post: | 96% | 81% | 91% | 75% | 87% |
| Those who would like Alternative Mechanism | | | | | |
| Cards (BDC, BSC) | 1% | 14% | 2% | 13% | 7% |
| Mobile Banking | 3% | 3% | 7% | 3% | 3% |

| | Punjab | Sindh | KPK | Balochistan | Pakistan |
|-----------------------------|--------|-------|------|-------------|----------|
| Franchise/ Bank Agent/ Shop | 0% | 1% | 0% | 2% | 1% |
| Bank Branch | 0% | 2% | 1% | 6% | 2% |
| Total of the above | 100% | 100% | 100% | 100% | 100% |

Source: FIL Survey and GHK calculations

Table A4.38: Why some beneficiaries getting cash transfers from Pakistan Post prefer other mechanisms (%.)

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|--|------|--------|--------|-------|-------------|----------|
| Don't Have to pay Baksheesh | % | 0.00% | 9.28% | 6.32% | 13.11% | 6.29% |
| Can get money at my convenience | % | 2.20% | 8.51% | 3.16% | 7.77% | 5.36% |
| Will be introduced to a bank | % | 0.49% | 0.77% | 0.00% | 0.00% | 0.42% |
| Others | % | 1.47% | 0.26% | 0.00% | 3.88% | 1.26% |
| Persons who are not satisfied with Pakistan Post | % | 4.16% | 18.81% | 9.47% | 24.76% | 13.33% |

Source: FIL Survey and GHK calculations

Table A4.39: Preference of beneficiaries getting cash transfers through alternative payment mechanisms (%.)

| | Unit | Punjab | Sindh | KPK | Balochistan | Pakistan |
|---|------|--------|-------|-----|-------------|----------|
| Receiving cash transfers through BSC: | | | | | | |
| Prefer Current Method | % | 42% | 94% | 0% | 0% | 69% |
| No Difference | % | 45% | 5% | 0% | 0% | 24% |
| Prefer previous method (PP) | % | 13% | 1% | 0% | 0% | 7% |
| Receiving cash transfers through Mobile Banking: | | | | | | |
| Prefer Current Method | % | 62% | 20% | 72% | 0% | 48% |
| No Difference | % | 35% | 20% | 1% | 0% | 22% |
| Prefer previous method (PP) | % | 3% | 60% | 27% | 0% | 30% |
| Receiving cash transfers through BDC: | | | | | | |
| Prefer Current Method | % | 17% | 94% | 53% | 55% | 55% |
| No Difference | % | 43% | 6% | 2% | 32% | 22% |
| Prefer previous method (PP) | % | 40% | 0% | 45% | 13% | 23% |

Source: FIL Survey and GHK calculations.

Table A5.1: Can you add numbers together?

| Province | Option | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 95.15% | | 97.83% | | 99.74% | | 98.06% |
| | No | 4.85% | | 2.17% | | 0.26% | | 1.94% |
| KPK | Yes | 98.95% | | 99.46% | 100.00% | 95.94% | 97.00% | 98.25% |
| | No | 1.05% | | 0.54% | 0.00% | 4.06% | 3.00% | 1.75% |
| Punjab | Yes | 55.01% | 60.00% | 54.91% | 56.85% | 80.21% | 88.02% | 62.01% |
| | No | 44.99% | 40.00% | 45.09% | 43.15% | 19.79% | 11.98% | 37.99% |
| Sindh | Yes | 84.54% | 80.56% | 86.01% | 97.14% | 97.92% | 96.35% | 89.03% |
| | No | 15.46% | 19.44% | 13.99% | 2.86% | 2.08% | 3.65% | 10.97% |
| Pakistan | Yes | 78.54% | 70.36% | 79.34% | 81.49% | 94.72% | 93.84% | 82.44% |
| | No | 21.46% | 29.64% | 20.66% | 18.51% | 5.28% | 6.16% | 17.56% |

Table A5.2: Can you subtract one number from another?

| Province | Option | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 93.69% | | 97.28% | | 99.22% | | 97.29% |
| | No | 6.31% | | 2.72% | | 0.78% | | 2.71% |
| KPK | Yes | 98.95% | | 98.92% | 99.00% | 93.40% | 95.50% | 97.12% |
| | No | 1.05% | | 1.08% | 1.00% | 6.60% | 4.50% | 2.88% |
| Punjab | Yes | 53.79% | 57.92% | 53.40% | 50.76% | 77.60% | 88.02% | 59.57% |
| | No | 46.21% | 42.08% | 46.60% | 49.24% | 22.40% | 11.98% | 40.43% |
| Sindh | Yes | 77.84% | 80.31% | 86.01% | 97.14% | 97.92% | 96.35% | 87.64% |
| | No | 22.16% | 19.69% | 13.99% | 2.86% | 2.08% | 3.65% | 12.36% |
| Pakistan | Yes | 75.69% | 69.20% | 78.65% | 78.83% | 93.47% | 93.32% | 80.81% |
| | No | 24.31% | 30.80% | 21.35% | 21.17% | 6.53% | 6.68% | 19.19% |

Table A5.3: Do you recognize the different currency notes and coins

| Province | Option | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 94.17% | | 98.91% | | 50.26% | | 73.51% |
| | No | 5.83% | | 1.09% | | 49.74% | | 26.49% |
| KPK | Yes | 98.42% | | 100.00% | 100.00% | 98.98% | 93.00% | 98.05% |
| | No | 1.58% | | 0.00% | 0.00% | 1.02% | 7.00% | 1.95% |

| Province | Option | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|--------|---------------|------------|------------|----------------|--------|---------|-------------|
| Punjab | Yes | 98.04% | 87.53% | 97.48% | 95.69% | 97.92% | 98.96% | 95.48% |
| | No | 1.96% | 12.47% | 2.52% | 4.31% | 2.08% | 1.04% | 4.52% |
| Sindh | Yes | 90.72% | 95.40% | 87.56% | 99.22% | 99.48% | 97.92% | 94.31% |
| | No | 9.28% | 4.60% | 12.44% | 0.78% | 0.52% | 2.08% | 5.69% |
| Pakistan | Yes | 95.05% | 91.49% | 94.79% | 97.96% | 79.48% | 96.58% | 92.51% |
| | No | 4.95% | 8.51% | 5.21% | 2.04% | 20.52% | 3.42% | 7.49% |

Table A5.4: Can you count currency notes and coins?

| Province | Option | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|--------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Yes | 88.29% | | 97.83% | | 51.04% | | 72.06% |
| | No | 11.71% | | 2.17% | | 48.96% | | 27.94% |
| KPK | Yes | 98.41% | | 100.00% | 100.00% | 98.48% | 98.00% | 98.97% |
| | No | 1.59% | | 0.00% | 0.00% | 1.52% | 2.00% | 1.03% |
| Punjab | Yes | 92.63% | 87.01% | 90.68% | 92.39% | 97.40% | 98.44% | 92.12% |
| | No | 7.37% | 12.99% | 9.32% | 7.61% | 2.60% | 1.56% | 7.88% |
| Sindh | Yes | 91.47% | 93.35% | 93.01% | 99.22% | 98.96% | 98.44% | 95.13% |
| | No | 8.53% | 6.65% | 6.99% | 0.78% | 1.04% | 1.56% | 4.87% |
| Pakistan | Yes | 92.42% | 90.21% | 94.10% | 96.63% | 79.48% | 98.29% | 91.58% |
| | No | 7.58% | 9.79% | 5.90% | 3.37% | 20.52% | 1.71% | 8.42% |

Table A5.5: Tell me the following about these words

| Province | About All these Words | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Never heard | 91.34% | | 89.37% | 0.00% | 79.17% | | 84.85% |
| | Heard but don't Understand | 5.09% | | 1.09% | 0.00% | 16.98% | | 10.01% |
| | Heard & Understand | 3.57% | | 9.55% | 0.00% | 3.85% | | 5.14% |
| KPK | Never heard | 97.89% | | 99.70% | 99.44% | 86.76% | 66.52% | 89.84% |
| | Heard but don't Understand | 1.87% | | 0.24% | 0.56% | 9.96% | 23.03% | 7.29% |
| | Heard & Understand | 0.23% | | 0.06% | 0.00% | 3.28% | 10.46% | 2.87% |
| Punjab | Never heard | 96.21% | 94.20% | 94.77% | 94.28% | 72.44% | 72.08% | 90.42% |
| | Heard but don't | 3.01% | 5.04% | 4.03% | 4.46% | 13.43% | 9.52% | 5.57% |

| Province | About All these Words | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| | Understand | | | | | | | |
| | Heard & Understand | 0.78% | 0.76% | 1.19% | 1.26% | 14.13% | 18.40% | 4.01% |
| Sindh | Never heard | 85.49% | 71.94% | 78.75% | 97.65% | 77.03% | 77.13% | 82.16% |
| | Heard but don't Understand | 11.48% | 6.42% | 8.05% | 1.65% | 6.77% | 9.04% | 7.10% |
| | Heard & Understand | 3.03% | 21.63% | 13.20% | 0.70% | 16.20% | 13.83% | 10.74% |
| Pakistan | Never heard | 92.13% | 82.90% | 89.36% | 96.67% | 78.98% | 71.82% | 86.72% |
| | Heard but don't Understand | 5.95% | 5.74% | 4.28% | 2.55% | 12.79% | 14.00% | 7.00% |
| | Heard & Understand | 1.91% | 11.36% | 6.36% | 0.78% | 8.23% | 14.17% | 6.27% |

Table A5.6: Tell me the following about these words

| Province | Bank Account | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Never heard | 81.07% | | 72.28% | | 59.32% | | 68.22% |
| | Heard but don't Understand | 12.62% | | 4.35% | | 33.60% | | 21.01% |
| | Heard & Understand | 6.31% | | 23.37% | | 7.09% | | 10.77% |
| KPK | Never heard | 93.68% | | 97.30% | 96.00% | 69.00% | 29.00% | 76.51% |
| | Heard but don't Understand | 5.79% | | 2.16% | 4.00% | 23.00% | 47.50% | 16.82% |
| | Heard & Understand | 0.53% | | 0.54% | 0.00% | 8.00% | 23.50% | 6.67% |
| Punjab | Never heard | 83.08% | 78.22% | 78.06% | 73.40% | 36.13% | 31.77% | 69.52% |
| | Heard but don't Understand | 14.68% | 17.06% | 18.37% | 19.95% | 35.08% | 37.50% | 21.19% |
| | Heard & Understand | 2.24% | 4.72% | 3.57% | 6.65% | 28.80% | 30.73% | 9.29% |
| Sindh | Never heard | 53.23% | 74.74% | 91.03% | 86.20% | 58.33% | 42.11% | 71.05% |
| | Heard but don't Understand | 41.34% | 5.36% | 8.44% | 11.46% | 18.75% | 28.42% | 18.04% |
| | Heard & Understand | 5.43% | 19.90% | 0.53% | 2.34% | 22.92% | 29.47% | 10.91% |
| Pakistan | Never heard | 74.68% | 76.46% | 84.56% | 83.08% | 56.54% | 34.19% | 71.08% |
| | Heard but don't Understand | 21.60% | 11.13% | 10.18% | 13.33% | 28.73% | 37.97% | 19.33% |
| | Heard & Understand | 3.71% | 12.42% | 5.26% | 3.59% | 14.73% | 27.84% | 9.59% |

Table A5.7: Tell me the following about these words

| Province | Savings Account | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Never heard | 97.57% | | 96.20% | 0.00% | 79.90% | | 88.49% |
| | Heard but don't Understand | 2.43% | | 1.09% | 0.00% | 18.80% | | 10.22% |
| | Heard & Understand | 0.00% | | 2.72% | 0.00% | 1.31% | | 1.29% |
| KPK | Never heard | 98.42% | | 100.00% | 100.00% | 92.00% | 79.50% | 93.85% |
| | Heard but don't Understand | 1.58% | | 0.00% | 0.00% | 5.50% | 17.00% | 4.92% |
| | Heard & Understand | 0.00% | | 0.00% | 0.00% | 2.50% | 3.50% | 1.23% |
| Punjab | Never heard | 96.50% | 93.95% | 98.21% | 96.40% | 78.65% | 74.87% | 92.43% |
| | Heard but don't Understand | 1.75% | 5.53% | 1.53% | 3.34% | 10.42% | 12.57% | 4.68% |
| | Heard & Understand | 1.75% | 0.53% | 0.26% | 0.26% | 10.94% | 12.57% | 2.88% |
| Sindh | Never heard | 89.66% | 81.89% | 99.47% | 99.74% | 79.69% | 69.79% | 89.05% |
| | Heard but don't Understand | 9.30% | 15.31% | 0.53% | 0.26% | 7.81% | 17.19% | 7.63% |
| | Heard & Understand | 1.03% | 2.81% | 0.00% | 0.00% | 12.50% | 13.02% | 3.32% |
| Pakistan | Never heard | 94.76% | 87.82% | 98.60% | 98.46% | 82.11% | 74.79% | 90.98% |
| | Heard but don't Understand | 4.31% | 10.49% | 0.88% | 1.44% | 12.20% | 15.61% | 6.50% |
| | Heard & Understand | 0.93% | 1.68% | 0.53% | 0.10% | 5.69% | 9.61% | 2.53% |

Table A5.8: Tell me the following about these words

| Province | Current Account | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Never heard | 99.03% | | 97.83% | 0.00% | 92.63% | | 95.58% |
| | Heard but don't Understand | 0.97% | | 0.54% | 0.00% | 6.58% | | 3.64% |
| | Heard & Understand | 0.00% | | 1.63% | 0.00% | 0.79% | | 0.78% |
| KPK | Never heard | 98.41% | | 100.0% | 100.00% | 90.00% | 63.50% | 90.14% |
| | Heard but don't Understand | 1.59% | | 0.00% | 0.00% | 8.00% | 30.00% | 8.11% |
| | Heard & Understand | 0.00% | | 0.00% | 0.00% | 2.00% | 6.50% | 1.75% |
| Punjab | Never heard | 98.50% | 96.83% | 99.74% | 99.23% | 82.01% | 81.25% | 95.26% |
| | Heard but don't | 1.25% | 2.65% | 0.26% | 0.77% | 8.47% | 7.29% | 2.53% |

Annex 1: List of Data Tables from Quantitative Survey

| Province | Current Account | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| | Understand | | | | | | | |
| | Heard & Understand | 0.25% | 0.53% | 0.00% | 0.00% | 9.52% | 11.46% | 2.22% |
| Sindh | Never heard | 97.41% | 83.16% | 99.74% | 99.74% | 82.81% | 73.96% | 91.65% |
| | Heard but don't Understand | 2.59% | 15.82% | 0.26% | 0.00% | 5.21% | 13.54% | 5.65% |
| | Heard & Understand | 0.00% | 1.02% | 0.00% | 0.26% | 11.98% | 12.50% | 2.70% |
| Pakistan | Never heard | 98.22% | 89.87% | 99.47% | 99.59% | 88.03% | 72.77% | 93.18% |
| | Heard but don't Understand | 1.69% | 9.35% | 0.26% | 0.31% | 6.97% | 17.12% | 4.72% |
| | Heard & Understand | 0.08% | 0.78% | 0.26% | 0.10% | 4.99% | 10.10% | 2.10% |

Table A5.9: Tell me the following about these words

| Province | Intrest Rate | Pakistan Post | Smart Card | Debit Card | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|------------|----------------|--------|---------|-------------|
| Balochistan | Never heard | 98.54% | | 97.83% | 0.00% | 93.18% | | 95.72% |
| | Heard but don't Understand | 0.97% | | 1.63% | 0.00% | 4.72% | | 2.98% |
| | Heard & Understand | 0.49% | | 0.54% | 0.00% | 2.10% | | 1.30% |
| KPK | Never heard | 98.42% | | 100.00% | 100.00% | 91.00% | 52.76% | 88.19% |
| | Heard but don't Understand | 1.58% | | 0.00% | 0.00% | 7.00% | 32.66% | 8.42% |
| | Heard & Understand | 0.00% | | 0.00% | 0.00% | 2.00% | 14.57% | 3.39% |
| Punjab | Never heard | 96.73% | 93.67% | 98.21% | 94.07% | 67.37% | 76.04% | 90.97% |
| | Heard but don't Understand | 2.26% | 5.80% | 1.53% | 5.15% | 13.16% | 7.29% | 4.95% |
| | Heard & Understand | 1.01% | 0.53% | 0.26% | 0.77% | 19.47% | 16.67% | 4.08% |
| Sindh | Never heard | 98.70% | 98.47% | 99.74% | 100.00% | 86.46% | 87.96% | 96.83% |
| | Heard but don't Understand | 1.30% | 0.51% | 0.26% | 0.00% | 2.08% | 2.62% | 0.88% |
| | Heard & Understand | 0.00% | 1.02% | 0.00% | 0.00% | 11.46% | 9.42% | 2.28% |
| Pakistan | Never heard | 97.96% | 96.11% | 98.95% | 97.63% | 86.29% | 71.99% | 93.15% |
| | Heard but don't Understand | 1.61% | 3.11% | 0.88% | 2.06% | 6.33% | 14.43% | 3.89% |
| | Heard & Understand | 0.42% | 0.78% | 0.18% | 0.31% | 7.37% | 13.57% | 2.96% |

Table A5.10: Tell me the following about these words

| Province | Debit Card | Pakistan Post | Smart Card | Debit Card2 | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|-------------|----------------|--------|---------|-------------|
| Balochistan | Never heard | 90.29% | | 79.35% | 0.00% | 93.96% | | 89.49% |
| | Heard but don't Understand | 1.94% | | 0.54% | 0.00% | 4.99% | | 3.11% |
| | Heard & Understand | 7.77% | | 20.11% | 0.00% | 1.05% | | 7.39% |
| KPK | Never heard | 98.42% | | 100.00% | 100.00% | 96.50% | 91.96% | 97.33% |
| | Heard but don't Understand | 1.58% | | 0.00% | 0.00% | 2.50% | 7.04% | 2.26% |
| | Heard & Understand | 0.00% | | 0.00% | 0.00% | 1.00% | 1.01% | 0.41% |
| Punjab | Never heard | 99.75% | 98.42% | 97.44% | 99.23% | 77.49% | 67.71% | 93.56% |
| | Heard but don't Understand | 0.25% | 1.58% | 0.00% | 0.77% | 4.71% | 2.60% | 1.24% |
| | Heard & Understand | 0.00% | 0.00% | 2.56% | 0.00% | 17.80% | 29.69% | 5.20% |
| Sindh | Never heard | 74.09% | 11.05% | 6.22% | 100.0% | 82.81% | 89.06% | 55.31% |
| | Heard but don't Understand | 19.17% | 4.88% | 48.96% | 0.00% | 2.08% | 1.56% | 14.98% |
| | Heard & Understand | 6.74% | 84.06% | 44.82% | 0.00% | 15.10% | 9.38% | 29.70% |
| Pakistan | Never heard | 89.50% | 54.17% | 64.19% | 99.69% | 89.00% | 83.02% | 80.51% |
| | Heard but don't Understand | 6.94% | 3.26% | 16.59% | 0.31% | 3.84% | 3.77% | 6.39% |
| | Heard & Understand | 3.56% | 42.58% | 19.21% | 0.00% | 7.16% | 13.21% | 13.09% |

Table A5.11: Tell me the following about these words

| Province | ATM | Pakistan Post | Smart Card | Debit Card2 | Mobile Banking | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|-------------|----------------|--------|---------|-------------|
| Balochistan | Never heard | 62.75% | | 77.60% | 0.00% | 1.84% | | 36.07% |
| | Heard but don't Understand | 23.53% | | 0.55% | 0.00% | 75.85% | | 44.01% |
| | Heard & Understand | 13.73% | | 21.86% | 0.00% | 22.31% | | 19.92% |
| KPK | Never heard | 98.42% | | 100.00% | 99.50% | 63.00% | 29.00% | 77.44% |
| | Heard but don't Understand | 1.58% | | 0.00% | 0.50% | 26.50% | 40.00% | 14.05% |
| | Heard & Understand | 0.00% | | 0.00% | 0.00% | 10.50% | 31.00% | 8.51% |
| Punjab | Never heard | 98.99% | 97.62% | 92.60% | 95.89% | 66.67% | 47.40% | 88.51% |
| | Heard but don't Understand | 0.50% | 2.38% | 3.57% | 2.06% | 7.29% | 4.69% | 2.89% |

| Province | ATM | Pakistan Post | Smart Card | Debit Card2 | Mobile Banking | CDCP I | CDCP II | Grand Total |
|----------|----------------------------|---------------|------------|-------------|----------------|--------|---------|-------------|
| | Heard & Understand | 0.50% | 0.00% | 3.83% | 2.06% | 26.04% | 47.92% | 8.61% |
| Sindh | Never heard | 62.69% | 9.74% | 15.71% | 98.69% | 34.38% | 65.26% | 47.19% |
| | Heard but don't Understand | 24.61% | 7.18% | 12.30% | 0.52% | 6.77% | 11.05% | 10.72% |
| | Heard & Understand | 12.69% | 83.08% | 71.99% | 0.79% | 58.85% | 23.68% | 42.09% |
| Pakistan | Never heard | 80.71% | 52.99% | 65.67% | 97.73% | 33.89% | 46.91% | 65.23% |
| | Heard but don't Understand | 12.57% | 4.82% | 5.43% | 1.13% | 38.24% | 18.90% | 13.15% |
| | Heard & Understand | 6.71% | 42.19% | 28.90% | 1.13% | 27.88% | 34.19% | 21.62% |

Table A5.12: Tell me the following about these words

| Province | Mobile Banking | Pakistan Post | Smart Card | Debit Card2 | Mobile Banking2 | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|-------------|-----------------|--------|---------|-------------|
| Balochistan | Never heard | 97.56% | | 97.83% | 0.00% | 95.55% | | 96.63% |
| | Heard but don't Understand | 1.95% | | 0.00% | 0.00% | 4.45% | | 2.72% |
| | Heard & Understand | 0.49% | | 2.17% | 0.00% | 0.00% | | 0.65% |
| KPK | Never heard | 98.42% | | 100.00% | 99.50% | 95.96% | 92.00% | 97.12% |
| | Heard but don't Understand | 1.05% | | 0.00% | 0.50% | 3.54% | 7.50% | 2.57% |
| | Heard & Understand | 0.53% | | 0.00% | 0.00% | 0.51% | 0.50% | 0.31% |
| Punjab | Never heard | 98.75% | 98.15% | 99.74% | 98.71% | 92.19% | 91.67% | 97.48% |
| | Heard but don't Understand | 0.75% | 1.85% | 0.26% | 1.29% | 6.77% | 5.21% | 2.01% |
| | Heard & Understand | 0.50% | 0.00% | 0.00% | 0.00% | 1.04% | 3.13% | 0.51% |
| Sindh | Never heard | 96.88% | 90.79% | 99.47% | 95.31% | 93.23% | 88.89% | 94.68% |
| | Heard but don't Understand | 2.34% | 7.67% | 0.27% | 2.60% | 3.13% | 2.12% | 3.13% |
| | Heard & Understand | 0.78% | 1.53% | 0.27% | 2.08% | 3.65% | 8.99% | 2.19% |
| Pakistan | Never heard | 97.88% | 94.42% | 99.38% | 97.53% | 94.50% | 90.88% | 96.34% |
| | Heard but don't Understand | 1.53% | 4.81% | 0.18% | 1.65% | 4.46% | 4.99% | 2.59% |
| | Heard & Understand | 0.59% | 0.78% | 0.44% | 0.82% | 1.04% | 4.13% | 1.07% |

Table A5.13: Tell me the following about these words

| Province | Insurance | Pakistan Post | Smart Card | Debit Card2 | Mobile Banking2 | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|-------------|-----------------|--------|---------|-------------|
| Balochistan | Never heard | 95.15% | | 85.33% | 0.00% | 96.84% | | 93.64% |
| | Heard but don't Understand | 1.46% | | 1.09% | 0.00% | 3.16% | | 2.21% |
| | Heard & Understand | 3.40% | | 13.59% | 0.00% | 0.00% | | 4.16% |
| KPK | Never heard | 98.42% | | 100.00% | 100.00% | 84.00% | 62.50% | 88.72% |
| | Heard but don't Understand | 1.05% | | 0.00% | 0.00% | 13.00% | 25.50% | 8.10% |
| | Heard & Understand | 0.53% | | 0.00% | 0.00% | 3.00% | 12.00% | 3.18% |
| Punjab | Never heard | 93.97% | 92.11% | 89.00% | 92.29% | 54.17% | 82.11% | 87.16% |
| | Heard but don't Understand | 5.28% | 7.37% | 10.74% | 6.17% | 33.33% | 5.26% | 9.74% |
| | Heard & Understand | 0.75% | 0.53% | 0.26% | 1.54% | 12.50% | 12.63% | 3.09% |
| Sindh | Never heard | 97.40% | 97.95% | 99.73% | 99.48% | 76.56% | 86.39% | 95.20% |
| | Heard but don't Understand | 2.08% | 1.02% | 0.27% | 0.00% | 14.06% | 3.66% | 2.45% |
| | Heard & Understand | 0.52% | 1.02% | 0.00% | 0.52% | 9.38% | 9.95% | 2.35% |
| Pakistan | Never heard | 96.01% | 95.07% | 93.74% | 96.70% | 81.64% | 76.76% | 91.07% |
| | Heard but don't Understand | 2.89% | 4.15% | 3.96% | 2.47% | 13.38% | 11.70% | 5.93% |
| | Heard & Understand | 1.10% | 0.78% | 2.29% | 0.82% | 4.98% | 11.53% | 3.00% |

Table A5.14: Tell me the following about these words

| Province | Swift Transfer | Pakistan Post | Smart Card | Debit Card2 | Mobile Banking2 | CDCP I | CDCP II | Grand Total |
|-------------|----------------------------|---------------|------------|-------------|-----------------|--------|---------|-------------|
| Balochistan | Never heard | 100.00% | | 100.00% | 0.00% | 99.47% | | 99.74% |
| | Heard but don't Understand | 0.00% | | 0.00% | 0.00% | 0.53% | | 0.26% |
| | Heard & Understand | 0.00% | | 0.00% | 0.00% | 0.00% | | 0.00% |
| KPK | Never heard | 98.42% | | 100.00% | 100.00% | 99.50% | 98.50% | 99.28% |
| | Heard but don't Understand | 1.05% | | 0.00% | 0.00% | 0.50% | 0.00% | 0.31% |
| | Heard & Understand | 0.53% | | 0.00% | 0.00% | 0.00% | 1.50% | 0.41% |

Annex 1: List of Data Tables from Quantitative Survey

| Province | Swift Transfer | Pakistan Post | Smart Card | Debit Card2 | Mobile Banking2 | CDCP I | CDCP II | Grand Total |
|----------|----------------------------|---------------|------------|-------------|-----------------|--------|---------|-------------|
| Punjab | Never heard | 99.75% | 98.94% | 100.00% | 99.48% | 97.38% | 96.32% | 99.02% |
| | Heard but don't Understand | 0.25% | 1.06% | 0.00% | 0.52% | 1.57% | 3.16% | 0.83% |
| | Heard & Understand | 0.00% | 0.00% | 0.00% | 0.00% | 1.05% | 0.53% | 0.16% |
| Sindh | Never heard | 99.74% | 99.23% | 99.73% | 99.74% | 98.96% | 90.91% | 98.69% |
| | Heard but don't Understand | 0.26% | 0.00% | 0.27% | 0.00% | 1.04% | 1.07% | 0.31% |
| | Heard & Understand | 0.00% | 0.77% | 0.00% | 0.26% | 0.00% | 8.02% | 1.00% |
| Pakistan | Never heard | 99.57% | 99.09% | 99.91% | 99.69% | 98.96% | 95.32% | 99.05% |
| | Heard but don't Understand | 0.34% | 0.52% | 0.09% | 0.21% | 0.83% | 1.39% | 0.48% |
| | Heard & Understand | 0.09% | 0.39% | 0.00% | 0.10% | 0.21% | 3.29% | 0.47% |

Annex 2 Qualitative Case Studies and Community Profiles

A2.1 Ramay Wali-Dera Ghazi Khan – Punjab

1. Basic Facts

| | |
|--------------------------|---|
| Province | Punjab |
| District | Dera Ghazi Khan |
| G2P Modality | Debit Card |
| Tehsil/Taluka | Dera Ghazi Khan |
| Union Council | Sarwar Wali |
| Deh/Mouza | Sakheera |
| Community | Ramay Wali |
| Researchers | Fahad Khan, Iftikhar Bazmi, Nadia Khan, Shaistan Ramzan |
| Date of fieldwork | 16 th July 2012 |

2. Sampling and Fieldwork Conditions

This site was selected at random after consulting with local informants about a village with Benazir Debit Card beneficiaries. We met the respondents under the shade of a Kaykar tree. Where we were sitting was also the main route of the community and there was a lot of coming and going of people. The main respondents for the community profiling were: Ahmad Yaar, Muhammad Ashraf, Ghulam Fareed, Muhammad Yaar, Abid Hussain, Muhammad Younus, all belonging to the Arain kinship group.

3. Community Profile (Outline of social landscape/power brokers etc.)

On Multani road, at a distance of 14 km from DG Khan, there is a mouza Sakheera on the Makoray Walay Chowk, in which there is a village by the name of Ramay Wali which comprises entirely of people from the Arain kinship group. There are around 250 households of the Arain kinship group and a population of 2,000 people. There is a metalled road at a distance of 2 km from where public transport can be availed and a katcha road which was broken and almost defunct. The nearest town is at a distance of 3 km and basic health care facilities are located there.

For more serious patients, however, one has to travel a distance of 14 km to Dera Ghazi Khan. Drinking water is available in taps in 150 households from the beginning, and electricity has been available in the same number of households for the last 22 years; there is no gas or functional drainage system. There are government primary schools for boys and girls, a government high school for boys and private schools for boys and girls. The primary crops grown in the village are cotton and wheat (30 man/acre).

a. Saving preferences

The people of the community said that they all did labour work. There were not many land-owners amongst them. They questioned the idea of saving anything at all in times of such harsh inflation. Whichever crop is grown, they spend money and work hard on them for 6 months. They meet these expenses with great difficulty and saving does not seem like an option. They said that in their area one of the methods of saving is to buy cattle/livestock. There were many people in the community who bought whichever animals they could afford- cows, buffaloes, goats. They raise these animals and whenever there is an urgent need or an emergency, they sell them. Otherwise, they sell them around Bakra Eid and that is one way they can save significantly. As poor people, they find this method of saving to be secure. And some men and women also save through depositing, monthly or yearly, committees. They find this method useful because they get to collect the deposited money in a single large sum from which they start a new business or attend to some other big need. They do not think

there is any harm to saving money but think that labourers cannot save. Only those people who earn more can save.

The people said that they did not know much about the rich households. They do not know why the rich people do not save and whatever they do save, they deposit in banks. When asked what they would do if given PKR 10,000, they said they would buy cattle or open up a small shop. Since they often go to DG Khan to do labour work, they could buy bicycles- it takes PKR 50-60 to get to the city and this could be saved in the long-term if they invested in a bicycle which would cost them PKR 5,000-6,000. If any money was left after the purchase of the cycle, they would use it to buy cattle. One person said that if he were given PKR 10,000 he would buy electrical supplies since he had an electrician's skills but did not have the money for an electrician's supplies.

When probed what they would do if given PKR 100,000, they answered that they would establish a good business. They could increase the cultivation work and increase the produce of the crop. They could take land on lease and save through the cultivation of crops. If there is no loss, crops can be very profitable, they said. A loss generally occurs, for example, if they sow cotton and a pest attack destroys it. The main expense in sowing cotton is for fertilizers and sprays. These are inflationary times and even if they do not manage to save money, it is spent on basic household necessities or cattle/livestock. The average yield of both cotton and wheat is 25-30 man per acre. If a household receives PKR 100,000, they could marry their daughter off with ease.

b. G2P modalities

Some women of the area are receiving money through BISP and they collect this money through the Benazir Debit Cards. Not all women have received these debit cards and there are a lot of poor and deserving women who have received not a penny through the Benazir scheme. To withdraw money, one has to go to the bank, which is at a distance of 14 km in Dera Ghazi Khan and is generally crowded. Women are accompanied by men to the bank. Some women collect money from the post office. The postman comes to the village and distributes the money. He announces his arrival through a mosque and sits in a corner where beneficiaries gather around. For each instalment the postman charges a commission of PKR 100. The people feel the postal system is better than having to travel 14 km, pay PKR 50-60 in fare, stand in line and waste an entire day. They think paying PKR 100 to the postman is more preferable since money is collected with relative ease. Money in the area has been received for a year but there has not been another instalment. The first instalment was of PKR 2,000 and the second one was of PKR 3,000 which was received 2 months ago.

The floods hit this village in 2010. They received one instalment through the Watan Cards in only 100 households. They did not receive any further money. Members of the community sustained a lot of damage to their houses and crops, and left the community. When they received the first instalment, most people used it on the repair of their houses. In PKR 20,000, not even one katcha room can be constructed. There were around 50 houses which received a second instalment; they used this on their crops, or to further repair their houses. If there was any amount left, it was spent on the purchase of an animal. The Watan Card money was also collected through the bank in Dera Ghazi Khan. None of them sold their Watan Cards. However, they did receive an offer from another area to exchange 5 Watan Cards for a tractor. They did not trust the people the offer had come from and had also heard that they had received further instalments from the government so they did not sell their cards.

Other than the BISP and Watan Card beneficiaries, there were no households which received any kind of money. No NGO has visited them and nor has the government brought any scheme to them. They did not receive any vouchers, though they did know of other communities having received them. They approached their MPA about this but were paid no heed to. They feel that they were poor people and were only remembered in times where there was a need for votes. Otherwise no one cared if they lived or died.

c. Financial institutions/instruments

A bank is located at a distance of 14 km and can be commuted to in a rickshaw, wagon (daala) or motorcycle. It takes a while to find these. If there are not enough people, the rickshaw or wagon drivers do not take them and sometimes they have to wait for 30-60 minutes. There is a franchise at a distance of 7 km which they commute to in a rickshaw or motorcycle. To find rickshaws, they have to walk a distance of 2 km. There are no means of commuting to be found near the community. No NGO has visited the area with loan schemes or other help save for one. This NGO came to make a small drain for which the people from some households worked as labourers at PKR 350. The PKR 50 that was used to commute to Dera Ghazi Khan was saved. It affected those households a lot—they did not have to take loans for household expenses and got by with relative ease. This work lasted for 3 months and now they have begun to go to Dera Ghazi Khan again and experience the same costs.

The poor people, it is felt, cannot save but are thankful to God even if they get by with difficulty. They have neither used easypaisa nor know of it. The respondents said that there must be only 2-3 people in the community with bank accounts. The poor people cannot get accounts opened. If they earn more, they will get accounts opened. They know that PKR 500-1,000 is needed to open an account. They also know of ATM machines; that you have to enter a code to withdraw money. But there are a lot of people in the area who do not know of ATMs. A lot of people who did not know how to use a Watan Card were defrauded—they would ask someone to withdraw the money for them and that person would swap the cards and tell them that their money had not arrived yet. They later found out that money from their cards had been withdrawn and feel they would not have suffered had they been educated.

d. Attitudes and perceptions

People of this community prefer to engage with informal methods of saving such as purchasing cattle/livestock which is reared and sold for a profit. Some individuals also deposit money in committees. According to the respondents, they prefer the postal method of BISP payment delivery. This is because the banks are located at a distance from the village and transportation facilities are very poor. They have to travel by foot and wait for some time before they get transportation. Then they have to wait in lines at the ATM in the city. The general perception in the village is that the rich people save more and have bank accounts too. The poor people cannot open bank accounts and do not know how to use ATMs as a result of which they have gotten defrauded with regards to the BISP payments through the Debit Card.

4. In-depth Interview 1

a. Basic Information

| | |
|--|-----------------|
| Name | Muhammad Younus |
| Age | 18 |
| Gender | Male |
| Education | Primary |
| Caste | Arain |
| Occupation | Shopkeeper |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | CDCP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Watan Card |
| Bank Account (Y/N) | Y |
| Bank Name | MCB |

b. Socio-economic position of respondent/respondent’s household

353. Muhammad Younus is an 18 year old married male belonging to the Arain kinship group. He works at the vegetable market (sabzi mandi) and has to go the city, daily, for work. Sometimes he takes his younger brother along with him, while their father- owner of a 2 acre piece of land- sits at a

shop in the village. They get by well. There are 9 people in his household and 3 earning members. Household assets include a motorcycle, a tape player, a fan, a fridge and a sewing machine.

Muhammad Younus' house is located at a distance of 2 km from the village centre. His house is pakka and consists of 4 rooms and 1 latrine. Prior to the arrival of the flood, the rooms were katcha. The land on which their house is built belonged to their forefathers and now belongs to them, and they do not feel any danger of being evicted from there. The waderas rule over the area but Younus' family cannot be evicted as the waderas need their vote. The waderas are greedy for votes and if refused resort to beating.

They do not receive any letter or money order at home. These arrive at the post office which is located 6 km from their home. The post office sends a message that a letter or money order has arrived, or send these through a member of the community or a friend. But the arrival of the letter ends up taking a lot of time and often their letters get lost. Once Younus' CNIC got lost, having been delivered to the post office but Younus got no message about the arrival of the CNIC. In the end, the registry went back and when the registry came again, he got the card. The postmen get changed often. Whenever there is a new postman, the deliveries take time and are not delivered to the community. There is a shop towards the entrance of the village where the posts then get delivered and are later collected from.

In the past month, it never happened that someone remained hungry at their house. Only during the floods did they experience some shortage of food, otherwise they are thankful to God for never having gone hungry. At the time of the flood, they also faced some difficulty with tap water as it was unclean. Some sympathetic people then helped with food and water. Younus' father did receive a Watan Card and he himself, as head of household, decided where the money from it was to be spent. He spent it on a shop in the village. Generally, food is cooked twice a day in their household. Usually their most important need is wheat and this time it was bought from a land-owner (zamindar). Before this they used to store wheat from their own land but currently their field is inundated (in the daryaa). They have stocked wheat for 6 months.

The powerful kinship group of the area is the Malik Arain. Younus complained that people of this kinship group behave as if they are God and want everyone to do their bidding. Younus' people are only important to this group during the voting season. If any trouble or emergency befalls them, this group does not care. The poor and weak kinship group of the area is the Arain to which Younus belongs. Any big decision for the village is made by the Malik Arain and the Arain are not considered worthy enough to participate in the decision-making process. The final decisions are relayed to the elder of the Arain group and they are then held to that. The decision making power belongs to whoever has more force in the area. They do visit each other in times of joy and sorrow though. The Malik Arain visit the Arain on funerals, and vice versa. The Arain however seldom go to the weddings of the Malik Arain. If there is an emergency, Younus can take help from his maternal and paternal uncles or collect aid from the people of his kinship group. The neighbours also help. No one else does.

c. Household cash flows

Younus was less than 13 years of age when he started working at the sabzi mandi. Before that he used to work around the house and study. He did not study much as those were times of poverty and that is why he went to work at the sabzi mandi. This mandi is located in Dera Ghazi Khan at a distance of 14 km. He has to work for 5-6 hours there. He is satisfied with his work and earns good wages, generally ranging from PKR 300-500 and sometimes PKR 800. His brother, who sometimes accompanies him to the sabzi mandi occasionally earns PKR 50/day when he works there. Their father who works at a store in the village earns PKR 100/day. There is a significant amount of household expenses and they just get by. His household owes a lot of debt at the moment. At a distance from their house, they had some agricultural land (pakkay ki zameen) which they sold for PKR 500,000. Then they bought some land next to the river bed (kacchay ki zameen) for PKR 750,000. They paid some money but still owe about PKR 230,000. The kacchay ki zameen got flooded and they cannot harvest any crop on it. They have to pay their debt by Eid. When they sold the land the first time, they deposited PKR 400,000 in a bank because of which they could not pay their instalments early.

d. Cash transfer history

CNIC Details: Younus has a CNIC and he faced a lot of difficulty in getting it made. The first time he filled out the form, they objected that he was underage. To speed up the process, he listed himself as uneducated and as a labourer and thus he got his CNIC made. It cost him PKR 75 to get to the NADRA office on the first day. It took Younus 45 days to get the card and he had to keep going back and forth in the meanwhile. Since he used to be in Dera Ghazi Khan anyway, he took the opportunity to visit the NADRA office as well. He estimated that it cost him PKR 3,000 to get the card made. He used to spend all day standing in lines and sometimes, while still standing in line, the time would be up. The next day he had to visit again to find out and on some days, he even had to take leave from his work to go to the NADRA office. Younus' paternal uncle knew someone who had a connection in the NADRA office and he got Younus the ID card in the end. The ID card came in very useful during the time of the flood, when he got food rations and opened a bank account as well. Younus finds the CNIC to be very handy as the card gets checked during travel and what he thinks is great about the ID card is that creates an identity for the person.

Watan Card: They received the money from the Watan Card five months after the flood. People from his area used to go to ATMs but the uneducated people often got defrauded. Younus withdrew the Watan Card money himself. He did not have know-how regarding ATMs at the time. He learned to use the machine by stealing glances at educated people using them and thereafter even withdrew the Watan Card money for other people from his village. If a letter arrives addressed to him, they collect it from the post office. If a postman was to deliver post on their doorstep, they would have no objection to it as that would be to their convenience. If he needs to get money withdrawn from a bank, he gives a cheque to a bank employee. Being uneducated, he cannot read or write a cheque. Younus thinks there is maybe just one other account holder in this area. Whatever money he received through the Watan Card was given to his family and they used it on the shop, and it has made a huge difference. His father used to remain unoccupied at home but now he spends his entire day at the shop. Sometimes he gets the groceries himself and sometimes his father does. Most of the people in his area are uneducated and they have neither been to the bank, nor used any ATM. If the bank delivers the money to their basti, they would find that to be better. The poor man would not be humiliated and they would receive the money sitting at home. Generally, Younus' father makes the decisions about where money is to be spent and since he is the elder son, he is asked for advice.

e. Mobile phone usage and literacy/aptitude

Younus has a mobile phone and the SIM is on his name. He cannot read a text message. First he saw a friend use a mobile phone, and then he got himself a phone and learned to use it. Mostly, he used the mobile phone for his work – shopkeepers call him and if they want vegetables, they get them booked. They ask him to get some vegetables weighed and inquire about the rates. In the house, the mobile phone is used to call friends and relatives. He finds the phone to be needful and his family or people from his kinship group never objected to its use. Everyone there uses a cell phone, he said. He does not know about easypaisa. However, he keeps hearing mention of the service at work in the mandi and knows that people use it to send sums of money to and fro. He has never felt the need for it and said that he is a daily wage earner.

f. Saving Behaviour

Younus' family saves by depositing money in committees. Currently, they have deposited two committees—one for PKR 70,000; the other for PKR 20,000 which is based in their home and other people from the village are included in it. From the second committee, they give out PKR 1,000 every month and this will last for 20 months. In the first committee, only they have deposited the money from their area. This committee was formed in the city by their relatives and Younus' family has to contribute PKR 13,000 per month. Sometimes they face difficulty in paying this sum but they manage one way or the other. They need to do this because of the debt they owe, which they have to pay back by Eid. There is no other method of saving money, Younus said. Even when they will have repaid their debt, they will continue to deposit committees as they see it as a secure and beneficial method. When they collect the money in one large sum, they can use it to buy cattle or prepare for family weddings/marriages and if there is a problem in expenses, that can be solved, too.

On one fixed day of the month, they draw a name and whoever's name comes up, the money is given to him or her. A lot of the time, someone has a problem in depositing a committee instalment and since they all know each other, they allow delays in payment. Thus, they keep the committee system alive. There is the committee system in the neighbouring basti too but not a lot of them can deposit committees since most of them do labour work.

The tradition of forming committees for saving grew out of Younus' household. In the beginning, to make the idea successful, they started with a smaller amount of PKR 1,600. Women were the majority members in this committee and they had to give PKR 20 per month. Then the idea grew popular and more men and women got included. A lot more could be done with a single large sum of money-household expenses could be taken care of, and expenses associated with events of joy and sorrow could be handled too. Although depositing committees was not considered easy, the benefits outweighed the costs and people continued to do it.

Whenever Younus receives money, he gives it to his father. When probed about what he would do if given PKR 10,000, he said he would expand his parchoon shop. They have to pay their debt, so that is the only reason for which he would do it. If given PKR 100,000, again his first priority would be to pay back the loan, or he would buy cattle. There are no methods other than these to pay back their loan, and he would want to do nothing else with this sum. At the end of the day, through an expanded business, he just wants to get rid of the debt.

g. Knowledge of and experience with financial instruments

Informal Financial Instruments: As said before, they partook in two committees- one for PKR 20,000, the other for PKR 70,000. Sometimes depositing a committee instalment is hard so their neighbours and relatives temporarily compensate for it. For the second committee, the money is kept with Younus' father since he is trusted and has been around for long. Again, the committee is viewed as secure and beneficial.

Money Transfer: They have never sent money outside of the city. In Dera Ghazi Khan, at the mandi, Younus sees a lot of people send money. He does not know how they send it but he sees them go in and out of the bank. Had there been a need to send money, he would have then known how to.

Microfinance: Younus does not know much about microfinance. However, he does know that some people use microfinance for either their business or land. He is poor and a labourer and does not take to these things. He has also heard that people in other cities and villages take loans.

Banking: Younus does not know a lot about banks. When he sold his family's land, he got an account opened in his name at MCB. He did not encounter much difficulty. He needed the CNIC for it and the form was filled by the bank employee. The people at the bank were nice and cooperative and he did not face any language problem there. The bank is located a distance of 14 km from Younus' basti and till today, they have not provided any facilities or information to people in the village. For Younus, the bank account has been useful as they got to deposit money and had it kept safe. Whenever he wanted to withdraw money, he would sign on the front of the cheque and on the other side; he would put in two signatures. Then the people from the bank would write the sum on the cheque according to what he needed.

They have indeed experienced a difference in their house as a result of opening an account at the bank. The money was fixed for three months at the bank and they had to give money to the lender. Now the date is up for the fix and they have given more money but they have to pay yet more by Eid. For now, they are saving money through committees.

h. Attitude towards and perception of financial instruments

Younus has no information about any financial institutions and has been given none by the bank. He does not even have an ATM card for his account. Upon being given money through the Watan Card, he learned how to use the card by watching others. The bank gave him no information in this regard. He is uneducated and does not know much. Younus' household occasionally deposits money in

committees; they trust these as they are either run by themselves or their relatives. They use committees for saving purposes primarily.

He feels that the microfinance people help those who are big landowners and have big businesses more. They are poor and their business is small and they cannot take (further) loans. Only the rich people (really) benefit from the services of the bank.

i. G2P impact on FIL

Younus was a financially included individual prior to his household receiving the Watan Card. He opened a bank account after the sale of his family’s land, in order to safely deposit the money from that transaction. Nonetheless he was not highly (financially) literate. He learnt how to use the Watan Card by watching others use it at the bank. He even learnt how to use a mobile phone after observing others.

j. Power linkages and impact on FIL

Younus did not need anyone’s permission and his father himself asked him to get an account opened in his own name. Since he was the one frequenting the city it made sense for the account to be under his name. His household is currently under a lot of debt which they intend to pay back with what they earn through the saving committees organised by them.

k. Gender/Mobility and FIL

Their women cannot go the market on their own. They always have to be accompanied by a man. They do not go the neighbouring town by themselves either. If they visit the neighbouring basti they have to be accompanied by at least a child. In the basti, the open-minded women can visit the shop or each other’s homes. In their area, that is not the tradition and men do not allow the women to go out. He agrees that women should have bank accounts if they are government employees. But their women are not educated. Women in the city are educated, they work and they have bank accounts.

5. In-depth Interview 2

a. Basic Information

| | |
|--|-----------------------|
| Name | Wazeera Mai |
| Age | 32 |
| Gender | Female |
| Education | N/A |
| Caste | Arain |
| Occupation | Agricultural labourer |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Debit Card |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent’s household

Wazeera Mai, belonging to Basti Sakheera Arain, lives at a distance of 3 km from the village centre. Her house, along with its four walls, is katcha and small. It does not have a latrine. She has been living in this house for 26 years but before her marriage, she used to live in another village in Tehsil Dera Ghazi Khan. The house she lives in is owned by her husband. The place is secure and she cannot be evicted from there. They do not have a particular address and they have never received any post over here. The post first goes to the city gopaan, who is the educated man in the area and is a government employee. People from the village list his number for things to be posted to and then later collect the post from him.

Wazeera Mai's household lives hand-to-mouth. Sometimes- four or five times in a month- it happens that they have to go hungry for the day. When the flood hit this area, they bought some bricks for the house from the Watan Card money and these have still not been used. They wanted to make one room pakka. The money they are receiving though BISP is being used to pay for household expenses. They have meals twice a day. They keep some wheat stored for 4-5 months. They buy rice from the market as it is not cultivated there. She and her husband cut wheat stalks and they save up the wages earned through this work to buy wheat later. Sometimes their employer pays them in wheat as well.

The strong kinship group in the area is the Malik Arain, who own good houses, are very educated and have a house in every big city. The weakest kinship group is the Arain, who are poor but of good zaat. In Wazeera Mai's community, they are on good terms with neighbouring people and participate in each other's joys and sorrows. In an emergency, she takes help from her close relatives or her friend. The landowners do not aid them, and think it is inappropriate for them to visit the houses of Wazeera Mai's kind.

c. Household cash flows

Before she got married, Wazeera Mai used to make khaddi products. Her brother used work on the khaddi and she used to help him. She also used to make chhaabis (baskets) which she used to sell for PKR 10-15. After her marriage, she does not do any non-agricultural work. She goes to the fields with her husband to pick cotton, cut wheat or chowki (weed) earning about PKR 300/day. She has been doing this for 15 years. She can only work inside the village and is not allowed to work outside it. She works from morning till evening, and feels very safe in the village and goes as far she wants to within the village's boundaries. She trusts her husband because of their relation. Other than him, there is no one she can trust because after her marriage, her own mother, father and siblings say that her husband is her family now. She knows that her husband is her companion in joys and sorrows. Her household is not under any significant debt; however, she does have small loans she owes to shopkeepers, which amounts to PKR 3,000-4,000.

d. Cash transfer history

CNIC Details: Wazeera Mai does have a CNIC. A team visited their area and got all of its residents' CNICs made. They filled the form themselves and handed them the receipts. Twenty days later, they visited again and got them their CNICs. The ones who did not get the cards went to the NADRA office. No one- stranger, relative or husband- objected to the women getting their pictures taken because all women were getting it done. She did not have a CNIC before. The day the cards were being made, they spent the entire day at the office and got them in 26-28 days. The team delivered the cards to their houses. Her address listed on the CNIC is the same as the address of her house. She finds the card important because it can come handy in different situations where it is needed, such as during times of voting, collecting aid, etc.

BISP: She has received 3 instalments through the Benazir Debit Card. A man comes to their village and gives all the money to another man who is a member of the village committee. People from the village then collect the money from this man. One day prior to this, the people go and give their cards to this man and collect the money from him the next day. This happens because they do not know how to use a debit card. If the postman delivers the money to their doorstep, they would much prefer that- they would not have to rely on anyone else's help and would get the money sitting in their homes. However, they do not find the current system very cumbersome or difficult.

Watan Card: When the floods arrived, they received Watan Cards. An educated man from the village, along with Wazeera Mai's husband, went and got the money from the Watan Card. Wazeera Mai has never used a Watan Card herself and she does not know how to. No scheme for aid came to the area other than the Watan Card one and the BISP. The husband and wife use money from the cash transfer together. With the money they attend to whatever is needed first. These days, she is spending the money on household expenses. When her husband gets the money, he spends it himself on whatever is needed in the house.

e. Mobile phone usage and literacy/aptitude

Neither Wazeera Mai nor anyone from her household has a phone. She has never used one or known how to use it. Neither she nor her husband is educated. They are simple people of the village. No one would object to them having a phone but they do not know how to work a phone. There are very few people in her kinship group who possess a phone.

f. Saving Behaviour

During such periods of high inflation, there is no question of any money being saved. However, Wazeera Mai does plan to save in the coming days. When she last saved any money, she bought a goat, and whatever she saved further through the goat, she invested in her daughter's dowry. Now she no longer feels like collecting anything for dowry because some of it was stolen. She does consider banks safe but she does not have anything saved as she spends her money on her daughter's dowry which they can keep in the house. They no longer keep the house locked but at least one person has to be present in the house at any given time.

There is a benefit to buying dowry items and a drawback—the benefit is that something which is not expensive today experiences a rise in price later; the drawback is that her daughter's dowry items got stolen when she bought them and kept them at home. Her husband and she together make the decision about what to buy. He does not trouble her or keep an eye on her. If given PKR 10,000, she would collect further things for her daughter's dowry or buy a livestock animal. If given PKR 100,000, her husband would start up a business, probably a shop.

g. Knowledge of and experience with financial instruments

Informal financial instruments: They do not have a committee system which Wazeera Mai could have experienced. She has never even heard about it. No one in their area trusts anybody else with their money, according to her.

Money Transfers: They have neither sent nor received any money from outside of the city. All of their relatives live in the city and no one lives outside of it. And she has never heard of this method either.

Microfinance: Wazeera Mai has never used or heard about microfinance. Nor has any of her relative ever used the service.

Banking: Wazeera Mai's father-in-law has a bank account. When he got it opened, it was then that she first heard about what a bank was or how it worked. She knows that one deposits money in an account and it remains safe there. She does not have an account and has never thought of having one opened. She does not think she can even consider that as she is uneducated and you have to be a little literate or have a little know-how about how to work an account. Other than that, she does not know much of banks. She thinks banks are mostly of use to rich people. She does not have a lot of money and whatever she saves is used up in meeting everyday expenses. And if they keep caution money for emergencies, they can keep it at home, in a chest.

h. Attitude towards and perception of financial instruments

Wazeera Mai does not know anything of financial institutions; however, her husband has some information. The women of the village know nothing of such matters. It is the men who use the ATM and go to the post office, and that, too, not much. Only a person or two from the village would have this information.

i. G2P impact on FIL

Wazeera Mai does not have a bank account nor has she ever been to a bank. She receives her BISP payments through the debit card, but even so someone from the village withdraws the money for all the beneficiaries in the village and they do not even have to leave. She did not use the Watan Card when her household received it; it was used by her husband who took someone educated along with him. Thus, Wazeera has had no exposure to formal financial systems and has not gained financial literacy.

j. Power linkages and impact on FIL

Wazeera Mai would need her husband's permission to do anything but he is not the sort of man who would stop her doing anything, according to her. She knows nothing of microfinance and feels that only the rich can really make use of bank accounts.

k. Gender/Mobility and FIL

Wazeera Mai can go to the city but not by herself. She has to be accompanied by a relative, friend or her husband. Otherwise, her husband does not permit her. It is not considered appropriate here for a woman to go to the market alone. Within the village she can go around unaccompanied. She questioned the need for a woman to have a bank account and thinks it would be better for a man to have one.

6. Conclusions/FIL Outcomes

Muhammad Younus is a young adult who is also a bank account holder. He had an account opened after he sold his family land. Since he works at the vegetable market in the city, he had greater access to the bank and his father asked him to have an account opened. His father (as the head of the household) received the Watan Card but it was used by Younus to withdraw payments. He said that since he is illiterate he does not know how to write cheques or use an ATM. However, Younus is an extremely precocious individual and he learnt how to use the Watan Card after observing others at the bank (he would steal glances when "educated" people were using the card). He takes blank cheques and asks the bank teller to fill them out for him whenever he needs to withdraw/deposit money at the bank. He also learnt how to use a mobile phone after looking at other people using them. Thus, he demonstrates strong potential in terms of improving his financial literacy, and effectively managing his finances through his bank account. However, the biggest constraint preventing him from doing that is the household debt which has to be repaid, and all his efforts are currently towards that end.

Wazeera Mai did not experience any improvement in her financial inclusion or literacy. While her father-in-law has a bank account and thus she hears about banks, she does not have one nor can she think about opening one. According to her, this is because she is poor (thus does not have enough money to deposit) and illiterate. Furthermore, while she is a BISP beneficiary of the debit card scheme, her payments are withdrawn by an agent in the village and the Watan Card payments were withdrawn by her husband. Thus she does not get to interact with the banking system at all and subsequently has not gained in financial literacy. When she does save money, it is through informal methods such as purchasing goats or storing dowry items for her daughter.

A2.2 Rarian-Layyah-Punjab

1. Basic Facts

| | |
|--------------------------|---|
| Province | Punjab |
| District | Layyah |
| G2P Modality | Mobile |
| Tehsil/Taluka | Layyah |
| Union Council | Bait Wasawa North |
| Deh/Mouza | Wairar Thal |
| Community | Rarian |
| Researchers | Fahad Khan, Iftikhar Bazmi, Nadia Khan, Shaistan Ramzan |
| Date of fieldwork | 14 th July 2012 |

2. Sampling and Fieldwork Conditions

This community was selected at random after consulting with local informants about a village where the mobile banking modality of BISP is prevalent. The village of Rarian was located 12 km from the city of Layyah. Main respondents for the community profile included: Khadim Hussain (Gazar), Abdul Aziz (Israan), Rasheed Ahmed (Israan), Sajjad Hussain (Israan), Ashraf (Girwaal) and Haji Allah Wasaya (Malki). The individual interviews were conducted at the homes of the respective respondents.

3. Community Profile (Outline of social landscape/power brokers etc.)

Rarian is a small village in the Wairar Thal mouza of UC Bait Wasawa North, Layyah. It has a population of 2,000 people with around 300 households and 600-700 registered voters. It is adjacent to a metalled road and the nearest town is 3 km away. The average daily wage here is PKR 250-300 and most people are involved in some form of agricultural activity. The primary crops grown here are cotton (8-25 man/acre), wheat (30-40 man/acre), sunflower (15-16 man/acre) and oilseed/til (4-5 man/acre). There is a Basic Health Unit (BHU) in the village which is in relatively good condition. The drainage system is very poor. There is a government primary school for boys and girls and a middle school for girls. Taps are installed in only about half the households here; gas and electricity is available too.

There are 14 kinship groups living here: Gazar (60 households), Israan (11 hh), Chan (15 hh), Wairar (15 hh), Qasai (16 hh), Thakrana (22 hh), Dasti (21 hh), Malki (12 hh), Khot Panwar (30 hh), Lohanch (8 hh), Tarkhan (12 hh), Pawli (4 hh), Girwal (1 hh) and Wanjheri (12 hh).

a. Saving preferences

There is too much inflation making it difficult to save these days; most people are poor and engage in casual labour. There is no trend of running committees here. One of the ways in which people save is by buying animals/livestock and selling them for a profit. An animal is like a “bank cheque” which you can cash in anytime. If someone in this community received a windfall of PKR 10,000 he would not even be able to buy a good animal- he would probably buy a small one. Alternately he could open a small store or start a livestock business (goats, lamb etc.) which would also be a means of saving. There is always a risk that the animals could get sick or die in which case there would be a complete loss in the business. If someone received PKR 100,000 he would start a good business with it- such as a livestock business. Most people have experience in dealing with livestock. Alternately they could open a store or buy some land with it. There is an intimate link between land and livestock, we were told. Only those people could save who had some land, and they are the ones who usually purchase livestock since they already have land to keep it on.

b. G2P modalities

Layyah is a mobile banking district. BISP cash grants used to be delivered by the Pakistan Post but now it is mostly paid through the mobile banking facility. There are only 4 households in this village

that are still receiving their money through the post office. It has been around 1 year since mobile banking was introduced. Beneficiaries have to go to the city to get their payments, after they receive a message on their phones informing them that it has arrived. They have to wait in long lines; not only is the travel cost high but an entire day also gets wasted for many people. Sometimes PKR 300 is charged when women go to the franchise shop to collect their payments. People also go to the city to cash their Watan Card payments. There are people there who withdraw money from the ATM for a fee of PKR 500; sometimes they withdraw money and tell the beneficiaries that there was no money in the ATM which they believe because they are illiterate. However with the mobile banking technique the beneficiaries CNIC is required which reduces the risk of fraud. Each BISP instalment usually arrives after 1-2 months and most people receive the entire instalment without any commission being charged. However, the respondents told us of women who went to collect their BISP mobile banking payments and fainted due to the heat and congestion in the long lines; one respondent mentioned a woman who died in the line while someone else mentioned a woman who gave birth in the line.

This village was affected by the floods of 2010 and 70% of households received a Watan Card. We were told that those people whose houses had collapsed received 3 instalments. However, after the first instalment there was another survey in the village and those who had not received a Watan Card earlier were provided with one- which they called a 'Mubarak Card'. The respondents claimed that no one sold their Watan Cards, even though they were offered PKR 100,000 for them. Some beneficiaries repaired their houses with the Watan Card payments while others invested it in their agriculture. Apart from BISP and Watan Card there has been no cash transfer scheme that has been operational in this village. An NGO came and distributed food rations once but those rations turned out to be stale and expired. Furthermore the local '*patwari*' also distributed food rations on behalf of the government once in a neighbouring village, where some of our respondents used to go, to work on the water channels. They received these rations twice. The villagers even went to their MPA's *dera* once to request some assistance but to no avail.

c. Financial institutions/instruments

The nearest bank branch is 3 km from here; public transport is used but it takes too long to arrive, so some people use cycles, motorcycles, rickshaws etc. There is an ATM at the bank too. There are no NGO or microfinance banks here. There are only 3 households in the village, according to the respondents, who receive money from outside the village through easypaisa- they have relatives in Karachi and Lahore. The respondents did not know much about easypaisa. Those people who have jobs have bank accounts; how can people doing casual labour open bank accounts? And what would they do with them? Poor people do not have enough money and in any case, banks charge interest too. To open a bank account you are required to fill out a form, present an ID and a reference. Most people know about ATMs because of Watan Cards, but they still do not know how to use them.

d. Attitudes and perceptions

According to the respondents, bank accounts are for rich people. Loans from the bank have to be repaid with interest; poor people do not have enough money to repay and there is no guarantee about the harvest; if it is poor there will be no money to repay loans. Saving is difficult in this age of high prices; poor people mostly save in the form of livestock/animals.

4. In-depth Interview 1

a. Basic Information

| | |
|--|---|
| Name | Ayesha Mai |
| Age | 62 |
| Gender | Female |
| Education | N/A |
| Caste | Israan |
| Occupation | N/A |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | CDCP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Watan Card |
| Bank Account (Y/N) | Y |
| Bank Name | Punjab Bank & National Bank of Pakistan |

b. Socio-economic position of respondent/respondent's household

Ayesha Mai is a 62 year old widow, who is illiterate and belongs to the Israan kinship group. There are 5 people in her household including her son, his wife and their 2 children. There is only one earning member i.e. her son. The house she lives in is 2 acres away from the village centre. It is a *pakka* house with an area of 5 *kanal* and consists of 2 rooms (no bathroom). She has been living here since her marriage for 40 years. The house is on her name which has been passed on for generations in inheritance. Therefore she also considers her residential status secure, claiming that no one can remove them from this land. She receives mail at this address- even though it takes times for it to come from the post office to her house, it is delivered- and does not need anyone's permission to provide this address.

They have not gone hungry at any time in the last year. They buy household rations whenever they get any money. If there is enough money they buy and store wheat for 2-3 months, otherwise they just purchase flour for everyday consumption. Food is typically cooked twice in their household. Household expenses are met with great difficulty on days when her son does not get work, since he is a daily wage worker.

Ayesha said that the Wairar and Gazar kinship groups are dominant in this village and their attitude towards others is not good; they do not even talk properly to other people. They do not include anyone in village affairs; this is because we are poor. They only visit us when they need votes and we vote for whoever everyone else is voting for because we do not want to be ostracised. Other than them everyone in the community is cooperative and cordial with each other. In case of emergencies they rely on their relatives. If they have any animals they could sell them off in their time of need.

c. Household cash flows

Ayesha does not work; she used to make *baan* (which is used to make *charpoys*) but she is too old and does not leave the house to work any more. Household expenses are met by her son's daily wages of PKR 250-300 and her husband's pension of PKR 3,000 per month. She still has a debt of PKR 2,000-3,000; she borrowed PKR 100,000 from her sister's husband and her brother to pay for her daughter's wedding 1.5 years ago and has repaid most of it with the Watan Card payments she received.

d. Cash transfer history

CNIC details: Ayesha has a CNIC which she got made in order to open a bank account where she could receive her husband's pension. She had the old NIC previously but it had expired. Her husband was an irrigation department worker (*bayldaar*) who died 30 years ago and she has been collecting his pension for the last 20 years, which used to be PKR 300 but now it is PKR 3,000 per month. She said she faced a lot of difficulty in having the CNIC made. On her first trip to the NADRA office in the city she went there with her son at 6 a.m. and stood in a long line. It was very hot and her turn came at 12 p.m. after which she had her picture taken, signed some forms and gave her thumbprint. No one had any objections to her getting her picture taken. The NADRA staff kept her old NIC and gave her the new CNIC in 15 days. The NADRA office is 22 km from the village and her son went 2-3 times to the office to check if her card had arrived or not. In this way it cost her PKR 1,000-1,500 to get her CNIC made. The address listed on her CNIC is the same as her place of residence. She said the card is useful because it helped her obtain her pension as well as the Watan Card.

CDCP: Ayesha Mai is not a beneficiary of BISP however she received the Watan Card in the wake of the floods in 2010. Her house collapsed due to the flood and she had it rebuilt after taking a loan- she took this loan from her brothers to pay for her daughter's marriage but spent part of it on house repairs. The local patwari came to the village for a survey and noted her name. She subsequently received her Watan Card from Layyah after hearing about it from others in the community. She said that she paid off her debt with some of the Watan Card payments and after selling her livestock. She said she decided on her own how to spend the Watan Card payments. Her son withdraws these payments from an ATM and she does not know about them nor has she ever used one. She said that rich, educated people withdraw money from ATMs. Her son would go to an ATM at Kot Sultan to withdraw this money and often he would return empty-handed because the line was too long or there

was no cash in the ATM. He would then have to go to Layyah city or Chowk Azam to withdraw the money: “un-parh log tou hamesha dhakay khaatay rehtay hain”. She has never gotten any cash transfer payments from the post office but said it would be convenient if the postman delivered the money to her doorstep. People are hearing about ATMs for the first time thanks to the Watan Card.

e. Mobile phone usage and literacy/aptitude

Ayesha does not have a mobile phone. She said she does not know how to use it nor has she tried to learn because she is illiterate. Her daughter-in-law has a mobile phone and SIM on her name. She receives calls from male family members when they are outside the house. She can make and receive phone calls but cannot read or send messages- she has only studied till 4th grade and can read messages if they are in Urdu. She usually talks to her family members and relatives, who live a couple of hours from this village in Dera Ghazi Khan, on the phone. Her husband (Ayesha’s son) bought her a mobile phone but it stopped working so her brother bought her this phone. Ayesha can only attend phone calls and does not even touch the phone other than that. She does not know about easypaisa since she has never used this facility.

f. Saving Behaviour

No one in her household does any saving- household expenses are already too difficult to meet for them and income is too low, so even though she wants to save she cannot. Even PKR 500 is not enough in this day and age. There is no tradition (rivaj) of committees in this village. If household income increases she would buy an animal, which she considers a form of saving. If she received a windfall of PKR 10,000 she would pay off her debts with it and if there was any money left over she would buy a small animal with it. She said the maintenance costs are very low with animals- there is only the cost of fodder and the effort of rearing them and once they are reared for a year and sold, high profits can be had. If she received PKR 100,000 she would open a small store for her son to manage. Alternately she could also buy some land and a bigger animal (cow, buffalo etc.) with it. She said rearing livestock is a good source of income for women.

g. Knowledge of and experience with financial instruments

She has never used a committee before nor does she know anyone who has as there is no trend of committees in this community. Sometimes her relatives in Dera Ghazi Khan send money to her which they mostly come to her house to deliver but on a couple of occasions they have sent it with a wagon driver or a bus driver and informed Ayesha about the car number, who then went and collected it from them; she has never been cheated by the drivers and gets the full amount from them. She has never sent any money outside the village- if she needs to return money to these relatives she delivers it to them in their village herself.

Ayesha has never taken a loan from an NGO or a bank. She knows that some wealthy people take loans from Khushhali Bank for their agricultural land- these loans range from PKR 15,000-20,000 and must be returned with interest. She said she is not capable of taking such loans (hamaray bus main nahin) as she does not even own any agricultural land. And if these peoples’ crop harvest fails they have to sell their animals to repay their loans to the bank.

Regarding banks, she does not know much except that she opened an account in one to receive her husband’s pension. She had never even thought about going to the bank till her husband’s death. She said it was difficult to have her account opened. First she had to get her CNIC made which took some time. Then she was supposed to open an account in National Bank of Pakistan (NBP) where she would get the Behbud Fund, but in order to get the Behbud Fund she needed to have an account with Punjab Bank. When she went to the Punjab Bank she did not have a reference (another account holder’s reference from the same bank). Since she did not know anyone else with an account there she went for help to the Deputy Commissioner (DC) in the city of Layyah. Her deceased husband’s colleagues who also collect their pensions suggested to her that she should appeal to the DC therefore she went to his office in Layyah. He was able to put in a word for her (*sifarish*) after which an account was opened for her at Punjab Bank, and subsequently NBP. Ayesha said that there are women at the bank who speak Urdu and she is able to understand them; the staff’s attitude is generally good. Her son also accompanies her usually so she does not face any problems as such

with communication. She has been collecting pension for 20 years now: when it started she used to get PKR 300 and now she gets PKR 3,000. She only withdraws money, never deposits any. It costs her PKR 150-200 to go to and come back from the bank. Usually her son goes because she is too old now, but even when she was younger she did not like travelling outside the village.

h. Attitude towards and perception of financial instruments

Ayesha thinks it is important to have a bank account but because people are poor they cannot afford it. She thinks it is advantageous because if you deposit money you can earn a profit, and if you own land you can also take loans from the bank- these are for rich, landed people. She has never used committees, money transfer or microfinance facilities and considers them to be out of her reach as well.

i. G2P impact on FIL

There does not seem to have been any impact on Ayesha as a result of receiving G2P cash transfers. This is because she does not use the ATM herself to withdraw the Watan Card payments. Moreover she spent these payments on repaying her loans and thus was unable to save any amount. She said that coming and going to the bank has become a habit now and there is no problem with it as such. However, it is her son who goes to the bank mostly; occasionally she accompanies him but does not use the ATM herself. She was financially included prior to G2P cash transfers, because she was drawing her husband’s salary from a bank. She described the process of opening her account as a difficult one, however operating the account is a relatively smooth process; she described the bank staff as cordial and helpful. She said that if a woman is rich she should open an account so she can save money.

j. Power linkages and impact on FIL

She does not need anyone’s permission to open an account. She needed to open an account just to receive pension and even her son advised her to do so. While she did not permission to open a bank account she did need a guarantor with an account in the same bank. Since she did not have a guarantor who could provide a reference, she appealed to the Deputy Commissioner of Layyah who employed his own reference to help her get around that stipulation.

k. Gender/Mobility and FIL

Ayesha said that she started leaving the village to go the bank to collect her husband’s pension ever since his death. She would not leave the village before that; her husband would go to the market or the city to get household items, rations etc. She goes to the bank with her son or her daughter-in-law now. She still does not go to the market outside the village because other women from the village do not go either- there are male strangers there whom she cannot interact with due to cultural traditions. She can go to the store or other houses in the village very easily. She does not need any males’ permission to do so.

5. In-depth Interview 2

a. Basic Information

| | |
|--|-----------------------|
| Name | Mukhtiar Bibi |
| Age | 39 |
| Gender | Female |
| Education | N/A |
| Caste | Thahim |
| Occupation | Agricultural labourer |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Mobile |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Mukhtiar Bibi is a poor, illiterate woman belonging to the Thahim kinship group. Her house is 1-2 km from the village centre. It is *katcha* with only 1 room, no bathroom and no boundary walls. She has been living here for the last 16 years- she used to live in the Qasai Walay area before her marriage. This house belongs to her husband and he received it in inheritance. She says that no one can remove them from this land. They do not need anyone's permission to receive mail at this address and she said that sometimes mail does arrive at their address- since it is a village setting where there are no street numbers or house numbers mail arrives in a roundabout manner. Sometimes it gets sent to a nearby school or shop from where it comes to them.

She said sometimes, during the off-season/non-harvest-season, they do not have money to cook enough food in the household; they eat less than they routinely would. Food is normally cooked twice a day in her house. The BISP cash grants help them in purchasing household rations and other necessary items such as medicine etc. They cut the wheat harvest during harvest season and store about 4-5 months worth of wheat when they engage in such labour. They buy rice from the market; it is not stored in bulk because it is not grown here. Mukhtiar said that they repaired the room in her house which was in shambles, with the Watan Card payments, making it *pakka*.

She said the Malki (Qarwal) and Wairar are the dominant kinship groups in this village. They are very wealthy (*motay log*) and have high education, land, cars, jobs etc. The weaker kinship groups here are the Nai, Thahim and Qasai, who are very plain and hard working. They are very deferential to the dominant groups and the latter are usually very helpful to them in their time of need. Their attitude is also very cordial. In case of emergencies Mukhtiar's household relies on relatives first and then the landlord (*zamindar*) whom they can even borrow money from and repay him gradually.

c. Household cash flows

Mukhtiar has been helping her husband with agricultural labour since she started working. She got married to a relative who is also poor and works on land. She is allowed to work in the village and she would even get permission to work outside the village but she would not like to leave her small children alone in the village. Moreover the landlords in the other villages are very cruel- they make you work very hard, harass you and pay very less. She works from morning to evening and comes home in the afternoon to check up on her children. She knows everyone in the village and does not feel insecure working here. Both Mukhtiar and her husband earn a total PKR 6,000 per season amongst the two of them; some of it is in cash payment while some of it is in kind (wheat grains). During off-season they occasionally borrow from the ration shop or some relative and pay them back when they get money. Mukhtiar said she is ill these days and is not working therefore rations are being bought on loan and their debt has risen to PKR 8,000-10,000.

d. Cash transfer history

CNIC details: Mukhtiar had a CNIC made 2 years ago in order to become a BISP beneficiary. No one had any objection to her getting a CNIC made or getting her picture taken for it. This was the first time she had an ID card made. The first time she went to the NADRA office there was a very long line and a lot of rush so she went back home. The next day she went again, and though there were still a lot of people she stood in line and waited for her turn till the evening when it finally came. They took a picture of her, a thumbprint, asked for her village name and address and told her to get an attested copy of her marriage certificate (*nikahnama*). She brought her marriage certificate along with her husband's CNIC on her next visit and she was given a receipt and charged PKR 300 for her card. She was told to collect the CNIC in 22 days and when she went at that time she was told it was not ready and to come collect it in a week, after which she finally received it. She would either go with her children on these trips to the NADRA office or send her husband. The office is 17 km from the village. Her CNIC has her current place of residence as her address. She said there were many benefits to having a CNIC: she could become eligible for the BISP cash grant scheme or other schemes in the future, she could vote, she could travel with ease and if she ever wanted to buy land she could do that too thanks to her CNIC.

BISP: Mukhtiar said she had received about 15 instalments of BISP since April 2011. She collects her BISP cash grant from the mobile franchise shop when she receives a message on her phone. Her CNIC is checked at this shop and a thumbprint is also taken. She has only received money through the mobile banking modality and has only heard of the other modalities. She said that other beneficiaries in the village who used to get money from the post office complained about the continuous trips that needed to be made to the post office to collect their payments, and she said that the mobile banking method was better because they find out when their payment has arrived through their mobile phones. The postman would keep them waiting and tell them to come next time (“woh zaleel kar kai rakh daitay hain”). She has heard that some people are getting money through cards as well. She does not know how to use an ATM card; her husband does and he withdrew their Watan Card payments. She said that her husband also usually decides how to spend the cash grant payments.

e. Mobile phone usage and literacy/aptitude

She has her own mobile phone and a SIM on her name, both of which she received as a result of the BISP mobile banking scheme. She knows how to attend and make phone calls but she does not know how to message because it is in English and she is illiterate. Her nephew taught her how to use the phone. People in her family have objections with girls using mobile phones extensively because, in their opinion, it is a bad influence on them; girls have run away from their homes as a result of phones. Mukhtiar said the phone helps her communicate and stay in contact with relatives, especially alerting her about happy and sad occasions. She does not know about the easypaisa facility.

f. Saving Behaviour

Mukhtiar said that they do save in their household but it is not a lot because their income is too low and it usually gets spent as soon as it is earned. The little amount of savings she has she keeps it in a box (sandoog) at home. This money is hidden from household members and she said that sometimes they nag her for some money but she does not give it to them.

If Mukhtiar received a windfall of PKR 10,000 she would build a latrine with it in the house. If she got PKR 100,000 she would build another room in the house because it is currently very crowded with only 1 room in the house. Alternately she could also buy an animal and start a business with it. She said that since she is a woman she does not have any experience with business but she could keep hens, goats etc. and sell them for a profit after some time.

g. Knowledge of and experience with financial instruments

She has never used a committee nor has she ever heard of one in this community. She has never used money transfer facilities or taken a microcredit loan either. However she has heard of rich people who take loans from agricultural banks but she does not consider herself in that class of people.

She knows about banks because she has relatives who have bank accounts. She has never felt the need nor tried to open a bank account because she does not have enough money to store in a bank. She said she has started hearing more and more about banks ever since Watan Cards and BISP were introduced, and both rich and poor people go to the bank now. However it is rich landlords who open bank accounts and take loans. She said it is not easy to open an account. You are required to fill out forms, get a reference from an account holder, provide signatures and communicate extensively with bank staff who find it difficult to understand you- all of this is considered difficult by her. She even said that a lot of work is done on *sifarish* at the bank, making it more difficult for poor people to operate an account. She said she has no need to open an account and keeps her savings at home.

h. Attitude towards and perception of financial instruments

Mukhtiar has never used committees, money transfer facilities or taken microcredit loans. Regarding loans she said that interest has to be paid on them and it is haram. Only rich people can benefit from bank loans (“aakhir paisa hi paisay ko kheench *sakta hai*”). She also thinks that it would be difficult to open and operate a bank account as *sifarish* would be required.

i. G2P impact on FIL

She said she learnt a little about ATMs and mobile phones as a result of the Watan Card and BISP. She further claimed that these methods are easy and that they have gotten used to them now.

j. Power linkages and impact on FIL

She does not need anyone's permission to open a bank account. She said she has a good relationship with her husband and they both trust each other. She said she is very poor and cannot take loans on high interest and repay them. She is too poor to have any savings and she already has debt on her which needs to be repaid, which prevents her from even thinking about opening a bank account.

k. Gender/Mobility and FIL

Mukhtiar travels to the city on her own- usually with someone else to help her carry items or for general safety reasons but occasionally alone too. However she prefers to go with someone else because otherwise people talk about women and men tease them too. Mukhtiar does not go to the ration shop (*karyana*) in the village because there are always men gathered around over there- since it is in the village centre- and they gossip about and harass women who are alone, passing unsavoury comments about them. Therefore she sends her husband or children to purchase items from the shop in the village when it is needed. She can go alone to other houses in the village.

She said that women should have separate banks where female staff is employed, who can understand what we are saying. If this was the case almost all women could open their accounts.

6. Conclusions/FIL Outcomes

Ayesha was financially included prior to receiving the Watan Card; she draws her husband's pension from a bank. She faced some difficulty in opening this account since she did not have any other account holder's reference and thus she used the DC Layyah's *sifarish* to get her account opened. She does not use the ATM to withdraw Watan Card payments herself so she has not learnt how to operate an ATM, however she collects the pension from the bank herself and has gotten used to visiting the bank. Despite this she feels that banks and their services are out of her reach; she said only rich people are able to afford loans from banks. She herself paid off her debts with her Watan Card payments.

Mukhtiar is a BISP beneficiary who is very content with the mobile banking modality of cash transfer. The postal method of cash transfer was described as a painful and unreliable one. She does not use formal or informal instruments of saving; the little amount that she manages to save is kept in a box at home. She takes care that this money is not wasted and does not hand it out to family members even when they ask her. Her BISP and Watan Card payments were spent on household rations and repairing her house- there was no saving. As a working woman she does not face many restrictions on her mobility and collects her payments from a franchise store. She has not opened or thought to open a bank account. Her perception of banks is that while rich and poor people go there, only the rich can truly take advantage of the numerous banking facilities. Moreover, she thinks that things work on *sifarish* at the bank and thus poor people face a disadvantage- the other respondent, Ayesha's experience with a bank reaffirms this perception. However, she claimed to have learnt about ATMs after the Watan Card and owns a mobile phone after BISP, both of which have increased her confidence and she said that if there was a women's bank where the entire process could be explained in simple terms, people like her might be encouraged to keep bank accounts. She knows about the prerequisites to open an account as well- which she heard from her relatives who have bank accounts. Both of the individual respondents repaid their debts (obtained through informal sources) with their G2P payments and thus did not think too highly of loans that could be obtained from banks.

A2.3 Hathikhel-Mianwali-Punjab

1. Basic Facts

| | |
|--------------------------|---|
| Province | Punjab |
| District | Mianwali |
| G2P Modality | Smart Card |
| Tehsil/Taluka | Mianwali |
| Union Council | Rokhri |
| Deh/Mouza | Pakka |
| Community | Hathikhel |
| Researchers | Fahad Khan, Iftikhar Bazmi, Nadia Khan, Shaistan Ramzan |
| Date of fieldwork | 11 th July 2012 |

2. Sampling and Fieldwork Conditions

Located 10 km from the city of Mianwali is Rokhri bus stop- 4 km east of which on a link road is located the village of Hathikhel. When we reached the village there were many people resting on charpoys under the shade of some trees- some people were weaving reeds (baan) as well. After confirming that there were Smart Card beneficiaries in the village we began the community profile exercise. Main respondents for the community profile were: Rafiullah Khan (Pakkankhel), Muhammad Hussain Shah (Syed), Shahzadkhel (Pathan), Ameer Muhammad (Lohar), Ameer Nawaz Khan (Mahar) and Faiz Hameed Khan (Hathikhel).

3. Community Profile (Outline of social landscape/power brokers etc.)

Hathikhel is a small village located 14 km from the city of Mianwali. It has a total population of approximately 2,000 people with around 300 households and 250 registered voters. The nearest metalled road is 5 km from the village and the nearest town is 1 km from the village. Public transport is easily available from the village in the form of rickshaws. Basic health facilities are also easily accessible for residents of the village and were described as decent. The drainage system was also decent. Hathikhel has all educational facilities- government primary, middle and high schools for boys and girls both, as well as private schools for boys and girls. While drinking water and tap water is available in the village, there is no gas here. Electricity is also very poor; there is only 1 electricity pole from which everyone in the village draws power and residents have requested the MPA on numerous occasions to put up more poles but he has still not done so. The MPA visits very rarely- his last visit to the community was a month ago. The primary crops cultivated by people here are wheat (20 man/acre), cotton (40 man/acre), pulses/daal moongi (7 man/acre) and sugarcane (3,500 man/acre). There are 10 different kinship groups residing in this community: Hathi-khel (8 households), Kuloo-khel (15 hh), Syed-khel (7 hh), Mamkozai-khel (35 hh), Bego-khel (15 hh), Katanay-khel (20 hh), Qilla-khel (100 hh), Darri-khel (15 hh), Samand-khel (60 hh) and Mahar-khel (8 hh).

a. Saving preferences

There is virtually no saving carried out by people in this community due to the rising prices (mehngai). The little saving that takes place is done by saving a portion of the harvest which is seasonal. There are many people who do not save and they usually sell their land or livestock in times of need- these people usually belong to the lower castes and are relatively poor. There are rich households that do not save as well, and they usually waste their money on frivolities (fuzool kharchi). Those people who do manage to save would mostly construct a new home for themselves, purchase livestock or gather food grains with their savings. The only drawback to purchasing animals is that they often die due to the cold winters, and there is no government veterinarian either. The respondents claimed that only about 10 percent of households can manage to save.

When asked what a community member would do with a windfall of PKR 10,000 the respondents said that he would spend it on basic household necessities such as rations, clothes for children, repayment

of loans, personal expenses etc. It could also be used to give loans to others. If they received a windfall of PKR 100,000 they would start a business with that money, open a shop, repair their houses, spend it to improve their agricultural land (those people who own land), purchase livestock (which can be sold for a great profit around Eid) or spend it on their children's wedding/dowry.

b. G2P modalities

Women have been receiving BISP cash grants from the BISP office in Mianwali (14 km away) for the last 2 years now. They have to travel there to collect their payments- a process which was described as extremely painful (azaab hai). It costs them PKR 300-400 for the entire trip to the BISP office and they often have to make repeated trips to eventually receive their money. When they do end up getting that money it is just PKR 1,000 of which PKR 100 is charged as commission. Beneficiary women used to get money from the post office but now the Smart Card has been introduced in this area and they cash their payments from the BISP office.

When the floods happened in 2010, Watan Cards were distributed amongst the people here. They have only received one instalment of the Watan Card. These cards were only given to those people with CNICs. There were some people who sold their cards for PKR 18,000-20,000; this was done because they found it difficult to travel back and forth to withdraw the money, moreover they did not know how to use the cards.

There were some organisations which distributed food rations but mostly those people who had sifarish received this aid. Another NGO came here and provided livestock (goats, hens etc.) to people but even here only those people with sifarish and connections to the dominant kinship group/caste were able to benefit from these provisions. The respondents claimed that they went for this aid a number of times but were always turned back. There was one further organisation which gave cash grants of PKR 2,000 to women in the community. For this purpose they formed an area committee, the president of which went from door to door and filled out forms for women. The beneficiaries were provided tokens which had to be cashed at a bank in Mianwali. The respondents claimed that this money was very useful to them as it came at a time of great need. Some people spent it on vital necessities and others went through it on the same day as they received it.

c. Financial institutions/instruments

There is no practice of running saving committees in this village as most of the people are too poor to have cash savings. Saving is usually carried out by purchasing animals or stocking food grains. The nearest bank and ATM from this village is in Mianwali which is 14 km away. Villagers travel there on cycles, motorcycles or rickshaws. Rickshaws are conveniently available here. There have been no microfinance organisations operating here; the respondents stated that even if they came here only the higher caste members would take loans from them, not the lower caste, because there is a lot of interest attached to these loans thus they are difficult to repay. There are no easypaisa or other mobile transfer facilities available in the village and the respondents said it would be very convenient if they were available.

d. Attitudes and perceptions

The respondents claimed that none of them had bank accounts and they had no need for accounts because they were poor. They stated that only PKR 500 was needed to set up an account but the ensuing paperwork was too arduous and they would prefer keeping money at home in a box rather than go through that: "humain kya zaroorat hai bank main dhakay khanay ki?" They claimed that if they had PKR 100,000-200,000 they could keep it in a bank. Regarding ATMs, the respondents said that if a relative was working abroad or outside the village he could send money home through an ATM. They knew that ATMs are open around the clock.

e. Gender and FIL

There is no tradition of women operating independent bank accounts in this village. It is usually a male in the family who has a bank account. Women were not observed to face considerable mobility restrictions- though they usually travel with someone else and rarely alone.

4. In-depth Interview 1

a. Basic Information

| | |
|--|------------|
| Name | Azizullah |
| Age | 65 |
| Gender | Male |
| Education | FA |
| Caste | Mahar |
| Occupation | N/A |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | CDCP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Watan Card |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Azizullah is a 65 year old widower who belongs to the Mahar kinship group. His house is located 5 minutes away from the village centre. It is a pakka house with 2 rooms in it and no bathroom (abh tou kachay makaanon ka waqt hi chala gaya hai) - Azizullah lives in one room and his married son lives in the other room with his wife and children. He used to live in a katcha house near the river bed (kacchay ka ilaqa which is 5-6 km from the village) but that house collapsed in the floods- the land on which it was built belonged to him.

Thus he moved into the village, on the insistence of his relatives here, and purchased 1 kanal of land from one of his relatives, building a house on it. He went to the patwari in Mianwali and had the land title transferred to his name. His crops were destroyed in the flood, and he borrowed money from his relatives to build his new house and gradually repaid them too. Azizullah claimed that he can receive mail at his new house and does not need anyone's permission to provide his address- the postman is an acquaintance and either he delivers mail to Azizullah's house or he informs him that mail has arrived and he should pick it up. The post office is 2 km from the village.

According to Azizullah no one in his house has ever gone hungry- even at the worst of times they make do or someone in the village helps them out. Food is usually cooked twice a day in his household. When he received the Watan Card he purchased food rations from the store to last them 2 months and he said this had a huge impact on his household. Wheat and rice are normally consumed in Azizullah's household but he usually stores only wheat grains at home to last the whole year, in addition to selling surplus grains. This grain is obtained from his own land- Azizullah is associated with the zamindara profession.

Azizullah said that the Khan Ameer is the dominant kinship group in the village, while the Mahar is one of the weaker ones. He said that the Khans often sell their wheat without even telling them. They do not sit or mingle with the weaker kinship groups and only visit them during election times. They do not invite the weaker kinship groups to their weddings. Apart from the Khans, everyone else in the village gets along well and mingles with each other, he said. Azizullah relies on his friends and relatives when in need.

c. Household cash flows

Azizullah and his son work on the land (zamindara) and he stores wheat grain grown on this land. He said there was no household debt; however he has some agricultural debt. He owes PKR 20,000-30,000 to the tractor operator who works on his land. Azizullah has paid him for the petrol used in the tractor, and he intends to repay the aforementioned debt when he harvests his crop and sells the wheat. The tractor operator is from his kinship group and such debts are common amongst them.

d. Cash transfer history

CNIC details: Azizullah had an old NIC which was made in 1975. He recently got a computerized ID card made for which he faced a lot of problems. A NADRA mobile van came to the village where he got in line, had his photo taken and provided his name and address. Thereafter he was told to collect his CNIC from the NADRA office in Mianwali (14 km from the village). He said he faced a lot of problems at this stage because each time he would go to the office they would tell him to come back on another date. In this way he made 4-5 trips to Mianwali before he finally got his CNIC (costing him around PKR 500-1,000 in total) after a month. It appears that he did not know that the CNIC would take a month to be made (either he did not follow instructions or was not provided accurate information) and thus had to make repeated trips to Mianwali. He said he had the CNIC made for identification purposes.

Watan Card: Azizullah is a Watan Card beneficiary and he received his first instalment in 2010. He said people from his kinship group informed him that the Watan Cards were being distributed. He then went to Mianwali to obtain this card, which he did after much pushing and shoving at the Watan Card office. He did not know how to use the card so he gave it to his son. There was a lot of rush at the ATM booth and his son came back empty handed many times- it eventually took him 15 days to get the money from the ATM. A policeman at the ATM helped him withdraw the money and did not charge him anything.

Azizullah accompanied his son to the ATM outlet a couple of times but he did not get to use the ATM or see his son use it either. He said that the ATM method was not bad in theory, if only people got in orderly lines. He said that because people are illiterate they do not form lines; often 8 people get into the booth at the same time; and the police harass people as well. According to him if people from each mauza are called to collect their payments on separate dates there would not be so much rush, as currently the entire city descends on to the ATM at the same time.

According to Azizullah, whenever any NGO provides assistance to people in the village, they go through the Zakat Chairman, who is a local zamindar. He distributed the Zakat forms and the BISP forms as well. He usually decides who to give the forms to on his own and in consultation with elders in the community. Thus many deserving people get left out due to favouritism, said Azizullah.

e. Mobile phone usage and literacy/aptitude

He does not own a mobile phone however his son has one. He does not even know how to use a mobile phone, let alone about the easypaisa facility. He said he was too old for these things and his son, who is young, knows how to call and message people. Mobile phones are handy, he said, but I have no use for them.

f. Saving Behaviour

Azizullah does not save money very often. He usually saves in the form of wheat grains obtained from his land, and repays his debts with the money he gets from the sale of those grains. He has never used a savings committee. In his view, keeping money at home is a viable way to save money. He said he does not use the bank because it is too far (travel fare is about PKR 100) and there is too much rush there, therefore he keeps his saved money at home. This is despite the fact that he recognizes banks to be safe places to keep money. He said if he had enough money saved he would like to go for Hajj. If not that, then he would rear animals. There is no harm to saving, in his opinion, and he spends his savings as he deems fit since he is the head of the household.

When probed about what he would do with a hypothetical windfall of PKR 10,000 he said he would buy 2 goat kids, rear them and sell them after a year at twice the price (earning PKR 20,000) from which he could buy some bigger animals. If given PKR 100,000 he would do the same thing, with bigger animals, and he could earn PKR 300,000 from selling them. He said this was a good way of making a profit and saving as well- he could use the money from selling them to buy household necessities or it could come handy in case of an emergency such as an illness etc. In any case he enjoys rearing livestock, he told us.

g. Knowledge of and experience with financial instruments

Azizullah has never used a savings committee- only government employees have enough money to deposit in these committees (often PKR 1,000). Some of his wealthier relatives run such a committee but they have not invited him to join them because they know he is poor and cannot afford it. He has never used money transfer services either since he does not have anyone outside the village to send or receive money from. Azizullah’s son took a loan from an NGO and bought an atta chakki (wheat crushing device) for the house. His form was filled out at home and was then sent to Karachi for approval after which he received the money. Azizullah said the interest rates on such loans are generally too high which is why he has never taken one. Azizullah has heard about banking from his friends and relatives- who have kept their money in the bank for safe-keeping- but he has never thought to open his own account, because he does not have enough money.

h. Attitude towards and perception of financial instruments

According to Azizullah banks are for rich people and for those with big businesses. He said he knew that if money is kept in the bank it gains profits every year. He said that it is not very difficult to open an account- you just need PKR 500-1,000- but travelling to the bank and dealing with the rush is very difficult.

i. G2P impact on FIL

Azizullah’s experience with banks/ATMs as a result of withdrawing Watan Card payments was not very positive. The rush at the ATM booth left a poor impression on him, since they would often have to come back from the bank empty handed. Since he did not personally use the Watan Card to withdraw money, he does not know how to use an ATM card. Thus he did not gain in financial literacy. While he said he did not have the money to open an account either, the poor impression of banks in his mind also deters him from considering opening a bank account. Instead he would prefer to keep money at home or spend it on buying livestock. There was thus no improvement in his financial inclusion as a result of G2P transfers either.

j. Power linkages and impact on FIL

Azizullah said he does not need anyone’s permission to open a bank account however he feels that the rush at the bank and travelling costs are too high. Moreover he said he did not have enough money to keep in a bank. He also has some agricultural debt which he intends to repay from his harvest and thus he cannot afford to open a bank account at this stage.

k. Gender/Mobility and FIL

He said he could travel freely wherever he wanted to and so could women in the village- they can travel outside the village too but have to be accompanied by a male. He further said that if women wanted to keep bank accounts they were free to do so; however there was no such practice prevalent in their community- usually the males of the household have accounts not the females.

5. In-depth Interview 2

a. Basic Information

| | |
|--|------------------------------|
| Name | Kaneez Bibi |
| Age | 49 |
| Gender | Female |
| Education | N/A |
| Caste | Mahar |
| Occupation | Casual labour (agricultural) |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP, CDCP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Smart Card, Watan Card |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Kaneez Bibi is a 49 year old widow who belongs to the Mahar kinship group. Her house is located 2-3 km from the village centre. She has to travel to Mianwali (14 km) for most household necessities, medical emergencies etc. There is one room with a shelter in the house and a pakka bathroom. The courtyard and the walls of the room are katcha. There is no electricity in her house. She has been living here since the last 29 years, which is when she got married- her husband expired 4 years ago. This house belongs to her- her husband transferred it to her name at the time of their marriage as it is a tradition in their family for the male to give something to the bride such as animals, jewellery or land. She said she would pass this land on to her children. Her house did not collapse in the floods but she shifted to her relatives while there was still water in the village. She claimed that she does receive mail at her address; sometimes the postman delivers it to her house, sometimes she drops off some money with the shopkeeper who collects it from the postman and sometimes she has to collect her mail from the post office.

There are occasions when her household goes hungry- this usually happens when she is sick and is unable to go to work. Since she is the only earning member of her household- she has 3 children who are too young to work and she wants them to study instead of working. She does not want her children to skip school which is why she does not let them work. Food is generally cooked twice a day in their household (morning and night). Since Kaneez Bibi is an agricultural labourer- she cuts wheat- she receives some wheat grains from the land. She stores wheat grains at home to last her 6 months. She buys flour and rice from the market.

According to Kaneez Bibi, the Samandkhel is the dominant kinship group in this village, because they are highly educated, own land and cars etc. Their attitude towards other kinship groups is not pleasant- they have a lot of hang-ups (nakhray walay hain) and they are very proud of their wealth (naaz kartay hain). The weaker kinship groups are deferential towards them and cannot raise a finger against them. Even if one of their animals passes through our land, she said, we cannot complain. On the other hand, we cannot even pass through their streets, and they have mostly built walls on our land. They do not even anyone else to their weddings. The rest of the kinship groups live peacefully with each other and participate in each others' affairs. Kaneez Bibi relies on her relatives and her neighbours in times of need.

c. Household cash flows

Kaneez Bibi is an agricultural labourer (cotton picking, wheat harvesting etc.) and she earns about PKR 6,000 per season. She has been doing this work since before her marriage and continued doing it after getting married too; nobody can or has stopped her working. She is the only bread winner in the family now, after her husband's death 4 years ago. She said she has been sick very frequently nowadays and household expenses are met with great difficulty on those days. She does not mind doing any kind of labour but would prefer to stay close to her house because of her young children- no one can stop her from travelling far though. When she got the Watan Card she used that money to repay her debts which was a source of great relief for her and she was very grateful for that.

d. Cash transfer history

CNIC details: Kaneez Bibi said she faced no difficulty in getting her CNIC made, which was around 6 years ago. She went to the NADRA office in Mianwali, stood in line for her turn, had her picture taken, provided her old NIC, name and address, and signed some papers with her thumb print. She was then told by the staff to come back 1 month later for her CNIC and she thus received it on time. No one objected to her getting her picture taken. She had the CNIC made in order to get Zakat payments. The address on her CNIC is the same as her current place of residence.

Watan Card: Kaneez is a Watan Card beneficiary. She said these cards were issued after the floods in 2010 and since she did not know how to use the card she took her neighbour along to withdraw the money. He did not charge her any commission. She has received 3 instalments of the Watan Card: twice she had her neighbour withdraw the money for her and once she had a relative withdraw the money. She observed that you have to press buttons at the ATM to withdraw the money, but she still

does not know how to do it herself. She used the Watan Card payments to repay her debts, which reduced a lot of burden on her. As the head of the household she decided how to spend the money.

BISP: Kaneez is also a BISP beneficiary. She has been getting her BISP payments through the Smart Card, which she refers to as the “Benazir Card”, for the last 2 years. She has been getting BISP payments through this modality from the beginning and she has never been to the post office to get her payments. She usually goes with either a male relative or a male neighbour to obtain her payments. She gets these payments from an Omni shop in Mianwali. According to her, she was provided some informal training outside the BISP office in Mianwali about how to use the card. She provides the card to the Omni shop vendor who swipes it for her and she thus receives her payments; hence she does not get to use the Smart Card herself. She said it would be preferable if she got these payments at her doorstep. The BISP cash grants are spent on small household expenses such as rations etc. and she decides how it is spent.

e. Mobile phone usage and literacy/aptitude

She does not own a mobile, only her son owns one. She does not even know how to use one, and her son dials numbers for her if she needs to talk to someone urgently. Otherwise she said she does not feel the need to have or use a mobile phone. She said she does not know how to use a mobile phone because she is illiterate. Moreover, she feels that this is a device for the new generation; people of her age do not have much use for it. Thus, she does not know about the easypaisa facility either.

f. Saving Behaviour

Kaneez said that she has never had the opportunity to save any money therefore she could not say which method was better. When her husband was alive he would save some money, on rare occasions, and this would be kept at home in front of her eyes. After his death she has not had the occasion to save since she finds it very difficult to even meet basic household expenses. In her view, thus, all methods of saving are safe and beneficial. The examples of saving methods that she cited were banks, purchasing livestock or starting a small business. When asked what she would do with a hypothetical windfall of PKR 10,000 she said she would open a cloth shop with it, so that she can have a source of income without having to leave the house. If she got a windfall of PKR 100,000 she would build a house and start a bigger business with it.

g. Knowledge of and experience with financial instruments

Kaneez has never used a savings committee; she has never heard of microfinance services and has never used money transfer facilities either. She used to get Zakat funds from a bank. She did not have an account opened for this purpose; when her husband died the Zakat Committee filled out some forms for her and told her to get her CNIC made and collect her Zakat funds from the bank. She never thought about opening an independent bank account. It costs PKR 100 for a trip to the bank and there was usually a lot of rush at the bank.

h. Attitude towards and perception of financial instruments

She said that it is very difficult to deal with banks, especially for poor, illiterate people like her. She said that communicating with the staff is difficult- sometimes they do not understand you, and sometimes she felt too shy to talk to them as well. Moreover, sometimes the attitude of the bank staff is not very pleasant, and one has to stand in the heat for long hours to get any service. Rich people can easily deal with such problems, and banks primarily serve them because they have a lot of money. Nonetheless, money stays safe in banks and it helps people save as well.

i. G2P impact on FIL

Kaneez Bibi did not witness any improvement in her financial inclusion or literacy as a result of G2P transfers to her. She does not have enough money to save and thus she cannot even think about opening a bank account for saving purposes. Furthermore, she did not operate her Watan Card or Smart Card on her own, as a result of which she did not gain any financial literacy either.

j. Power linkages and impact on FIL

She said that she did not need anyone's permission to open a bank account or to go to the bank; she is self-sufficient (khud-mukhtar). The only constraints for her are that she does not have enough money and she barely meets household expenses, earning for her family all by herself.

k. Gender/Mobility and FIL

Kaneez Bibi is highly mobile; she can and does go on her own everywhere in the village. Sometimes she takes her son along, sometimes a neighbour or relatives who wanted to go to the market as well. However, she also travels alone sometimes and faces no problems or restrictions- she goes to work alone in any case. She said that there should be separate banks for women, with only female staff, so that they could easily interact with the staff and operate their bank accounts.

6. Conclusions/FIL Outcomes

Azizullah is an old widower, and as such did not express any interest in learning how to operate his Watan Card- he gave the card to his young son so he could withdraw the money for him. The little experience he had of banks/ATMs was not very pleasant (dhakkay khanay partay) which has dissuaded him from opening a bank account. This is not to discount the other big constraint on him opening a bank account which is his poverty. However, his responses to the hypothetical windfall probes reveal that he is a highly enterprising individual and given the money he could earn considerable profits, through the rearing of animals which is also an interest of his. He thus expressed a clear preference for informal methods of saving, and did not gain in financial inclusion or literacy.

Kaneez Bibi is a beneficiary of BISP as well as CDCP. She is a widow and is the only one who earns for her family; therefore she barely makes ends meet and does not engage in any saving. When asked she said that all methods of saving are good- the examples she cited were banking, purchasing livestock or starting a business. In the absence of any past experience with saving, we can use this response to gauge her preferences. She considers herself too illiterate to use the Watan Card or Smart Card and she does not operate these on her own. She used to go to the bank prior to this to obtain Zakat funds but she did not have a bank account. She used the Watan Card payments to repay her loans and thus eliminate her debt burden. Furthermore she argued that there should be a women's bank so that women could easily interact with and access banks. Thus we can see that while Kaneez Bibi did not operate the Watan/Smart Cards and does not have the money to start a bank account, she is very adept at planning how to spend her finances and has the potential to interact with financial systems with great confidence.

A2.4 Basti Kachi-Muzaffargarh-Punjab

1. Basic Facts

| | |
|--------------------------|---|
| Province | Punjab |
| District | Muzaffargarh |
| G2P Modality | Pakistan Post |
| Tehsil/Taluka | Muzaffargarh |
| Union Council | Taliree Latkran |
| Deh/Mouza | Latkran |
| Community | Basti Kachi, Faizpur |
| Researchers | Fahad Khan, Iftikhar Bazmi, Nadia Khan, Shaistan Ramzan |
| Date of fieldwork | 19 th July 2012 |

2. Sampling and Fieldwork Conditions

Mouza Latkran is located at a distance of 1 km from Muzaffargarh, on Alipur Tehsil bypass road. The respondents were approached at a small hotel, where they were found engaged in chitchat over tea. We proceeded to their community after they informed us that there were 1,000-5,000 houses in it, out of which 2,000 were registered voters.

The main respondents for the community profile were: Allah Yaar (Kanera), M. Nawaz (Mohana), Abdur Rashid (Mohana), M. Aslam (Gazar), M Aslam (Mohana) and M. Fiaz (Qureshi). The individual interviews were conducted at the houses of the respective respondents.

3. Community Profile (Outline of social landscape/power brokers etc.)

The village of Basti Kachi is located 1 km from Muzaffargarh and can be reached on a metalled road. It has a total population of 5,000 people with 1,000 households and 2,000 registered voters. Public transport is available here and is considered good. There is a Basic Health Unit as well as a hakeem in the community however there is no clinic with an MBBS doctor. The distance from the nearest hospital is 1 km. Drinking water is available in taps and has been since the beginning. There is no functional drainage system; it is in terrible condition. There is a government primary school for boys and girls, a government middle school for boys and girls and a government high school in the city (1 km away) for boys and girls. There is also a private school, for boys and girls, in the city. Sui gas is available to 700 household for the last 3-4 years and there has been electricity in all household for the last 15-20 years. Telephones/mobile phones are present in all households too. The main crops grown in the village are cotton (20-40 man/acre), wheat (30-50 man/acre), rice (10-30 man/acre) and vegetables. There are 6 kinship groups in this community: Bhutta (100 households), Kanera (40 hh), Mirasi (100 hh), Mohana (250 hh), Pahor (7 hh) and Baloch (250 hh). The Bhutta and Baloch kinship groups are dominant in this community with regards to land and wealth whereas the Mirasi and Mohana kinship group are traditionally considered lower caste and face socio-economic marginalisation.

a. Saving preferences

The idea of saving in a period of such extreme inflation- where people lived hand-to-mouth and roti is a hard thing to buy- was thought to be extremely questionable. If one did save anything, it was deemed likely that he would deposit that money in a committee. People who were employed or otherwise earn would buy plots, construct houses and rent them. This would earn them profits, out of which they could save and perhaps buy more plots. Another way of earning profits and saving would be to buy cattle and sell it on the days around Eid ul Azha. However, people consider it better to deal in the selling and buying of plots. While the respondents did not see any harm in saving, they find themselves unable to, given that they already have debts to pay. The debts were said to be double the amount of what people earn. It was felt by the people that some of the richer households, of the Mohana kinship group, get to save.

When asked what a community member would do if PKR 10,000 were given to him, the respondents replied that they would set up a paan and cigarette khoka. It was expressed that PKR 10,000 is seen as of little value. Labourers have a lot of debt they owe and would hasten to pay this. And this money could also be used to put together a daughter’s dowry. When probed about PKR 100,000, it was said that they would start a business in the sabzi mandi or start a farm of goats. It was emphasized that a poor person would never waste even a penny.

b. G2P modalities

Some people had been receiving money through BISP since a year. A postman would gather people around the house of a UC member or he announced it to the women of the community through the mosque’s loudspeaker, whenever the BISP payments arrived. The people find this method agreeable. Around 50% of the people were said to be receiving money through the program. The respondents thought to mention that the postman does not pocket a penny and God best knew his intentions. Once a patwari came and put up a list of the names of women, saying that a year later whoever’s name is found in the list will be given PKR 100,000. He never came back.

The floods did hit the area but did not penetrate this community (basti). Some houses collapsed and the route for entry and exit was disrupted. In the area the floods hit, some people received the Watan Cards: a few people bought cattle and some bought basic household necessities with this money. They only received one instalment of payment through the Watan Cards. The Watan Card was not sold to anyone’s knowledge.

c. Financial institutions/instruments

Commercial banks are present at a distance of 2 km from the community. People commute to these by either walking or taking rickshaws. No NGO or government institution visited the area with loan schemes. There is an easypaisa facility in Nawab Town, at a distance of 1 km, from where people can access money. Generally people find themselves employed one out of seven days, so there is no point, in their opinion, in opening an account. The people thought that bank accounts are meant to be for the rich, for the protection of their money. There was no knowledge about how to get an account opened. There are no banking services available in the area and the respondents had neither seen nor heard of an ATM machine.

d. Attitudes and perceptions

The respondents argued that it was difficult for poor people in the community such as them to engage in saving when their incomes were so low and prices of basic commodities so high. They claimed that in such a situation it was difficult to save, let alone open bank accounts to keep savings in. Moreover, most of them said they did not know the procedure to open bank accounts or operate them as they were poor and illiterate. The perception that banks are for rich people was common.

4. In-depth Interview 1

a. Basic Information

| | |
|--|------------|
| Name | Naseem Mai |
| Age | 52 |
| Gender | Female |
| Education | N/A |
| Caste | Mohana |
| Occupation | N/A |
| Beneficiary (Y/N) | N |
| Cash transfer scheme (BISP, CDCP) | N/A |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | N/A |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Naseem Mai, of the Mohana kinship group, lives in Muzaffargarh District. Seven working men, three women and 13 children live in her three-room house. Poverty surrounds this house, which has not benefited from any Watan Card, Benazir Card or voucher. The place bears obvious signs of having been hit by the flood. Household assets include a cycle, a TV, a tape player and a fan.

Her house is based at a distance of 1.5-2 km from the centre of the town. It has an area of 18 marla and consists of 3 rooms, out of which one is pakka and two are katcha. The pakka room is occupied by the eldest daughter because Naseem Mai's son-in-law also lives with them. The piece of land on which they live has been in their possession for 50 years. But she thinks it is possible for the land to be snatched from them anytime, leaving her homeless. She trusts God in keeping her house safe. The address on her CNIC corresponds with her real address. There are no connections outside of the community, nor is anyone in her household educated for her to expect any letters addressed to her. However, she believes, should a letter be sent to her address they would receive it, because letters for other people had arrived in the past.

Her husband's boss (maalik) did not pay a week's worth of his labour's wages once, which resulted in them going to bed hungry one Thursday. This happened several times during last year and since the wages are received on a daily basis, often they have had to starve due to unpaid wages. No agent from the government or any other institution visited with anything. Two meals are had in a day. Naseem Mai says her household contains all basic necessities. They buy flour, ghee and spices on a daily basis. 10-15 years ago when her mother-in-law was alive, they used to harvest wheat in February. That is no longer the case, Naseem Mai says, since children of today's age do not agree to do it and her husband is too old.

The powerful kinship group in the area is Bhutta. They are okay people and never do any wrong to the people of Naseem Mai's kinship group. They are rich and their men are in Saudi Arabia. The weak kinship group is Naseem Mai's kin of Mohana. She said that we go to their weddings but they do not come to ours. Women of the Bhutta kinship have taught Naseem Mai's daughters to read the Quran and are regarded as teachers. These women do purdah or cover themselves up and do not visit the homes of the likes of Naseem Mai.

Often if votes are needed, Naseem Mai's people are called. These are the only times when people of these two kinship groups are one. Otherwise, Naseem Mai says, her people are not remembered. If there is an emergency, she looks to her relatives and neighbours for assistance. They are the ones whom she trusts and maintains a give-take relationship with.

c. Household cash flows

There are 7 male, earning members in the household; Naseem Mai's husband, Wazeer Bukhsh, and their 6 sons. All of them are engaged in non-agricultural labour on daily wages. Wazeer earns PKR 300/day and his sons are earning as follows: Khadim (PKR 100/day), Shahbaz (PKR 200/day), Shehzad (PKR 100/day), Allah Bachaya (PKR 100/day), Sajjad (PKR 100/day) and Muhammad Nawaz (PKR 1,000/month irregular).

From the beginning, men in her family have been doing labour work. Women work for the financially well-endowed during periods when there are weddings around the corner in their household. This does not happen daily. They get PKR 10,000 from there but this happens only every one to three months. Otherwise the women stay at home. They do not work at other people's homes as domestic help; there is no work anyway. If work is available, Naseem Mai has to take her husband's permission first.

They get by with difficulty, given that the household earns less, especially in the face of the debts they owe. Naseem Mai's married off four of her daughters as well. She took PKR 60,000 from her sister's husband and still has not paid it back. Debts are worrisome because there is no significant means of income. Four months ago, they went to the MNA of the area; his assistants asked them to submit a Nikah form for aid. They received nothing.

d. Cash transfer history

CNIC details: Naseem Mai has a CNIC. There is a UC member residing in the community to whom she is grateful for having registered her name in the office and got her slip through. This member is a prominent political worker whom people go to when they have some work to get done. She used to have the old NIC before but 3-4 years ago when the elections occurred, she got the new NIC made. She thought she would get the BISP money or the Watan Card but nothing came of that. The CNIC office is located at a distance of 3 miles from her area. The CNIC took 25-20 days to be made. This cost her 2-3 rides to the office, each ride costing PKR 30-40. The 'Benazir people' came to the UC member's house. Everyone gathered to fill forms but availed nothing out of it, a fact Naseem Mai repeatedly offered. The address on her CNIC is the same as her real address.

They received nothing before or after the flood. They filled the forms which are kept with the UC member but got nothing out of it. They have never received a letter. Naseem Mai feels there would be no objection to having a postman visit her house. They have never used a cash transfer facility or a bank, and have never been to a bank either.

e. Mobile phone usage and literacy/aptitude

Naseem Mai and other females at her home are uneducated and cannot operate a mobile phone, feeling it is out of their grasp. She can press OK and receive calls. There is a mobile phone at her home, which her son owns. The phone SIM is registered in his name. Naseem Mai does not know how to buy a SIM. If someone at home needs to talk to a relative, the son connects the call for them and puts the phone to their ear. She is unaware of the easypaisa facility and does not know of anybody who receives money through it.

f. Saving Behaviour

Naseem Mai feels they can barely make a living out of what they earn, let alone save anything. Saving never occurs to them. They have never deposited a committee, which they believe is something only the rich can afford. If they were to earn more, they would think of saving. Otherwise, in today's economic conditions, they cannot imagine saving. However, Naseem Mai does think that there are benefits to saving.

If she ever gets any money or saves anything, she gives it to her husband, because he is the head of the household. When probed about what she would do with PKR 10,000 she answered that she would pay off her debt or buy some cattle to earn profit and save from. When asked what she would do with PKR 100,000, she said she would collect dowry for her younger daughter and give her son money for a shop/business. PKR 100,000, in her opinion, is a good sum for a business, which would generate better income for the household. Naseem Mai suggests that PKR 100,000 is not enough to save from, because there are a lot of things to be done.

g. Knowledge of and experience with financial instruments

Informal Financial Instruments: 2-3 years ago Naseem Mai's husband started depositing PKR 200 per month in a committee from his daily wages savings. This committee consisted of 24 members. When 2-3 members were to get their due, the central figure of the committee ran away. That person had a shop nearby and eventually returned their money to Naseem Mai, in instalments of PKR 500-1,000. This money was spent on household necessities (rations). They would have done something more had the money been returned in a single, larger instalment. Once a relative asked them to contribute to a committee but that never happened and now no one deposits committees.

Money Transfer: No one has ever sent them money, nor have they sent any money to someone else. Naseem Mai says they are too uneducated to do so. When they visit the city, they bring the money from there but they do not know ways of transferring money to and fro, and neither have they ever attempted to find out.

Microfinance: Naseem Mai says her people are poor and they, or their relatives, do not know anything of microfinance. If her neighbours know, she is not aware of it.

Banking: They have never been to banks. Since they live hand-to-mouth, they do not feel that there is a need to know of banks. All they have heard is that people deposit money there and withdraw it later. They say all rich people visit banks.

h. Attitude towards and perception of financial instruments

Due to Naseem Mai’s household’s poor experience with savings committees they do not prefer to deposit any money in them. However one of the largest constraints to saving for them is the low household income. They barely make ends meet with this income, so there is hardly any money to save. Naseem Mai claimed that saving is a good practice however when probed about what she would do with a hypothetical windfall she did not mention saving. Naseem did not know much about any financial instruments apart from committees; she said that they were poor and illiterate therefore they did not have any awareness of these instruments. In her view, banks were almost exclusively for rich people.

i. G2P impact on FIL

Naseem Mai is not a beneficiary of any government-to-person (G2P) cash transfer scheme therefore it is not possible to assess what impact it has had on her financial inclusion and literacy. Her household has never interacted with any bank and as the situation currently stands neither she nor her household can be considered financially included (or even literate).

j. Power linkages and impact on FIL

Describing herself as uneducated and poor, Naseem said she does not know anything about bank accounts. These are all seen as affairs of the rich. Naseem Mai and her family are too busy worrying day and night about putting food on the table. The debt owed by Naseem to her brother-in-law (of PKR 60,000) coupled with the fact that all earning members work on somewhat irregular daily wages means there is hardly ever any portion of the household income left over for them to save.

k. Gender/ Mobility and FIL

Near her house, there is a shop which Naseem Mai can visit on her own. But she has never been to the city by herself. If she were to do that, her husband would be upset. She has always gone to the city with her husband or other women. Generally, they do not feel a need to visit the city as the men take care of anything required from the city.

5. In-depth Interview 2

a. Basic Information

| | |
|--|-----------------|
| Name | Shahnaz Bibi |
| Age | 42 |
| Gender | Female |
| Education | N/A |
| Caste | Mohana |
| Occupation | Domestic worker |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Pakistan Post |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Shahnaz Bibi is a 42 year old, illiterate woman belonging to the Mohana kinship group. Her house is located at a distance of 2-3 km from the centre of the community. The house is katcha and comprises of 1 room only, and that, too, is in bad condition. There is a latrine in the house but it is in deplorable condition. She has been living here since she got married 30 years ago although her husband and his father had lived in this house from the beginning. However, this house is not owned by them and is located at an insecure place. She said we could be forcibly evacuated anytime. The owner of this land has asked them to evacuate earlier as well. These lands were unoccupied and people seized the lands. There are a lot of houses here that are unregistered but registration is costly and no one got the houses transferred to their own name. Now, whoever's land this portion falls in, troubles us and asks us to leave. But the post addressed to us comes to us as this address is correct.

There are days when they eat and drink less and even manage on one meal a day. Otherwise, in her household, food is cooked twice a day and when she received money from the cash transfers, they ate good food and stocked one month's worth of groceries. They buy fresh wheat and flour, and never store it from before. They do "fresh" labour everyday and buy flour and rice from the market. She used to buy 15-30 days' worth of groceries from the market when she used to receive Benazir's money.

The best kinship group in this community, according to her, is Moglai who have a lot of money and cars. They are very angry people. She goes to their house for work and in hard times, they provide her with help. But they do not give her leaves/holidays. Whenever an emergency happens, they are of help. Her child got sick once, so they said take however much money you want but repay it. She said, our attitude towards them is also very good; we respect and serve them. She maintains a connection with the people of the community, and shares their grief and joy as they do hers. But we never invite the "big people" because we cannot afford the cost of hosting them, she said. We take help from them in every difficulty of ours and they are cooperative. Money, car, flour—whatever we need in an emergency, they provide.

c. Household cash flows

Before her marriage Shahnaz only used to do work around the house and after getting married she started doing domestic work- she goes to people's houses and does their domestic work. She said she could only do it in places near her area so that she can return home in the evening, because her daughters have grown up and she cannot remain outside the home for too long. She remains outside from morning to evening. She said she trusts her husband and no one else. She has never taken on a debt because she cannot repay it. I am a poor woman but I am not under anyone's debt she said. Shahnaz's husband is a casual labourer but for the last 4-5 years he experiences a lot of pain while working, therefore he only works occasionally now. The total household income from both of their jobs is PKR 2,000 per month.

d. Cash transfer history

CNIC Details: Shahnaz had a computerized NIC made 7-8 years ago. Nobody minded it and her husband said if all other women are getting the picture-based CNIC, she should get it made too. Otherwise, there is no particular need for a picture. She did not have an NIC before this and a UC councillor had this one made too. The women in her community did not have NICs so the councillor took them to the NADRA office and filled everyone's forms there. She got their pictures taken, collected the receipts and dropped them all back to Shahnaz's home. It took about 5-6 days for their CNICs to arrive and they faced no problems because the councillor arranged for everything herself. She wanted their votes, and later all women gave their votes to her resulting in her victory. The NADRA office is at a distance of 4-5 km from here and it took them 3-4 hours to get there because the councillor took women from a lot of areas with her. Shahnaz's CNIC address and her house's address are the same. Having a CNIC enables you to cast a vote, and is useful while travelling and for other schemes, like the Benazir one, Shahnaz said.

BISP: Shahnaz has been going to the post office from where she has taken 3 instalments of the BISP cash grant scheme. She has to go to the post office to collect the money. It is very crowded there and sometimes one ends up spending all day there. Sometimes it happens that she has to return empty

handed. If the postman himself comes to her doorstep, that would be the best thing. People of her kinship group do not object to the postman coming to their doorstep. They would not object to mobile banking either. She is only receiving money through the post office and does not have much information about this. She has never used an ATM or received any cash voucher. Whatever little money she gets, she and her husband spend it together.

e. Mobile phone usage and literacy/aptitude

She has a phone in her house but only uses it when it is needed. The SIM is not on her name; she does not know whose name it is on, maybe a relative's. She also has a separate phone because she goes to work and sometimes, if there is an emergency at home, they can call her. She does not know how to message, dial a number or anything else. She only knows how to pick an incoming call and redial home. She knows nothing about easypaisa and has not heard anybody else mentioning it either.

f. Saving Behaviour

She said that we have never saved anything. We are very poor and we barely manage to run our households. But she is thinking about saving a little in the future so that she can gather some dowry for her daughter. She believed that one can save significantly if one buys cattle. This can be beneficial even if other people find out; even so people of her household are good. Even if they save up themselves, there will be cooperation. If Shahnaz received PKR 10,000, she would buy a small animal. If she received PKR 100,000 she would buy a big animal with it.

g. Knowledge of and experience with financial instruments

Informal Financial Instruments: She did not know much about the way a committee works but where she works, they deposit committees every month- some of it for 6 months and some of it for a year. They say that committees are very useful and come handy in emergencies. She also felt that this method was reasonable and correct. Women get to trust each other. She is also thinking of depositing a committee should she get a little more money.

Money Transfers: None of her relatives live outside the city so no money gets transferred to and from. She does not know of the way this happens nor has she heard of it.

Microfinance: She has heard of microfinance that they give loans and take it back with interest. She heard about it from some woman of another community. She does not have any personal friendship or relation with this woman. She has never used a bank.

Banking: She knows that a bank is used to save money. Some people she works for, use banks, and also take loans for their lands. A bank has no use for a poor person. They do not have the money or education to know how to operate a bank account. Since they do not have money, there is no need to safeguard it. Indeed there are ghair-mard (male strangers) there, she said. Moreover she does not know of about banking methods. She said we are poor and can keep our little bit of money safe and other than this, I do not know much of banks.

h. Attitude towards and perception of financial instruments

The only BISP modality Shahnaz knows of is the postal system. Other than that, she did not know much. She has never used an ATM or a bank. She did not know about mobile banking either. Microfinance is for rich people; the likes of us have no use for it, she said. She further said she was too poor to start a bank account and too illiterate to operate one. She was interested in saving in the future, and expressed an interest to deposit money in a savings committee.

i. G2P impact on FIL

Shahnaz collects her BISP payments from the post office; the payments do not even get delivered to her house. Thus she has no interaction with banks, nor does she have an independent bank account which would necessitate visits to the bank. She is largely unaware of most formal financial

institutions/instrument etc. and only expressed an interest and capacity to use a savings committee i.e. an informal instrument.

j. Power linkages and impact on FIL

She said she would not need anyone's permission except her husband's. According to Shahnaz, women should be allowed to have bank accounts but only if they have money and know the ways of a bank.

k. Gender/Mobility and FIL

Shahnaz could travel to the city alone. Sometimes she goes on her own and sometimes with her husband or son or daughter. But she does not go to the local shop. This is not considered appropriate here. All of the locality's men object to their wives going to the shop. They understand that men play cards here and hence it is not okay for women to go to the shop. Shahnaz also cited the presence of ghair-mard at the bank as one of the reasons why she would feel uncomfortable going there.

6. Conclusions/FIL Outcomes

Naseem Mai was not a beneficiary of any government-to-person cash transfer scheme and as such can be said to represent a baseline of excluded, poor people. She has no experience or knowledge of banking and considers it out of her reach. When probed about hypothetical windfalls she listed a number of expenses but did not mention saving any amount in a bank. It is important to note however that certain expenses such as buying dowry items, cattle and starting a business are largely viewed as saving mechanisms by individuals in the community as they are done with future profits/returns in mind. Buying dowry and cattle is done with the explicit purpose of saving for the future and selling in the future respectively, while starting a business is seen as a means of raising household income which can enable them to think about saving in the future. Apart from this reliance on informal saving mechanisms, Naseem cannot be said to be financially included and literate in any sense.

Shahnaz collects BISP payments from the post office and has no interaction with banks or franchise shops. Therefore, even she did not exhibit any signs of being financially included and/or literate. In a sense, this was symptomatic of the entire community; our respondents in the community profile professed very little knowledge about banks and other financial institutions/instruments. This differs considerably from other districts, and can perhaps be attributed to the modality which is operative here (Pakistan Post) as opposed to other (non-Pakistan Post) districts. The gender dimension was important in both of the individual cases above. Even though Shahnaz was for more mobile compared to Naseem, both of them felt uncomfortable with the idea of going to the bank and interacting with men. This also had to do with the fact that both women considered themselves poor and illiterate and therefore out of place at a bank. Shahnaz only expressed an interest in engaging with an informal financial instrument i.e. a savings committee.

A2.5 Bahadur Wala Tebba-Rajanpur-Punjab

1. Basic Facts

| | |
|--------------------------|---|
| Province | Punjab |
| District | Rajanpur |
| G2P Modality | CDCP II |
| Tehsil/Taluka | Jampur |
| Union Council | Kot Vail |
| Deh/Mouza | Chheena |
| Community | Bahadur Wala Tebba |
| Researchers | Fahad Khan, Iftikhar Bazmi, Nadia Khan, Shaistan Ramzan |
| Date of fieldwork | 17 th July 2012 |

2. Sampling and Fieldwork Conditions

This village was selected at random. The main respondents for the community profile were: Faiz Ali, Muhammad Ali, Allah Wasaya, Manzor, Gulam Sarwar and Muhammad Tariq, all belonging to the Khacheelay kinship group.

3. Community Profile (Outline of social landscape/power brokers etc.)

Located 6 km from Rajanpur, is a little community called Bahadur Wala Tebba and it comprises of 200 households. All the residents of this village belong to the same kinship group, Khacheela, which is divided into smaller kinship groups, identifiable by the names of their forefathers: Jaam Um (20 households), Haji Um (15 hh), Ghulam Sarwar (2 hh), Jummay Walay (16 hh), Haaji Walay (16 hh), Ghulam Hussain (4 hh) and Faiz Ali (4 hh). A metalled road approaches this village and the distance from the nearest town is 1.5 km. Public transport is virtually absent from the village. There is a Basic Health Unit at the neighbouring town; there are no medical facilities in or near the village other than the BHU. There has been tap water in all households for the alst 40 years. Electricity was introduced to all households 3 years ago. The drainage system in the village is extremely poor. There are no educational facilities in the village at all- government or private schools.

a. Saving preferences

Most of the people in their community live from hand-to-mouth and they declare saving to be impossible in times of such high inflation. They even purchase the oil for their motorcycles on loan. Saving happens through raising cattle—if they buy a goat or a buffalo, they would earn a profit and save by selling it a year later. There is no system of depositing committees there as they are all labourers. The wages they earn range from PKR 250-300 and they deem this amount insufficient to form a committee. They say labourers have to face difficulty both in times of joy and sorrow. There is a sense of community (*jam'eeat ka usool*) in the area and most of the time friends prove useful but they have to return money to them, too. Some people have a running tab (*hisaab*) with the shopkeepers—they take loans, and sometimes money, from the shopkeepers. They have to return this money back and rely on a good harvest from their crops for it. They questioned the idea of saving when they were under such debts. Cotton is sown well when there is a chemical for spraying over the crop- this chemical, too, they purchase on loan. There must be approximately 10 households who save through livestock, by selling them later. They cannot afford to buy gold; they barely manage to get by and think getting bread would be enough. There is no rich household in their area. When someone from their area goes to Saudi Arabia, they send some money back and their families purchase some cattle. After some time they sell these animals and thus save some money.

If given PKR 10,000 they would invest in their businesses, buy cattle or household necessities. They thought to mention that if the money is given to the wrong person, he would spend it on his heroin addiction, so the money should be given to someone who is poor and deserves such a sum. If given

PKR 100,000 they would buy *paaro* (big animals) like cows, buffaloes, etc. They would raise these animals and sell them on the days around Bakra Eid. This would be profitable and they would be able to save some from it. They believe there is no drawback to saving, only benefits- if one manages to save, the money will come in handy during times of need; they could buy big animals, land or insecticides. If they take the insecticides on loan, it would cost them PKR 2,200 but if they pay by cash, they would get it for PKR 1,800, thus saving PKR 400. Like this, if they got a PKR 100,000 they estimate they would manage to save around PKR 50,000. For an animal and a cart, it would cost one around PKR 44,000 and they would start a business with it. Or, they say, they could buy a motorcycle for PKR 80,000 and buy a goat with the rest. Or they could buy a rickshaw. It would guarantee wages for them.

b. G2P modalities

Within the community, people have been receiving money through BISP since a year. They have received 2-3 instalments till now. None of them have to go to the post office to collect the money; the postman sits at the *dera* instead. The first and second instalments were worth PKR 2,000 each and the third one was for PKR 3,000. The postman charges PKR 100 per woman, sometimes saying that he is asking the money for celebratory sweets. The postman does not follow any schedule and is perceived to be troublesome. He takes money from weaker women. The people have considered registering a complaint against him but then think that going to the post office themselves would be a far more inferior method. It is very crowded at the post office; there are long lines and some women are found lying on the ground out of exhaustion. So, they find it convenient to have the postman deliver the posts at their homes, even at a charge of PKR 100. The postman earns around PKR 10,000-15,000 this way, they estimate. In their area, women have always collected the money through this way. They prefer this way as going to the post office would cost them PKR 100-150 per visit and there would be wastage of time as well. They have never received the BISP money through a smart card or debit card.

When the floods came, everyone left their homes and went to Jampur. In Jampur, they collected a Watan Card instalment of PKR 20,000 once. These cards were issued by a Watan Card committee located at a distance of 6 km. They received this money after 29 hours. Whenever they would encounter a policeman, he would offer to get the money out through the Watan Card in exchange for PKR 500. Once, the policemen beat an old man up when he asked for their help. If they would save PKR 10,000 out of PKR 20,000, they would not be able to figure out where the money went. It seems to them the money is collected via the Watan Card only through *sifaarish*. If there is someone a person knows at the committee- a friend, for example- only then could a person get his money from them. If there is no *sifaarish*, no work would get done.

The people estimate that if there are 200 households in their area, only a 100 receive the Watan Card money. In their basti of Bahadur Wala Tebba, all of them have received just the one instalment of the money. The other areas have received two instalments. None of them has sold their Watan Cards even though they were bribed plenty. When the floods hit, all the crops were destroyed. A lot of NGOs and government teams visited to survey their area but no one did any work. After offering a few empty words, they left. The people received no food rations and their houses and crops were destroyed. They say that no one took pity on their condition. They listed their names with the *patwari* (government servant) as their houses were wrecked by the flood but aid was received only by 50% of the people and the rest of the money was pocketed by government servants. One person said that the list contained his father's name but he received no money.

Other than through the Watan Cards or BISP, they received money by no other means. When money came through the Watan Card or BISP, they were notified by the area's "hotels" or the newspaper. Employees of the Watan Card committee are available from 7 a.m-12 p.m. When they first went to collect money through the Watan Card, it was then that they found out about ATMs. There, a friend offered to show them how to withdraw money; then, he told them there was no money. The people guess he must have memorised the code and used it later as the account was found to be empty later. There is a lot of *hera pheri* in their area. If the staff (at the Watan Card committee) feels like it, it helps but that is up to them. None of them were made aware of any voucher and they do not know anything about it. God knows that no team came to their aid or provided food.

c. Financial institutions/instruments

The bank is based at a distance of 6 km from Jampur and commuting to it in a rickshaw costs a person PKR 10. Often, if a person is headed towards them, he offers to take someone with him. There is no small bank in the area. Both, the easypaisa facility and the ATM machine, are located in Jampur. No NGO supplied them with any loan in the area. When the floods came, very few people received food rations. There was a person called Allah Yaar who defrauded people by offering to withdraw money for them at a fee of PKR 300. When they complained to an NGO, he asked for their forgiveness. In their area, there is no service of mobile cash transfer and they do not know of easypaisa. The people who have gone to do labour in Saudi Arabia used *hundi* to send money. The respondents said they were labourers and none of them had an account in a commercial bank. One would get an account opened if one had any money. They purchase food grains from the landowners for PKR 950; they get it in the *mandi* for PKR 850. If they get the grains with such difficulty, how can they get an account opened? They do not have any information about ATMs and this is seen as a matter of the rich. They imagine the system of withdrawing money from a bank would be similar to going to the NADRA office to deposit fees and stamping with their thumbs.

d. Attitudes and perceptions

Community members declared formal institutions like banks to be out of their reach and they said they usually rely on informal methods such as purchasing animals, if they do save at all. Saving itself is perceived as a difficult task to undertake considering the level of poverty in the community. Community members complained that the postman who delivers BISP payments in the area charges a commission for each delivery, but felt that it is still preferable to going to the post office. They also felt that there was a lot of room for the Watan Card committee (which distributed the cards) to exert its influence and selection of beneficiaries was done on the basis of *sifarish*. Furthermore they felt that there were many irregularities as a result of community members not knowing how to withdraw money from an ATM and relying on others to do that for them. Thus many people were defrauded.

4. In-depth Interview 1

a. Basic Information

| | |
|--|--|
| Name | Safran Bibi |
| Age | 45 |
| Gender | Female |
| Education | N/A |
| Caste | Kacheelay |
| Occupation | Agricultural and non-agricultural labourer |
| Beneficiary (Y/N) | N |
| Cash transfer scheme (BISP, CDCP) | N/A |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | N/A |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent’s household

Safran Bibi is a widow who lives in the village of Bahadur Wala Tebba. Her house is at a distance of 4 km from the centre and she travels by foot. Her house is *katcha* and consists of 1 room—it is basically a small tent and does not have a latrine. She has been living there for 44 years and her husband has ownership of the house. Before this, her father-in-law used to live there; after his death, the land got transferred to his son. They find the place secure and do not think they can be evicted. There is no particular address of their house because no one in their area receives post at their home. The post is collected from a specified house in their area where all posts are delivered. Whenever someone from the village goes to the post office, he informs the people if any post is addressed to them. Then, these posts are collected from the post office.

Safran Bibi said that on most of the days, they get by; on some days, however, they have to remain hungry. This occurs around 10-12 times a month. The money from the Watan Card and the Benazir cash transfer was, and is still, being spent on everyday expenses- food and drinks, and petty loan payments. They were already very poor before the flood arrived and after it did, things got even worse. Safran Bibi collects wheat by doing some labour work- making *chaabiyen* (baskets), cutting weed or cleaning and harvesting wheat. She collects wheat after harvesting it. This land does have rice. Food prepared at Eid is better; otherwise they do not eat meat or other things which they consider to be good food. They eat “good and tasty” food once in a year otherwise they eat *daal saag* etc.

The most powerful group in the area belongs to Safran Bibi’s Shareek Bhai. In her area, everyone considers themselves to be powerful. Whoever keeps his behaviour decent will benefit and will have everyone else behave decently towards him. In Safran Bibi’s opinion, no one in their area is powerful or weak.

c. Household cash flows

Safran Bibi engages in agricultural and non-agricultural labour work earning about PKR 3,000 per month. When Safran Bibi was 13 years of age, she learned to make *chabiyen* (baskets) and still makes them. She has been working on the fields since she was 14 years old. She would go far (from home) if permitted but she cannot leave her house empty. She considers work which falls within her area to be at a reasonable distance. She cannot trust anyone with her household expenses. Her husband is dead and her house’s entire burden falls upon her shoulders. Since her children are young, she has to do all of the work herself. She does not owe anyone a lot of money, except for PKR 400-500. When she fell sick with jaundice, she borrowed money for her medicine.

d. Cash transfer history

CNIC Details: Safran Bibi got her ID card made 2 years ago. A car visited their area and all the women in the area got their CNICs made together. She got it made for the first time because she had heard that one needed it to collect any sort of aid. But the card came of no use to her as she received no aid through the BISP or Watan Card. No one objected to getting the ID cards made or getting pictures taken for it. A car came to their area, had their forms filled, gave them the receipts and told them to collect their cards 25 days later. When they went to get the cards 25 days later, they were told to come back after 5 more days. When they went again 5 days later, they were told that the cards were not ready and spent the day there in humiliation. It took a while for them to receive their cards. It used to take them half an hour to go to the office and another half an hour to come back. The address listed in Safran Bibi’s CNIC corresponds with her actual address. However, she felt she gained no benefit by having had the card made.

Cash transfers: Safran Bibi received no cash transfers. She does not think anyone would object to her receiving it, and questions why would anyone would question her will. They received Benazir forms to fill out but got nothing out of that either. She also did not receive either the Watan Card or money from any other scheme.

e. Mobile phone usage and literacy/aptitude

Safran Bibi does not have a mobile phone. Her son has one, however, he does not let her see or touch it because he considers it inappropriate for women. Their entire kinship group has the same point of view. She does not know about easypaisa; she has never heard of it or used it.

f. Saving Behaviour

Safran Bibi said she used to save a lot and wedded off her daughter. When the floods came, some of her animals died and some she sold off. She suffered a lot of loss. Now, she finds the idea of saving beyond her means. She says if she receives any money, she would definitely save. She used to gain a lot from saving. It used to come in useful in times of joy and sorrow. Her household, other than her, comprises of her children; her husband died. No close relatives live nearby either who would eye her savings. If she were given PKR 10,000, she would buy cattle/livestock so that she would benefit every year from it in terms of saving. Or she would open up a small shop for cloth or embroidery.

g. Knowledge of and experience with financial instruments

Safran Bibi does not have any information about committees. However, she does think that if a committee in the area was formed, people would benefit immensely from it- people could make secure their small savings. No relative of Safran Bibi lives outside of the city or the country, so she has neither received nor sent money to them. She said she is poor and does not know anything about such matters. Safran Bibi said no one in her area knows anything about microfinance. No woman knows or has heard of it. Safran Bibi has known about banks for a while. When she got married, she heard that whoever has a lot of money, he or she keeps the money in a bank because it remains safe there, as there is a risk of it being stolen from homes. She has never had an account opened or thought about it. She has not felt the need for it. If anyone had an account in their area, it would have probably belonged to a landowner.

h. Attitude towards and perception of financial instruments

Safran Bibi has heard that people received Watan Cards and they collected the money from banks; that some people had the postman delivery the money to them and some people had to go to the post office to collect it. However, she herself did not (get to) use any such facility.

i. G2P impact on FIL

Safran Bibi is a non-beneficiary and thus she has not had the opportunity to engage with banks or ATMs. She claimed that she used to be able to save, and even had her daughter married with the help of her savings, but her livestock suffered in the floods and she had to sell the remaining animals to cover her losses. She said she would save given the money. She said committees were a good technique as well as investing in livestock. She has not opened a bank account and she feels banks are far beyond her reach since she has very little money.

j. Power linkages and impact on FIL

Safran Bibi does not need anyone’s permission to get an account opened. She does not have a husband or an elder son. She thinks banks are for the rich; she does not think it is important for her to have an account as she is an uneducated women *“jis ko naa aagay ka pata na peechay ka.”*

k. Gender/Mobility and FIL

She goes to the city alone and does not feel the need to take someone along. But these days she does not feel well, so she sends one of her children with a close relative to the city. They have not gone to the market in a long while. Everyone in the area knows each other and no one objects to a woman going around on her own.

5. In-depth Interview 2

a. Basic Information

| | |
|--|-----------------------|
| Name | Meer Hazaar |
| Age | 41 |
| Gender | Male |
| Education | N/A |
| Caste | Kacheelay |
| Occupation | Agricultural labourer |
| Beneficiary (Y/N) | N |
| Cash transfer scheme (BISP, CDCP) | N/A |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | N/A |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Meer Hazaar's house is located at a distance of 2 km from the centre of his village. The house is entirely *katcha*, and consists of 4 rooms and no latrine. The atmosphere in his area is that of a village and they use the fields for defecation. Meer Hazaar's family has been living here for generations and Meer was born here too. He is 41 years old. His house has 7 stories and is owned by him. He says he cannot be evicted from his land and is perfectly secure there. He repeats that there is no outside interference in his place and no "son of man" can evacuate him. The address listed on Meer Hazaar's ID card corresponds with his actual address; if a relative or an institution is given his address, they would be able to reach him without any difficulty. He does not require anyone's permission to hand out his address. He is self-sufficient, earns and lives alone. If he is sent a letter or a money order, he would receive it with difficulty because the postal system is cumbersome and humiliating. The postman does not deliver posts and one has to go and collect the posts oneself. If a relative or a friend visits Jampur for anything, he informs the people of any post's arrival. Often when one goes to pay the electricity bill, one visits the post office as it is located nearby. Also, often the post man visits a local area nearby to have his tea and informs the people of any postal arrivals. There is a *basti* Cheena nearby and there, the post arrives within 2 days. If a laborer goes to work, he collects the post himself. If a postman were to deliver at their doorsteps, no one would have any objection- the post could be handed to children. It cannot be handed to women as it is compulsory for them to maintain *pardah*. In Meer Hazaar's clan, it is not permissible for women to interact with *ghair-mard* on doorsteps.

They did not face one day last month where they had to go hungry. Meer Hazaar says they are simple people of the village who can make do with *chutney* or *roti* with onions. Last month, they did not come across any such problems which left them hungry. But some days come in a year when there is no food in their house, so they ask for food from their neighbors. In their village, if anyone gets wind of someone going hungry, they send food to that person's household. They are very caring about each other. When the floods came and they had to remain hungry for 3-4 days, a rich elderly person fed them food. He distributed food in the *basti* for 3-4 days. Meer Hazaar is very grateful to this person and prays for him. *Hamsaey geeri* (friendly relations with neighbors) is very useful. They eat 3 times a day in Meer Hazaar's house. The basic need of his household is wheat: "*gandum zyaada ter mole khareedtay hain, main hatap per kaam kerta hoon*". The landowner gives him the seventh portion which amounts to 3-4 *man*. But Meer Hazaar needs wheat for 6 months, so the rest of it he gets on credit and returns the money to the landowner later or he settles his accounts during the next harvest.

There are two powerful kinship groups in Meer Hazaar's area: Muhajir and Cheena. His relation with these groups is strictly neighbourly. His kinship group, Khacheelay, is considered to be the weak one. The attitude of the powerful towards the weak is not okay; they threaten them and call for trials over trivial matters. They frame them in petty thefts and larceny. It is felt that it is difficult to even breathe in front of the powerful people. Meer Hazaar used to cut crops on the land of a man who belonged to the Cheena kinship group. One day, Meer left work from this place and joined work elsewhere. So, one Muhajir angered the Cheena by mocking him about Meer working on someone else's land. One day Meer's wife and the Cheena landlord got into an argument; the Cheena man registered a complaint against their entire clan with the police. Meer was thrown into jail. Meer's brother also faced a problem once so he knew a man at the police station. This man's uncle was a lawyer so Meer asked for his help in this case. The lawyer said he would charge a fee for PKR 15,000. After much begging and persuasion, he agreed to do the work for PKR 10,000. And so Meer was bailed out. Meer has given the lawyer PKR 3,000 and still owes the rest. The people from the powerful kinship groups want people from the weaker groups to be their servants. Meer's people are constantly faced by threats, that they will have this and that done to them, that they will have them killed without anyone knowing.

The decisions of the community happen at the *dera* of the Muhajirs. Meer's people are not called as they are not considered worthy enough. No one listens to them. Everyone knows Mohammad Ali, at whose *dera* Meer sits. Everyone from Meer's area respects and pays heed to Mohammad Ali. If anyone wants a vote, they "cover" Mohammad Ali. This man tells them who to vote for. If their relations are peaceful with the Muhajirs and Cheenas, they have their events of sorrow attended by these groups. However, they do not participate in each other's celebrations. Meer thinks that greeting them at a distance is best. Neither friendship nor enmity is good with the rich people. If there is an emergency, Meer can rely on Allah Waris, the shopkeeper. He is Meer Hazaar's close friend and helps

him in times of need. He does not charge interest. Otherwise, Meer does not have any relatives who could come to his help in hard times.

c. Household cash flows

He has been working on *hatap* (share-cropping on one-seventh share) for a long while, earning PKR 1,500 per month and he is the only earning member in the household. Before him, his elders used to do the work and now he is the sole breadwinner in his household. He does not have a choice when it comes to working on *hatap*—someone has to pay the bills. If he does not work on *hatap*, who will pay his children's fees and feed them. After all, they have to live. He cannot trust any friend or relative and in times of such inflation, nobody comes to anyone else's help. Often, when there is a road being built in Jampur, Meer Hazaar works there and manages to earn PKR 300 for it. He owes a little money—around PKR 12,000-13,000— to the shopkeeper. He buys groceries and other things for his house on credit. Whenever he has to buy clothes for his children, he takes some of that on credit, too. He has known the shopkeeper for a long time and he is helpful to him in times of need. If a guest arrives and Meer Hazaar finds himself in need of money, he can turn to the shopkeeper. He has to return the shopkeeper's money and that is another reason why he has to work on *hatap*. Whatever he earns through his labour on the fields and at other place, he uses it to eventually repay his debt. During all of this time of lending and borrowing, never once has a disagreeable situation arisen between them.

d. Cash transfer history

CNIC Details: Meer Hazaar does have a computerized ID card. His previous card had expired. When he got his children educated, he found out his ID card had expired. He is uneducated and could not keep account of the dates. He got the form for the new ID card for PKR 75. NADRA's office is located in Jampur. The employees at the office made him stand in line for a while; when his turn came, they charged him a fee of PKR 300, took his picture and had his thumb stamped. His wife, who went with him, faced a lot of difficulty- the women's queue was long and they were pushing each other. His wife also went through the same process he did. They asked Meer and his wife to return 31 days later. This cost him PKR 300 and then PKR 600. The first time he went, he was asked to visit a week later. The second time it cost him PKR 200 and the third time it cost him PKR 150. He feels he got his ID after much humiliation and found the people at the NADRA office very unhelpful and troublesome. The office is located at a distance of 6 km and it was not easy to commute there. It has been 2 years since he got the card made.

The address on his ID card and his actual residential address is the same. If the postman brings a letter of a money order to their house, he would have no objection. He is the elder in his house and does not need anyone's permission to hand out his address. One use of an ID card in Meer's eye is that if a person wants to go abroad, he needs a passport and to have a passport made, one needs an ID card.

BISP: Meer Hazaar does not have any information about cash transfer or smart cards. He also does not know of how the Benazir money is availed through debits cards. All he knows is that his wife's BISP form came to his house after confirmation and she has received 2 instalments through the Pakistan Post modality. The postman would come to the kacchay khowo, which was right next to their community and inform them. His wife has been receiving money through BISP since almost a year. The postman can come to any dera of their area but cannot go a woman's home and talk to her. No one objects to him going to the deras. He charged a fee of PKR 100 per delivery. Meer Hazaar thought he would buy chickens and raise them from the money of the first instalment.

Meer Hazaar trusts his wife; he does not interfere with her decisions. Every now and then, they fight as couples do. When Meer's wife received the BISP money, she told him to ask nicely otherwise it will not be good. They did not receive a Watan Card. They used to take a loan of PKR 100 to pay the postman but now, when he goes to the *dera* to deliver the money, they manage to save this amount. They prefer it this way. Meer Hazaar has never stepped into a bank. He does not know how it works or what an ATM is. He thinks he is plain and uneducated, and could possibly have no use of a bank account. These matters are for the rich.

e. Mobile phone usage and literacy/aptitude

No one in Meer's household has a mobile phone. Meer himself does desire it but he does not have enough money to buy one. He does not know how to use a mobile phone - how to dial a number or message someone. He does not even know what a message is. In his view, it is useless. He once saw a kid playing a game on it and he showed it to Meer how a game was played but he understood none of it. He feels he is uneducated and does not possess enough intelligence to know these things. Had he been educated, he would have known how to operate a mobile phone. Sometimes he wishes intensely that he had a mobile phone and knew how to use it. He thinks phones are very useful- they can be used to inform other people about their visiting plans in advance so that they do not miss them upon their arrival. It can also be used to share news of joy or sorrow. If there is an emergency, a phone can be used to call some relative or friend. If Meer got a mobile, no one in his clan would have any objection. He does not know or have any information about easypaisa. Neither does he know of anyone in the *basti* who has used the service. He thinks there might be such a facility in Jampur.

f. Saving Behaviour

Meer Hazaar barely manages to feed his child with whatever he earns by doing work in the field or other labour work. In such conditions, he finds it impossible to save. He finds saving useful as it proves to be helpful in times of need. He knows of shopkeepers putting together committees for saving money. He has seen them handling accounts in copies, and thinks they deposit PKR 1,000 everyday and manage to save around PKR 100,000 to PKR 200,000. He says people from the Cheena group (also) form committees. If Meer Hazaar bought an animal, he would make a living through selling its milk. He thinks he would save PKR 20 per kilo. He prefers this method of saving. He does not have enough money to buy gold, given that they live from hand to mouth. When probed what he would do if given PKR 10,000, he said he would buy a goat, and after rearing it, sell it. By doing this, he would easily convert the PKR 10,000 to PKR 20,000. From half of this amount, he would repay his debts and from the rest of the money, he would further his work. If he were given PKR 100,000, then also he would buy cattle. He would save so that he does not face great difficulty during times of emergency. If he were to save some, no one would interfere in domestic matters; no one could force him to do anything.

g. Knowledge of and experience with financial instruments

They have never used the system of committees to save. No one in his village saves through depositing money in committees. Meer Hazaar knows of shopkeepers in a city near Jampur who save through such committees but he does not have any connection with them. A woman does feel the need to save, Meer said, but she would only if there were enough earnings. Meer Hazaar does not know of money transfers either. He does not have a relative or friend living outside of the city or the country. He has never received or sent money through mobile banking or money orders. He said he is plain and uneducated, and therefore would not know of these matters. Meer Hazaar has never entered a bank and knows nothing about it. He has seen it from the outside. He is a poor man and questions what could he possibly have to do with bank accounts. He does not know of anyone who has a bank account either. He said everyone in his area is poor and illiterate, and only the landowners come and go to the bank. He does not know how to get a bank account opened. All he knows is that banks are not useful for the poor, who can barely manage to get by. Meer Hazaar does not know of any lending institutions. He does not even know of people who take loans from banks. A *beema* policy (insurance) group visited their village once and suggested that they give PKR 500 per month and they would return the money some years later and that would come in handy for their children.

h. Attitude towards and perception of financial instruments

He does not have any information about bank loans. He has never been to banks nor has he ever tried to gather information about it. The poor people do not get to go to banks and if they do not know anything about it, how would they use it.

i. G2P impact on FIL

Meer Hazar, himself, is not a beneficiary of any government sponsored cash transfer scheme. His wife is a BISP beneficiary and obtains her payments from the postman who comes to the village. Meer Hazar simply collects this payment. He does not have to go to a bank to collect her payment. He did not receive the Watan Card either. Thus there has been no change in his financial inclusion or literacy. He feels he has no use for banks because he is poor and illiterate. He expressed confidence in the purchase of livestock as the most viable saving mechanism and the one he would opt for if he had the money.

j. Power linkages and impact on FIL

Meer Hazaar repeatedly says that banks are for the well-to-do. And as for whether a woman should have a bank account or not, he cannot say. He further said that he could not afford to save these days because the entire household income is spent on basic necessities and repayment of the debt he has with the shopkeeper and the lawyer. The lawyer needed to be paid in order to bail him out after the harassment he faced from the dominant kinship group landlord.

k. Gender/Mobility and FIL

The women cannot go to the market to buy or sell things on their own. It is an unsafe age and it is a matter of ego and *pardah*. It is considered inappropriate in Meer’s village for a woman to step out alone. They are also afraid that the men from the Cheena and Muhajir kinship groups might tease their women. They say Islam places emphasis on *pardah* and that a woman should have shame and humility. If there is no man at home and something is needed at home, then a woman has to take at least a child with her. Even if two women are going together, it is compulsory for them to be accompanied by a male. Even if she had to go and get a needle alone from a nearby shop, she would not be allowed. Meer Hazaar says even if the shop was located right next to his house, he would not allow his wife to go. They do not want anyone to look at their women and think that a woman always looks good in *pardah*.

6. In-depth Interview 3

a. Basic Information

| | |
|--|--|
| Name | Laal Mai |
| Age | 46 |
| Gender | Female |
| Education | N/A |
| Caste | Kacheelay |
| Occupation | Agricultural & non-agricultural labour |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | CDCP, BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Watan Card, Pakistan Post |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent’s household

Laal Mai is a 46 year old widow who lives in Basti Cheena of Rajanpur, and her house is 3 km away from the centre. She commutes to it by walking. Her house is *katcha* and does not have boundary walls, nor does it have a latrine. She has been living there for 25 years, since she got married; her husband is dead now. The land is under her husband’s name, and was under her father-in-law’s name before. She cannot get it transferred to her name as she would need PKR 5,000-6,000 for it, which she does not have. She feels the land is secure; everyone knows that the land belongs to her and no one can evict her from there. She does not receive any letters there; if a letter arrives, it has to be collected from the post office- it first arrives there and then it is forwarded to a “member” of their community who will pass on the letter or not according to what he then wills. She does not have anyone who would write to her, anyway, given that she receives phone calls from people after ages.

She does not know how to read, so reading any letter is impossible for her. When she received the Watan Card, she faced much humiliation; she got the money with much difficulty. Whatever they need done, they go to the “member” and he gets it done for them. They have to make a hundred visits to his house for anything to be done.

Generally, meals are had 3 times a day in Laal Mai’s house. Except for one day in the week when they have curry, they have *roti* in the morning, afternoon and evening. Sometimes they have *roti* with green chilli and sometimes with milk, *lassi*, etc. Every Eid, they have good food, so they wait for Eid eagerly every year. They are very poor. When they received the Watan Card money, they got the *katcha* house made- the floods had destroyed their house. When the flood water receded, they put up a tent (*jhonpri*), and when they received the Watan Card money, they made the house. She had thought that when she would receive the second instalment via the Watan Card, she would pay off her debts. But she never got a second instalment. She is grateful to God that she never has to go to bed hungry- whatever dry *roti* she has, she eats it. She cuts/harvests wheat, and this allows her to get 5-7 *man* of wheat, which lasts her for 3-4 months. Then she gets 1-2 kilos of flour- and this is how to get by during the year. Other than that, rice, etc. she gets from the shop, sometimes on credit and sometimes with cash.

Laal Mai feels everyone in the area is powerful- no one is stronger or weaker, even if they are richer or poor. There is a sense of brotherhood in the community. But there is the more powerful kinship group of the Kacheelay people. They do not visit each other’s houses. There are more poor and weak people in the area. Everyone is included and no one interferes in anyone’s matters. In today’s age, whoever you do good to calls you bad/wrong. Laal Mai’s people go to weddings upon invitation, and they attend funerals regardless of any invitation. She feels people participate more in others’ times of sorrows than in times of joy. If there is an emergency, their neighbours are very helpful towards each other, whether it is day or night.

c. Household cash flows

She has been working since before she was married- she makes *chaabis* (baskets), *charpoys* (cots) and hand-held fans in addition to seasonal agricultural work, earning an irregular income of about PKR 3,000 per month. The home based work does not require one to conform to fixed timings or require one to go anywhere. Staying in the house, whenever she gets time she makes these things. The demand for her products rises during the summer and she has a lot of work then. She has to work since she has to feed her children. Her eyesight has gotten very weak; whenever she tries to concentrate on her work, her head starts hurting. She thinks she is no longer of the age now where she can work but has no option, given that there is no one else who could earn. One can trust no one. In today’s age of inflation, people hardly manage to feed themselves, let alone feed others. She is under a debt of PKR 5,000, which she took 2 months ago when her daughter got ill with jaundice. She had taken PKR 2,000 earlier and then she took some more from her paternal uncle and this amounted to PKR 5,000. Even now, her daughter does not feel well; they have stopped the treatment as Laal Mai does not have the money for it and no one would give her loans.

d. Cash transfer history

CNIC Details: Laal Mai got her CNIC made 2 years ago. A car came to their area, had their forms filled by applicants, charged them PKR 75 each and handed them the receipts. They were told to go the NADRA office 25 days later. When they did, they were told to come back 5 days later. When they went back, they were told to come the day after tomorrow. They used to sit there all day long; when it would be time for the office to close, they would be told to leave and come back later. It took them 2 months and 10 days to get the cards made. Laal Mai had an ID card prior to this which the NADRA office took. No one objected to them getting their CNICs. Everyone went with their own choice to get the pictures taken. The women of the basti got it done together; they would go together in 2-3 groups. It used to take them half an hour to get there; the office is located at a distance of 3-4 km. Sometimes they would go in a bus, sometimes in a rickshaw. The address listed on Laal Mai’s CNIC is her actual address. She thinks CNICs come in handy in times of voting, travelling and should something happen to her she would be brought home using the information provided on her ID card.

Watan Card: They received one instalment through the Watan Card and 3 instalments through BISP. For the Watan Card money, they had to go to Jampur. They received a chit/receipt from there; after 2-3 days they went with the chits/receipts and got the Watan Cards. They received the money 30 days after receiving the cards. Laal Mai's mother-in-law went to an ATM booth, with an educated male from their neighbourhood, to withdraw Laal Mai's Watan Card payment. This neighbour did not charge any commission and Laal Mai received the full instalment of PKR 20,000 from him. People from the clan and the village had no objection to this. They do not object to the postman coming to their homes, or to them going to banks. On the contrary, they are happy about it. People who are jealous go quiet about it. For the BISP money, the postman used to come to their houses and charge them PKR 50. They do not know of any other way. Everyone in the area receives money through the same way and they do not face any difficulty in getting it. They find it convenient to have the money delivered to their doorsteps. They have never seen the post office—they do not know what it is. They have never used ATMs and do not know of it. When the floods came, they heard that other areas were receiving food rations but they themselves received none. Laal Mai herself makes the decisions about where to spend the money and what on.

e. Mobile phone usage and literacy/aptitude

They do not use a mobile phone in their house. The men in their area do not like it and do not allow it, because of the unmarried girls in their households. Generally women in her area do not possess mobile phones; those who do are not considered to be of good character. They do not know about easypaisa as they are uneducated.

f. Saving Behaviour

Laal Mai gets to save nothing since she barely manages to make ends meet. She has never saved anything or ever thought about it. She does know however that regardless of how you save, saving is a beneficial thing for people who have the money. If she ever finds an opportunity to save, she would buy an animal or collect things for her daughter's dowry. When probed what she would do if given PKR 10,000, she said she would pay back her debt and have a four-wall boundary constructed. If some money was left even after that, she would buy something for her daughter. If given PKR 100,000 she would buy things for her daughter's dowry and marry her off.

g. Knowledge of and experience with financial instruments

Laal Mai does not know of traditional or non-traditional methods. She does not know what V.C/B.C. is. There is no system of forming committees in her area and nor does she know of anyone who participates in these committees. However, she thinks that saving is important and has no drawback to it. Saving is saving, after all, she says. No relative or friend of Laal Mai lives outside the village, the city or the country. She has experienced no transfer of money. She said that in their area, everyone is too busy making ends meet in their own homes to send or receive money from anywhere else. Laal Mai does not know of microfinance either. She has never heard of it and she does not know anybody else who would know it. She does not know what microfinance credit is. Laal Mai has heard of banks but she has never bothered to learn more about them. She has never tried to get an account opened or even thought about it. She thinks that maybe people from one or two rich households of the village have bank accounts, like Ghulam Hussain. She has never asked them. She said that for a bank account to be opened, one needs money. She does not have enough money. She thinks banks are for those who are financially well-endowed and is useful to them. Since these people have a lot of money, they cannot keep these amounts at home. If she got PKR 10,000, she thinks she would spend it in 10 days, so a bank, then, would be of no use.

h. Attitude towards and perception of financial instruments

She does not know of any way nor has any information about financial institutions. She receives the BISP money through the postman who delivers it at her doorstep for a fee. Personally, she has never used any cash transfer facility nor has she felt the need for it. Keeping money in banks is not considered okay, as for PKR 10,000 you get back PKR 20,000. They would rather stay out of these matters. Their perceptions have been the same since the beginning and will remain so, Laal Mai said.

i. G2P impact on FIL

Laal Mai is a Watan Card and BISP beneficiary. She has not experienced any financial inclusion following G2P transfers. Her Watan Card payments were not withdrawn by her so she has no interaction with an ATM. Furthermore, she receives her BISP payments through the postman therefore she does not get to visit a bank/franchise shop either. She feels that banks are not for poor people like her which is why she has never opened a bank account. She further expressed reservations over the interest earned and charged at banks and said that she would not like to get involved in such matters. There is no evidence for an increase in her financial literacy either. Her first priority with the cash transfers was to repay her debts and construct *pakki* walls for her house.

j. Power linkages and impact on FIL

For one to have a bank account opened, one has to have money. She would not need anyone's permission to open an account. They do not know who the banks work for and they do not consider themselves a part of that group. Laal Mai feels banks are made for the rich and it is these people who can get any use out of it. The rich would know better about the pros and cons of keeping money in a bank since it is their money that is kept there. If a woman has money, she would need a bank account to keep it in; in Laal Mai's home, they do not even have four walls and she feels anything can happen.

k. Gender/Mobility and FIL

If Laal Mai has to go somewhere, she goes on her own. She said they are poor people and do not do *pardah*. No one objects to the women going to the shops alone. And if a child ever wants to come along, he does. Even if she has to go outside of the village or to the city, she goes on her own.

7. Conclusions/FIL Outcomes

Safran Bibi is a widow and thus enjoys greater mobility in the village. However, as a non-beneficiary she has not had the opportunity to engage with formal financial instruments. She claimed to have an interest in saving and said she used to save frequently before the floods came. She sustained considerable damage to her livestock (a saving mechanism) in the floods and had to sell them off. She feels that a poor and illiterate woman like her has nothing to do with banks and she could only think about opening an account if she had the money and the necessary literacy. Meer Hazaar is a non-beneficiary as well; only his wife receives the BISP cash grants while Meer did not receive the Watan Card. While Meer Hazaar collects his wife's payments when they arrive, this is done through the postman and thus he has no interaction with formal financial systems. As a result he has not gained in financial literacy. He does not engage in any considerable saving though he expressed a preference for investing in livestock as the most viable saving technique. One of the constraints on his saving behaviour is the debt he owes to the shopkeeper. Furthermore, Meer Hazaar, poor sharecropper by profession, was also a victim of harassment by a dominant Cheena landlord as a result of which he was imprisoned and now he has to repay the lawyer who helped bail him out. These debts have prevented him from thinking about saving; let alone opening a bank account. Laal Mai is a poor widow who is also a Watan Card and BISP beneficiary. She only received 1 instalment of the Watan Card and she did not withdraw that amount herself- her mother-in-law went with an educated male who could use an ATM to get Laal Mai's payment. Furthermore, she receives her BISP payments through the Pakistan Post which is delivered by the postman at her doorstep. Thus she has had no interaction with formal financial systems overall and did not gain in financial inclusion/literacy. While she enjoys greater mobility she struggles to provide for her family as a result of her old age. Her priority expenses are to pay off her debts and repair her house- she does not even have enough money to transfer the title of the land where her house is built on to her name. All of the respondents claimed to be too poor, illiterate and indebted to save and/or open a bank account. Both the widowed respondents were heavily burdened by having to provide for their households. Two of the respondents were non-beneficiaries- although one of them has had exposure to the Pakistan Post modality when collecting his wife's BISP payments. The third respondent, while a beneficiary of both BISP and CDCP, had not withdrawn her CDCP payment herself and gets her BISP payments at her doorstep through the postman. Thus none of them have experienced any observable change in financial literacy.

A2.6 Mirawal Qambrani-Dadu-Sindh

1. Basic Facts

| | |
|--------------------------|---|
| Province | Sindh |
| District | Dadu |
| G2P Modality | Pakistan Post |
| Tehsil/Taluka | Johi |
| Union Council | Phulji |
| Deh/Mouza | Tharari Jado Shaheed |
| Community | Mirawal Qambrani |
| Researchers | Abbas Soomro, Abid Memon, Sadaf Shah, Saeeda Gopang |
| Date of fieldwork | 9 th July 2012 |

2. Sampling and Fieldwork Conditions

This community profile meeting was held at village Mirawal Qambrani, taluka Johi, district Dadu which is 37 km from Dadu city. The metal road of the village starts from Thariry Jado Shaheed and goes till Kakarh. The small town of Kakarh is 5 km from this village. To the south of the village is Thariry Jado Shaheed, to the east is Ali Murad Qambrani and to the west is Faiz Mohammed Qambrani. By profession most of the people are peasants who are working with the *zamindars* of the Jamali, Bhabhar and Naich kinship groups. These peasants do not get a sufficient portion of the produce and have always been in debt to the *zamindars*. If they go to the Jamalis for credit on interest they fail to get credit as they have no land ownership. Our meeting was held through the NGO Gorakh Foundation. The meeting which was held under the shade of a tree near Charwah canal and was attended by 40 persons including children, adults. The main respondents for the community profile were: Abdul Razzaq, Allah Warayo, Ghulam Nabi, Abdul Hameed, Inayat Hussain, Achar and Abdul Ghafoor, all of whom belong to the Qambrani kinship group.

3. Community Profile (Outline of social landscape/power brokers etc.)

The village of Mirawal Qambrani has a population of 1,500 persons. It has 150 households in total. The number of registered votes was about 300. These people have been living here for generations. The land was owned by the government. All of the people speak the Seraiki language. The village comprises entirely of people from the Qambrani kinship group.

A metalled road is 1.5 km from the village. It was not far away from the nearby village. The residents of the village easily commute to Ali Murad Qambrani village. Thariry Jado Shaheed is 1.5 km from their village; people can easily reach there by foot. The average income in the village is about PKR 250 as they do labour work on trucks. Most of the people are peasants. Five people have government jobs; 15-20 people own land. For transport, people use Qingqis and motorcycles. In health facilities, there is a Basic Health Unit in the village which is run by a LHW. They have no *hakeem* or experienced doctor. There is a civil hospital in Dadu (37 km away) which people rush to in case of an emergency. The water facility is the better one. The Charwah canal runs nearby and for drinking water they have hand pumps. They have no good system of sewerage. They have no landline telephone facility and 8-10 households had mobile telephones. The village had one co-educational primary school. The nearest middle school is in Thariry Jado Shaheed.

The basic agricultural produce of the village is wheat (20-25 man/jureeb) which they sow in November and cut in the month of April. Furthermore they produce chillies and *sarsoon* for which the season is from November to April. Because of a shortage of water they cannot produce rice.

This village voted for the Peoples' Party leader Rafique Jamali. His elder brother used to visit the village. Recently he visited them regarding a person Fatah. In 2004 Haji Ali Akbar was elected as councillor from their village.

a. Saving preferences

They are unable to have any good saving; because of their low income they spend all of their money on daily needs. No household in the village manages a VC (committee). The residents of the village prefer to buy cattle (especially goats) from their little saving. They explained that they prefer it because it grows fast and there are lesser chances of loss. But they have a problem in this regard which is cattle theft in this area and according to them the people of the Jamali community are involved in it. According to the community if a household had two bread earners it can buy gold and for its purchase they go to Meharh because they have relatives and friends there. When the community was asked that if they think there is any advantage of having savings they replied that through it social status is enhanced. They had an opinion that though there was nothing wrong with saving but they can not keep a big amount of money at home because of a fear of theft or that other people will ask for credit. According to them no poor family can save as they are hand-to-mouth but the rich, who had better resources and money, can save.

According to the community if a person will get PKR 10,000 he will get rations for the family and will keep the rest of the money at home for expenditures. Some of them said that they will buy sewing machines for their women with that amount so that the family had an extra source of income. If they get PKR 100,000 they will buy cattle but some people will prefer to start their business (*karyana*-retail store) so they can feed their family better.

Similarly, if a woman will get PKR 10,000 she will, according to the community, buy rations or will buy a sewing machine to earn extra and if a woman will get PKR 100,000 she will start a retail shop for herself or for her husband, or she will prefer to buy cattle.

b. G2P modalities

About 60 women of this community were getting money from the BISP since 2011. They were getting money through the Pakistan Post. 40 out of these 60 women had got their Benazir Debit Card (BDC). These 40 women had already gotten their first instalment of the BDC. They consider this method difficult for themselves. Earlier the postman was delivering the amount at their home but now they had to go to Dadu or Kakarh. For this they bear the extra burden of fare and they lose time. According to the community women who go to Dadu or Kakarh to get their amount from the ATM are misbehaved with over there- some people tease them, touch them and in the rush they are being pushed.

After the 2010 River Indus floods about 60 households got the Watan Cards and most of them had gotten one or two instalments. They got the last instalment two or three weeks back. According to the community those who got the Watan Cards drew money by themselves from the city. No one in the village knows how to operate the ATM so they have to give some money to the agent to withdraw the money for them who charges PKR 200-500 per card.

Fifty people of this community had gotten the Pakistan Card after the monsoon floods of 2011. They used this card through an ATM agent in Dadu who charged PKR 200-500 as commission. No one from this community sold his/her Watan or Pakistan Card.

When the monsoon flood of 2011 hit this area these people lived for two months at the FP (bund) embankment. Their houses were badly damaged. After conducting a survey the Gorakh Foundation distributed PKR 25,500 in three instalments among 25 people- this money was given for construction work, and people of over sixty years of age and widows were preferred. Gorakh Foundation appointed a focal person for this task and the amount was transferred in the recipients' bank accounts. According to the community, an NGO called Hands repaired the primary school about a year ago.

c. Financial institutions/instruments

The closest bank branch is 4 km away from the village at Kakarh. They go there by motor cycle, Qingqi and by foot. Women also draw their BDC amount from the same bank branch; this bank has a Swift machine facility. Kakarh also has the easypaisa facility but the respondents had no detailed information about it. The ATM facility is 40 km away from this village in Dadu. They go to Dadu by van or motorcycle.

No one in the village knows about microfinance as no such facility is available there. The community people also do not know much about easypaisa or mobile transfer. Most of the bank account holders are salaried people or pensioners. One person has a bank account and his brother sends money in the account. According to the community because the people do not have sufficient income they do not operate bank accounts. Besides that, they had little know how about bank accounts.

d. Attitudes and perceptions

According to the respondents there is very little saving carried out by the poor people of the community. They save through informal means such as buying livestock and selling it (they expressed concerns about theft) and by purchasing gold from Meharh, where they knew the goldsmith. They claimed that saving money was good but if they kept it at home it could get stolen or spent, thus they invest it in livestock or gold which is also what they would do with hypothetical windfalls. They think saving raises one’s social status as only the relatively wealthy could save any money. Community members do not generally have great awareness of the banking system and many Watan/Pakistan Card beneficiaries relied on others to withdraw their money.

4. In-depth Interview 1

a. Basic Information

| | |
|--|--------------------|
| Name | Shafaeta Qambrani |
| Age | 30 |
| Gender | Female |
| Education | Inter |
| Caste | Qambrani |
| Occupation | Lady Health Worker |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Pakistan Post |
| Bank Account (Y/N) | Y |
| Bank Name | HBL |

b. Socio-economic position of respondent/respondent’s household

Our respondent was Shafaeta. Her house had a TV and a fan. She owns two buffaloes and a calf. Two persons were bread earners in the family, Shafaeta herself and her husband who works in a factory at Kotri. Shafaeta was a Lady Health Worker (LHW) and was drawing a salary of PKR 7,000. Besides that she was a BISP beneficiary and was getting PKR 1,000 per month from the BISP. Her husband Ali Asghar Qambrani was getting PKR 7,000 per month from the factory. She said that they were easily bearing their monthly expenditures.

Shafaeta said that her house was damaged in the flood which is yet to be repaired. The house was *katcha* with 2 rooms and a toilet. She was born in that village and married in the same village. The land on which the house is built belonged to her father-in-law who had given that land to her and will not snatch it if she reconstructs on it. She said that she does not need anyone in the family’s permission to share her residential address at her office. The postman delivers her post on this address. She said that her house was at an end from the centre of the village and it takes 5 minutes to reach there by foot. She said that though her father-in-law had yet to transfer the land on her or her husband’s name, she does not feel insecure about it. Her national identity card too holds the same address and she gets the BISP money through the postal service on the same address. Her bank account too had the same address.

She said that she uses the BISP money for the purchasing of domestic items like sugar, vegetables and other rations. She said that during the floods they faced a lot of difficulties and for some days they had a shortage of food items; two or three times they were without food but later the situation improved and they managed arrangements for food. She said that upon the cutting of the agricultural

produce her father-in-law gives them a bag of rice which she stores for their consumption. She buys one kilo of rice and flour daily from the shop and if the grain becomes short she buys it from the shop. She said that her father-in-law owns land and every year he gives them rice from his produce. When she is finished with her own grain she uses the rice given by her father-in-law.

Shafaeta said that all the people here are of the same caste (kinship group) so no one was more powerful or weaker than the others. Because of belonging to the same caste everyone's attitude to each other was good enough. She said that since all the people are poor no one from their caste considers himself more powerful. All of them are working people. She said that because of her job she visits her neighbourhood daily so she was in regular contact with them. She said that because everyone is from the same caste they all participate in community affairs.

c. Household cash flows

Shafaeta said that she got the LHW job in 1998. Her family members had no objection to her doing this job. Earlier she used to sew clothes. After getting this job she continued her sewing work. She said that on the first day of each new month she goes to office, which her family had allowed her. On a daily basis she immunizes and does other health related work in seven households and for that she had to spend half of the day outside of home. The neighbourhood where she provides health cover is near her house but for her office she has to walk a long distance. She said that her job was secure as it was a government job. In the case of any emergency she takes money on credit from her brother. She was confident that as she does her part when her brothers need any help so they too will respond positively to her. Her brother had always helped her. When she was sick last year he helped her a lot. She said that her family had no debt on it. They do not get credit because of fear of not paying it back. She had never thought of it. She has no restriction by her family on her working/doing a job.

d. Cash transfer history

CNIC details: She said that she got her identity card made before her marriage as it was required for her job. She went to the NADRA office with her brother who had no objection on her photo being taken for the card. She said that she had to visit the NADRA office two or three times as there was a rush. Her brother was aware of the process of the card as he had gotten his card made earlier. During her marriage ceremony she lost her CNIC so she again visited the NADRA office as without the card she could not have drawn her salary. She went to the police station all alone to register the report of the missing card and after visiting the NADRA office many times she got her duplicate card. She said that because of the card she draws her salary and can cast her vote. The main reason for getting the CNIC was the bank account, through which she draws her salary, which could not have been opened without the card. Her old national identity card was made in the year 1997 when she felt a possibility of getting the job. She was unmarried at that time and was 18 years of age. When she heard from people that the computerized identity cards will replace the older one, in 2002 she went to the NADRA office in Dadu and got her CNIC made with her spouse's name. She needed the card as she was married now and also to draw her salary. Again in 2010 she lost her card and got a duplicate. She told said because of her identity card she got her job and was getting her salary. She said that for the duplicate card she paid PKR 300 to the NADRA staff.

BISP: She said that she was getting her money through the postman. Around one and half year ago her cash transfer of the BISP started. Earlier the postman was an older man and he was circulating money directly to the concerned women at their doorstep but lately he was transferred and a younger postman had replaced him so now he is restricted in his ability to go directly to women and has to hand over the amount to the male members of the concerned families. The postman takes PKR 100 from each woman for the handing over of PKR 1,000 which no one likes and everyone is of the opinion that it would have been better if they could get the BISP money through the bank so they can get their full money without paying any commission. She said that she gets her official salary from the bank and her BISP cash transfer through the postman. She said that before that cash transfer she had never used any cash transfer or voucher. She said that this cash transfer instead of the postman should come through the bank because the bank method was the better one. Some of her neighbours think that the bank will be better too. In that case the women will directly get the money instead of their male family members and the bribe to the postman too could be saved. As many males are jobless so instead of giving it to women they spend that money themselves.

e. Mobile phone usage and literacy/aptitude

Shafaeta has a mobile phone and uses it by herself. The SIM of it is registered on her brother's name. She uses it only for phone calls and never sends text messages on it because she has never needed to but she can write and send it if the need arises. She got this mobile phone on the recommendation of her office staff as they can inform her in advance about their visit to her area of work. She said that though her community people mind her talking on phone with strange males, her family had never objected to it. She did not know about the easypaisa service and had never bothered to know about it. She had never received any money through the easypaisa service. She further said that she got her first mobile phone some three years ago and her brother taught her to operate it. Once her brother-in-law snatched her mobile phone and last year she got herself a new mobile phone.

f. Saving Behaviour

She said that she does some saving regularly and deposits some amount in the bank every month at the time of drawing her salary and withdraws it when the need arises. Though she became a member of a committee in her office twice, she did not like that method of saving so she withdrew from it. She occasionally buys gold and sells it if the need arises. From her saving she had bought 3 livestock animals and will construct her home by selling these. Once she kept her saved money in a box at home but it was stolen so she withdrew from that method as well. When she was unwell she sold her gold and got her treatment. She prefers the bank for her saving. She considers saving money to be a good habit as this money can be utilized at the time of any emergency as it happened during the flood. When her house was destroyed in the flood she and her husband lived at her brother's house but she spent her own money which she had saved. She said that she spends the BISP amount on purchasing domestic items and when she gets her salary after every two or three months from the bank, she deposits a portion of it as her saving. She always tells her family about her saving and spending of money.

She said that if she gets a windfall of PKR 10,000 she will save this amount for her daughters' dowry by purchasing gold and when they will become adults she will purchase dowry items by selling that gold. She said that if other women will get a similar amount they too will do the same. She knows a goldsmith in Khairpur Nathan Shah and she is a regular costumer. Earlier too she had purchased gold from the same person and he trusts her and can give her gold on half payment as well. That goldsmith has known her entire family for long. She said that after getting her job she purchased two buffaloes at PKR 7,000 per buffalo through her savings. Now the price of each buffalo is PKR 100,000 and she was thinking of selling both of her buffaloes in order to repair/ reconstruct her house. That too was a saving method.

g. Knowledge of and experience with financial instruments

Shafaeta said that when she got the job she started a saving committee in the office but for that you have to deposit the amount on time and you can get your own amount only when your name comes in the draw. In case of an emergency you can not utilize the money so she stopped investing in the committee after two attempts. She said that she did not face any problem in its management as she was a part of the office and the committee was managed by the office staff.

She said that saving was more important for a woman and she can utilize the saved money in case of any emergency. In this regard she cited her own example as the recent flood hit her area and demolished her house but she was able to bear her running expenditures through her savings.

She said that she was familiar with the post office system before getting BISP cash grants as her husband used to send her money from his work place at Kotri every 2-3 months through the Pakistan Post money order service and the postman would deliver it to her village. She said that no one from her family or the neighbourhood ever objected to the postman coming to her doorstep. So she was aware about the process and method of receiving money transfers through postal service before receiving the BISP amount but not sending money.

Shafaeta had never gotten any money on credit and was unaware about the process and details of microfinance banking because neither she nor anyone else in her village ever got any credit from

microfinance banking. She further said that some 3 years ago some women affiliated with an NGO called Hands came to their village and made her the group/team leader of a team comprised of 9 women. That group pooled PKR 10 per women every month for 5 months and then they gave that amount to the women at Hands as they had been told that through this money a women's centre for sewing and embroidery would be established. An NGO woman gave her phone number to Shafaeta but when on the very next day she dialled that number the mobile phone was off. Now the village women were regularly asking Shafaeta about that proposed centre but nothing has happened.

When Shafaeta got the job as a LHW her office colleagues told her about the banking system as she had to get her monthly salary through the bank. She was told by them that first she has to open her bank account (at Habib Bank Limited) and after that she would be able to draw her salary. She said that she was the only woman of her village who holds a bank account.

Her office colleagues helped her with opening her bank account. She does not face any difficulty in communication with the bank staff as they too speak her mother tongue: Sindhi. She said that as she was a literate person she did not face any difficulty in the filling of bank documents. She said that operating a bank account was an easy thing. She could only deposit and withdraw money from the bank and did not know any other facility provided by the bank.

h. Attitude towards and perception of financial instruments

She is a beneficiary of BISP so she knew about the services of Pakistan Post and as she was employed as an LHW and was drawing her salary from the bank so she knew about the bank's functions too. She thought it was easy to operate a bank account and she regularly deposits her savings in the bank. Apart from that she also uses informal methods of saving such as purchasing livestock animals and gold. She did not like the committee system, nor does she keep a lot of hard cash at home. She looked favourably upon saving and said that she was able to bear the destruction caused by the floods because she had savings to fall back on.

i. G2P impact on FIL

Shafaeta has had prior experience with receiving money orders through the post office as her husband used to send her money from Kotri. Further, since she is a government employee (LHW) she regularly uses her bank account for withdrawing and even depositing money. Thus she was financially included before becoming a BISP beneficiary. The postal method has not increased her literacy with respect to banking techniques.

j. Power linkages and impact on FIL

She said that when she opened her bank account she did not need permission from anyone. She further said that women must operate their own bank accounts as keeping money at home is risky because it could be stolen as her own money was stolen. Keeping money in the bank is the safest thing. She said that she had saved PKR 30,000 in the bank. She had her own bank account thanks to her government employment, and her colleagues helped her open this account.

k. Gender/Mobility and FIL

Shafaeta told us that she cannot go alone for shopping to the city as her family allows her to go there only with a companion. Most of the shopping from the city is done by the male members of the family. Her brother often goes to the market so she gets her shopping through him but in case of an emergency she goes to the shop situated within her village herself as there were no restrictions on that by her family. For her job she has to visit 7 families daily by herself and once a week she has to visit the office; there too she goes alone and by foot. She said that if her family did not allow her to visit there alone then she would have to follow her family's instructions.

5. In-depth Interview 2

a. Basic Information

| | |
|--|-----------------------|
| Name | Abdul Latif Qambrani |
| Age | 24 |
| Gender | Male |
| Education | Inter |
| Caste | Qambrani |
| Occupation | Agricultural labourer |
| Beneficiary (Y/N) | N |
| Cash transfer scheme (BISP, CDCP) | N/A |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | N/A |
| Bank Account (Y/N) | Y |
| Bank Name | HBL |

b. Socio-economic position of respondent/respondent’s household

Abdul Latif Qambrani lives in the village of Mirawal Qambrani, taluka Johi, district Dadu. After the community profile we came to know that Abdul Latif was the only person in the village who knew how to operate an ATM and he holds a bank account. He did not get the Watan Card after the river floods of 2010 and the Pakistan Card after the monsoon floods of 2011. No one from his family was getting BISP cash grants. Because of that we selected him for our individual interview.

Abdul Latif s/o Mohammed Hassan was 24 years old and he was married. He had a motorcycle which was given to him by his elder brother and had been stolen some two months back. He said that he had a gun which was purchased by his father. He owned a goat but had no gold. Regarding ownership of land he told us that he does not own any piece of land but later fellow villagers told us that he owns 40 *jureeb* of land which he got from his father. He said that he lives with his wife, mother and two younger brothers, aged 18 and 16. His elder brother Abdul Khaliq was in the Pakistan Army and was posted in Attock with his family. Khaliq sends PKR 3,000-4,000 per month to his younger brother Lateef.

Regarding work he told us that he works on the land of *zamindars* of the Bhabar community and gets 30-35 *man* of wheat for his work in every season which they use for domestic needs. That wheat is used for 3-4 months but on our enquiry the other villager told us that he works on his own land. According to him, because of a water shortage they can not grow rice. He said that he does not face any difficulty in daily life as his father who died in 2008 was a primary teacher and Lateef’s mother was getting PKR 2,500 per month pension. Earlier his elder brother used to send money through money orders which was taking at least 2 weeks to get delivered so to overcome that problem one and a half month ago Lateef opened his bank account at the Habib Bank Limited (HBL) Kakrah branch so now he receives money without any delay.

His house was situated at a 5 minute walk from the village chowk. His house was made of *katcha* bricks and had 3 rooms. The house had an electric connection for the last one year and for water they use a hand pump. They have been living on this land since their forefathers and, according to Lateef, this house was built on government land. He gets his post easily on his residential address. His neighbours had no objection to the postman’s coming to his doorstep.

He told us that there was no day in the whole last year when his household did not cook food and went hungry. Generally they cooked food twice daily. He said that he gets 25-30 *man* of wheat as his labour work in the field which they use for domestic consumption and purchase the rest of the food items like rice and vegetable from the market.

According to him, three powerful kinship groups- Jamali, Naich and Bhabar- own a lot of land in this village. He said that the behaviour of the people of these castes with his community was fair. They all participate in the celebrations of their marriages and other social occasions. His own community behaves normally with other people too; they have no such friendly relations with the Jamali community though as they think that they play an active role in thefts in their village. According to him in case of any emergency he relies on his maternal uncle and cousins and regarding financial dealings

he relies on his friend Mohammed Khan Qambrani who runs a shop in Thariry Jadu and manages money transactions with him without any interest.

c. Household cash flows

After the death of his father, Abdul Latif started working on the field. He was intermediate-pass and beside family responsibilities he works on the field. He thinks that working on other peoples' land was not a secure source of income as the workers can be fired without any prior notice. Latif earns 30-35 man of wheat seasonally from working on the *zamindar's* land. His mother draws her husband's pension amounting to PKR 2,500/month. According to him his family was not in debt.

d. Cash transfer history

CNIC details: Latif got his CNIC made in 2006; he was advised by his friend Gulzar that through the CNIC he will have his own identity and he could get a job too. He did not face any difficulty in the getting of his CNIC. His friend Gulzar accompanied him during the whole process. He applied at Dadu for his CNIC and it took 15 days to be issued to him. Before that he had no other card. The address listed on his CNIC is the same as his current place of residence. Regarding the benefits of a CNIC he said that through that one can get the Watan Card, Pakistan Card and through that one can open a bank account too.

Complete cash transfer history of the beneficiary: No one from Latif's family had gotten the BISP cash grant nor did anyone from his family get the Pakistan or Watan Card and he knew that BISP was a women's program through which every month the postman deliver money. He knew about that from the fellow village residents.

e. Mobile phone usage and literacy/aptitude

Latif had a mobile phone which his elder brother gave him so he could be in touch with his family. The mobile phone SIM was registered on his name. His elder brother taught him how to operate the mobile phone. He said that he had no difficulty in learning to operate the mobile phone because of his being a literate person. He had little knowledge about the easypaisa service. He just knows that it was a money transfer service and he knew about it through a TV advertisement which he saw at Thariry Jadu. He had never used that service.

f. Saving Behaviour

According to Latif he was unable to save as he spends all the money he earns. He just saves wheat for 4 or 5 months but he thinks that if he had enough money he would save it in his bank account and afterward he would arrange a business for his brothers. He had never been involved in a saving committee because he does not trust it. He thinks that the safest way to save was the deposit of cash in a bank account. If the money is kept at home, someone can ask for a credit or it could get spend it by him. He thinks that saving is a good habit as the amount could be utilized in times of emergency. He does not think that there is anything wrong with saving and neither is it harmful. When he gets money he makes the decision about how to spend it as after the death of his father he was the elder of the family. His whole family knows if he has some money. His mother and wife had access to his money. If Latif gets a windfall of PKR 10,000 he would deposit that amount in the bank and after saving a further PKR 10,000 he would arrange a business for his brothers because they were without any work. If he gets PKR 100,000 he will arrange a business for his brothers and will purchase some cattle. Later, members of the community told us that he must have savings since he owned land and his brother was sending him money too.

g. Knowledge of and experience with financial instruments

Latif said that no one from his village has been involved in saving committees as they do not trust them but the people in town were running them. These kinds of committees (BC/VC) are fruitful as they provide a big amount at one time but no one in the village manages them and they had less trust in people from the outside.

His elder brother Abdul Khaliq is in the Pakistan Army and posted at Attock who sends PKR 3,000-4,000 every month to Latif for domestic expenditures. Earlier he was sending this money through the postman which would often be delayed for 10-15 days, after which the elder brother advised Latif to open a bank account. Now he is getting money through HBL as soon it is deposited. Abdul Latif had never sent money to anyone.

He had not heard about micro-financing. He had heard that the bank gives loan on land. He had also heard that the National Bank gives loan on the passbook of the land. All that information he had gotten from his friend Gulzar. He had never gotten any loan from the bank nor did he know anything about its procedure

On his brother's advise some one and half month ago Latif opened his bank account and when he went to the bank to open his account the bank teller asked about the reason behind it. He told him that through this bank account he would receive the money his brother will send. The bank manager asked for his identity card and told him that within 10-15 days his cheque book will be ready. Latif said that he fills cheques by himself; he knows how to because he is educated. Before that he was unaware of banking services. He thinks that the usage of banking services was an easy task. Because of the bank account his time is being saved and furthermore it was the safest way to save your money. A bank official told him that on depositing a big amount in the bank the account holder will get a profit on it.

h. Attitude towards and perception of financial instruments

Latif claimed that the bank is a good institution. It saves time and one can maintain privacy about their money by operating a bank account. He had yet to get the facility of an ATM card. His brother has an ATM card. He knew that through an ATM one can withdraw money from any bank branch. Latif preferred keeping savings in a bank over other methods- he claimed it stays safe there and it also does not get spent; if money is kept at home, relatives seeking credit will often request money and it gets spent in that way. He did not trust saving committees either.

i. G2P impact on FIL

Latif was not a beneficiary of any G2P cash transfer scheme, however he was highly financially included and literate. He opened a bank account so he could easily obtain money from his brother, who lives outside the village. He can write cheques and operate an ATM; he said this was because he was educated.

j. Power linkages and impact on FIL

He did not ask anyone's permission for opening a bank account. He had no knowledge of micro-financing. He thinks that those who had enough money and salaried people should open their bank accounts.

k. Other observations

Further details of Latif's wife's CNIC: He said that the Taluka Municipal Authority (TMA) sent a NADRA mobile team to their village in May 2011 (the TMA sent this team on the recommendation of their MNA Mohammed Rafiq Jamali) and the team was facilitated by Abdul Razaque. The team asked everyone to get their CNIC and Latif too accompanied his wife to the camp to get her card. The team asked Latif's CNIC from his wife and after entering the required information they issued a token and after 15 days Latif got his wife's CNIC from the NADRA office in Dadu upon showing the token.

6. Conclusions/FIL Outcomes

Shafaeta Qambrani was a BISP beneficiary who was financially included and literate prior to becoming a beneficiary. This is because she is a government employee, working as a Lady health Worker. She gets her salary through her bank account, which her colleagues assisted her in opening. She regularly uses her bank account to keep her savings. Amongst informal saving mechanisms, she would prefer to purchase gold or livestock; she is not in favour of keeping cash at home or depositing in

committees. The G2P cash transfers to her do not appear to have improved her financial literacy; this can partly be attributed to the fact that she receives her BISP payments through the post office which does not bring her into contact with a bank.

Abdul Latif Qambrani has extensive experience with numerous financial instruments. His brother routinely sends him money and Latif also has a personal bank account. While he is not a beneficiary of any cash grant scheme, Latif is considerably financially included and literate. Latif's case reveals a very important observation. He was not very forthcoming with his income and saving patterns and after we interviewed him other villagers informed us that he must save a lot of money as he owns land (which he denied in his interview) and gets money from his brother too. Moreover, Latif himself claimed that money should be kept in a bank, away from prying friends and relatives. While we cannot determine whether the other villagers' opinions regarding him are true, it does reveal how community members think of people who (presumably) save their money surreptitiously.

A2.7 Raees Hussain Israan-Larkana-Sindh

1. Basic Facts

| | |
|--------------------------|---|
| Province | Sindh |
| District | Larkana |
| G2P Modality | Mobile |
| Tehsil/Taluka | Bakrani/Dokri |
| Union Council | Garelo |
| Deh/Mouza | Daro |
| Community | Raees Hussain Israan |
| Researchers | Abbas Soomro, Abid Memon, Sadaf Shah, Saeeda Gopang |
| Date of fieldwork | 11 th July 2012 |

2. Sampling and Fieldwork Conditions

The community with which interactions for this case study took place was selected through the process of snow-balling. The village of Allah Dino Tanio, 30 km from Larkana, was initially selected at random for interaction however it was learnt that there were no BISP Mobile Banking beneficiaries in this village. Residents of this village indicated that there were some beneficiaries in the nearby Nao Goth; there were no beneficiaries there either but the residents over here directed us towards the neighbouring village of Raees Hussain Israan where beneficiaries were found and the interviews were conducted. The community profiling was done in an open setting at a central location in the village with about 20-25 people present. Main respondents for the community profile included Maula Bux, Ismail, Anwar, Shahmeer, Muhammad Hassan and Khadim Hussain representing all three kinship groups present in the community.

3. Community Profile (Outline of social landscape/power brokers etc.)

Raees Hussain Israan village (also known as Hussainabad) is named after the landlord Muhammad Hussain Israan who owns all the land in the village. It has a total population of 500 people, with 70 households and about 300 registered voters. It is located about 25 km from the city of Larkana and about 2 km from the small town of Mehrab Sandilo. There are three different kinship groups residing here: Kori (Memon), Brohi and Mugheri Baroch. Many people from the Kori kinship group refer to themselves as Memons and have even changed their names on their CNICs.

Public transport- buses and wagons- is available as a metalled road reaches the village. This metalled road was being broadened into a highway, to link Tehsil Wagan directly with district headquarter Larkana. There is no Basic Health Unit (BHU) or hospital in the village; there is a compounder in the town of Mehrab Sandilo (2 km away) whereas in emergent cases villagers must go to the town of Daro (3 km away). There is a mixed primary school in Hussainabad which opened up only a year ago due to the efforts of Raees Muhammad Hussain. While there is a hand-pump in the village it does not provide potable water anymore thus women from the village fill water from a nearby stream. There is no proper drainage system in the village and neither is gas available here; electricity came to this village about 4 years ago. A landline telephone network is not present either however each household has mobile phones. The main crops grown here are rice, wheat, oilseed (*sarson*) and barley (*jao*). The average daily wage here is PKR 200. The local MPA, Aziz Jatoi, only visits this village during election years.

a. Saving preferences

According to the respondents very little saving takes place in this village because people do not earn enough money to save. Almost all sharecroppers were reported to be indebted to their landlords and moneylenders. There are no BC/VC saving schemes. Those people with relatively higher incomes invest it by purchasing cattle (goats, buffaloes etc.) since the returns are higher as the animals grow.

The risk of cattle theft is present which is why the cattle is kept tied near the house. Since it is a rural setting the villagers have prior knowledge about which animals are fit and healthy and they do not need to rely on anyone for guidance. In the past, when gold used to be cheaper, people with higher incomes would purchase gold with their savings- this would be purchased from Larkana and the goldsmith/retailer would ordinarily be a relative or an acquaintance- however this trend has declined due to the rising price of gold and they have shifted to purchasing cattle. Those people who work on land as *haris* are able to obtain enough grain for 2-3 months for each crop- particularly wheat and rice- they harvest.

When probed about what a male community member would do if he received a windfall of PKR 10,000 our respondents replied that he would buy a goat with that money or if he worked on his own land or on sharecropping he would buy urea/fertilizers with it. Any remaining money would be spent on household necessities. When asked about PKR 100,000 it was said that the male would spend it on buying a buffalo, setting up a small business or on his land if he had any, and would pay off his debt. When probed about what a female would do with PKR 10,000 it was claimed that she would buy a sewing machine or a washing machine with it. Asked about PKR 100,000 it was claimed that a female community member would spend it on her daughters wedding/dowry or buy cattle with it.

b. G2P modalities

Nobody in this village has received Watan Cards or Pakistan Cards since this village was not affected by the floods of 2010 or 2011. Women in this village have been receiving cash transfers as per the BISP since January 2011. The only G2P modality operative in this village is the mobile banking facility which has been in place since January 2011; none of the beneficiaries have obtained cash grants through any other modality. The Taluka Chairman received eligibility letters of women in this village in 2010 which he then distributed to them. These letters instructed the receiver women to visit the NADRA office to verify their CNICs after which they would be handed their mobile phones. Thereafter a message (SMS) would be received on the phone which would inform them that their cash grant has been issued and would provide them an address (of a bank) where they could collect their money. There have been no other government or NGO cash transfer schemes in this village other than BISP. There were two groups of men of a medium income level receiving microcredit loans from Khushali Bank.

c. Financial institutions/instruments

The nearest commercial bank branch from this village is 23 km away in Larkana (there is also an ATM at this branch) and the closest easypaisa/Omni franchise is 17 km away in Nasirabad. Residents of Hussainabad use a bus or a wagon to visit these locations. No one in the community has personal bank account except for 10-15 men who were getting microcredit loans. The respondents had no knowledge about how to open a bank account, how to operate an ATM or what other banking facilities are available. None of the respondents had any knowledge about the easypaisa facility either and they claimed that no one in the village uses this facility. There is only one NGO called Khushali Bank which provides microcredit loans to people in the village; even this bank is located in Larkana though. The mechanism by which they operate is that 10-15 must apply for a loan collectively, providing copies of their CNICs along with the application. Then each individual is given a loan of PKR 10,000-12,000. For a loan of PKR 10,000 interest is charged at PKR 2,000 per annum. If one person fails to make his/her payment, the burden shifts to the others in the group. There are only 18 people in the village who have taken these microcredit loans. There are local moneylenders (*vijji*) who provide loans on interest in the community which are repaid with each harvest, however the amount of interest they charge is too high- about PKR 50,000-100,000 more per harvest- which is why people prefer Khushali Bank over the moneylender. On the other hand though it is more difficult to qualify for a loan from Khushali Bank which is why such few people have obtained these.

d. Attitudes and perceptions

Those people who save too much are often called '*kanjoos*' by others in the community. The respondents said that there is no harm in saving though, as it can be helpful in times of need. Most of the respondents were of the view that women possess more saving capabilities than men.

e. Gender and FIL

Narrating the experience of women who received BISP cash grants through mobile banking, the respondents told us that when the women returned from the NADRA office their mobile SIMs had not been activated. When one of the males from the community called the help centre from the phone in order to activate the SIM the operator requested to talk to the beneficiary in whose name the SIM had been issued. Our respondents complained that this was deemed inappropriate by men in the community; moreover, they said that the women, due to their inexperience in such matters, faced problems in communicating. The aged participants of the group discussion (especially Mugheri Baroch) showed much concern over the involvement of women in cash transfers and preferred the “*tapaal*” (postman) to deliver their money “*izzat waro tareeqo*” at their doorsteps. “*Zaifan jo daur aa*” this time is of women, will women deal with all the business traditionally related to men now? said some of the worried older respondents.

4. In-depth Interview 1

a. Basic Information

| | |
|--|------------------|
| Name | Bilqees Khatoon |
| Age | 32 |
| Gender | Female |
| Education | N/A |
| Caste | Kori (Memon) |
| Occupation | Sewing/Stitching |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Mobile |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent’s household

Bilqees is a 32 year old, uneducated woman who belongs to the Kori (Memon) kinship group. While uneducated, Bilqees has nonetheless learnt how to sign her name. She is a beneficiary of BISP and receives her cash grant through the mobile banking modality. There are 8 people in her household; Bilqees, her husband Munir Ahmed (40 years old), and her 6 children. Bilqees and Munir are also cousins.

Bilqees Khatoon’s house is only 5 minutes’ distance from the village centre. It is a *kacha* house with only one room in it where the entire household lives. The only assets belonging to the household are 2 fans and 2 buffaloes (one buffalo is on half-share). Bilqees used to live with her in-laws until 3 years ago. Bilqees and her husband shifted to their separate house because of the increasing size of her brother-in-law’s family and her own family. They have been living in this village for 3 generations, according to Bilqees. All of the land in the village, including the land on which Bilqees and her household is living, belongs to the village landlord, therefore she does not consider her residential status secure since he can ask them to leave at any time. She nonetheless receives all her postal mail at this address, which is listed on her CNIC and on the BISP survey form.

Bilqees, who is a Kori (Memon) who are traditionally associated with the weaving occupation, said that all three kinship groups in the village work on the *Raees*’ land and are equal in their status i.e. equally marginalised/powerful. Thus while there are no disputes between the different kinship groups, each group is endogamous- they do not marry into outside groups or get invited to each other’s weddings and only attend funerals. If there is ever any dispute in the village it is resolved by the *Raees*. In times of need Bilqees relies on her relatives first and then on the *Raees*.

Food is cooked thrice a day in Bilqees Khatoon’s household. She told us that in the last year they faced a food shortfall for a couple of months and had to ask the *Raees* for food grains, since Munir works on his land. They normally store the food grains that Munir earns in his share from working on

the land, but when there is a shortfall they ask the *Raees* for more. Bilqees claimed that the BISP cash grants have had a marginal impact on their food pattern; it cushions their regular expenses only for a few days.

c. Household cash flows

There are 3 earning members in Bilqees' household. Her husband, Munir Ahmed, works as a peasant on one-fourth share of the *Raees*, Ghulam Hussain Israan's land (on 20 *jureeb* of land). He earns in kind for his labour, receiving 30 man of rice and 20 man of wheat in 2 crop seasons each year- which amounts to about PKR 43,000 annually. Ghulam Hussain cuts the cost of agricultural inputs (tractors, fertilizers, seeds etc.) from Munir's earning as well as a result of which Munir is increasingly being mired in debt. He had a debt of PKR 30,000 last year of which he paid off PKR 22,000 after last year's harvest leaving him with an outstanding debt of PKR 8,000. Bilqees does home-based sewing/stitching for other women in the community: her earnings are irregular but she makes about PKR 3,000 annually. She has been doing this work for the last 2 years. She does not need permission from her husband to do this work since it is home-based however she would not be allowed to leave the house for employment; she said that none of the women in the village are allowed to work on the land either and her husband goes to the market to buy fodder himself. Their 16 year old son, Shakil, also works; he is a construction worker on daily wages, earning PKR 250 per day.

d. Cash transfer history

CNIC details: Bilqees had her National Identity Card (NIC) made 2 years after getting married which she even used to cast her vote. She had this NIC for about 5 years but she lost it while shifting from her home in Larkana to her in-law's home in Hussainabad. She did not have an NIC for around 10 years after that. She had a new Computerized National Identity Card (CNIC) made at the Larkana NADRA office in 2009. She told us that she visited the NADRA office in Larkana twice with her husband. The queue was too long the first time so they had to come a second time to the office. The transportation cost for each trip was PKR 500- it takes 2 hours to reach Larkana on a bus- and she further had to pay PKR 200 to get the CNIC made. Her husband did not have any reservations about getting her picture taken at the NADRA office. He collected her CNIC from Larkana when it was ready; she did not go with him. Her husband had his CNIC made in 2004. She said that there were many advantages to having a CNIC- it helps with identification in case of emergencies, it is required for all kinds of employment and admission into places and she even receives BISP cash grants because of her CNIC.

BISP: Bilqees is a beneficiary of the BISP cash grant which she gets through the mobile banking facility. She told us that 1 month after the PSC survey she received a letter informing her that she was eligible for the BISP cash transfer scheme. This letter was received by the former UC Nazim, Jan Muhammad Brohi, who handed it to her husband, Munir. The Nazim further told him that there was a mobile distribution camp set up in Arija where he would have to go. Bilqees thus went to this camp along with other beneficiary women from the village. She took her eligibility letter along with a copy of her CNIC to this camp. She said that there was a lot of rush at the camp and it took her almost an entire day to get a packed mobile set along with a Ufone SIM.

Her relative, Ali Bux, inserted the SIM and turned on the phone for her at her house. He then dialled a number for her whereby she had to talk to the operator and provide her name and CNIC number; her SIM was thus activated. She said the SIM is on her name. She does not know how to message from the mobile and has never felt the need to do so either. She said that her husband and her relatives' numbers have been fed into the phone and her husband dials these numbers for her. She further said that if she loses this phone she would not get a replacement from BISP, although she could get her SIM reissued from Ufone for PKR 50 and she would still get messages from BISP if she put that SIM into any phone. She knew of another woman in the village whose phone got stolen and she did the same.

Bilqees has received 6 instalments of the BISP cash transfer scheme thus far; she was informed about the procedure whereby she would get the cash grants by the staff at the camp in Arija. She received her first instalment in January 2011 through the mobile banking service. She got a message on her phone which read "HBL 3000". She showed this message to her husband and they went to the

HBL Larkana branch the next day. When she reached the bank, the staff took a photocopy of her CNIC, made her sign some papers (thumb impressions), checked the SMS on her mobile phone and handed her PKR 3,000 which was her first instalment. She did not get an SMS about her next instalment so she decided to visit HBL Larkana again in June 2011 along with other women from the village. She found out here that her second instalment had arrived and she thus received PKR 3,000 in June 2011. She did not get an SMS on her mobile phone again for her third instalment so she visited HBL Larkana 3 months later; the bank staff checked her name online and told her to collect her instalment from HBL Garelo. She went to Garelo and collected PKR 3,000 in September 2011. She received her fourth instalment from Garelo similarly in December 2011 without having received a message from BISP on her phone. For her fifth instalment again she did not receive any message and she went to HBL Garelo where they told her that she should collect her money from HBL Naseerabad where she then collected her fifth instalment of PKR 3,000 in March 2012. Then 3 months later she went to Naseerabad for her sixth instalment (without any SMS on her phone) and she was told that she should collect her money from HBL Warah, where she got PKR 3,000 in June 2012.

Bilqees said that she received an automated call (IVR) only once, in which a recording of woman speaking in Sindhi told her that her money had arrived and she could obtain them from the bank. She did not receive any calls other than that, nor did she receive any SMS after the first one informing her that her instalment had arrived. She said she prefers the postal method because the mailman would deliver the cash grant to her house. With mobile banking she does not get messages informing her when her money arrives, she has to travel long distances wasting time and money, wait in long lines at banks, make multiple visits sometimes and since a male has to accompany her that person's daily wage is also sacrificed. She knows of other BISP modalities as she has a relative in Warah who gets her cash grants through a card. She said that nobody in her household has any problems with her going to the bank or the mailman delivering the money to her house, however she preferred the latter even if it meant the mailman would deduct a commission since it would save her both time and money. She also said it would be helpful if BISP sent her a message about her instalments as it is supposed to do. Bilqees spends the BISP cash grants on household rations and other necessities on her own discretion. She says this injection of cash makes things easier for some days.

e. Mobile phone usage and literacy/aptitude

Bilqees did not own a mobile phone before receiving one from BISP. Her husband owns a mobile phone which he has had since before Bilqees got one. Bilqees would talk to her relatives on that phone; Munir would dial the numbers for her since she did not know how to use the phone. She refers to the phone she received from BISP as the *sarkari* (government) phone, but she considers it as her own property and talks to her relatives on this phone now. Despite that she still does not know how to use the phone, however she has a rudimentary understanding of the phone; she stated that the phone has her relatives' numbers saved so she knows when a "wrong number" is calling her and her husband picks up when that happens, and she knows when she has received a message.

f. Saving Behaviour

Bilqees said that since their household income is not high there is rarely any saving. However she does intend on saving money in the future. She claimed that if there were enough savings she would keep that money in a bank however she would prefer to keep savings at home. Savings can easily be accessed in times of emergency if they are kept at home, whereas it is difficult to withdraw them from a bank where there is always a lot of rush, even though keeping it in a bank would yield profits for her. She said she would tell her household members if she decided to save any money, but she would decide how much to save on her own. Bilqees said that if she got PKR 10,000 she would save half of it (keeping it at home) and spend the other half on basic household necessities. When asked about PKR 100,000 she said that she would open a small store with that money for her son, Shakil, to run, and whatever amount remained she would keep it in a bank after opening an account.

g. Knowledge of and experience with financial instruments

Bilqees has never deposited any money in a BC/VC even though some women in the community have done so. This is because she never has sufficient savings to deposit. She has never used any money transfer facility since there is no one outside the village to transfer money to or receive money from.

She did not know about microfinance facilities either as no one in the household has made use of it and she does not know of anyone else in the village who has. She said that she knows about banking because she goes to the bank to receive her BISP cash grants. She said she knew about it before she started getting BISP money as well, having learnt about it from her relatives who have had bank accounts or prior experience with banks. She has never tried to open a bank account because she has never had enough money to keep in it; she said that there is no benefit in keeping an empty account.

h. Attitude towards and perception of financial instruments

Bilqees' only experience is with banks. She is relatively knowledgeable about them. She said that she would like to keep her savings in a bank, if she has enough, because of the profit she could earn. She said that people keep their money and gold in banks as saving. There is no advantage to keeping an empty account, as one would not earn any profits; furthermore one is required to keep some amount of money in a bank account in order to keep it active. She thinks that opening a bank account is difficult because of the rush at banks. While she regularly visits the bank in relation to her BISP cash grants, she thinks that because she does not know anyone at the bank it would be difficult to open an account there. Despite all this she thinks that banks serve rich people and poor people equally since she seen both standing in line on her numerous visits to banks.

i. G2P impact on FIL

While Bilqees has not learnt how to use a phone or open a bank account following her BISP cash transfers, her (mobile and financial) literacy has steadily improved. She owns a mobile phone for the first time and knows that numbers need to be saved on it, messages have been received etc. Similarly she had heard of banks before and never visited one until she needed to obtain her BISP cash grant. She knows that a minimum amount needs to be kept in a bank account to keep it active and that with large amounts of savings in the bank, profits can be earned. She is thus learning about her ease of access to a bank and is gaining confidence in her ability to open a bank account, despite her many grievances with the process.

j. Power linkages and impact on FIL

Bilqees said that she does not need anyone's permission to open a bank account, however since she does not know about the process of opening an account she would take her husband along if she ever wanted to open one. This stipulation is further important because she does require a male to accompany her on each visit to the bank and she can not go alone.

k. Gender and FIL

Women are not allowed to travel alone, except for in their own *mohalla*. All the women travel together to collect their BISP cash grants and even then a male member of the community accompanies them; he helps them with photocopying documents, communicating with staff etc. Women are not allowed to travel to the bank alone either.

5. In-depth Interview 2

a. Basic Information

| | |
|--|------------------------------|
| Name | Fateh Khatoon |
| Age | 37 |
| Gender | Female |
| Education | N/A |
| Caste | Mugheri Baroch |
| Occupation | Casual labour (agricultural) |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Mobile |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Fateh Khatoon is a 37 year old, illiterate woman who is married and has 6 children- 5 sons and 1 daughter. Her daughter is a year and a half old while the eldest son, 16 years old, has just passed his matric examinations; the other sons are also studying at school. Fateh belongs to the Mugheri Baroch kinship group. Fateh Khatoon lives in a house 1 km from the village centre. There are 9 people living in her household; Fateh, her husband, their 6 children and her mother-in-law.

The house she lives in is *kacha*; it has 1 room and 1 bathroom which are both *kacha* as well. She owns a TV, a fan and a fodder crushing machine. Her husband, Muhammad Malook, owns a cycle. They have a buffalo and 2 goats as well which are owned on half share. They have been living in Hussainabad for 25 years. They used to live in Latifabad village previously but her husband took loans from a Mirani landlord at very high interest which he could not pay back. Further they used to work on his land in Latifabad however he gave their job to someone else as a result of which they decided to move in order to find other employment. Malook's uncle's driver told Malook about Hussainabad, as he lived here too, and so Malook and Fateh Khatoon decided to move to Hussainabad.

They live on the land of Raees Jan Muhammad, who is the same Mirani landlord whom they are in debt with- they work on his land a few days each year to pay off this debt. This is not their permanent residence and they consider their residential status as insecure. The landlord has evicted 2 Brohi families before as well. They have never received any mail at this address in the last 25 years. They have listed their Latifabad address on their CNICs because that is their ancestral village and they consider it as their permanent address. Fateh Khatoon has 3 brother-in-laws who shifted to Hussainabad when she shifted, while 2 of them recently shifted to Hyderabad.

There is no gas in Hussainabad; electricity is available, and water is obtained every day from outside the village. Fateh's household has gone hungry not only in the last month but frequently goes hungry. This is because there are not enough earning members in the household. They save food grains enough for 2 months at home when they work on the land. When that runs out they buy or borrow from the shopkeeper. Thus they usually go hungry when even borrowing is not possible. Food is cooked twice in their household. They are on good terms with other kinship groups. They consider the Brohi kinship group as wealthier than the other kinship groups in the village. The Brohis have a car which they can borrow in case of emergencies but they have to pay rent to use the car.

c. Household cash flows

Fateh's husband, Malook, works as a daily wage labourer and also does agricultural labour for a few days each year. Fateh Khatoon also helps with this agricultural labour. They earn about half a *man* of food grains which they store at home and usually lasts them 2 months. They pay off their debt to the Mirani landlord as well by doing this labour, since they work on his land. They have reduced their debt to the Mirani to PKR 100,000. For the rest of the year when Malook does not get his daily wages, they borrow more from the Mirani. They also borrow from the shopkeeper, who makes them work on his land too to pay off their debt. Fateh has been working on the land since before they moved to Hussainabad and she has permission from her husband. They do not consider their work status as secure either; this is because Malook's daily wages depend on whether he can get work each day and also because they used to work on the same Mirani's land in Latifabad but he removed them from that job and so he could do that again over here too.

d. Cash transfer history

CNIC details: Fateh has a CNIC; she got it made in 2009. Raees Jan Muhammad told Malook and Fateh that poor people were getting BISP cash grants and Fateh would be eligible if she got her CNIC made as well. Malook thus took Fateh to the NADRA office in Dokri which is 10-12 km from Hussainabad. They went there by foot and it took them 3 hours to reach. They stood in line, waited for their turn and paid PKR 200 to get the CNIC made. Malook had no objections to Fateh getting her picture taken. The CNIC was ready in 15 days and Malook and Fateh went to pick it up from Dokri. This was the first time Fateh had her CNIC made. Fateh had their Latifabad address listed on her CNIC because they consider that as their permanent address since it is their ancestral village. Malook had his CNIC made in 2002 which he lost, then again in 2004-5 and when that expired he had it renewed in 2011.

BISP: Fateh Khatoon received her mobile phone and SIM from the NADRA camp at Arija. A day or two after getting her phone she received a message on it from BISP. Since neither Fateh nor Malook can read they called Malook's 18 year old nephew, Haider Ali, to explain the message to them since he could read. He told them that the message said that Fateh's money had arrived at HBL. Malook and Fateh thus went to HBL Larkana where they stood in line and waited their turn. When Fateh's turn came the bank teller checked her mobile, made her sign some papers and checked her CNIC before finally handing her cash grant amount to her.

Fateh received money twice from HBL Larkana, after which her next instalments went to HBL Nasirabad and HBL Garelo. This was a huge source of trouble for them as they had to make numerous visits and search for the HBL branches in these respective areas. Fateh's brother-in-law's wife also receives BISP cash transfers through mobile banking. She does not know about the other modes of cash transfer in BISP. There are 5 Mugheri Baroch households in Hussainabad village of which 2 are receiving BISP cash grants.

Fateh said she prefers the postal method to mobile banking, even though she has never received her cash grant through that method. This is because she has to travel very far to reach the bank and then there is the chance that she will not get her money that day in which case she has to come back the next day. Moreover the bank branch where she can receive cash grants keeps shifting (from Larkana to Nasirabad to Garelo). She says the postal method would save her a lot of time and effort. She said she would even prefer if the money came to Raees Jan Muhammad who would then hand it to her. Further her mobile has not been working for the last 10-15 days and she does not even have enough money to get it fixed. She had never used the post office or bank or ATM before receiving the BISP cash grant. Fateh spends the BISP cash grant on buying food grains and other household rations and she says it only helps them live easily for a few days.

e. Mobile phone usage and literacy/aptitude

Fateh did not have a mobile phone before receiving one from BISP. She got this mobile phone at the NADRA office in Arija, where she went with Malook. She got the mobile set and a SIM in separate boxes. Since neither Fateh nor Malook knew how to use a mobile phone, Fateh's brother-in-law's 18 year old son, Haider Ali, put the SIM in the phone, activated it and taught them how to use the phone. He taught Fateh how to dial a number. Now she talks to her relatives in Latifabad, on the phone and can dial numbers on her own. She still does not know how to message because she is illiterate but she has also never felt the need to message someone. No one in her household or community has any objections to her phone usage. She does not know about the easypaisa facility.

f. Saving Behavior

Fateh said that she does not have enough money to save. There is such little money that sometimes the family goes hungry as well. If she got PKR 10,000 she would spend it on buying food grains and on clothes for her children. If she got PKR 100,000 she would buy livestock with it and keep the rest at home as savings. She considers the livestock as savings as well, since the animals will grow and she can sell them in her time of need. However she is also scared of the theft of her livestock and said that her livestock can get sick and die as well. Theft is a problem in the village- her brother-in-law's livestock almost got stolen from his house as well. However she considers keeping cash at home safe because she would keep it in a chest/trunk (sandooq); nothing has ever been stolen from her sandooq. She has never bought gold but she did buy silver earrings once when she lived in Latifabad. She said that since she has never deposited money in any committee as savings, or ever had a business she does not know what the best way to save money is. The only saving she has ever done has been kept at home. She said savings can come in handy during emergencies or in times of dire need.

g. Knowledge of and experience with financial instruments

She has never put money in any committee (BC/VC) or transferred money to anyone outside the village or country. She has never taken any microfinance loans either, though she does know about the operation of Khushali Bank in the village. Her husband took loans from the Mirani landlord and Fateh occasionally borrows money from the shopkeeper, which they pay off by working on land. Apart

from this neither Malook nor Fateh have a bank account nor do they know anyone with a bank account. When Fateh started receiving the BISP cash transfers that was the first time she visited a bank. She has never tried to open a bank account either and does not know about ATMs or other banking services. This limited exposure to banks and her household's history with debt is the only experience with financial institutions/instruments she has had.

h. Attitude towards and perception of financial instruments

Fateh said that banks are for rich people with a lot of money. She does not even know anyone who has a bank account. She said since she has never tried to open a bank account she does not know if it would be easy or difficult to do so. However she also said that the bank staff was very helpful and she does not have any trouble in establishing contact with them. She said that if she had a lot of money she would keep it in a bank too.

i. G2P impact on FIL

Fateh Khatoon had never been to a bank before receiving the BISP cash transfers but now she has. She further had her CNIC made for the first time in order to obtain the BISP cash grants and also learnt how to use a mobile phone for the first time; now she says that using the mobile is 'very easy'. She wants to open a bank account where she can keep her savings but knows that she does not have enough money for that.

j. Power linkages and impact on FIL

Fateh said that if she ever wanted to open a bank account she would only need permission from her husband and she said that she know that he would allow her. She does not need permission from anyone else in the community or her kinship group. The economic constraints that prevent her or her household from opening an account are the low household income and the subsequent pattern of debt that has been established with their landlord.

k. Gender and FIL

Fateh Khatoon said she is allowed to go to the city or market to buy things but only if she takes one of her children with her; she cannot go alone. Therefore she does not face severe problems with mobility as many other women do. Further she did not face any particular problems communicating or interacting with the staff at the bank or the NADRA office.

6. Conclusions/FIL Outcomes

The BISP cash transfer scheme has heralded a number of firsts for women in this community. Women like Bilqees and Fateh have owned a mobile phone for the first time and visited a bank for the first time (Fateh regularly uses the phone to stay in contact with her relatives now). Fateh also had her CNIC made for the first time in order to become a beneficiary of BISP. At the same time as these positive developments, the mobile banking modality of G2P transfers has not been a very smooth one either. Bilqees described how she did not receive any message from BISP on her phone after the very first one. Each time she visited the bank, it was based on an estimate of when she assumed her next instalment might have arrived. This was made all the more difficult as a result of the change in banks (from Larkana to Nasirabad to Garelo); a problem faced by both Bilqees and Fateh. Thus both women had to waste a lot of time, money and effort making continuous trips to the bank. Both of them said they would have preferred the postal mail method of receiving the cash grant even if it came at the cost of reduced income. Despite describing the process of obtaining the BISP cash grants from banks as arduous, both women expressed a desire to have independent bank accounts where they could keep their money, even though they knew that they did not have enough money for this to be a practical reality. This seems to reveal an expression of confidence in the merits of the banking system- wherein they could keep their hypothetical savings safely- and in their own abilities to open and operate a bank account.

A2.8 Kamil Shah Colony-Sanghar-Sindh

1. Basic Facts

| | |
|--------------------------|---|
| Province | Sindh |
| District | Sanghar |
| G2P Modality | Smart Card |
| Tehsil/Taluka | Shahdadpur |
| Union Council | Shahpur Chakar |
| Deh/Mouza | Rahro Shak |
| Community | Kamil Shah Colony |
| Researchers | Abbas Soomro, Abid Memon, Sadaf Shah, Saeeda Gopang |
| Date of fieldwork | 16 th July 2012 |

2. Sampling and Fieldwork Conditions

We conducted our community meeting at the Kamil Shah colony of Shahpur Chakar town. We selected that community because many castes were living in the area and many among them were marginalized. The meeting was arranged by a rickshaw driver of the area who settled us in an autaq and because of the electricity failure he arranged a generator. As we sat in the autaq men and women came there. Community people said that they have been living in Kamil Shah Colony since the last 50 years and that people of the Channa, Malik, Dahri, Baladi, Lohar, Chandio, Jhat and Jaraiko castes live there. Most of the households (25 in number) belonged to the Lohar caste. The total population of the colony was 4,000 people with 400 households. Total registered voters were 1,800. Our meeting in which men, women and children participated went ahead smoothly.

3. Community Profile (Outline of social landscape/power brokers etc.)

The community members said that the metalled road was three blocks away from them and the nearest mohalla, Mubarak Dahri, was just half a kilometre away from them. The average daily income was PKR 300 over here. Most of the villagers worked as labourers on handcarts (rerhi), agricultural labourers, shopkeepers, drivers and construction labourers. They said that their colony had good transport facilities as the town was not far away and on the other hand, rickshaws and Qingqis were easily available in the colony. But most of the people prefer to walk towards the market. Regarding health facilities they said that a Basic Health Unit was nearby and they use its services easily. For further health facilities they said that there were better hospitals and practicing doctors in the town. Regarding educational facilities they told us that there were separate primary schools for boys and girls in their colony, furthermore middle and high schools for girls and boys were also situated in the town. They said that there were private schools in town but their children were studying in government schools.

There have been water facilities in the colony since the last 15 years and besides that most of the houses had hand pumps which were being used in case of water shortages. Since the last 5 years they have had Sui Gas connections and for the last 25 years they have had electricity. They said that though landline phones were available in the main city but since the last 5 years they have had mobile phone connections in their colony.

The community members informed us that they vote for the People's Party. During election time Fida Hussain Dero and Shahnawaz Junejo used to visit them. During the last elections of 2008 the People's Party leaders visited them. Jan Muhammed Wasan a resident of their locality was elected as a UC Councillor in 2004.

a. Saving preferences

Members of the community said that the money they save from their income is spent on electricity and gas bills. They said that they could save very little as they were living hand-to-mouth but a few among them who were employed somewhere used to save in their bank accounts. Some of them said that when they moved to this colony they did not own a house but slowly by saving from their income they bought land and constructed their houses. Most of them keep their saved money with their women at home as it could easily be used at the time of any emergency. They said that by saving money one can use at a time of need and they would not have to ask someone else. They said that both the men and women of the community manage saving committees and use the money for buying domestic items like televisions and the refrigerators. They said that those who had bank accounts usually keep their money in a bank. They think that from saving one can get proper and on time medical treatment and can buy rations. According to them, saving had no harm. They thought the employed people could save more and the traders/shopkeepers too could easily save but the people who work as the hand cart puller or drive rickshaws face difficulties in saving.

The respondents said that if a male member of their community gets a windfall of PKR 10,000 he would start a fruit handcart business and if he gets PKR 100,000 he would start a ration shop but they said that starting a business within PKR 100,000 would be a difficult task because of high prices. According to the respondents if a woman gets PKR 10,000 she would buy a sewing machine and the would spend the rest of the money on accessories like bukram and buttons. And if a woman gets PKR 100,000 she would start a saving committee and would give the rest of the money to her husband to start a business.

b. G2P modalities

The respondents of the Kamil Shah Colony told us that during 2007 the Poverty Score Card survey was conducted in their area and after 3 or 4 months their money was received through the postman. They said that there were 12 Channa community households and 8 of those were getting money from BISP. Four out of six households of the Dahri community were getting BISP money. Five out of eight of the Jalhan community, two out of six Baladi households, 8 out of 25 Lohar households, two out of six Chandio community families and no one out of the five Jhat households were getting that money. They said that since the last 2 years they have been getting money through the easypaisa service. The person whom women give their Smart Cards to charges PKR 100 as his commission. The issuance of these cards was a difficult task for them as the card was to be obtained from Sanghar district headquarters as Shahpur Chakar had no NADRA office.

The community members said that the postman system was easier than the current one because through that they were receiving the money at their doorsteps. On the other hand the postman was a government employee so he was bound to respond to them but the easypaisa service was a private venture and it was difficult to get a satisfactory response from them. And approaching the easypaisa shop consumes the whole day of the beneficiary women.

The respondents told us that in 2011 their area was severely hit by the rains and they moved to tents on the main road and returned back to their homes when the rain stopped. In November 2011 they got the Pakistan Cards with great difficulties. They said that 4 days after the issuance of the Pakistan Cards they were able to get money from the ATM. After the issuance of the Pakistan Card they had to go to the camp established at the town committee Nawabshah and after much difficulty they got their cards. They gave PKR 500-1,000 each to the policeman guarding the ATM. According to the respondents all of them had received only one instalment of the Pakistan Card so far and no one among them sold his card; although a bania was offering a motor cycle for four cards.

Regarding the details of these cards they said that 10 out of 12 Channa households, 2 out of 4 Malik households, 4 out of 6 Dahri households, 5 out of 8 Julhan households, 20 out of 25 lohar households, 3 out of 6 Chandio households and 3 out of 5 Jhut households got the Pakistan cards. According to the respondents, since the majority of them did not know to operate the ATM about 75 % of them paid PKR 500-1,000 to the agents or the policeman to get the money from the machine. A few of the educated among them did it by themselves.

The respondents said that besides the BISP and CDCP they also got loans on easy instalments from SAWFCO. They said that two groups of 10 members each was formed in their area by SAWFCO and

one member could be a guarantor for another. The people of the Channa and Lohar communities got the loans. SAWFCO was providing micro-finance facilities in their area.

They said that after the floods the World Food Programme distributed ration cards in their area. Earlier they did a survey and gave 3 months' ration to the households which were badly damaged. The WFP gave rations in three phases. Furthermore the local National Assembly member Roshan Junejo distributed ration bags among every family too.

c. Financial institutions/instruments

The respondents told us that there were branches of Bank al Habib, UBL and HBL in Shahpur Chakar with ATM facilities, which were giving good services. These bank branches were at a 20 minutes walking distance. Bank franchises and mobile banking have also been operational since the last 3 years before the BISP program. The people were getting their money of the BISP Smart Card from those. Regarding NGO banking they said that SAWFCO was working in that field which gave them loans. Regarding ATMs they said that these are at a 20 minutes walking distance but as there were few ATMs so these were over-crowded.

They said that the ATM facility was available with only one bank so they had to go Sanghar for the Pakistan Card money. They said that SAWFCO was doing the micro-financing in their area and they give loans after the formation of a group of 10 people but they charge a lot of interest. The people of the Channa and Lohar communities had gotten more loans from SAWFCO. The organization had been successful in that sector. Regarding easypaisa they said that Shahpur Chakar has an easypaisa shop which is always over crowded and since the last one year it was giving BISP money which women get through their Debit Cards. They have to pay PKR 100-200 extra. They said that most of the community members know about the easypaisa service.

Regarding bank accounts they said that most of the account holders were employed persons who had to get their salaries through bank accounts, besides that the shopkeepers had bank accounts too because they can save some money from their income. The people who do labour jobs had no bank accounts because after the opening of the account one has to deposit some money in it otherwise the account will be discarded, that is the reason why the labour class people do not operate bank accounts. Most of the people were of the opinion that one should have a bank account because through it, saving money becomes easy. They said that opening and running a bank account was an easy thing for literate people. They said that the daily wages labourers only know that one can open a bank account but do not know anything further about it.

The respondents told us that after the issuance of the Pakistan Card they found out about ATMs but still do not know how they function. Only 25% of the people withdrew their Pakistan Card money from an ATM by themselves the rest relied on agents or the police men deputed at the bank. They said that earlier, Shahpur Chakar had no ATM facility so the people had to go to Sanghar or Shahdadpur to get their Pakistan card money.

d. Attitudes and perceptions

Community members claimed that saving was a good practice, however since most people barely subsist on their incomes they do not save much. Those who do, rely on informal methods such as keeping money at home, purchasing livestock or depositing in committees. The respondents also preferred the postal system of BISP payment delivery over the bank/franchise modalities. According to them it saves time and effort if the payments are delivered to their houses or within the village. Many people from the village were benefitting from small loans taken from SAWFCO and the respondents did not raise any particular complaints about this practice.

e. Gender and FIL

Women are generally not allowed to travel alone within or outside the village because they might face teasing or harassment or gossip mongering. Thus someone usually accompanies women when they travel.

4. In-depth Interview 1

a. Basic Information

| | |
|--|-----------------------|
| Name | Moomal Baladi |
| Age | 47 |
| Gender | Female |
| Education | Illiterate |
| Caste | Baladi |
| Occupation | Agricultural labourer |
| Beneficiary (Y/N) | N |
| Cash transfer scheme (BISP, CDCP) | N/A |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | N/A |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Moomal w/o Mohammed Mithal lives in Kamil Shah Colony, UC Shahpur Chakar, taluka Shahdadpur, district Sanghar of Sindh. She is a 47 year old, illiterate woman from the Shia sect of Islam, belonging to the Baladi kinship group. She got married 30 years ago and has 9 children. Moomal was not a beneficiary of the BISP cash grant scheme. She said that 2 years ago the survey was conducted in her area (her PSC number is: 2067745) but the money was not in her destiny.

Moomal had 2 fans and a television set which was gifted by the elder brother of her husband. She said that the land on which they live was owned by them and it was purchased 2 years back from Junaid Pathan for PKR 50,000. She said that they had a hand-pulled cart on which her son sells fruits. There were a total of 7 family members in her household including 4 children, 2 women and 1 male. There were 4 earning members of Moomal's family. Her husband works at a hotel and gets PKR 250 a day. Her daughter Fareeda who was divorced 2 years back, lives with her and earns through sewing and embroidery and gets an irregular earning. She said that her daughter makes caps, ralli and chadar. A cap is sold for PKR 250 rupees and a ralli for PKR 600 but the ralli takes at least 2 months to complete. She said that she herself does agricultural labour on the farm and earns PKR 250 from picking cotton and cutting wheat. Besides that her son sells water melons on the hand-pulled cart and earns PKR 100 per day. Moomal said that she cannot meet her domestic expenditures from their income because of the price hike. They have to pay the electricity and gas bills and because they live in an urban area they have to buy everything on cash payment. She had no family members working outside the city or the country. Moomal has been very ill recently- she is a hepatitis patient and has a lung condition- and she said she was in so much pain she wanted to kill herself.

Moomal said they had been living in their house for the last 20 years. Her house was pakka, with a temporary shelter in front it, which was katcha. She said that earlier they lived in a village at 15 Jamrao and were agricultural labourers. Then they purchased this land for PKR 50,000 from Junaid Pathan and got it registered on their name. They had only 1 room in the house with water, gas and electricity connections. These facilities were available there before they bought the plot. She said that she felt secure living in that house as it was owned by her family.

During the last one month they did not spend a single day without food. They cook twice in a day. She said that they suffer a shortage of food during the month of Ramzan because the hotel where her husband works is closed down in those days so he does not earn much. She said that as she had not gotten the BISP money, no change had occurred in her life. She said that her family got the Pakistan Card and spent the money on buying ration items for 4 months. They got no other food help. She said that her family buys food items like wheat and rice on a daily basis and there was no tradition of stocking it in her family. She said that as her husband was a daily wage labourer, they buy food items daily.

Moomal said that the Punjabi, Jamali, Lohar, Chandio, Jhut, Dahri and Baladi communities live in her neighbourhood. She said that they had good relations with all neighbours and there had been no conflict among them. She said that a police SHO lives in their neighbourhood who helps them in times of need. She said that there had been no incidents of theft in their neighbourhood. She said that in their social gatherings like marriage everyone of the neighbourhood participates. She too participates in all such gatherings.

c. Household cash flows

Moomal's husband has been working at a hotel for the last 15 years and she works on an agricultural farm as a labourer and earns PKR 250-300 per day. Her son Sikandar earns PKR 100 by selling the fruit on a hand pushed cart. Her divorced daughter who lives with her earns about PKR 700 per month by making caps and rallis. She said that their work was a decent one as they do not steal or depend on other people. She complained that during the month of Ramzan her husband becomes jobless as his hotel gets closed for the whole month so they can not celebrate Eid with full joy. She requested that during Ramzan, hotels should not be closed so people could earn. If the people want to fast it is their will to do so but why should their source of income get closed. She said that her family was not indebted to anyone but sometimes small amounts of money are owed to the milkman or the shopkeeper and she pays them back when she gets money.

d. Cash transfer history

CNIC details: Moomal had her CNIC issued on 11-09-2004 from the WAPDA office in Sanghar where she was accompanied by her husband and paid PKR 300 to an agent (she spent PKR 200 on the fare). She said that once she voted with her card and once the Functional League Nazim Jan Muhammed Wasan gave her PKR 3,000. She said that she never got zakaat funds. She got her CNIC because she wanted to vote and she votes according to her free will and will not tell anyone whom she voted for. She said that it was her decision to get the card for which her husband accompanied her. Recounting the advantages of having a CNIC Moomal told said that presently the 'Benazir money' is being distributed on the basis of the CNIC but she had not been fortunate enough to get that money so far. She further said that the CNIC gives one an identity and that registration documents are prepared on the CNIC too; besides that once she got PKR 3,000 because of her CNIC.

Cash transfers: Moomal said that she had not gotten the BISP money as only the lucky ones get it and she was not lucky. She said that some 3 or 4 years ago a team consisting of a male and a female visited her and noted down everything of her house and gave her a receipt numbered 2067745 but she had not gotten a single penny yet. She said that she visited the bank in Sanghar carrying that receipt but they told her that if her money will come she will be informed. She waited for 8 months and after that she went to Mirpurkhas where too she was assured that she will get the money. She said that she was a patient of Hepatitis C and had a lung allergy for a long time and if she could get money she could arrange her treatment. She goes to get hepatitis injections every other day which costs her PKR 250 per dosage. She said that she had gotten verification of her CNIC from NADRA. She said that she knows that the People's Party gives this money to women but she does not know any further details.

e. Mobile phone usage and literacy/aptitude

Moomal said that she did not have a mobile phone but her husband had one through which she talks to her relatives. She said that she can not dial numbers or send text messages. She can only talk on the phone if someone dials the number for her. She said that she was against mobile phones as it had disturbed the family lives of people. When she was asked about easypaisa she replied that her younger children knew about the easypaisa service, not her. On asking again she said that she does not know anything about easypaisa and neither had she ever used that service.

f. Saving Behaviour

Moomal said that her husband hands over his income to her for domestic expenditures and she always saves some amount to pay back their credits. She said that earlier she was doing better saving but now because of the daily price hike it had become a difficult task. According to her, keeping money

at home was the best way to save. She confidently said that she can keep money for 2 years at her home. She said that by saving money they had bought land and afterwards they built a small room on it. But nowadays saving money had become an impossible task even though she works too (on an agricultural farm), because the prices of basic necessities had shot up and her treatment costs a lot of money. She said that there was no disadvantage to saving; there were only advantages. She said that through the saved money she can pay her electricity bill and can shop for her family especially on the occasion of Eid. She said that if she got a windfall of PKR 10,000 she would buy wheat and rice for her family to get some burden off as it will be helpful in her medical treatment. She said that if she got PKR 100,000 she would complete the construction of her house. And if some money still remains then she would start a shop for her younger son Sikandar and would buy wheat with the rest of the money.

g. Knowledge of and experience with financial instruments

Informal financial instrument: Moomal said that women in her locality organize saving committees. Once she too joined it, getting PKR 5,000 which she spent on her grandson's circumcision. Now, as she was able to save less she cannot invest in saving committees. She had lesser trust on it too as after her draw a woman cheated other women. She further said that she cannot trust other people in money transactions. Sometimes she borrows money from her neighbour-a police SHO.

Cash transfers: Moomal said that she was not a beneficiary of BISP and according to her the fortunate people had gotten that money and she was not among them. She knew that some of her neighbouring women were getting cash money through the card. She had tried her best but had yet to get it.

Micro financing; Moomal said that there was a tradition of small loans in her neighbourhood but she had never taken one. She said that Sattar Dahri used to form a group of 10 to 12 people and sanctions loans to them but as her family was poor they had been unable to get a loan. She said that many people in her locality had taken advantage of that. Though getting a loan was not a difficult thing, they were facing difficulties because of their poverty.

Banking: Moomal said that she knew that one can deposit money in a bank but she did not have a bank account as according to her only the zamindars and 'big people' can handle and operate bank accounts. She did not consider going to the bank an impossible task as she claimed that she was not afraid of anything. She said that opening a bank account was a difficult thing as one needed 2 guarantors who had accounts in the same bank but who would be a guarantor for poor people like her?

She said that as she had no bank account she did not know about the process of operating a bank account. She said that if she gets enough money then opening a bank account for her will not be a difficult thing as one just has to deposit money in it. She said that there were many advantages of having a bank account. It makes it easy to save and no one can know how much money you have saved.

h. Attitude towards and perception of financial instruments

Moomal prefers to keep savings at home as she feels that is the safest method of saving. She has used a savings committee before but she does not trust it anymore as she has seen that people have been cheated through this technique. Moomal said that she just knows that the bank is a place where people deposit their money. She had no bank account and does not know anything about mobile banking. In her opinion banks serve the rich people and she cannot avail any benefits from banking. She said that as she was not receiving cash transfer money she does not know the details of the Smart Card. The women who get the money through cards must have these details.

i. G2P impact on FIL

Moomal was not a beneficiary of the BISP cash grant scheme. While her household did receive the Pakistan Card she did not use it to withdraw the money, and the withdrawn money was spent on wheat rations for her household. Thus there appears to be no impact on her financial inclusion and literacy. In her opinion, banks work to serve rich people and since she is not rich it is not for her.

However, she was confident that operating an account would not be a difficult thing; in fact having an account was very beneficial. If she had a lot of money and 2 guarantors, even she could open an account, she said. Thus, while her literacy of banking requirements was not adequate she exhibited a clear interest in banking.

j. Power linkages and impact on FIL

According to her she will not need anyone’s permission if she decided to open her bank account as she also goes to the market all alone. She said that as she was poor Sattar Dahri from SAWFCO refused to give her a loan though her other neighbours had formed their groups and had gotten the loans. She said that the banks were for the rich and big people who get its services without standing in the queues but poor people like her have to wait in the queue. She said that she had and will vote on her free will and will never sell it for money.

k. Gender/Mobility and FIL

As a working woman, Moomal enjoyed greater mobility and ease of access within the village. And while she would need someone to accompany her outside the village, and her husband’s permission to open a bank account, she also enjoys a slightly higher degree of financial freedom. Her husband allows her to handle domestic finances, which she proudly does with great acumen- she said she could save for 2 years and they have even bought land with their previous savings.

5. In-depth Interview 2

a. Basic Information

| | |
|--|------------|
| Name | Rukhsana |
| Age | 44 |
| Gender | Female |
| Education | N/A |
| Caste | Channa |
| Occupation | N/A |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Smart Card |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent’s household

Rukhsana Channa lives in Kamil Shah Colony, Union Council Shahpur Chakar, district Sanghar, Sindh. Rukhsana Channa was 44 years old and belonged to the Sunni sect of Islam. She was illiterate and was getting the BISP cash grant through the Smart Card. She said that her area was hit by the monsoon floods in 2011. Rukhsana came here from the village Akri Choudagi, district Khairpur, after marrying her cousin Subhan Ali. She said that they married 5-6 years after her husband got a job. Her household had nothing but 2 fans and 1 sewing machine. They had 7 persons in their household: Rukhsana, her husband and their 5 children. She said that her husband and 17 year old her son Asad Ali were the only bread winners in her family.

Her husband was an employee at the Shahpur Chakar government primary school since the last 19 years. As a watchman of the school he was getting a salary of PKR 14,000. Her son arranges a hand-pushed cart and sells items according to the season like fruit chat, toffees etc. and earns PKR 500-600 per day. They were saving a maximum of PKR 150 per day from that income. She said that no one from her family was working out of their village or country. She said that they meet their daily expenses with great difficulty.

Rukhsana Channa's house was about 1.5 km from the main market. Her house had 2 pakka rooms and the toilet was built within its premises. Though her house had electricity and gas connections, there was no water connection within the house and they fetched water from the joint hand pump installed in the colony which was at a 10-15 minutes walk from her house. She said that they pay PKR 2,000 per month rent for their house where they have been living for the last 2 years. As they do not have their own house, they had to move from house to house. She said that as they live in a rented house they always had a fear that the owner would ask them to vacate the house. She said that their postal address was of the school where her husband was employed for the last 19 years. People like them who live in rented houses never give their residential address for correspondence.

Rukhsana said that there had never been a shortage of food items in her household and no one in her family had ever slept without food. She said that they cook food twice a day and buy rice, wheat and other food item from the shop. They usually purchase food items for 15 days. They pay the shopkeeper's bill on the day her husband receives his salary. She said that they pay the shopkeeper in the next month if his bill exceeds their payment capability. She said that after the BISP cash grant, no major change had occurred in her family; just a couple of days in the month had improved.

Rukhsana and her husband said that the people of the Dahri caste were most powerful in their area as they owned agricultural land and businesses, meanwhile the people of the Channa caste were weaker as they do not own any property. Rukhsana said that actual power was land and money. The people bow to the rich but the poor are not taken care of. They said that the people of many castes including Dahri, Baladi, Lashari, Khaskheli, Jamali, Zardari, Malik, Jholan, Channa, Jaat (Punjabis), Mugheri and Mirjat live in their area. Rukhsana said that the people of her caste visit other people on social occasions like marriages and deaths and they too visit them. But they do not visit anybody outside the city on such occasions. She said that in times of crisis they rely mostly on the people of the Dahri caste and ask Atta Mohammed Dahri for any needed help or loans and he gives them up to PKR 3,000 on credit. She said that they rely on Atta Mohammed Dahri because he was a well off person.

c. Household cash flows

Rukhsana said that she does not work but her husband was a government employee since the last 19 years and before that he lived in village Mirza and was a farmer with his father and brothers on the lands of Mirza Beg. Rukhsana's husband said that he worked for 9 year on the farm and on the recommendation of his uncle got a government job. He said that his uncle was a watchman in a Shahpur Chakar school. His head master informed him about a vacant post for the watchman so he collected his nephew's identity card and certificates and submitted them with an application. He got the job during the first government of Benazir Bhutto of 1988. Rukhsana's husband said that he got the job without any written or verbal test. He said that for the first 5 years of his service he was posted at the Shahpur Chakar primary school and he got transferred to the new Shah Colony primary school Shahpur Chakar where he was still posted. He said that many of his relatives live in that colony as on the other hand he had only one relative in Shahpur Chakar city.

Thus they moved to the new Shah Colony which was at a 5 minutes' walk from the main city. Rukhsana's husband said that after 5-6 years of his joining the job he married Rukhsana who belonged to the village Akri Choudagi, district Khairpur. Rukhsana said that her parents were and are still working on the agricultural lands of a local zamindar. She said that before her marriage she used to work on the fields with her parents and did sewing work on wages but now she does not do anything because her husband was in the service and her son was earning too. She said that she relies more on her husband's income than her son's as her husband had a secure government job and was getting a fixed monthly salary but her son was operating a hand-pushed cart and was earning on a daily basis. Rukhsana said that she does not need to work on wages. She said that if she wanted to work within the house for money she could get permission from her husband but he might not let her work outside because of the indecent atmosphere.

Rukhsana's husband said that he got a loan of PKR 100,000 from the National Bank against 15 of his salaries. He said that the education department had issued a letter stating that its employees can get a loan of up to PKR 100,000 and with that amount he arranged the marriage of his brother and a sister. A deduction of PKR 3,000 happens from his salary every month. This payment will continue for a further 2 years. Rukhsana said that the shopkeeper owes PKR 4,000 to them.

d. Cash transfer history

CNIC details: Rukhsana said that she had a CNIC which was issued on 21-01-2007. She said that at that time they lived in the New Colony Shahpur Chakar so she gave the address of that house on her card. (CNIC#: 44204-4467267-3; Address: New Shah Colony, Shahpur Chakar, taluka Shahdadpur, district Sanghar.) She got her CNIC from a NADRA mobile vehicle which came to their colony and its arrival was announced from the mosque. She too went to that vehicle which was at a 10 minutes' walk from her house and stood in a queue, which were separate for men and women. At that time the elections were approaching and everyone was getting their cards.

The NADRA staff after taking her photo gave her a receipt and after 2 months the postman delivered the card at her home without charging any fees. She said that before the CNIC she had no such card nor had she ever voted. After getting her CNIC in 2007 she voted for the first time in the general elections of 2008. She said that the CNIC can be helpful in any problem and one can get aid through it. They got ration support in the monsoon flood with that card. She said that no one objected to her photo being taken for the CNIC as NADRA was not issuing cards without photos.

BISP: Rukhsana said that she was getting the BISP cash grant through the Smart Card which she got 2 years ago, before which she also got 2 instalments of PKR 9,000 and PKR 3,000 each from the postman. She said that she got those two instalments after the PSC survey which was conducted some 3 years ago. There was a gap of 3 months between both instalments. She said that the postman came to her house and after getting her thumb impression he collected her CNIC and after that her husband collected the money from the Shahpur Chakar post office. She said that the postman brought the money to her area and sat in an autaq and called all beneficiary women and took PKR 100 as his commission on PKR 3,000. After that for 1 year she did not get any further BISP payments through the postman and then she finally got the Smart Card for which a camp was established in Shahdadpur where she went with her husband. The camp was over crowded but she got her card in no time. The camp staff took her CNIC and gave her a token and within half an hour she got her Smart Card after taking a photo and her thumb impression. The staff gave her the card wrapped in an envelope but did not guide her about the method to use it. They told her that after 1 month her amount will arrive.

One month later Rukhsana went to an Omni shop in Shahdadpur with her husband where the shopkeeper, after checking the card on the computer, told them that her amount had yet to arrive. One month after that she got the first instalment of the Smart Card worth PKR 4,000 from an Omni shop in Shahpur Chakar. Her husband, who took her card to the shop, got her the money. After sometime she got PKR 1,000 more and the second amount was brought to her from the same shop by her son. The shopkeeper deducted PKR 100 from the PKR 1,000 though earlier she had gotten complete payment of her instalment of PKR 4,000. She said that she got both these instalments during Ramzan last year (August 2011). After that she had not received any amount from the "Benazir Card" and whenever her husband and son visit the Omni shop they told them that the money had not arrived yet. Just recently on 16th July 2012 she had gotten another instalment of PKR 1,000 from the Omni shop which her son collected after a deduction of PKR 100 by the shopkeeper.

She said that she herself visited the Bhatti's house who runs the Omni shop to collect the first instalment of PKR 4,000 and he said that he will check his computer. After that her husband took her card to his shop and collected the money. She said that she cannot operate her Smart Card by herself. She had never used an ATM; neither had she ever visited an Omni shop. Her son said that whenever he took his mother's Smart Card to the Omni shop the shopkeeper after verifying on the computer asks him to visit after 2 or 3 days to collect the money. Rukhsana's husband said that sometimes he gives the Smart Card to the policeman Ramzan Baladi who was posted in Sanghar to check if Rukhsana's payment had arrived and he does not ask them for a cut/commission- but he has never successfully withdrawn her payment either.

Rukhsana said that she did not know any other method of cash transfer other than the postal method. No one objected to the postman coming to her doorstep or the neighbourhood but now that method had been stopped and the new one of the 'Benazir Card' had started. She said that she would prefer the postal method over the 'Benazir card' since through the former, money was delivered at the doorstep but now they had to approach the Omni shop many times to check about their money. She

said that she never received any money through the postman or the ATM before BISP. She said that some women were still getting money from the postman and some were getting it through the Smart Card. She said that she spends her BISP money after consultation with her husband and most of the time that money is used in the purchase of rations or spending on medical treatment. If she were to spend that money on her own free will, her husband would not mind it.

e. Mobile phone usage and literacy/aptitude

Rukhsana said that though she did not have a mobile phone her husband had one which she bought for PKR 2,200 and its SIM was registered on her husband's name. She said that she bought that mobile phone from last year's cotton picking income. All women of her locality were going to pick cotton on the land of the Dahri zamindar so she went too. She said that she cannot dial numbers nor can she send text messages. Her husband dials the numbers and she talks to her parents and relatives in Khairpur. She said that she had never heard anything about easypaisa.

f. Saving Behaviour

Rukhsana said that from the incomes of her husband and son she saves PKR 500-1,000 per month and she keeps her saved money at home. She refused to share details of it as she was afraid that her husband will take that money once he knew its whereabouts (her husband was present during the interview). She said that she uses the saved money in case of emergencies like sickness, marriage or deaths in the neighbourhood. Because of that saved money she can access and utilize it without any delay. She said that she could not save on a regular basis but whenever her son earned more than routine she saves it. She said that the saved money is not kept for a long time at home as she had to spend it on any unforeseen expenditure.

She said that saving was a good practice as that money can be utilized in any emergency. Though her husband always taunts her- calling her a miser- but she considered it a good habit. She said that if she were to get a windfall of PKR 10,000 she would buy a goat from that amount as raising a goat had many advantages; its calves could be sold and its milk could be utilized in the family and it could be sold for a profit. She said that she would spent the rest of money on buying domestic rations and clothes but will not save a single penny from it. She said that if she got PKR 100,000 she would purchase a plot and would construct her own house on it because she was currently living in a rented house. In that case too she will not save a single penny.

g. Knowledge of and experience with financial instruments

Informal financial instruments: Rukhsana said that some 5-6 years ago she joined a saving committee in her neighbourhood managed by a woman for PKR 10 a day. She spared PKR 10 daily from her vendor son's income and bought a bicycle when she got the money. As all the women of her neighbourhood trusted that woman so she too trusted her. After that she joined a saving committee managed by the shopkeeper Ghulam Haider Zardari but he cheated and did not gave her the due money on her turn which was the last one. After a long time he gave her half of the money. She said that one should not keep saving committees with men as they commit fraud and cheat. She said that after that incident she lost her trust in everyone and afterwards never joined such committees. She said that she joined that committee with the intention to buy something for her family. She considers saving money at home the safest way to do so.

Money transfer: Rukhsana said that her husband sends money to his family members in the village and also to his brother living in Karachi if they are in need. He sends the money by hand through a trusted person. Her husband said that he does not send money through the easypaisa service as they charge fees for it.

Micro-financing: Rukhsana said that she does not know anything about microfinance and neither had she ever taken a loan. Her husband Subhan Ali said that 1 year ago he took a loan of PKR 10,000 from the NGO SAWFCO to initiate his son's business. He filled a form and from that money he arranged a hand-pushed cart for his son. He said that he has to pay PKR 1,100 per month and had to pay back the amount within a year. He said that SAWFCO gives loan after the formation of a group of

10-15 people. He said that if one cannot pay the instalment for one month then the next month double payment has to be deposited. He said that he had paid back the SAWFCO loan in full.

Banking: Rukhsana said that some years ago she heard in her neighbourhood that the bank was a place from where people get their salaries and deposit their money. The bank also gives loan to people. She said that her husband gets his salary from the bank but he had never told her about the bank. She said that as she was illiterate and does not go often to the city so she does not know much about it. She said that she had heard that there is a Habib Bank in Shahpur Chakar but had not seen it neither had she ever tried to open a bank account as she had no extra money to deposit in it. She said that having a bank account was a good thing. Her husband got PKR 10,000 from the Pakistan Card which he withdrew from the ATM.

She said that she had never seen an ATM but her husband must know something about it. Her husband said that he got his PKR 10,000 of the Pakistan Card from the bank ATM and he did not have to pay anything to anyone. If the government had given that money to any individual for distribution they would have never gotten the full amount so the Pakistan Card was a favour to the common people. Subhan said that earlier he had never used an ATM. Rukhsana said that she does not know whether women should have bank accounts or not. She thought that only those people could get loans from the bank who could pay it back. She had never attempted to get a loan from the bank.

h. Attitude towards and perception of financial instruments

Rukhsana said that she does not know anything about banks or about how they operated. She had never used an ATM. She did not have a bank account and had never tried to open one either. Her husband said that when he got the Pakistan Card he got some information in that regard. Before using the Pakistan Card he did not know anything about it. He said that since Shahpur Chakar had no ATM they did not use one for the Smart Card, instead he get's Rukhsana's payments from an Omni shop. Rukhsana does not think approvingly of savings committees anymore since she has had a poor experience with them. She manages to save some household income every month and prefers to keep the savings at home (out of reach from others in the family). She also expressed an interest in saving by purchasing goats if given a hypothetical windfall.

i. G2P impact on FIL

There does not appear to be any observable improvement in Rukhsana's financial inclusion and literacy. She does not have a bank account and has never tried opening one. Her husband already has an account and since there is no tradition of women operating independent accounts when the males in the family have them, she never considered doing so. She also thinks of banks as the preserve of the rich. She did not use the Pakistan Card to withdraw money from an ATM and her husband and son obtain her BISP payments from the Omni shop, thus she has no exposure to financial systems. Despite this she manages household finances very adeptly and has used her savings to make many important purchases for the household.

j. Power linkages and impact on FIL

Rukhsana said that she had never attempted to open a bank account and when she will have enough money she will get a bank account opened and for that she will need her husband's permission. She said that though she knew that banks and NGOs give loans these also have to be paid back. The banks give loans to the big people while they (Rukhsana's household) were poor so who will give them a loan? She said that she would gather more information about it once she opens her own bank account.

k. Gender/Mobility and FIL

Rukhsana said that she cannot go to the nearby shop and Shahpur Chakar city all alone as she had no permission to do so by her husband. She said that she sends her children for the purchase of any item. If any of the children are not at home she had to wait for them. She said that her husband does not allow her to roam alone because the males and females of their area will taunt him that his wife was roaming freely in the area. She visits neighbourhood families with one of her children and her husband does not raise any objection to that.

6. Conclusions/FIL Outcomes

Moomal is a poor woman who is not a beneficiary of any G2P cash transfers. However she manages to save some amount from the household income which she keeps at home. She prefers keeping money at home, or buying livestock with savings which can be kept at home. She does not trust committees. She is very adept at managing household finances, which she has the freedom to do thanks to her husband. Moomal's limited financial literacy can be assessed by her belief that 2 guarantors are required to open a bank account- she has never tried to open an account so she cannot be considered financially included as such. She expressed an interest in financial products- which can be gauged by her keenness to obtain small loans from SAWFCO which her household has been unable to do. As a non-beneficiary, thus, there was no direct impact on her financial literacy.

Rukhsana's husband is a government employee and thus has a bank account. He obtained a loan of PKR 100,000 from NBP for his siblings weddings. He also obtained a loan of PKR 10,000 from SAWFCO to start his son's business. Rukhsana manages to save PKR 500-1,000 per month from their income. These savings are kept at home and her husband calls her a miser. She purchased a bicycle with committee savings. Rukhsana herself has no experience with banks or ATMs despite the payment modality she gets money from. Yet, she manages household finances very skilfully and has made many important purchases for the household with these savings. Thus, if given the opportunity to start her own bank account she will most likely be able to effectively utilise that opportunity. One of the greatest constraints for her does not seem to be lack of income- as she currently manages to save from the household income and is relatively wealthier compared to the typical BISP beneficiary- but it is her lack of awareness of banking requirements and relative lack of mobility.

Both the respondents interviewed do not trust committees, skilfully conduct household saving, prefer to keep those savings at home and thought of banks as beyond their reach. However, given Rukhsana's slightly greater exposure to financial systems- thanks to her husband- and a higher level of household income, she was able to prudently manage household finances and even save some amount. And yet, Moomal despite her limited financial literacy enjoys greater financial freedom and mobility thereby, at least theoretically, providing her greater access to banking systems than the wealthier Rukhsana.

A2.9 Kubi Haji Ali Ahmed Shah-Shaheed Benazirabad-Sindh

1. Basic Facts

| | |
|--------------------------|---|
| Province | Sindh |
| District | Shaheed Benazirabad |
| G2P Modality | Debit Card |
| Tehsil/Taluka | Shaheed Benazirabad |
| Union Council | Chanasar 1 |
| Deh/Mouza | 40 Dad |
| Community | Kubi Haji Ali Ahmed Shah |
| Researchers | Abbas Soomro, Abid Memon, Sadaf Shah, Saeeda Gopang |
| Date of fieldwork | 15 th July 2012 |

2. Sampling and Fieldwork Conditions

The community profile was conducted at the autaq of the zamindar Ahmed Shah as his kamdar was the first person who met us in the village and guided us to the autaq. On seeing us, men and women gathered and the kamdar ran them away by abusing at them and started talking to us. He continued this practice for some time. The people of the village were keen to listen to us but because of the abusive language by the kamdar they kept a distance, who even physically assaulted some people. Afterwards, when we said that a few people whom we wanted to talk to in detail should sit and the rest should go then the kamdar allowed some of them to sit and we started the community profiling exercise. The main respondents for the community profile were: Ali Hassan (Khaskheli), Mansoor (Dhamdhari), Shoaib Liaquat (Machi), Moolchand (Baghri) and Mohammed Khan (Khokhar).

3. Community Profile (Outline of social landscape/power brokers etc.)

Our main respondent was Ali Hassan Khaskheli who was the kamdar of the zamindar. He told us that the village had a total of 100 households with a population of 2,000 people. The total number of registered voters in the village was 200. Ali Hassan gave us details of the castes living in the village, which were as follows: Baghri (20 households including Tekra and Dhamdhari), Kori (8 hh), Danbhi (2 hh), Malukani (2 hh), Khaskheli (2 hh), Gopang (8 hh), Machi (20 hh), Aod (4 hh) and Khokhar (8 hh). Thus, when we did the profiling we came to know that there were 74 instead of 100 households in the village.

All the 20 families of the Baghri community had no personal land. They were not farmers with any land neither were they wage labourers. All 20 families had cattle on ownership and on partnership basis. Only one person Mazawar among them had a government job. Some 2 years ago Ali Hassan Magsi got him a sweeper's job at the hospital and Mazawar did not have to pay anything for that job and earns a salary of PKR 10,000 per month. Mazawar Baghri is an illiterate like everyone else in his kinship group and no one from this group works abroad. Five of the Baghri families were getting the BISP cash grant and one household got the Pakistan card. No Baghri male or female had a bank account. Four of their families had mobile phones. All Baghri families were poor and no one among them was rich. Only Mazawar's family was better off than others.

2 out of 8 Kori families get the BISP cash grants. 3 families among them got the Pakistan card. 2 among them had mobile phones. 1 family among them was better off in comparison to others.

Danbhars had 2 families and one of them got the Pakistan Card. Both families had mobile phones. Both families were poor. Malukanis had 2 families and one of them was getting the BISP cash grant. Both were poor.

Khaskhailis had 2 families. The males of this kinship group had maximum education till the ninth class and female had maximum education till the twelfth class. Both these families get the BISP cash grant

and one of them also got the Pakistan card. One of these families has a bank account. Our respondent Ali Hassan Kamdar had a bank account. Both families had mobile phones. One of these families was better off than the other one.

The Gopang kinship group had 8 families and 5 of them were getting the BISP cash grant. Five among them got the Pakistan cards. Four families had mobile phones. No one among them was rich. Four of them were of middle standard and two were very poor.

The Machi community had 20 families and 8 of them were getting the BISP cash grant. Ten families got the Pakistan cards. Eight families had mobile phones. Eighteen families were of middle standard and two were very poor. The Aod kinship group had 4 families. They were literate. The males were maximum twelfth class passed and female were maximum fifth class passed. Three Aod families were getting the BISP cash grant and 3 families got the Pakistan Cards. One family had a mobile phone. One family was rich and the rest were poor. The Khokhar community had 8 families and 3 among them were getting the BISP cash grants. Five families got the Pakistan Cards. Four families had mobile phones. No one among them was rich. Six families among them were of middle standard, and led a little better life. Two families were poor who cannot afford three meals a day.

The people of the village told us that there were no facilities available at the village. The metalled road was 1 km away from the village and the nearest town was Qazi Khan Hout some 7 km away. All respondents said that most of the people of the village do labour work and earn PKR 150 a day for two to three hours of work. According to them no transport or health facilities were available in the village. They said that the village had no hakeem, nor any primary health worker. There was no MBBS doctor or technician there. Ali Hassan said that there was a hand pump for drinking water which was used by the whole village. No household in the village had a natural gas connection. They had electricity since the last 20 years and every household in the village had its connection. They said that 10 to 15 households had the facility of a mobile phone. The respondents said that there was no drainage facility available in the village. The male villagers use the jungle and the women use the inner side of their residential compounds or the orchard as a toilet.

They told us that the village had only one government boys' primary school with only one teacher. Both boys and girls of the village are getting education from that school. They said that some 30 children of the Baghri community were enrolled in the school too. The school was built by Haji Ali Ahmed Shah. After passing primary education children get their middle school education at Nawabshah. They said that at the moment 4 children of the village were getting their matriculate education at the Khair Shah Government School Nawabshah. They said that there was no private school at their village; there are some situated in Nawabshah but the common people of the village cannot afford these private schools because of their poverty.

The respondents told us that the basic crops in the village were banana, mango, wheat and sugar cane. They said that they grow bananas in April and exactly 2 years later in April the crop is ready. The banana crop gives an income of about PKR 100,000 per acre. In the market it is sold for about PKR 150,000 rupees. Mango; regarding the mango crop they said that they grow it in the month of April and after five years' time its tree gives fruit. This crop too earns hundreds of thousands rupees to the zamindar. Sugarcane; they said that they grow sugarcane in April and 8 months later in October its produce becomes ready. In their area the yield of sugarcane was about 1,000 man per acre. Wheat; they said that this crop is grown at the end of the year in the month of December and next year from March it is cut. They had these 4 crops in their area.

Ali Hassan said that the people of the village vote for Fasih Ahmed Shah for the Provincial Assembly and Azra Shah for the National Assembly. They both visit often and if some death occurs in the Baghri community, Fasih Shah always visits them for condolence. He said that some 15-20 days ago Fasih Shah had visited their village. Ali Hassan said that he contested the UC election on the People's Party ticket but could not win. He said that he secured 450 votes and the successful candidate Mohammed Ali Jamali of the Muslim League-Q secured 500 votes.

Ali Hassan said that the Jamandar (supervisor) Hout gives weekly wages to every labourer. No one was in debt. If someone works less or takes a day off the Jamandar deducts PKR 10 as a fine from his wages. Kamdar will often talk to the Jamandar regarding work. Kamdar Ali Hassan said that no one in

the village owns land and all of them were living on the zamindar's land. If someone moved from the village the zamindar does not allow him to carry the household belongings. The zamindar said that their zamindar was of an aggressive nature. If any child or adult picks mangoes or bananas he is punished by the zamindar and he abuses at them.

Ali Hassan said that people of the Baghri community do not work at the zamindar's land but they beg in the town. The zamindar had allowed them to stay in the village as he felt that it should have some population and they could be useful during the elections. Baghri themselves said that they beg and ask for cash and clothes. They said that begging was a difficult thing as people abuse and humiliate them but as they do not know anything else they do that and consider it as their profession. They said that labour work was easier than begging. They said that the people of the Dhamdhari sub-caste of the Baghri community had recently- since the last 3 or 4 years- started marrying within relatives. Other than begging the Baghri also hunt. They said that before the current government they had never received any help from the government. Once during the Nawaz Sharif government they got PKR 5,000 each, after that the current People's Party government had issued them Watan Cards, Pakistan Cards and the Benazir Cards. When the BISP survey team came here for the survey it visited their homes too. After receiving government aid they did not quit begging. They said that the Khaskheli community does not share meals with them and not a single Baghri had converted to Islam. The Khaskhelis visit them at the time of marriage or the death but do not share food or water with them. They said that the World Food Programme distributed ration cards in their village. First they wrote the names of the people in the village and then after 3 days they got ration through cards. They visited their office to get the cards. They got rice, ghee, biscuits, lentil and milk for children. That ration was for a month and afterwards they got rations 3 more times.

a. Saving preferences

Ali Hassan said that as the residents of the village are daily wage labourers they cannot save from their little income. Most of them buy goats and sell after rearing them and save something from it or buy something of domestic use. They can get the fodder from the zamindar's land free of cost. They said that they consider it to be a good saving option. They said that to buy goats the males of the village travel to Qazi Ahmed town where the cattle market is located. As per the custom of the area women do not go to the market to purchase goats so they give money to the men and some of them cheat them of the money. They said that the raising of goats was a profitable business but if they are stolen then it is a complete loss. If they are in a crisis they sell their animals.

They said that if any male of the village would get a windfall of PKR 10,000 he would buy cattle from it and sell it after raising it and will earn a profit. If he gets PKR 100,000 he would start a fruit or vegetable business on a hand cart (rerhi). If any woman gets PKR 10,000 she too will buy goats because they can earn a profit from it. If a woman gets PKR 100,000 she will buy a buffalo and will sell it after raising it to earn a profit. That is an easy way for them as they are experienced in it.

b. G2P modalities

They said that 3 months ago they got the Benazir Debit Cards (BDC). Earlier the postman was delivering the money at their doorstep. They said that they got to know from television that the Benazir cards will be issued. Afterward some people told them that a camp had been established in Nawabshah from where cards were being issued. They visited the camp too and got their cards. They said that the poverty scorecard survey (PSC) was conducted in that village during 2008 and one month after that survey the postman started delivering 'Benazir's money' to women at their doorstep. After every 3 months the postman would sit at the aataq and get the thumb impressions of beneficiary women and hand over their money to them. They said that after the survey 20 women of the village were delivered money by the postman and these 20 women got the Benazir Cards as well. They said that before the PSC the postman was delivering money to the women too and now they had gotten the BDCs. According to them the postman method was better as was delivering the money to the doorstep but the card system was a difficult one. Women had to go to the bank and they had to leave their minor children behind and after a full day's hassle often they came back empty handed so they consider the postman method a better one.

c. Financial institutions/instruments

Ali Hassan said that the nearest bank branch was in Nawabshah some 10 km from their village and those who had to receive the Benazir money go there by a van and pay PKR 40 as fare for both trips. The easypaisa service as well as the ATM facility was in Nawabshah. No NGO came to their village to offer loans to them.

The kamdar said that he had opened his bank account because the zamindar gives him wage money for distribution amongst the labourers. He cannot keep that money at his home as there was the danger of theft so he had opened his bank account. The residents of the village wanted to have their personal bank accounts as it was the safest way to keep money. The people said that cases of goat theft were common in the village and because of that they keep a watchful eye at night. Ali Hassan said that in case of any rift in the village Fasih Ahmed Shah carries out reconciliation amongst the rival parties.

The people said that in case of any emergency they give credit money to each other. Ali Hassan said that if someone is stuck in an emergency he hopes for PKR 20,000-30,000 credit and during difficult times the zamindar too helps them with a maximum of PKR 30,000. Both, Magsi and Fasih Shah, own land in the village. Fasih Ahmed Shah owns 3,000 acres and Magsi owns 2,000 acres of land. Fasih Ahmed Shah who originally belongs to Khair Shah lives most of the time in Nawabshah, Karachi and Islamabad where he has houses. Politically he was affiliated with the Peoples' Party. Khair Shah was the village of the Syed Zamindars and they own petrol pumps too. Three and a half acres of land of Fasih Ahmed Shah is cultivated by the kamdar Ali Hassan. The kamdar said that the zamindar had given him a motor car and there were guards in the village for security purposes. If someone steals a single mango he/she gets fined. If a single mango falls to the ground no one is allowed to pick it; a guard is on security duty round the clock. The kamdar said that during his 16 years of service there, 2 or 3 persons had been beaten for theft and given a fine. If someone does not pay the fine they are beaten more. According to him people from all castes steal.

The kamdar said that if a family is moved from their village to some other place then they call them to collect their BISP money because it is paid according to the CNIC address. They keep in touch with those who move from their village. Ten to twelve people of the village were employees of Fasih Ahmed Shah and were getting PKR 3,000 per month salary. They do mostly agricultural work including the watering of the land. The watchman gets a salary of PKR 5,000 per month. He said that his salary was PKR 3,000 per month and he gets 30 mans of wheat and cotton annually when the crops are ready. The kamdar said that when the zamindar gives him the labourer's salary amount (of up to PKR 50,000) he keeps the money at his home but when the money is more he deposits it in the bank account. According to the kamdar, since these cards have been issued the people have visited banks for the first time in their lives and have seen such big amounts (like PKR 10,000) in one go. The people of the village also sell milk in the city. Everyone had buffalos, only one Baghri had a buffalo and he does not sell its milk but uses it for family consumption.

d. Attitudes and perceptions

Members of the community professed to be too poor to rely on banking for their saving requirements. According to the respondents, people mostly invest their savings by purchasing animals. While this was not necessarily safe, tending to livestock was something they had knowledge of. Community members stated that they preferred the post-office method of BISP payment delivery as it saves them the hassle of travelling to the city to get to an ATM.

e. Gender and FIL

Women cannot travel alone outside the village; they must be accompanied by a male or her children. Often women send their men to purchase items from the market. There is no tradition of women having independent bank accounts- except for government employees and pensioners- therefore most women are going to the bank for the first time, ever since they have received the Benazir Debit Cards through BISP.

4. In-depth Interview 1

a. Basic Information

| | |
|--|----------------|
| Name | Sakina |
| Age | 52 |
| Gender | Female |
| Education | N/A |
| Caste | Khokhar |
| Occupation | Cattle rearing |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Debit Card |
| Bank Account (Y/N) | Y |
| Bank Name | MCB |

b. Socio-economic position of respondent/respondent's household

Sakina w/o Sujawal is a resident of the village Kuba Ali Ahmed Shah, Deh 40 dad, Taluka and district Shaheed Benazirabad, Sindh. She was born in 1960 and now she is 52 years old. She is a Khokhar by caste, and a Shia Muslim. She was illiterate. Her CNIC number was 45402-0650818-2. She has been receiving the BISP cash grants through the debit card. Sakina was divorced from her husband 7 years after their marriage. She had 2 daughters and 2 sons from that marriage. When she was divorced her youngest daughter was 6 months old. Sakina did not share the reason for divorce with the team. Her ex-husband married again and now lives in Hala with his 5 children from the second marriage. She said that she talks to her ex-husband on the phone and occasionally visits Hala to meet her step-children. Her ex-husband used to visit her to meet his children. Sakina said that after the divorce she raised her children with great difficulty.

Sakina had a total of 12 family members with 2 adult women, 2 adult men and 7 children. Sakina's household assets include 1 tape recorder, 1 television set, 1 fridge, 2 buffalos and 1 goat. Her house is located at a two minute walk from the school which is considered the centre point of the village. She had a katcha house with 2 rooms. A toilet is built within the house for women with a wall of thorns around it for privacy. The male members of the family use the bushes for defecation. She said that they had an electricity connection since the last 5 years. For water they had a hand pump installed in their house many years ago.

Sakina was born and married in this village. She said that her house and land were the property of the zamindar Ali Ahmed Shah and she considered her residence insecure as the zamindar had earlier evacuated them from his land twice and they moved to Zardari village where they lived for 2 years. There too they worked on land owned by the Zardaris. Later they requested their former zamindar and came back to their old place. Citing the reason Sakina said that her sons who worked at the zamindar's land misbehaved and their demand for a wage-raise was rejected so they quit the work and sat back at home, at which the zamindar became angry and he uprooted them from his land. After they were uprooted they moved to Hyderabad where they worked as agricultural labourers for 2 years after which they were brought back to the same village by her brothers who were also living in that village. They jointly talked to the zamindar to restart their work with him. The second time they moved from the village their residential plot was handed over to the people of the Machi community who were working with same zamindar too. When they asked the zamindar for a raise in wages he threatened to uproot them. They live with this fear of becoming homeless all the time.

Their letters could be delivered easily to their residential postal address. She got the BISP letter on the same address. First, this letter was given to the zamindar, Ali Ahmed Shah, who sent it to Sakina through his kamdar (manager) Ali Hassan Khaskheli. Because of the fear of eviction by the zamindar they had purchased a plot in Hala for PKR 200,000 on instalments so if they are evicted once again they will move to their plot in Hala. Sakina said that she had registered a case, against the people of the Chandio and Aod kinship group for her son-in-law's murder at Nawabshah, which was in

proceeding. They were forced to register the case as for 5 months the zamindar had not arranged any community decision process. That case too was causing a fear of eviction for them.

Sakina said that during the last one month no one in her family had been without food but last year during the monsoon when her village came under water and they were deprived of work and the milk providing cattle had no milk because of the non availability of fodder they faced a shortage of food items and at that time they were taking one meal a day. She said that because of the BISP cash grant she has an opportunity to get ration items and they spend the initial days of the month comfortably and that money is always handy for medical treatments. Sakina said that usually they cook food twice a day. She said that with their wage earnings they purchase their basic domestic items like rice and wheat from the village shop. They purchase rice and wheat for the whole month and if these finish in between they buy more from a retail shop. Their zamindar does not give them any grain like rice and wheat. She said that from the Pakistan Card money they bought 10 mans of wheat for 3 months consumption which lasted for two and a half months.

Sakina said that people from the Khokhar, Machi, Khaskhaili, Malukani, Aod and Baghri castes live in her village. Among all of them the Machis and Aod were most powerful because they had more families than others in the village and they had unity. If the Machis and Aod face any problem they unite for its solution and it shows their power. Aod are educated so they consider themselves as superior and the Machis had dominancy because of their numbers. People of other castes are in lesser number so they consider themselves weaker. The rest of the community are lesser in numbers so they consider themselves weak. Sakina said that her family like other people in the village does not maintain social relations with the Baghris and neither do they invite them to their gatherings nor do they attend theirs. She said that they attend the marriages etc. of the Aod community though they are non-Muslims. On those occasions the Aods arrange separate meals for their Muslim guests. Sakina said that she attends the marriages and deaths of all other communities. She said that the Khokhar community had more social relations with Machi and Malukani people as they help them in times of any crisis including giving them cash credits.

c. Household cash flows

There were 5 bread earners in Sakina's family. She said that her youngest son Hassan aged 28 years works as an agricultural labourer from morning till 5 in the evening and gets a monthly salary of PKR 3,000 on the land of zamindar Ali Ahmed Shah. Sakina and her 2 daughter-in-laws raise cattle and by selling the milk of these they earn PKR 6,000/month. Sakina said that some 3 years ago her eldest son Mohammed Khan had a road accident and because of that he was not able to do outside work so now he works from home- selling ice candy- and earns at least PKR 100/day. She shared, while crying, that 6 months ago people from the Chandio and Aod community killed her son-in-law and because of that her eldest daughter came back to her with her 2 children. No one from Sakina's family works outside the village or the country. Sakina said that they easily meet their domestic expenditures through their earnings.

Sakina has been raising cattle for the last 10 years. Earlier they were farmers on the land of zamindar Ali Ahmed Shah but then he had fired them from work. Now they are wage workers with same zamindar who gives them PKR 3,000 per month. She said that she worked in the field earlier too. Both, her parents and in-laws, have been involved with farming. Earlier they were working as share crop peasants with the zamindar and were getting one-fourth of the produce but since the last 5 years they were working as agricultural labourers. Five years ago they had a debt of PKR 60,000 with the zamindar which they paid back by selling their buffalo. Because of that the zamindar changed their status from share-crop peasants to wage labourers. She said that she gets the fodder for her cattle from the zamindar Ali Ahmed Shah's land for which he had given them permission.

d. Cash transfer history

CNIC details: Sakina told us that she had a CNIC which was issued to her on 12-06-2009. She got that card because her older card was misplaced by her zamindar Ali Ahmed Shah which he took from her for her enrolment on the voter list. Twelve months after it was lost, one of her friends suggested to her that she should just ignore the old identity card and get a new CNIC made. No one in her village objected to her getting her photo taken. She said that to get her CNIC she took her brother-in-law's

CNIC with her as she had lost her old card and her husband had divorced her. Her new card was issued at the NADRA office Nawabshah which is about 10 km from her village. She said that there was a big crowd at the NADRA office but she managed to enter the office where, after checking her brother in law's card and entering her data in the computer, they gave her a receipt which she gave to her brother who submitted it after 2 days. Within 20 days she got her card; she spent about PKR 200 on getting that card. Sakina said that through this card she can vote and was getting BISP money. She said that once zamindar Ali Ahmed Shah got her Zakat worth PKR 6,000 through the old identity card.

BISP: Sakina said that she was getting the BISP money through the Benazir Debit Card (BDC). She said that she had gotten only 1 instalment through that card in the month of June. She said that one of her fellow village women brought her card and told Sakina that a camp had been set up in Nawabshah which was issuing these cards. Then she, with other women of her village, went to Nawabshah in May where the staff at the camp checked her CNIC and after verifying it on the computer gave her a token and got her thumb impression which she gave to a lady staff member who gave her the card wrapped in an envelope and told her that her money will be deposited after 3 days. As per guidance she took that card to a bank in Nawabshah and handed it over to a policeman deputed there who entered it into the machine and withdrew PKR 3,000. She gave PKR 100 to the police man as a tip and brought the rest of the amount home. She spent PKR 1,000 on her daughter's medical treatment and bought rations with the rest of the money.

Sakina said that her both sons got the Pakistan Cards. By selling a goat and adding the Pakistan Card money they bought a refrigerator for PKR 28,000. She said that before the Benazir Debit Card she was receiving her BISP cash grant through the postman. She said that she got four instalments of PKR 2,000 each from the postman. The postman used to sit in a Machi's house and after getting copies of the CNICs of every beneficiary he gave them their money, and took PKR 200 from each woman as his commission/tip. She used that money on the purchase of rations for the family. No one objected to the postman's coming to their village. The postman system was better as he was delivering the money in the village. But in the new system they had to go to the bank which is over-crowded and the policeman deputed at the machine gets his share. Sakina said that she spends that money with her free will.

She told us that her 2 daughter-in-laws were getting the BISP cash grants too and one of them had been issued the Benazir Debit Card while the other one was receiving it through the Pakistan Post. Sakina said that last month her daughter in law Manzooran got a letter informing her that she had gotten PKR 300,000 through a draw of the BISP Waseela-i-Haq. Her husband had gotten training for 10 days but was yet to get payment for that. On enquiry she said that the training was conducted by the SAWFCO in Nawabshah and a certificate was also issued. Sakina also told us that in the year 2009 they got PKR 6,000 through the Shaheed Benazir Women Support Programme; the form for that was filled by Ali Ahmed Shah and 4 women of their village got that money. Sakina said that she opened her bank account with the Muslim Commercial Bank as she was told that the money will be deposited in the bank account. She said that nowadays she was not receiving any money from that program. Sakina said that she took her BWSP card to the bank and they told her that her account had been ceased and now she will not receive any money from that account. She said that before the BD Card she had neither heard about nor seen an ATM. She said that other women of her village were receiving money through the Benazir card too and no one in her village objects to their receiving money of the debit card from the bank.

e. Mobile phone usage and literacy/aptitude

Sakina does not own a personal mobile phone but her son has one which he bought 2 years back. With this mobile she talks to her ex-husband and step-children who live in Hala. Her son dials the number for her and she does not know how to send a text message. She said that her neighbours and the zamindar Ali Ahmed Shah had no objection to her using the phone. She said that she does not know anything about the easypaisa service.

f. Saving Behaviour

Sakina told us that she has been saving since before her marriage and continued after her marriage too. As she was divorced 7 years after her marriage, she saved money from her wages earned by cutting wheat and picking cotton. With that saving she had her children- 1 daughter and 2 sons-married. With that saving she also bought gold worth PKR 10,000 for one of her daughter-in-laws, which her husband sold and bought a rickshaw with and later sold the rickshaw too and spent the money on domestic expenditures. Sakina said that nowadays saving was a difficult task as in the past getting work was easy. Now because of her old age she did not have the sufficient energy left to work hard. She purchased two calves for PKR 7,000 with her savings once. Besides that she bought two more calves from the earnings she made by raising someone else calves.

Sakina said that keeping the saved money in a box at home was a better option as that money could be used immediately in any emergency. She said that the saving can be utilized in a time of crisis like sickness. In case of an emergency she can also sell her cattle. She said that no one in her family knows about the amount of savings she has. Sakina said that if she gets PKR 10,000 she will arrange her daughter's marriage. And if she will get PKR 100,000 she would start the construction of her house on the plot which she bought for PKR 200,000 last year with her savings from the sale of milk. She pays monthly instalments of PKR 2,000 for it and PKR 50,000 are yet to be paid. Now she will pay her dues with the Benazir money.

g. Knowledge of and experience with financial instruments

Informal financial instrument: Sakina said that instead of using the saving committee method she uses informal ways to save like keeping money in a box/brief case. She has been using this method for a very long time. She said that though she was ready to save through the saving committee method but no one else in her village was ready for that.

Money transfer: Sakina said that neither had she sent any money to anyone in the country or abroad nor she had received money from anyone.

Micro finance: Sakina said that there was no tradition in her village of taking loans nor she had taken any loan ever, though some of her neighbours borrow money from her.

Banking: Sakina said that when in 2009 she got the Benazir Women Support Programme card she was required to have a bank account with the Muslim Commercial Bank for which she went to the bank with 4 other women of her village and the bank staff opened her bank account. That was the first time she came into contact with any bank though earlier she had heard that the bank issues loans. She said that before the opening of that account she had no access to the bank. Just last month too she visited the MCB Nawabshah branch with the same 4 women. She further said that when she went to the bank to open her account one lady staff member helped her in doing so and because of that guidance she did not face any difficulty and she was able to understand their instructions. She said that she spent PKR 300 to open the bank account. Regarding the advantages of banking she said that through the bank she got her complete amount of PKR 6,000. She said that one can deposit in and withdraw money from the bank account. She said that her MCB account- which she had opened for the BWSP- had ceased to be operational now.

h. Attitude towards and perception of financial instruments

Sakina said that she knew about bank accounts as she had opened her bank account for the BWSP but recently found out about ATM cards. The first time she saw an ATM was last month (June 2012) when she went to collect the BISP instalment. She came to know that one can withdraw money through that machine but she did not use it by herself as the policeman deputed there withdrew the money for her. It was her first time to see the operation of the machine and no one guided her about its functioning but next time she will try to use it by herself- although she did not remember the buttons on it as she was illiterate.

i. G2P impact on FIL

Sakina was financially included before becoming a beneficiary of the BISP because she was also declared eligible for the short-lived Benazir Women Support Programme (BWSP) scheme of the Sindh

government. To obtain the cash grants for this scheme she was required to open a bank account. She received PKR 6,000 through this scheme but her account ceased to be operational after she withdrew all the money from it. She went to a bank for the first time thanks to this scheme, and went to the ATM for the first time after becoming a beneficiary of the BISP cash grant scheme, the payments for which she obtains through the Benazir Debit Card. She did not gain much in financial literacy- she relied on a policeman at the bank to withdraw her money because, according to her, she is illiterate. She claimed that she would use the ATM herself next time, while at the same time mentioning she would not know which buttons to press on the machine.

j. Power linkages and impact on FIL

Sakina said that she did not need anyone’s permission to open her bank account. She said that she had never gotten any loan from the bank neither had she attempted to get one. She said that the banks were for the rich and when she went to the bank to collect her BISP money from it, she saw big motor cars parked in front of it. The rich people were going directly inside the bank and the poor people like her were standing in the queue outside. She said that she too wants to have a bank account and women should open them.

k. Gender/Mobility and FIL

Sakina said that she visits the market and other houses in the village all by herself for the purchase of rations and other domestic items; her male family members had no time as they work on the fields. Occasionally she takes her youngest daughter for shopping. She said that their zamindar will not allow her or other women of the village to work outside the village or some other place because he thinks that if any women of his village will work outside of the village it will damage his respect.

5. In-depth Interview 2

a. Basic Information

| | |
|--|---------------|
| Name | Reshma Baghri |
| Age | 28 |
| Gender | Female |
| Education | N/A |
| Caste | Baghri |
| Occupation | N/A |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Debit Card |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent’s household

Reshma Baghri lives in the village Haji Ali Ahmed, UC Chanesar 1, Deh 40 dad, taluka and district Shaheed Benazirabad. Some 7 years ago she moved to this village after her marriage to Kanwer Baghri who works as a wage labourer in the village on the banana fields or does any other labour work available. Reshma has 6 children- 4 sons and 2 daughters. The eldest daughter was 6 years old and the youngest son was a few months old. Reshma has begged for 10 years and had quit it for the last 5 years because she contracted hepatitis and has been sick.

Reshma said that by faith she was a Hindu and prays to Shiyam. She was selected as a BISP beneficiary in 2011 after the PSC survey and had gotten 8 instalments since then. She got her Benazir debt card 4 months back and now gets her BISP cash grants through the debit card. In the monsoon floods of 2011 her husband got the Pakistan Card and so far had received one instalment.

Reshma Baghri lives in a joint family system and had 1 room in her house. Her house was katcha; made of mud. She had a tape recorder, 1 fan and 1 small goat which her brother gave her 4 months back. Her brother Sarwan lives in Sakrand. Reshma said that her brother begs and as she was poor so her brother gave her the goat. She said that she had neither land nor gold.

Reshma's house was near the centre of the village. Her katcha house had 3 rooms and one of those rooms belongs to her. Her toilet was built outside the house in the bushes. Though she had an electricity connection she had no gas connection. There was a hand pump outside of her house which was used by the whole village for fetching water. Her house was built on the land of the zamindar Ali Ahmed Shah and because of that they feel insecure as the zamindar can evict them anytime. The zamindar had never asked them to vacate his land ever since they have been living in the village. She said that her family has been settled here since the last 50 years when for the sake of work and begging they moved there from Bhirya city. Reshma told us that she can give her postal address for correspondence but for that she had to get permission from the zamindar. So far she had not received any letter on her address.

Reshma told us that for 5 to 6 days during the last month food was not cooked in her house as her husband did not get any work. She said that usually they cook food once a day in the afternoon; because of their poverty there were not able to stock basic necessities like wheat and rice. She said that she buys food items including flour, rice and wheat from the shop of Lalu Machi situated in the village. If her husband does not get work they buy items on credit from Lalu's shop and pay him back as soon as her husband gets work. During the monsoon floods of 2011 Reshma's husband got one instalment of payment through the Pakistan Card. They spent that money on the purchase of food items and the repair of their house. She spent her BISP money on her medical treatment. The community people said that the Baghris eat vultures but Reshma denied this.

The people of many castes like Khokhar, Bhunger, Baghri, Machi, Gopang and Khaskheli live in the village. The most powerful caste in the village is Syed. The local wadera was Syed Ahmed Ali Shah on whose land the village was established. Reshma said that the zamindar had a good attitude with them and he does not force them to leave nor does he take forced labour. Being a weaker community they play a lesser role in village affairs. Neither her family nor the people of other communities visit each other for social occasions like marriages. They have social relations within their own community and they help each other in case of any emergency including borrowing money from each other. The people of other communities do not help them neither do they ask them for help.

c. Household cash flows

Reshma had 8 family members; herself, her husband and their 6 children. Reshma's husband works on the banana farms and if he does not find any work he begs. He does not work on any fixed land but works anywhere he can find work and earns PKR 100-150 per day. He was the only bread earner for his family. Reshma said that she had been in the begging business for 10 years and for the last 5 years she had quit begging because of her being a patient of Hepatitis B. When she used to beg she was earning up to PKR 150/day but now she only does domestic work. No one from Reshma's family works outside of the village or the country. According to Reshma it was difficult for her family to make ends meet. Her household has no debt.

d. Cash transfer history

CNIC details: Reshma got her CNIC made in 2006. She said that the main reason for getting the CNIC was to have identification if she dies in a road accident. Reshma went in 2006 to the NADRA office in Nawabshah in a Datsun van with her husband. She said that the NADRA office was over crowded and women were pushing each other, ultimately she got her token and after 1 hour she got her turn. When she entered the office the official sitting at the desk asked for her husband's CNIC and entered the data, then he asked her to move to the other counter where her thumb impression was recorded. Then she moved to a third counter where her picture was taken. Afterwards they gave her a token and told her that she should collect her card after 40 days. According to her the whole process took 10 to 15 minutes. Her CNIC bears the address of her house in the village. It was her first identity card. According to Reshma, besides identifying her dead body in an accident she can also get aid like the Pakistan Card and the Benazir Debit Card with a CNIC. Her CNIC details are: (CNIC # 45402-

0737225-1, khandan no. L42B8J, Address: Village Allah Warayo Allah Rakhiyo, Post Office Allah Rakhiyo, Issued on: 29/03/2006)

BISP: According to Reshma after the monsoon floods of 2011 her husband Kanwar Baghri got the Pakistan Card of which they had gotten one instalment of PKR 10,000. They spent that money on household necessities. Reshma was selected as a beneficiary in 2011 after the PSC survey of BISP. She received her first instalment of the BISP cash grant in July 2011 from the postman amounting PKR 8,500. She got a second instalment of PKR 2,000 two months after the first instalment. Reshma said that the postman distributed money amongst beneficiary women while sitting at the autaq of the Machis. She said that the postman deducted PKR 200 as his commission/tip out of her PKR 2,000. She received 4 instalments from the postman. Some 4 months back she came to know from the people in the village that the Benazir Debit Cards were being issued in Nawabshah so she went there with her husband in a Datsun van.

Reshma told us that in Nawabshah, the BISP office was situated across the bridge which was crowded with women. After standing in the queue for over an hour her turn came and in the office her CNIC and data was verified. Afterwards they got her signature at the next counter and issued the BD card to her. They did not guide her about the use of that card but asked her to visit again after 72 hours. After 4 days she went to a bank in Nawabshah with her husband and her mother-in-law. She does not know the bank name but was told by fellow villagers that the amount could be withdrawn from this bank. The bank too was over crowded and the watchman deputed there collected cards from women and brought money from inside the bank. He gave PKR 3,000 to Reshma.

Reshma said that she had received money by both methods but she would prefer the postman method as he delivers money at the doorstep even though he gets his commission. In order to get money from the bank they have to pay the travel fare. She said that neither anyone of her family nor from her community had ever objected to her going to the bank or receiving money from the postman. She said that the attitude of the bank staff with her was fair enough. Before getting the Benazir card she had never used the facility of a bank or an ATM. She said that neither any NGO nor the zamindar had ever helped them in the village. She spent her BISP money on her medical treatment; the expenditures on her medical treatment were between PKR 2,000-2,500 per month and she spends this money with her husband's consent.

Note: Reshma said that after getting one instalment of the Benazir Debit Card last month the postman also delivered PKR 3,000 to her. She spent that money on her medical treatment and other domestic needs.

Note: Reshma said that after the monsoon flood of 2011 all the people of the village were forced to live on the main road about 1 km from their houses for 10 to 15 days.

e. Mobile phone usage and literacy/aptitude

Reshma had no mobile phone nor did she have a SIM registered on her name. Her husband had a mobile phone which he lost 2 years ago. She said that her brother in law has a mobile phone through which she talks to her relatives once in a month who live in Sakrand. She cannot dial phone numbers nor can she write text messages. Her husband or her brother in law dials numbers for her. She said that neither her husband nor anyone from her community objects to her talking on the phone because everyone knows that she talks to her relatives on the phone. Reshma does not know anything about the easypaisa facility.

f. Saving Behaviour

Reshma said that they do not save as it was difficult to make ends meet with her husband's earning. When he works she sometimes saves up to PKR 50. If she saves PKR 200 she buys a hen because it lays eggs and chicks and these can be sold in the market for at least PKR 50 a piece. If someday she will be able to save PKR 500 she will buy a goat but it has yet to happen. Reshma thinks that raising a goat was the best way to save as the goat grows fast and could get good money when sold. She said that there was no harm in saving as that money can be utilized at the time of an emergency. Reshma said that her family can know if she had saved something or not. If someone in the family needs the money she had to give it to them.

Reshma said that she would buy goats if she got PKR 10,000 and would spend the rest of the money on domestic needs. She would buy a buffalo if she could get PKR 100,000 as on the one hand buffalo's milk can be sold for money and it could be a way of the saving. Alternately she could also build her house somewhere else as she does not consider her present house a secure one as the zamindar can evict them whenever he wished because the land is owned by the zamindar.

g. Knowledge of and experience with financial instruments

Informal financial instruments: Reshma said that she buys hens from whatever she saves and she sells the eggs and chicks of these in the market to earn extra money. She was always scared that some animal would hunt her poultry. She considers it the best way to save as she can not save any other way.

Money transfer: Reshma said that she had never received money from anyone nor had she sent money to anyone.

Microfinance: Reshma said that she had never heard about microfinance and neither had she taken any loan. Neither she nor anyone in her family had ever taken any credit on interest; she also does not know anyone who lent money on interest. She said that no NGO gives loans in her village and she does not know about other places.

Banking: Reshma said that when she begged in Nawabshah she heard about banks but did not know how they functioned. She had no bank account nor had she ever thought about opening one. She knows nothing about bank accounts. She only knows that she can withdraw money from the bank which she came to know after getting the Benazir Debit Card. Reshma said that when she visited the bank for the first time to withdraw her BISP money she did not face any difficulty as she understood the language of the watchman and his attitude was fair enough too.

h. Attitude towards and perception of financial instruments

Reshma said that there had been no major change in her life after receiving the Benazir Debit Card except that after that she became aware that one can get money from the bank. She thought the attitude of the bank staff was good and she did not face any communication problem. She claimed it was difficult for them to save with their low household income, however whenever she manages to save some money she buys hens which serves as savings for her.

i. G2P impact on FIL

Reshma had heard about banks before but she had never visited one until she became a BISP beneficiary. She said she could not use her debit card at the ATM since she is illiterate, therefore she handed it to the watchman who withdrew money for her. Thus there does not appear to have been any observable improvement in her financial literacy.

j. Power linkages and impact on FIL

If she had to open a bank account she would need her husband's permission because he was her life partner and she would have to accompany him as she does not know anything about the bank system. According to Reshma only rich people, who had big houses and motor cars maintain bank accounts. Upon enquiry she said that she does not know about the advantages of having a bank account. She said that she was illiterate so what would she do with a bank account.

k. Gender/Mobility and FIL

Reshma said that she can go to the village shop. If she had to go outside of her village she would have to be accompanied by her younger son or husband. If she goes to the city with her son then she informs her husband. Reshma said that during her begging days she went up to Nawabshah with her son. To visit the village shop she does not need the permission of anyone including her husband or the community. Her community had never objected to her going outside.

6. Conclusions/FIL Outcomes

Sakina manages her finances on her own and is primarily interested in paying off the loan with which she purchased land in another village- this will improve her residential security as she worries about being evicted by the landlord in this village. She regularly engages in saving which has helped her to buy cattle, get her children married and purchase land. Such adept use of her finances points to the fact that she could potentially make great use of a bank for her saving needs and requirements, however she currently lacks the financial literacy for that. She used to have a bank account but it is not operational any more. She expressed a desire to have a bank account but was also discouraged by what she felt was partial treatment of rich people at the bank. G2P transfers have acquainted her for the first time with banks and ATMs and while she does not know how to use the latter she seemed interested in learning. She enjoys greater mobility however her residential status worries her- she does not get any mail directly to her house either which could be a potential constraint to her financial inclusion.

Reshma Baghri has also been acquainted with banks and ATMs for the first time in her life after becoming a BISP beneficiary. She commented that the postal method was preferable because going to the bank requires travel fare and waiting in crowded lines, whereas with the postman payments are delivered inside the village. She did not gain in financial literacy as a result of G2P transfers. Due to the low levels of savings she does not think about opening an independent bank account- for which she would require her husband's permission. She prefers to invest her savings in the purchase of hens, which she views as a saving mechanism as the hen gives eggs and chicks which can be sold in the market thus yielding returns. Both beneficiaries had a largely positive impression of banks; however they were also certain that banks cater primarily to rich people and thus were beyond their reach.

A2.10 Ward 5-Thatta-Sindh

1. Basic Facts

| | |
|--------------------------|--|
| Province | Sindh |
| District | Thatta |
| G2P Modality | CDCP I |
| Tehsil/Taluka | Sajawal |
| Union Council | Sajawal |
| Deh/Mouza | Ward-5 |
| Community | Christian Colony/Mallah mohalla |
| Researchers | Abbas Soomro, Abid Memon, Azmat Budhani, Haider Naqvi, Hussain Bux Mallah, Sadaf Shah, Saeeda Gopang |
| Date of fieldwork | 1 st July 2012 |

2. Sampling and Fieldwork Conditions

Ward No. 5 of taluka Sajawal, district Thatta is divided into 2 mohallas. One of these is the Christian colony which has 40 households with a population of about 400 people. There are 250 registered voters in that colony. The second one is the 'palang para' with about 150 Muslim households. These Muslims belong to different communities like Memon, Mallah, Muhajir, Umrani and Bhatti. For the community profile the team selected the Christian community as the marginalized community because due to differences in religion, professions and due to an economic gap they are considered lesser people than the others. The individual interviews were conducted with a male from the Christian mohalla and a female from the 'Palang Para' at their respective houses.

3. Community Profile (Outline of social landscape/power brokers etc.)

When we sat in the house of a Christian family the people of other families came there too and they wanted to share their problems with us. This area lies in the centre of the town and the daily average wage of a labourer was PKR 400. They had health facilities in the nearby civil hospital. Tap water was available in their area. Electricity came here some 35 years ago and they have had Sui gas for long as well. Because their area was in the centre of the town they had primary, middle and high schools for both girls and boys. A few boys had done their matriculation, one girl is a graduate and a few girls had done their intermediate. Almost every male had a mobile phone but only few women had mobile phones.

The Christians had been living here since 1960 and their basic occupation was sweeping. About 20 persons including 4 or 5 women had permanent jobs and 40 persons had temporary jobs since the last 10 to 12 years. A few Christians were engaged in construction work especially as masons. In the Christian colony there were 5 active beneficiaries of the PSC phase who were getting PKR 1,000 per instalment after every 2-3 months. In the first phase only 6 or 7 women were beneficiaries who got PKR 1,000 per month. The local 'Dewan' councillor filled their forms.

Permanent government employees had bank accounts because they have to draw their salary from the bank. A few women, who work in the private sector, had banks accounts too. The temporary workers get their salaries in cash so they do not need a bank account. Only 3 Christian families had goats and according to the community they were fond of them and in case of any emergency they can get money by selling these.

According to the respondents in the year 2010 (may be incorrect) the flood hit their area and the flood water stood in their houses for one and a half months. Except for 15/16 people everyone in the community moved to the tent relief camp at Makli. The 15/16 people who stayed behind to guard their houses from possible theft, lived on the roof tops of their houses. At the Makli tent city they were fed by NGOs and after one and a half month they came back to their houses where the Church World Service (CWS) supported them for 20 months. The CWS also constructed a church in their area.

All residents of Ward no. 5 had gotten the Watan Cards issued by the government. Only people without CNICs were unable to get their Watan Cards. The Christian community members said that they had gotten only one instalment of the Watan Card. Only 2 people of their community had gotten 2 instalments. They said that one Muslim widow woman had gotten 3 instalments of the Watan Card.

Note:

1. There were 4 Muslim households of the Baghul, Sheikh and Leghari castes in this community who, according to the Christians, were well off.
2. The Christian community people had settled here since 1960. They were from Faisalabad, Muridkay and Mandi Bahauddin in Punjab.
3. Seven Christian women were working as domestic help with Muslim families in the town and were washing clothes and dishes and sweeping etc. for them.
4. There were Gill, Bhatti, Khokhar, Pathan, Bharti, Soni and Pandhar castes in the Christian community and according to their traditions they do not marry within their caste.
5. Four or five of the community households had refrigerators which according to them their daughter-in-laws brought in their dowry. They can purchase televisions and other expensive items on instalments from the market.

a. Saving preferences

When we asked the Christian community about saving they told us that as their average monthly income was between PKR 6,000-9,000 it was difficult to save something from that little amount but 20 to 25 households among them were managing a committee which according to them was an easy way to save. At the time of the start of the committee they plan what they will do with the money they will get on their turn. Usually they spend that money on the marriage of their children, initiating some business or fulfilling some important need of their family.

Women were more active than the men in committee management. The Christians do manage their committees within their own community and they do not include anyone from outside of their community because they do not trust them neither were they resourceful enough to face them if anything goes wrong.

We asked the community that if any male member of their community gets PKR 10,000 then what will he do with that money; they replied that first of all he will pay back his debt and will arrange rations for his family and if anyone is sick in the family he will get his/her treatment. After that if he could save some amount he would keep it for any emergency. When we asked what a male will do if he gets PKR 100,000 they replied that he will get his children married and he would invest the rest of the money in a business so he could have a smooth life.

When we asked community members what a woman would do if she gets PKR 10,000, they replied that first of all she will fulfil her domestic needs (household rations) and afterwards she will spend the money on things like the beauty parlour, tailoring and clothes. When we asked that if a woman gets PKR 100,000 what will she do with it they replied that she will fulfil domestic needs or will get her house repaired, will arrange for the marriage of her children and will invest the rest of the money in her own or husband's business.

b. G2P modalities

The Christian community had 5 active BISP beneficiary women who were getting their money by the Pakistan Post. These women do not know any other method. According to some community members they had heard that in Karachi one can get money through the card but they consider the postal method a better one as they do not know how the card would be operated and Sajawal had no bank branch with an ATM.

According to the respondents everyone got the Watan Cards after the 2010 floods except for those who did not have CNICs. Except for 2 Watan Card holders all had gotten only 1 instalment. They had to get that money from the district headquarters Thatta which was 25 km from Sajawal. According to the community members no one among them knows how to operate an ATM card and for that they had to rely on the bank guards or other agents who get PKR 100-500 for withdrawing their cash.

According to the community no one from them had sold his Watan Card though they had heard that some people in the town had sold their cards but the buyers of those cards faced some difficulties in withdrawing the money because on withdrawing the first and second instalment of the Watan Card money the verification of NADRA was required so they needed to be joined by the person on whose name the card was issued.

At the time of the flood, 2 NGOs, ‘Caritas’ and the ‘Church World Service’ worked in their locality. Caritas provided only rations at the time of the flood but CWS provided ration for 20 months. According to the community members no organization helped them in cash. The NRSP opened a tailoring training centre in Ward No. 5 which trained women for 6 months in sewing and embroidery. Six to eight girls of the Christian colony got that training. During the training every woman had to pay PKR 200 every month which was paid back by the organization after completing the training.

c. Financial institutions/instruments

No bank in Sajawal had an ATM facility. For the cash from the Watan Card they had to travel to Thatta which was about 25 km from their colony. According to the Christian community they had no information about micro finance groups neither had any organization briefed them about it. Community members said that though they had heard about easypaisa they had never used that facility. Two persons of this community who were in the Army and were posted in Punjab send money by the Pakistan Post which they considered an easy way of money transfer.

The 25 people of this community who had permanent jobs hold bank accounts because they get their salaries through the bank. When they were asked why the rest of the people had not opened bank accounts, they replied that because of their low income they were living hand-to-mouth so they can not afford to open a bank account. Secondly they did not have sufficient information about the banking system and no one from their community knows how to operate an ATM card.

d. Attitudes and perceptions

The respondents claimed that banks were a safe place to keep savings, however they expressed an inability to start bank accounts because of the low level of household incomes and subsequent inability to save money. Most of the community members do not know how to use ATMs. The preferred mode of saving in the community is in the form of saving committees, which are run within the same mohalla.

e. Gender and FIL

There were no serious mobility restrictions faced by the women in the community- they attended vocational trainings recently provided by NRSP. Some women are also government employees and thus have bank accounts too.

4. In-depth Interview 1

a. Basic Information

| | |
|--|-----------------------|
| Name | Salamat Maseeh |
| Age | 42 |
| Gender | Male |
| Education | 7 th grade |
| Caste | Christian (Gill) |
| Occupation | Sweeper/janitor |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | CDCP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Watan Card |
| Bank Account (Y/N) | Y |
| Bank Name | NBP, Aisha Bank, |

b. Socio-economic position of respondent/respondent's household

Salamat Maseeh is a 42 year old, Christian male. His wife is not a BISP beneficiary however he is a Watan Card beneficiary, from which he got 1 instalment of PKR 20,000. He does not own assets like a tractor, motor car, motor cycle or any cattle; he had an old fashioned television set which was out of order most of the time. He also had 2 fans- one roof fan and a second pedestal fan. Salamat retired from the army about one and half year ago. His house was owned by him but he had no lease documents for it. He had two sons aged 11 years old and 9 months old. He had 5 daughters; out of them 1 was married and the rest were living with him. His unmarried daughter was 18 years old the rest were younger than her. There were a total of 8 family members; Salamat, his wife and their 6 children.

Both the husband and the wife were doing jobs. His wife was employed at the town committee as a temporary worker where she works as a sweeper and was drawing a salary of PKR 6,000 per month. Even though it is a government department, his wife had yet to get a permanent status at this job. She started her work at the town committee before her marriage. Some time after their marriage Salamat got a job with the army and was posted at Badin, Lahore and a few other places. Initially his family members lived with him but after sometime he settled his family at Sajawal and after that his wife resumed her work at the town committee for which she did not need any recommendation as there were vacant posts. She continued her job for 7-8 years then quit it for sometime. Afterwards she started it once again and since then she has been working there for 15 years. She was also working with a private school and was drawing PKR 3,000 from that. After his retirement from the army Salamat joined a private school as a sweeper/janitor and was drawing a salary of PKR 4,000 which he considers a small one. This school has 35 classes and he was responsible for the daily cleanliness of the school. Beside that he does labour work and can get PKR 200-300 per day from it.

The vegetable market was far away from Salamat's house; the meat shop was far too. Twenty years ago there were no facilities but now everything was available here. Many shops have opened in the area. Salamat's house was pakka with 2 rooms and a washroom which was inside the house. The house had a gas connection, electricity and water supply. When he was about one and half year old his parents moved here from Punjab. He did not know why they shifted here. Like the surveyors, a clerk asked him at the time of his recruitment in the army, where did his grand-mother belong from and he was unable to reply saying that since his childhood he was seeing himself in this area. Maybe his elders knew all this background information but he did not. Their residential land belongs to them but Salamat had no lease documents. Issuance of the lease was easy. All of the area was a katchi abadi; they could get the lease at anytime. At the moment those who can afford fees for the lease were getting it. They were getting their correspondence on their residential address delivered by the postman without any difficulty.

There was no time in the last month when they went without meals. There were some difficulties during last year's flood but they were able to get their daal roti. They cook food two or three times daily. He buys wheat and rice from the town which was about 0.5 km from his house. Often he goes there by foot but if the weight is too much- like when he purchases monthly rations for the family- he hires a rickshaw. He usually buys ration on the monthly basis. Sometimes a few items go out of stock but the flour and rice last the whole month. At the time of the first instalment of the Watan Card he was repairing his house so he spent some money on repair, some on buying the ration and also purchased a cupboard. He got money on the proper time to utilize.

In this whole area the Shirazi family was the most powerful as they were rich and were active in politics. They had contested most of the elections and had won. Their attitude had been good with the Christians. One Shirazi had been made the Nazim and he had good manners. He attends their occasions in happiness and in sorrow. He meets them like a family member. The Shirazis takes care of them. Last Christmas they distributed PKR 5,000 amongst each Christian family to celebrate the occasion and said that as they were poor they must celebrate their big day with their families by spending that amount.

Earlier people used to consider them as low caste because they were Christians and were doing cleanliness work so they were discriminated against but now the situation and people's attitudes were

changing. Till today they had little social interaction with other people. Many people still avoid social links with them; Salamat thinks that the main reason for this was their profession. The local councillor here was a caste Hindu who maintains good behaviour with them. In times of crisis they pray to God and get credit from their brothers, relatives and friends as they are near and dear to them.

c. Household cash flows

His wife has been working with the town committee for about 18-20 years. When he joined the army in 1996 he took his family with him and because of his postings they lived in different places. Afterwards he settled his family Sajawal. During their posting his wife was not working but rejoined her job when she came back. At the start she was getting a salary of PKR 2,000 and now gets PKR 6,000 but she was a temporary employee. Besides that she is working at a private school. When he retired from the army one and half year ago he replaced his wife at her private school job. He was also doing labour work but in spite of that because of the private and the non-regular jobs he was working he feared becoming jobless at anytime.

The school people demand a lot of hard work and pay only PKR 4,000. Because of such a low salary he quit the school job twice but joined again as no one was ready to do such hard work on that small salary. On the other hand the school people raised his salary to PKR 4,000 from PKR 3,000 which he still thinks is too low but he felt he had no option but to continue.

If their rations finish or they face any other sort of emergency he borrows money from his brother, relatives or friends. If he needs up to PKR 2,000 he asks friends or relatives but if he needs more than that he takes an advance from the school. Twice he got credit from the “Aisha Bank”. First he got PKR 10,000 and in the current month he borrowed PKR 15,000. This bank gives credit to women and both times he got the credit on his wife Laveezan’s name. Recently she told them that she would start a sewing centre by buying a sewing machine. Last time too she told them about initiating her own business as a result of which she got the loan. But that entire amount was spent on their son’s treatment- who had gotten typhoid. Although he had planned to repair his house with this money but Salamat’s son suddenly got sick and all the money was spent on his treatment. He said he would return that credit in instalments. Some of his neighbours had gotten credit and on their advice he too applied for it.

d. Cash transfer history

CNIC details: Salamat had an identity card and his wife’s card had expired so they had applied for a renewal. He said that everyone needs an ID card at all times; it is a person’s identity. When he was posted at the border, a problem happened with his card so the army people arranged a NADRA team which made his card, which bears his residential address of the Christian Colony, Sajawal.

Watan Card: Salamat has gotten only one instalment of the Watan Card. At the time of the flood his house was under water and they moved to Makli where many other families had taken refuge too. The flood affected peoples’ camp was near the NADRA office. Initially they were getting only rations but some days later the government announced that the flood affected people should visit the NADRA office to get their Watan Cards. At the NADRA office they had to stand in a queue and deposit a slip. On the second day after waiting for some time in the queue they were called inside and after some verification questions- about what kind of damage they sustained in the flood and about the number of family members- they were issued the card.

At the arrival of the first instalment there was a big rush of people both in Sajawal and Thatta so some people went to Karachi and some to Hyderabad to withdraw the money. Salamat gave his card to his brother to get the money from Hyderabad so Salamat does not know about the process of withdrawing the money. They had a person sitting at the machine and were charging PKR 100 per card for withdrawal of money. When deciding how to spend the Watan Card money, he took his wife into confidence who agreed with him.

They made lot of effort to get the BISP cash grants but did not succeed. They visited the post office too where they were told that if the money came for them the postman will deliver it at their door step.

Although a few people in their locality had gotten the BISP money, not all of them had gotten it. Those people who did get the money were told that they should not give their card or password to anyone. They think that the money order method was better and the card method was difficult. Salamat has been sending money orders for many years so he considers it a better and easy way. He said the card method was for intelligent people; simple and lazy people like him kept standing in queues.

When he was in the army he used to send money orders to his wife for 18 years. All people in the army were doing the same. His seniors taught him the method. Most of the people in his locality were opening bank accounts to get their pensions after retirement from their government jobs.

e. Mobile phone usage and literacy/aptitude

Salamat owns a mobile phone with a SIM registered on his name. There was only 1 mobile phone in his family which he bought two and half years ago. His wife had no mobile phone and does not know how one works. His children can use a mobile phone but he does not know how to send text messages through it. He bought that mobile phone during his final months' service in the army. When he was in the army he was using it frequently but now uses it as the need arises. No one objects to his keeping and using the mobile phone. He had heard about easypaisa from people but had never used it himself.

f. Saving Behaviour

They used to save from PKR 10 to PKR 1,500 at their home and then deposit it in a savings committee. They do their best to save something. The savings committee was a useful tool as its money could be utilized for their children's marriages. They manage to set the due month of that committee for the month when a marriage date is fixed. The people who manage the saving committees belong to their own community. These saving committees have been managed here for a long time and they are run continuously.

According to him the safest way for saving was through the bank because it provides the facility of depositing and withdrawing money at any time but community members consider themselves poor with small income/salary so they cannot maintain bank accounts. They keep small amounts of PKR 400-500 at home to spend at the time of any sudden emergency. Salamat used to raise goats before he joined the army but on getting a job in the army he sold all of his goats as no one in his family could take good care of goats in his absence. His house was too small so after retirement from the army he did not resume that. He has never bought gold. He thinks that it can be useful at the time of any emergency and there was no harm in buying it.

If he gets PKR 10,000, he would try his best to save all that money. He thinks that when a person goes into the outside world he learns a lot because one meets and talks to many different people. Salamat was proud to have been in many cities because of his army job so he got many opportunities to learn many things from different people; and learning the advantages of saving was one of those things. He said that through saving one can do many things like house construction/repair, buying domestic items like washing machines and cupboards. Beside that the saved money can be utilized at the time of any emergency or on the occasion of their children's marriages. Salamat said that if he gets PKR 100,000 he will spend PKR 10,000-20,000 of it and will save the rest of money which he will deposit in the bank. Such a large amount would be most secure in the bank.

g. Knowledge of and experience with financial instruments

He thinks that opening a bank account was not a difficult thing. He needed a CNIC and a guarantor who already had a bank account. Having a bank account was not a difficult thing. He does not know why people think otherwise. Salamat opened his first bank account in Sialkot with the National Bank of Pakistan some 8-9 years ago. That was through the army system. When his unit was transferred from that place he had no use for the account and it was terminated. He got his salary from the army in cash and he was getting his pension by money order.

His father was a government employee so he had a bank account; similarly his uncle and two brothers had bank accounts as well because they too were government employees so in order to draw their salaries and their pensions they needed bank accounts. One of his brothers lives in Karachi who had a bank account there and the second one lives in Sajawal and keeps a bank account in Sajawal. His brother who lives in Karachi works in a hospital, and his brother in Sajawal works with the town administration.

Salamat has another bank account which he opened because last year on Christmas the Shirazis gave cheques of PKR 5,000 to every Christian family. They know that all Christian families were poor so they gave them money to celebrate the occasion with their families. To cash that cheque Salamat opened a bank account. He took his maternal uncle's identity card as a guarantee- his uncle already had a bank account there. The bank account form was filled by the bank staff and it took 2-3 days to activate the bank account. The cheque was filed by the bank staff and Salamat just signed it. The bank staff asked for a fee of PKR 100 for opening his account. When he deposited the cheque of PKR 5,000 he was told that he should keep at least two hundred rupees in the account and he did so. Since Christmas was near and he needed money for it, he withdrew all the money.

About 8 months ago he got PKR 15,000 from a savings committee but at that time his wife was expecting a child so they spent that money on the delivery of the child. Incidentally whenever he had gotten a big amount he had to face some kind of emergency and had to spend his money to cope with it.

h. Attitude towards and perception of financial instruments

Salamat has had experience with a number of formal and informal financial instruments and he expressed a positive attitude towards all of them. He has used committees in the past and considered it a handy method of saving, because one can set the date to receive money from the committee. He used to rear goats before joining the army and felt they can yield good profits. He continuously praised banks as the safest and most reliable instrument for saving- he claimed that he learnt about the merits of saving as a result of observing other people in the army.

i. G2P impact on FIL

Salamat feels a difference in his life after receiving the Watan Card. Earlier he had never thought of going to a bank or availing the services of an ATM. Though he still does not know how to operate an ATM but he thinks it is a major change in his life to get there. Though he was compelled to open a bank account because of the Shirazi family's cheque but now he thinks it is a good thing to have a bank account which was the safest way to save money. Earlier he thought that it would be difficult to open a bank account but this was not the case. It is a service for everyone and everyone can open a personal bank account, he said.

j. Power linkages and impact on FIL

They do not need anyone's permission to open a bank account. They need only the identity card of a bank account holder as guarantee. They had no restrictions in that regard. The bank staff is cooperative too and helps a lot in the opening and the maintaining of the bank account, Salamat said. Salamat's military service was his first exposure to banks and he opened an account to receive his salary for some time. His father, uncle and 2 brothers were also government employees with bank accounts. This extensive experience with banking enabled him to open more accounts after leaving the army as well. Most recently, cash grants provided by the dominant Shirazi group of his area led him to open another account.

k. Gender/Mobility and FIL

They face no problem in roaming within their mohalla or the town itself. The women too had no mobility issues in going to work or doing shopping in the town. Overall they had no restriction on their movement.

Bank accounts for women were necessary too, especially for those who were government employees so they could get their salaries and pension, according to Salamat. Because of the cheques by the Shirazi family every Christian family had to open a bank account. Besides that every Christian family gets some money from the church every month.

5. In-depth Interview 2

a. Basic Information

| | |
|--|-------------------|
| Name | Rahiman |
| Age | 65 |
| Gender | Female |
| Education | N/A |
| Caste | Mallah (Mirbahar) |
| Occupation | Domestic worker |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | CDCP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Watan Card |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Rahiman is a 62 year old, illiterate woman who belongs to the Mallah (Mirbahar) kinship group. She was a recipient of the Watan Card 'Omni'. She had 5 daughters. When her eldest daughter Mumtaz was 10 years old her husband divorced her and threw her out of his house. Now all of her five daughters- Mumtaz, Bano, Shahida, Zahida and Pathani- are married. After her divorce she raised her daughters with great difficulty. After their divorce, her husband Umar was not handing over the daughters to their mother and was asking money for it. Rahiman borrowed PKR 500 from someone, gave it to her husband and left his home with her daughters. Umar married a second time and divorced his second wife too. After that he married a third time and nowadays he was living with his third wife.

There are 2 earning members in her household; one Altaf who was the son-in-law of Rahiman and the other is Rahiman herself who is a domestic worker. Altaf works as a motor mechanic and earns PKR 300-400 daily when he gets work, otherwise he makes no earning. Rahiman works at the home of Ghulam Mustafa Soho since the last 3 to 4 years for PKR 1,500 per month. Earlier she was working at the house of Khurram Muhajir whose teacher wife Rukhsana Memon paid her PKR 1,000 per month. She worked there for 4 to 5 years. While working at Ghulam Mustafa's house once Mustafa's brother shouted at Rahiman that his room should be cleaned first. For some days Rahiman quit her job and stayed at home. Afterward Mustafa's wife came to reconcile her and she resumed her work. While doing domestic work with Khurram's house they moved to Karachi and Khurram's wife arranged her job with Mustafa's family. Besides a fixed salary of PKR 1,500 she was getting her meal at her employer's house and on occasions such as Eid she gets extra pocket money.

Rahiman's house is at a 10-15 minutes' walk from the town and it is a katcha house with 1 room and an outer shelter. There was no kitchen and wash room in her house. Her house had no gas connection and they fetch water from a neighbour's house. Her original village was near Mirpur Bathoro and she had moved to Sajawal some 7 years ago. Her residential plot was bought from Khabhar Halayo for PKR 50,000 around 7 years back and it had an area of about 1 jureeb. Mohammed Yaqub, the father of Rahiman's son-in-law Altaf and his brother Ramzan, paid for the plot and gave it to his sons. Rahiman does not own any piece of the land. They had no official lease/sanad for their plot. Though they have electricity since the last 7 years, they have no further facility. Rahiman's son in law Ramzan said that the government can not displace them from this place because they had not grabbed the place but had purchased it. Rahiman was living in a 100 ft. room made on the land owned by her son in law Altaf. At the moment in their area plot survey prices were PKR 35 per foot but they did not wanted to sell their plot/house. Seven years ago that 100 ft. plot was

purchased for PKR 50,000 but now such a plot cannot be gotten for this amount. They had never received any letter on that address but the same address is mentioned on their CNICs.

(CNIC #: 41408-8054246-8

Current address: Ward No. 5, Sajawal district Thatta

Date of issue: 9-10-2004

Permanent address: same

The CNICs of Rahiman's daughters and son-in-laws also carry the same address.

Mohammed Ramzan s/o Mohammed Yaqub

Current address: Ward No. 5, Sajawal, district Thatta

Date of issue: 27-10-2010)

Rahiman and her daughter Zahida said that during the current month they went without food 3 or 4 times and got PKR 1,000 on credit from Rahiman's daughter Shahida and bought food items. If work is available then they feed themselves otherwise they had to go hungry. After the three instalments of the Watan Card there had been drastic changes in their eating pattern and for a few days they spend a better life but now they had finished the Watan Card money so often they are without food. They buy flour, rice and wheat in bulk from the shopkeeper whenever they have money. They had never been involved in peasantry work and had done only labour work. If they are earning then they cook food 3 times a day.

Rahiman said that people belonging to the Mallah, Memon and Soho castes were rich in her area. Mallah caste people own motor cars and businesses. She works with a Memon family which is rich as well. Her family is poor because they were the Mirbahars. There are 4 branches of the Mallah caste and Rahiman belongs to the Obara Mallah branch and originally hails from Mirpur Bathoro. The rich people like Memon and Soho consider them as low caste like the Bheels and Bhagris and avoid sharing meals with them. They also avoid inviting them to social gatherings.

She said that once Ghulam Mustafa's brother shouted at her to get his room ready quickly. At that Mustafa got angry with him and his wife also told him not to shout as it was not a big issue which work was being done first and which later. On that occasion Rahiman quit work for some days and stayed home and then Mustafa's wife came to her house to get her back to work. Once she came to Rahiman's house but did not drink water at her house because of their poverty. Although her employer gives her afternoon meals, she eats it on her own house during the afternoon break. When Soho's wife went for Umrah she brought some gifts for Rahiman too. If she needs money anytime she gets it from her and it is then adjusted from her salary. She behaves fairly with her.

According to Rahiman there was lesser discrimination in their village as most of the people were from same caste/community but here in the city the people are from different castes so because of their poverty they do not maintain social relations with them. She thinks that they were not equal to them because of which they do not invite them to their social gatherings. She said that if these rich people will invite them in their social gatherings, they the poor will attend these gatherings but these rich people will never join the poor in their gatherings. In case of any problem or emergency they do not approach these rich people because they know that they will not help the poor. So they will ask help from their own community and neighbourhood. Citing an example Rahiman said that a few months ago a daughter of her relative died in child birth. They had no arrangement of money or vehicles to take her to the hospital so they pooled PKR 1,700 rupees in their own community and neighbourhood, and sent the girl to the hospital but she did not survive.

c. Household cash flows

Since the last 3 to 4 years Rahiman has been working as a domestic helper which she used to do earlier as well. Rahiman said that no one restricts her from doing that work because firstly they were poor and secondly she was an old woman so no one in the family or neighbourhood objected to her working. Rahiman said that besides domestic work she can do farming and other small jobs and prefers working within Sajawal and near her house because to work far away one will have to bear transport costs. For nearby locations, like the house where Rahiman is currently working which is about 20-25 minutes walking distance from her house, one can travel by foot. Rahiman said that she can work from morning to evening but can not work further. She said that she goes to work at 8 in the

morning and comes back in the afternoon for 2 hours' rest and then goes to work again and gets off from work at 5 in the evening.

Rahiman said that she does not consider her work status as secure as she can be fired from work anytime. She said that she is poor and her employers are rich and big people, so it is in their power to hire and fire anyone at anytime because of which she does her work with full responsibility so they did not have any opportunity to complain. She said that she lives her life relatively comfortably within PKR 1,500 per month. She cooks separately and for clothing or any medical emergency she relies on her own money. She helps her daughters too, on occasions such as Eid or whenever they are in need. Rahiman said that because of her old age she does not want to continue working but has to do so as she had no son and lives in her son-in-law's house; she does not want to be a further burden on him.

d. Cash transfer history

CNIC details: Rahiman said that she had both the old and new identity cards. Earlier when she lived in the village the old one was valid and she voted through it but now the new CNIC is valid. Initially she was getting PKR 200 per month help from the Bait ul Maal. When she found out that the old identity cards were being withdrawn and were being replaced by the new CNIC she applied for one and got it in 2004 which was renewed on its expiry. At the issuance of the old identity card she was with her husband so his name was mentioned on her card but when she had her CNIC made she enrolled herself as a widow.

She had made her CNIC to vote and had voted with it twice. Rahiman said that for the CNIC she went to the NADRA office at Sajawal where, upon paying an urgent fee of PKR 500, she got it made without any difficulty. All of her 5 daughters too had their CNIC made as they had to vote for Benazir. She said that on election day the People's Party leaders sent vehicles to get them to the polling station. Earlier with the old identity cards they had to travel far to vote and had to go there without proper food and water but now with the CNIC and while living in Sajawal their polling station was near their house.

Zahida said that she had applied for her CNIC during the floods to get the Watan Card and other help and also to vote for 'Benazir'. According to her because of that card she could get 'Benazir's money' (BISP). She faced no problem in getting her picture taken at the NADRA office for the CNIC nor did her husband object to it. If the photo was not taken the CNIC could not be issued. Rahiman said that the address on her CNIC was of the house where she was currently living. The CNIC is helpful in voting, getting aid or in moving somewhere.

Watan Card: Rahiman had gotten money through the CDCP scheme and was still getting it. She received the Watan Card "OMNI". Rahiman said that during the flood of 2010 her village came under water so they moved to the Makli flood relief camp where initially they got nothing. During her stay at the camp a woman told her that if she will submit an application she could get aid. So she went to the NADRA office in Thatta with a written application which she handed over to a police man deputed on the front gate of the office. After one week she got the Watan Card which she received from the NADRA office at Thatta where her daughter accompanied her. Rahiman said that she was not sure that she would get the card and she had gone to the office to inquire about her application. She said that she did not receive cash support for 2 months after the issuance of her card. She frequently visited the NADRA office but every time she was told that her cash support was yet to arrive.

Someone in the camp asked her to hand over the card to Aaroo Bhagul (a commission agent) and said that he would get her the money. Many women in the camp followed suit. She approached Aaroo for help who one day accompanied her and her daughter to a bank branch in Thatta and entered the card in the machine, withdrawing PKR 20,000 and a receipt. Aaroo counted the money and gave it to Rahiman; he charged PKR 1,000 as his commission and gave PKR 500 to some bank official so she practically paid PKR 1,500 for an instalment of PKR 20,000. To celebrate that aid money she gave PKR 1,000 each to her 3 daughters and she spent the rest of money on meals and other needs during her stay in the camp so after the water receded and she came back to her home she had no money to cook food. After some months she received her second instalment of the Watan Card for which she went with her daughter and did not approach the agent Mr. Aaroo. She went to Thatta by bus to get her money from the bank.

Zahida said that she knew that the bank was on the main road in Thatta and on seeing the crowd she understood that it was the bank. Leaving her mother outside, she went in to the bank and showed the Watan Card to a bank official and asked him to check if her mother's account had received the money. That official entered the card in the machine and withdrew PKR 20,000 and handed it over to her without any bribe or commission. For the first instalment it was Zahida who accompanied her mother to the NADRA office in Thatta but when after two months they got nothing they were forced to contact Aaroo. Though at that time too the money was received from the bank but the receiver had to go to the NADRA office for verification. Initially Rahiman and Zahida thought that as the card was received from the office so the money too will be given by the same office but on receiving the first instalment they knew that the rest of money will be issued through the bank too.

Rahiman said that with the PKR 20,000 of the second instalment she purchased gold earrings for her daughter Shahida which could be sold in a time of need otherwise the cash money had been spent without saving.

Rahiman said that 3 months ago she received her third instalment of the Watan Card and once again Zahida accompanied her mother to get the money. From that instalment she gave PKR 1,000 each to her 3 daughters and spent the rest of the PKR 17,000 on the repair of her daughter Zahida's house with whom she lived. As Rahiman received the third instalment her daughter Zahida pleaded that if she will spend the money on the construction of a pakka room they can be saved from the leakage of rain water through the roof and said that when she receive the money from her Watan Card or BISP she will return the money to her mother. So Rahiman spent the third instalment of her Watan Card on the repair of her daughter's home. Zahida said that during their stay at Makli camp her husband Altaf got the first instalment of the Watan Card but after that he had not gotten any further amount. Zahida had applied independently for the Watan Card but had yet to receive any money.

On the other hand the PSC of BISP for both Rahiman and Zahida had been filled out but they both had not received any money yet.

(Zahida PSC no. 10422144; CNIC no. 4140894367081

Raheema PSC no. 10422142; CNIC no. 40880542468

Zahida had applied for the CDCP for which she had its receipt.

CDCP card management complaint receipt

Grievance ID 1120309

Grievance date 24-03-2012

Application contact 4444444)

Rahiman said that she got all three instalments of PKR 20,000 each from the bank and she saw such a large amount for the first time. She used to receive PKR 200 per month through the Pakistan Bait ul Maal earlier.

e. Mobile phone usage and literacy/aptitude

Rahiman said that she had no mobile phone and had never had used one. In her family only her son-in-law Altaf had a mobile phone and its SIM was registered on his name. Altaf bought the current mobile phone during the floods for PKR 1,200, though earlier too he had a mobile phone. Zahida said that if the mobile phone had no balance money one can not talk through it. Zahida said that when she will get money from the Watan Card or BISP she will buy a mobile phone. Currently she had no money so without balance it has no utility. Altaf can use the mobile phone. His wife Zahida also had a mobile phone but a few months back it fell in some water and was damaged so they sold it. Zahida said that she can use the mobile phone which she learnt from her husband. When she had her own phone her husband had saved his and Zahida's brother-in-law's number on it. She does not know how to send text messages and can talk on the phone if someone dials the number for her. Rahiman and Zahida said that they know nothing about the easypaisa scheme.

f. Saving Behaviour

Rahiman said that she spent the Watan Card money on buying gold for her daughter which was actually her saving as she can sell the gold at anytime if the need arises. If she had kept the cash it would have been spent and if she had not given the money to her daughters or son-in-laws on their

request it would have disturbed her relations with them. So she got gold for her daughter so it could be utilized in the future. She got Zahida's house constructed- that too was her saving. Her daughter Zahida will return her money once she gets the Watan Card or the BISP money. When Zahida will return her PKR 20,000 she will spend PKR 10,000 on buying gold and will buy rations and other domestic items with the rest of the money. But if she returns only PKR 10,000 she will buy gold worth PKR 5,000 and will keep PKR 5,000 to be utilized in case of any emergency.

She always purchases her gold from Moosa Samo, a goldsmith in Thatta. She has known him for long and her parents knew him too. She said he does not cheat her and he sells pure gold to her; similarly he would give her a good price on resale. Even if the gold receipt gets lost he would trust her and will do the deal.

Rahiman said that if all of a sudden she gets PKR 100,000 she will purchase a plot with that amount and will construct her house because at the moment she lives with her daughter and will have her separate house registered on her own name. She said that possessing her own house is the most important thing otherwise she will have to live on other peoples' land. She cannot claim her current home as her own as it was built on her son-in-law's land. Her respect within the family had grown after she received three instalments of the Watan Card. Her daughters and son-in-laws take good care of her now. She said that she herself took the decision about purchasing gold for her daughter.

g. Knowledge of and experience with financial instruments

Rahiman said that because of her small monthly income of PKR 1,500 and the labour wages of her son-in-law they can not save. Once she joined a saving committee at her daughter Shahida's house for PKR 1,000 per month with 10 members. She gave her contribution from her salary and her turn came in the end but someone stole PKR 9,000 from Shahida's box. Shahida was unable to know who did it as her husband, his brother and others too were living there so she could not express her suspicion against anyone. To end the fuss she paid her mother PKR 500-1000 every month from the amount she was getting in the first phase of BISP. After that experience, Rahiman did not continue with the saving committees.

h. Attitude towards and perception of financial instruments

Rahiman recognizes the value of saving as she lives with her daughter and son-in-law in their house and thus does not want to be too much of a burden on them. She said she did not have enough money to start a bank account. She spent some part of her Watan Card payments to buy gold for her daughter, Shahida, which she described as a means of saving. She has used saving committees in the past but had her money stolen from them once and has stopped using them since. She would spend a hypothetical windfall on building a house for herself so she does not have to rely on her son-in-law.

i. G2P impact on FIL

Rahiman is an old, divorced woman and as such was not highly financially included or literate. She had to rely on a local agent (Aaroo Baghul) to withdraw the first instalment of her Watan Card payment, for which he charged a commission of PKR 1,000. Despite her low level of financial literacy, she quickly changed tack after this experience and went with her daughter the next two times, who withdrew the money for her, ensuring she got the full amount.

j. Power linkages and impact on FIL

As a divorced woman, Rahiman had no informed male to rely on for assistance with her cash transfers. She kept visiting the NADRA office for her Watan Card payments and finally someone told her to seek help from an agent who could withdraw money for her. While she does not need anyone's permission to open an account or spend her Watan Card money, Rahiman feels herself to be a burden on her daughter and son-in-law, thus she paid them some amount and purchased gold for her daughter with the Watan Card payments.

k. Gender/Mobility and FIL

Rahiman said that she can go to market and town all alone. When she was with her husband she had no permission to visit anywhere alone. Her husband's permission was required for that but now that was not the case. She can move on her own and if her daughters are accompanying her their husbands do not object either. Zahida said that she can not visit the market or other places alone but had to be accompanied by her mother or husband. If she tells her husband that her mother will be accompanying her, her husband does not object. She avoids roaming alone because the atmosphere is not good. There are different kinds of people and they comment negatively on seeing a young woman alone and gossip about how the wife of so and so is roaming all alone- it does not matter to them that she might be travelling alone because of unavoidable circumstances. So she goes outside to the market, hospital or the NADRA office with her mother. Rahiman and her daughter Zahida said that they visit the nearby shop alone but for a distance they accompany each others. They said that they can visit their neighbours alone.

6. Conclusions/FIL Outcomes

Salamat Maseeh is a Watan Card beneficiary. He can be considered financially included, as he has had an extensive engagement with the banking system; however his inclusion occurred prior to him becoming a G2P beneficiary. Salamat's military service and tour of duty necessitated a personal bank account. He received his salary in that account for some time; later he closed that account but now he receives his pension in another account. Furthermore his father, uncle and brothers have bank accounts as they were/are government employees. This vast exposure to the banking system enabled Salamat to independently open an account. He has also been able to obtain small loans from a women's bank in the locality on a couple of occasions at least; his wife would claim that she was going to start a small business. He further opened another account when the Shirazis gave him cash assistance last Christmas- it is most important to note that he opened the account without any assistance from the Shirazis. Thus, it would be fair to say that Salamat enjoys a fairly high degree of financial inclusion and literacy. He may not be able to operate an ATM- his brother withdrew his Watan Card money- and the G2P transfers have not necessarily improved his literacy in that regard. There is of course nothing to say that he will not learn how to do so soon; in fact his financial history demonstrates a great capacity to learn.

Rahiman's case also demonstrates a Watan Card beneficiary, who ostensibly did not gain substantially in financial inclusion and literacy, yet learnt to adapt fairly quickly to changing circumstances. Rahiman is a highly mobile, divorced woman who lives with her daughter, Zahida, and her son-in-law. When she received her Watan Card she did not know how to obtain the money from it. When a local agent withdrew her PKR 20,000 instalment and charged a commission of PKR 1,000 she decided that to go to the bank with her daughter the next time. In this way she was able to obtain the full amount of her 2 subsequent instalments. She also managed the cash grant money very adroitly; when her daughter asked to borrow some money for house repairs she gave her that- since she lives with them she could not deny her that money- and she bought gold for her other daughter so as not to seem to be favouring one of her daughters. Thus she evidently appears to be very skilful with informal financial management.

A2.11 Habibkhel-Swabi-KP

1. Basic Facts

| | |
|--------------------------|---|
| Province | Khyber Pakhtunkhwa |
| District | Swabi |
| G2P Modality | Debit Card |
| Tehsil/Taluka | Chhota Lahore |
| Union Council | Kunda |
| Deh/Mouza | Hund |
| Community | Habibkhel |
| Researchers | Aftab Khan, Noorain, Rozain, Shumail Hassan |
| Date of fieldwork | 9 th July 2012 |

2. Sampling and Fieldwork Conditions

The village of Hund was selected at random for this case study. The only selection criteria were to pick a village typical of the area, with more than 40 households and at least 10 BISP Debit Card beneficiaries, since this was a Debit Card district. Because Hund is a very large village, our catchment site was the Habibkhel mohalla of this village where some of the marginalised kinship groups of the village reside and all interactions took place over here. The community profile exercise was conducted at Muhammad Tawab’s dera (room for male guests) which was under construction, while the individual interviews were conducted at the respondent’s respective houses. Main respondents for the community profiling were Sher Afzal (Mohmand), Abdur Rashid (Maliar), Amjad Ali (Awan), Muhammad Tawab (Maliar) and Wahab (Maliar). The individual interview with Abdur Rehman was conducted at the same dera; although he lives outside Habibkhel mohalla he is still a part of the village and since no other account holders were available from the same mohalla he was selected for this interview. The individual interview with Shaheen was conducted at her house.

3. Community Profile (Outline of social landscape/power brokers etc.)

Hund is a large village (with 1,200 households) therefore we selected the Habibkhel mohalla for community profiling. There are about 450 households in Habibkhel mohalla, a population of around 3,150 people and 350-400 registered voters. There are 4 kinship groups residing in this mohalla: Mohmand, Kulal, Yousufzai and Maliar. This mohalla is next to a pakka road and the nearest town is 5 km away. Public transport is readily available. The average daily wage over here is PKR 300. There are no health facilities available in this mohalla and community members have to go to Swabi market, which is 30 km away, to access the nearest health facilities. The drainage system in this community is also in very poor condition. There are separate government primary and middle schools for boys and girls, and a high school for boys. There are no private schools here. Water is available through taps in nearly all the houses in the community. Electricity is available in the village but there is no gas. There are no PTCL connections here either, although each household has mobile phones. The main crops grown in this village are wheat (15 man/jureeb), tobacco (1.5 man/kanal), watermelon (25 man/jureeb) and peas (750 kg/jureeb). The local MNA Sikander Irfan does not visit the village. Most of the land in this village belongs to the Khans (who live in another para/mohalla of the village) and thus they are the dominant kinship group over here. The residents of this mohalla have gradually started buying some land from the Khans. Apart from that the Mohmand kinship group is dominant in this mohalla while the Maliar are considered weaker.

a. Saving preferences

The respondents told us that people in this community are too poor to have any savings. In their opinion only rich people keep their money in banks. Describing some of the informal methods of saving preferred by people in the community, the respondents told us that some people do deposit money in committees (PKR 500-1,000 per month) for a few months. They trust these committees because they are run by community members- usually relatives or neighbours- so everyone knows

each other. Another technique is to buy animals such as goats, sheep etc. which they rear and then sell at Eid making considerable profit. This is considered a very reliable and safe way of saving as the animals are in front of one's eyes.

The weaker kinship groups in this village have devised a unique means of saving which is called the welfare committee (falahi committee). According to this arrangement each family pools PKR 200 every month into this committee. Then, if someone from these families passes away, the committee bears all the expenses of that family for 3 days (including funeral costs, food etc.). If the committee runs short of money then each family is requested to pay a higher amount for a couple of months (for instance PKR 500 if possible).

If a male from this community got a windfall of PKR 10,000 he would buy household rations with it or pay off his debt with the shopkeeper. He would only put money in a committee if there was any money left over. If a male received PKR 100,000 he would pay off his debts and start a small business with the remainder (such as buy a Qingqi/rickshaw and start driving it). If a woman from this community got a windfall of PKR 10,000 she would spend it on food and school fees for her children. If a woman got PKR 100,000 she would hand it over to her husband- who in turn would pay their debts and buy a sewing machine for his wife; nearly all the women in the community are skilled at sewing/stitching but do not have the necessary equipment to start working on their own.

b. G2P modalities

Women have been receiving BISP cash grants in this village for over a year now. They used to get their payments through the Pakistan Post at first but now many women have been issued Debit Cards (whereby they get instalments of PKR 3,000). Pakistan Post Office has given its "franchise" to the local shopkeeper, Ikram 'Generalstorewala', who delivers payments to beneficiaries when it arrives from BISP. He does not ask for a commission but beneficiaries give him PKR 100-200 from their cash grants willingly for his efforts. Community members prefer the postal method of delivery because women do not have to leave the house for this and it spares them a lot of energy and resources as well.

Only a small part of the village was affected by the floods. However only 6 households from the affected area received Watan Cards (of which 3 belonged to the Kulal kinship group). The rest of the people from the village who received Watan Cards were not even from the flood affected areas. There were no reconstruction efforts by the government or NGOs. One Watan Card beneficiary was also present during the community profile and he told us that he received 3 instalments totalling PKR 60,000. The respondents told us that most of the beneficiaries withdrew money on their own because they knew how to use ATMs.

c. Financial institutions/instruments

The nearest bank is 1 km away from the village and people travel there by foot. The nearest ATM outlet is in Swabi market, nearly 11 km away from the village, and it costs around PKR 60 to reach there. Respondents said it would be very good if there were a mobile cash transfer facility in the village. A few people knew about banking/bank accounts. Poor people do not have the requisite amount of money needed to start a bank account. The respondents said that many people knew how to open and operate an account but could not because they did not have the money. Some people displayed an awareness of ATMs and saving accounts- which they referred to as a soodi (interest) account. They also knew that banks offer loans.

d. Attitudes and perceptions

The respondents reiterated that the people of this community are too poor and can not save enough money. Committees are safe in their view because money is kept with relatives, neighbours etc. Buying livestock is also safe because people can constantly keep an eye on their savings. Saving is good because it can come in handy during emergencies or at times of need (weddings, funerals etc.). Savings are kept in banks only by rich people. They also open accounts to receive money from their relatives who live abroad.

e. Gender and FIL

Women are not allowed to travel alone inside or outside the village and must be accompanied by males. There is no practice of women operating independent bank accounts in this village. They would not get permission to do so from the males in the community if they wanted to open a bank account; only widows, government employees and women with no males in the family can keep bank accounts.

4. In-depth Interview 1

a. Basic Information

| | |
|--|--------------|
| Name | Abdur Rehman |
| Age | 32 |
| Gender | Male |
| Education | Matric |
| Caste | Bajauri |
| Occupation | Imam masjid |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | CDCP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Watan Card |
| Bank Account (Y/N) | Y |
| Bank Name | Habib Bank |

b. Socio-economic position of respondent/respondent’s household

Abdur Rehman is a 32 year old, married male who is the ‘Imam’ of the local mosque and belongs to the Bajauri kinship group. He has studied till matric (10th grade) and has also acquired religious education. There are 30 people in his household of which there are 10 adult males, 7 adult women and 12 children. His household assets include a tractor, a motorcycle, 10 fans, a fridge, a sewing machine, 2 cows and 3 goats. His family has 20 jureeb of land on contract which his brothers look after. His house is located 500 m from the village centre which is outside the Habibkhel mohalla. The house belongs to his family; however he said the papers are on the previous owner’s name. Their residential status is not secure in the sense that the previous owner could start legal proceedings against them if he wanted to, however they have been living in this house for the last 35 years and have never felt insecure. His father and brothers worked hard to make money and buy this house. He said that he uses this address for all correspondence and has regularly been receiving mail here. His 2 brothers outside of the village send money orders which are sent to this address; thus they do not require anyone’s permission to list this address. This is the same address as the one listed on his CNIC.

No one in this household has gone hungry in the last month. When the flood came they had to shift to the motorway for 3 days and survived on biscuits distributed by aid workers. Food is otherwise cooked thrice a day in the house. They buy rations from a nearby store; when cash is available they purchase food, otherwise they take it on loan and repay the shopkeeper when there is cash. Since they also have their own leased land they store wheat which lasts them the whole year.

Abdur Rehman is a Watan Card beneficiary and he has received PKR 40,000 in two instalments. One instalment went back before he could encash it. He said that this money helped him pay off household loans.

The Khankhel kinship group is the dominant one in the entire village because all of the land belongs to them. Abdur Rehman said that their attitude towards other kinship groups was very good. Even other kinship groups’ attitude was good and the community is generally peaceful. Abdur Rehman’s family actively participates in community affairs. His father used to be the UC Councillor and was involved in decision making in the community.

c. Household cash flows

Abdur Rehman is an imam of the local mosque by profession, earning PKR 25,000 in 6 months. He has been an imam from the beginning. Abdur Rehman considers his work status secure because he is good at his work and people in the community respect him. Four of his brothers (Noor ul Haq, Fazal ul Haq, Shams ul Haq and Anwar ul Haq) look after the land they have on contract, earning PKR 24,000 each, in kind, for every agricultural season of 6 months. During the floods all their crops were destroyed and the land became uncultivable for some time. As a result they owe 3 years worth of the contractual payment to the landlord, which amounts to PKR 450,000 (4.5 lakh). One of his brothers, Habib ul Haq, works as a labourer in Dubai earning PKR 14,000 per month, while another brother, Muhammad Usman, is in the army earning PKR 11,000 per month. Both of them support the household by sending money back home. Abdur Rehman told us that household expenditures are difficult to meet because there are so many people in the household and such few people who earn.

d. Cash transfer history

CNIC details: Abdur Rehman has a new CNIC which he got made in 2010. He did not face any problems in getting it made; he simply presented his old NIC at the NADRA office and a new one was issued to him. The address listed on his CNIC is the same as his place of residence. He said there are many benefits of having a CNIC: he could obtain the Watan Card because of it; he can gain entry/admission to places and it is also useful for one's national identity.

CDCP: The village of Hund was affected by the floods in 2010 as a result of which Abdur Rehman is a Watan Card beneficiary; he has obtained 2 instalments amounting to PKR 40,000. He extracted an instalment of PKR 20,000 for the first time on 23rd March 2012. He obtained another instalment of PKR 20,000 in June 2012. He did not withdraw one of his instalments (the first one) on time since he found out about it too late as a result of which it went back and he could not access it. These instalments were obtained from a United Bank Limited (UBL) ATM. Abdur Rehman knew how to operate the ATM and withdraw his payments since he already had an independent bank account and has used an ATM to withdraw money before and he even read the supporting documents sent with the Watan Card so he did not find it difficult to use the card. The landlord who has leased land to his family directed him to open an account where his children who are abroad send him money.

He said the ATM method of withdrawing money using a Watan Card was good because he knew how to use an ATM; the only problem is that sometimes the machine does not work and sometimes the machine runs out of cash. He claimed that he consults with all the elders at home before deciding on how to spend money transfers. Usually the money is spent on high priority expenses such as repaying loans, wedding preparations etc.

e. Mobile phone usage and literacy/aptitude

Four people in the household own mobile phones. Abdur Rehman owns a mobile phone as well and the SIM is on his name. Since he is educated he knows how to use the phone; make and receive calls and messages. He often uses the phone to talk to his brothers who live outside the village. He knows about the easypaisa facility very well and frequently uses it. His brother who is in the army sends money to him through easypaisa which Abdur Rehman obtains from the easypaisa shop in the market. He thinks it is very easy to use this facility; all that is required is one's CNIC and mobile phone. He further said that easypaisa shops are located everywhere therefore it is a convenient means of transferring money.

f. Saving Behaviour

He said his household manages to keep savings. They buy livestock with their savings and they consider the livestock a mode of saving. They rear the animals all year long and then sell it on Eid for a profit. This is both a means of saving and of making a profit. This is the safest method of saving for them because there is no fear of the animals getting stolen or lost, and there are profits involved as well. Keeping money at home (as saving) is not a good technique because it could get lost/stolen or spent. He said that there is a trend of keeping money in committees but people with more money save in the form of animals. This is a better way because you rear the animal and sell it yourself; there is

greater control by an individual over the entire process. Even committees are kept with relatives or people that one knows in the community, so there are little chances of being cheated. There is no harm in saving, only benefits. The elders of the family are consulted when deciding how to spend savings- priority is given to urgent expenses. Abdur Rehman buys and sells animals regularly. No one pressurises him to spend savings in a particular way; it is done by consensus.

He said that if he got PKR 10,000 he would spend it on household rations and pay off debts with the remaining amount. If he got PKR 100,000 he would buy animals with it and a motorcycle for himself.

g. Knowledge of and experience with financial instruments

Abdur Rehman knows about committees being used in the village, but he has never participated in them. One of his brothers used a committee once because he does not have enough money to buy an animal. With regards to money transfers, 2 of his brothers- one in Dubai and one posted in the army- send money home to him. The brother in the army sends money orders through the post office, while the one in Dubai sends cash through the money exchanger. His younger brothers are studying in Peshawar and Karachi and he occasionally sends money to them through the post office or easypaisa. One of Abdur Rehman's school teachers was a micro-finance bank official so he has some knowledge of microfinance as well. However he believes that this is a method of interest-making (soodi karobar) which is why he has never used it.

He has his own bank account at Habib Bank Limited (HBL) which he opened on the instructions of his landlord. The landlord's sons are working abroad and he was asked to open an account so that they could send money to their father through him. Abdur Rehman's father also had a bank account therefore he has known about banking for at least the last 12 years now. He thinks opening a bank account is extremely simple; all that is needed is a CNIC, PKR 5,000 to deposit in the account and the reference of someone with an account in the same bank. He told us that he has a current account which makes it easy for him to send & receive, deposit & withdraw money. He knows about withdrawing money with a cheque book and an ATM card. He also knows about depositing money by either presenting cash or a cheque at the bank. He visits the bank once or twice a month.

h. Attitude towards and perception of financial instruments

He has never used committees but in his opinion the only foreseeable problem with using them is if one is not able to meet a particular month's payment/instalment. He thinks that easypaisa is a very simple procedure. Furthermore he believes that microfinance is soodi karobar and due to his religious inclinations he does not use it. He thinks microfinance facilities cater to small landlords and poor people. He thinks it is very easy to open a bank account. He further said that the bank staff is always very pleasant and helpful. All of them speak Pashto so there is no communication problem either. He said it is very easy to operate an account as well. He operates a current account and thinks that money remains safe in a bank and does not get stolen. Banks are usually for people with businesses and who are rich. Poor people only open accounts in them when it is absolutely essential (majboori) and have to pay bills or fees etc.

i. G2P impact on FIL

Abdur Rehman had a bank account prior to receiving cash payments through the Watan Card. Moreover his father had an account before him as a result of which Abdur Rehman was already financially included and literate to a great extent. Because he is educated he could also read the written instructions provided to all beneficiaries; although he already knew how to use an ATM card. Therefore there is no considerable impact on his financial inclusion and literacy as a result of the government-to-person cash transfers.

j. Power linkages and impact on FIL

Abdur Rehman does not need anyone's permission to open a bank account. He already has an account which he opened up to facilitate the financial dealings associated with his landlord. Thus in a sense his financial inclusion and literacy is directly related to his property ownership.

k. Gender/Mobility and FIL

He said that if there is no male in a household (either he is deceased or lives abroad) then it is alright for women to have a bank account so they can receive money (zakat or remittances) and manage their finances securely.

l. Other observations

He said that people in this community have no objections to the postman delivering BISP cash grants to their houses. In fact they like that method because it is convenient.

5. In-depth Interview 2

a. Basic Information

| | |
|--|------------|
| Name | Shaheen |
| Age | 39 |
| Gender | Female |
| Education | N/A |
| Caste | Maliar |
| Occupation | Unemployed |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Debit Card |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent’s household

Shaheen is one of the two wives of Muhammad Tawab and belongs to the Maliar kinship group. Muhammad Tawab has 12 children in total from both of his wives; one of his sons is married. Muhammad Tawab does not work anymore since he is too weak to do any sort of manual labour. Both of his wives are beneficiaries of BISP. Their house is half a km from the village centre. The courtyard of the house is katcha. The house is on her father-in-law’s name and has 3 rooms; one for her in-laws, one for her family, and one room was being used as a lounge. There is one kitchen for both families. There is no bathroom and they use their neighbours or relatives’ house to go to the bathroom. Since this is their house they do not need anyone’s permission to receive letters.

Despite being very poor they do not go hungry. Food is cooked twice a day in their household. They get rations on loan from the shopkeeper when there is no money and repay him whenever Shaheen receives her cash transfer payments. Shaheen does not work; she is allowed to stitch clothes at home but does not get enough time to do that either. She relies on her husband and son financially. Her son earns and her husband decides how to spend the money and run the house. In cases of emergency they rely on their friends for financial assistance which they get in the form of loans. They have a total debt of PKR 60,000 with friends which was borrowed to purchase household necessities.

According to her the Khankhel and Miangan are the most powerful kinship groups in the village because they have a lot of land and inheritance, are educated and have government employment. They do not mingle with the “weaker” kinship groups and do not do much work for village welfare. She said that even when the BISP cash grants come in, these powerful kinship groups divert a lot of the money received at the post office towards themselves. The Maliar is one of the weak kinship groups and Shaheen belongs to this group as well.

c. Household cash flows

Shaheen does not work even though she is allowed to work from home. Her husband, Muhammad Tawab, does not work either as he is too weak to do manual labour- he only occasionally works on a tull (wood cutting work). Their son, Suleiman, works in the military and earns PKR 10,000 per month.

He regularly sends PKR 6,000-8,000 back home to his family and they rely on his income to run the house. Shaheen's husband decides how the household income is spent.

d. Cash transfer history

CNIC details: Shaheen has a valid CNIC. The first time she had it made the process was very easy and it got done without any difficulty; though she does not remember when she got it made. This CNIC did not have her picture on it so she had to get it made again. She had her CNIC made again in March 2012 and because of the rush at the NADRA office near the village she had to face a lot of difficulty. She went to the NADRA office with her unmarried sister-in-law. Her husband did not have any objection to Shaheen getting her picture taken for the CNIC. She paid PKR 1,000 for the CNIC which she received one month later. It took her half an hour to reach the NADRA office. She told us that she got her CNIC made in order to be eligible for the BISP cash grants. The address listed on the CNIC is the same as her place of residence. She said that she gets BISP cash grants as a result of having her CNIC made.

BISP: Shaheen is a beneficiary of the BISP cash transfer scheme- she does not remember exactly when the PSC survey was held (she said around 2-3 years ago). She used to receive her cash grants from the Pakistan Post but now has a Benazir Debit Card. She received her first BISP instalment, amounting PKR 10,000, about a year and a half ago. Shaheen showed us 8 payment receipts (each receipt totals PKR 2,000). She told us that whenever she got PKR 2,000 from the postman- who is also a relative of Shaheen- he would also give her 3 such receipts. There are no dates mentioned on these receipts. Shaheen has thus far only received one payment of BISP on the Debit Card.

The village postman, who also has his own rations shop, would usually inform everyone in the village whenever their payments would arrive from BISP. He would hand over a form to the men, who would get their wives to sign it with their thumbprints, and then he would give them their payments along with receipts. People in the village do not have any objections to the postman delivering their payments to their doorsteps since he is well known in the village. The postman also has an Omni franchise at his shop and he collects Benazir Debit Cards from beneficiaries when their payments arrive, obtains their thumbprints/signatures and provides them their instalments. Shaheen only knows about these two payment modalities (Pakistan Post and Benazir Debit Card). All the women in the village are receiving money only through these 2 methods.

Shaheen has always had a complaint that the BISP does not inform beneficiaries when their payments arrive and the Pakistan Post does not provide accurate information in this regard either. She only finds out about her payments through the postman. She said that beneficiaries in this village obtain their payments through the postman, whether they get it from Pakistan Post or the Debit Card. She has never used an ATM.

Her husband decides how to spend the cash grants and she trusts his decisions completely.

e. Mobile phone usage and literacy/aptitude

Shaheen does not have her own mobile phone; her husband has one. She knows how to receive phone calls on her phone. Her husband taught her how to receive calls because their son would call from outside the village. She said that people in her kinship group object to women talking on the mobile. She had heard of easypaisa but has never used it herself so she does not know how it works.

f. Saving Behavior

Her son has deposited PKR 1,000 in a village committee but apart from that no one in the house saves money. However she claimed that she intends to save money if she ever gets the chance and there is enough money, because she needs to get her daughters married. She considers committees to be a safe means of saving money; she said she had used it in the past. She deposited money in a committee after obtaining permission from her husband and when she got money on her turn she handed it over to her husband. There is no harm in saving money in her opinion.

If Shaheen's husband received PKR 10,000 he would use some of it to pay off their debts and buy household necessities with the rest. If he got PKR 100,000 he would use that money to take more loan

and buy a rickshaw with it which he could then start driving to make money. If Shaheen got PKR 10,000 she would use it to pay for her son's treatment- he has a kidney problem. If she got PKR 100,000 she would start a small home-based business of stitching clothes.

g. Knowledge of and experience with financial instruments

Shaheen has only deposited some savings in a committee once; she does not have enough money to save these days. She did not face any problems with putting her money in a committee; she just took permission from her husband. She said committees are a good way of getting more money in lump-sum and it is also safe because the committee is kept with her relatives. If savings are kept at home they get spent. Her son has been sending money orders through the Pakistan Post since even before she became a BISP beneficiary. He has been sending money orders for the last 6 years. They have never transferred money to anyone else; only he sends money to them. She has never used an ATM either before or after becoming a BISP beneficiary.

She only knew that microfinance is a means of getting small loans; she heard about it from her husband who is trying to obtain a microcredit loan these days. Muhammad Tawab has heard that there is a micro-credit loan scheme in the BISP and he is interested in obtaining a loan from them. He wants to purchase a rickshaw or a shop in the village- he does not want to do labour work because of his health. Shaheen has heard about banks on the TV and from her husband. She does not have a bank account. She knows that money is withdrawn using cheques or an ATM card.

h. Attitude towards and perception of financial instruments

Shaheen claimed that a committee is a good saving technique because in case of emergency you can also withdraw your money in lump-sum before your turn. Microfinance caters to small peasants and small business owners. Only rich people in the village have access to bank accounts and she does not know anyone with an account. She said it would be easy for people with a lot of money to open an account; all that is needed is money and a CNIC. There should be no language problem because everyone in this area speaks Pashto. She does not know if it would be easy to operate a bank account or not. Money remains safe in banks however and it cannot be stolen from there.

i. G2P impact on FIL

She learnt about cards that can be used to withdraw money from a bank (ATM) after getting the Debit Card from BISP. She said she was interested in knowing new ways of getting cash grants and that if they are easy techniques she would not have to rely on anyone else.

j. Power linkages and impact on FIL

She said she would open a bank account only if it was necessary and her husband told her to. Women do not really need to have bank accounts unless they are widows and can not rely on anyone else.

k. Gender/Mobility and FIL

Shaheen is only allowed to go to the market near her house to buy items of personal necessity such as clothes, shoes etc. She must take her son or husband with her when she goes here. She is not allowed to go to the village market, or even outside the village, to buy household items. The males in the family even buy household rations on their own, because they do not want their women to be seen in the markets or roaming alone in the village.

6. Conclusions/FIL Outcomes

Since the ATM is at such a distance from the village the respondents said they would prefer it if there were such banking facilities within the village itself. A number of community members knew how to operate ATMs as a result of withdrawing Watan Card payments.

Abdur Rehman was financially included and literate before becoming a CDCP beneficiary. His father also had a bank account therefore Abdur Rehman was considerably financially literate. Abdur Rehman opened a bank account so that his landlord's sons could send money to their father. His brothers own

and work on leased land and earn a decent amount of income from it. Thus Abdur Rehman's financial inclusion and literacy is a direct product of his (and his family's) land ownership. There was no observable improvement in his financial literacy following G2P transfers- he withdrew the Watan Card payments on his own from the ATM since he knew how to operate one.

Shaheen did not seem to undergo any improvement in her financial inclusion and literacy either. This is largely because, while she obtains BISP payments through her Debit Card, these payments are provided to her in the village by the postman who withdraws it on her behalf. Therefore she does not have any exposure to banks or ATMs. She also faces strong mobility constraints due to her gender- women are generally not allowed to leave the house- thereby limiting her access to new modalities. However, she has only received one instalment from the Debit Card thus far, so this lack of exposure might undergo some change, though it seems unlikely. She did get her CNIC made- and photo taken at the NADRA office- in order to become eligible for the BISP cash grants. She approves of the banking system- as it is safe and allows one to keep savings- but she feels it is for rich people and she usually relies on informal methods of saving. Moreover, she hands over all savings to her husband who manages household expenses in his capacity as the head of the household.

A2.12 Umarghel-Dera Ismail Khan-KP

1. Basic Facts

| | |
|--------------------------|---|
| Province | Khyber Pakhtunkhwa |
| District | Dera Ismail Khan |
| G2P Modality | Pakistan Post |
| Tehsil/Taluka | Pahaar Pur |
| Union Council | Kari Khasool |
| Deh/Mouza | Umarghel Pakka |
| Community | Umarghel |
| Researchers | Fahad Khan, Iftikhar Bazmi, Nadia Khan, Shaistan Ramzan |
| Date of fieldwork | 12 th July 2012 |

2. Sampling and Fieldwork Conditions

This site was selected at random from the district of Dera Ismail Khan after confirming with local informants that there were BISP beneficiaries in this village. A link road from the Tehsil of Pahaar Pur connects Umarghel Pakka chowk to the small village of Umarghel. The village, 1 km from the main road, is located near the foot of the hills; the link road consisted of a rocky path while palm trees dotted the outskirts of the village. The community profile was conducted at the *dera* of the *zamindar* Haji Hameedullah. The main respondents for this exercise included Habib ur Rehman (Hajikhel), Ameer Khan (Hajikhel), Muhammad Khan (Barakhel), Zulfiqar (Arain), Muhammad Aslam (Barakhel), Ahmedyar (Kumhar) and Nazeer Ahmed (Arain).

3. Community Profile (Outline of social landscape/power brokers etc.)

The village of Umarghel has a total population of about 2,000 people with approximately 400 households and 1,300 registered voters. It is located at a distance of 1 km from the nearest metalled road and 1.5 km from the nearest town. The average daily wage in the village is PKR 200-250. There is a Basic Health Unit (BHU) in the village which people use. The drainage system is in poor condition. There is a government primary school for boys and girls and a government high school for boys in the area in addition to a private school for boys. Less than half the houses have taps installed in them. There is no gas in the village and electricity is only available in less than half the houses as well. The primary crops grown here are sugarcane (400 *man/acre*) and wheat (25 *man/acre*). There are 9 kinship groups living in the village: Arain (100 households), Gakhar (5 hh), Barakhel (100 hh), Khadarkhel (50 hh), Nai (10 hh), Kumhar (7 hh), Hajikhel (100 hh), Mochi (2 hh) and Pavli (5 hh).

a. Saving preferences

Only some shopkeepers run their own committees in this village; there is no trend of committees being run at home. Wealthy people save when their crops are harvested. The respondents told us of a *zamindar* in the village, Qasim Shah Bilour, who they assume has the potential to save. The rest of the people rarely save, according to the respondents, because of high inflation (*mehngai*).

If people got PKR 10,000 they would buy a lamb or a goat with it, or spend it on household expenses or pay off any debts they might have. Savings are useful during times of need, the respondents claimed. Animals can be sold at Eid for a profit. If someone from the village got PKR 100,000 they would start a business or buy large animals with it; some would save up for their children's weddings while some would pay off their debts. They could repair their house or improve their agricultural land if either was damaged in the floods.

b. G2P modalities

Women in this village have been getting BISP cash grants through the Smart Card for over a year now. Most women still get their payments through the post office though. The postman typically keeps PKR 100 for every PKR 1,000 that he delivers to beneficiaries. People still prefer the postal method, because with the Smart Card they have to travel to a bank (the nearest one is 25 km away from the village) where they must wait in long lines and even then sometimes the ATM runs out of cash so they are not guaranteed their payments after having wasted a whole day. The postman delivers to their doorsteps.

This village was hit by the floods in 2010 and about 300 households received Watan Cards as a result. They have received 3 instalments of PKR 20,000 each. Most of the people spent it on repairing the damage done to their homes and other assets. Very few people knew how to use the Watan Card; about 70-80 households might have withdrawn the money themselves. No one is reported to have sold their card. Some NGOs provided food rations to the villagers but by and large there has been very little external assistance over here. The locals even banded together and went to the MPA requesting assistance but they were turned back.

c. Financial institutions/instruments

The closest bank from the village is 25 km away. The public transport system which people rely on to get to the bank is poor, with people having to wait at the bus stop for hours. It takes a whole day's efforts to withdraw money from the bank. There are no microfinance facilities in this village. People use easypaisa services for money transfers to and from their relatives living outside the village.

Only wealthy people with savings have bank accounts, why would the rest have accounts? To open a bank account one needs to have a CNIC, fill out some forms and pay PKR 500-1,000. Respondents knew about cheques and ATMs.

d. Attitudes and perceptions

People are illiterate therefore they do not know how to use an ATM and do not know why it is important to open a bank account. They also do not have the money for it because there is no saving due to high prices. The respondents further felt that the postal method of BISP payment delivery was preferable to other modalities because the banks are located at a distance from the village and travelling is not very convenient for them.

e. Gender and FIL

Women are not allowed to travel alone in the village and they are not allowed to go outside the village to the market or towns at all.

4. In-depth Interview 1

a. Basic Information

| | |
|--|---------------|
| Name | Zaiwar Bibi |
| Age | 37 |
| Gender | Female |
| Education | N/A |
| Caste | Nai |
| Occupation | N/A |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Pakistan Post |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Zaiwar Bibi is a 37 year old, illiterate woman who belongs to the Nai kinship group. She has been living here for 20 years now; since even before her marriage. The house she lives in is *katcha*; it has 2 rooms, no bathroom and no boundary wall. There is a small hut (*jhonpri*) where they light a fire during winter. Household assets include 1 cycle, 1 fan and 1 cow. The house belongs to her father-in-law; he occupied (*qabza*) this land 30 years ago and they now consider it their property- they are not afraid of being evicted. Zaiwar's brother-in-law and his family, as well as her father-in-law and mother-in-law also live in the same house but have separate rooms. They do not need anyone's permission to use this address for correspondence. However their mail keeps lying around at the post office for some days after it is received. She told us that when the postman comes to deliver mail he charges a commission (PKR 50-100) each time- if we do not give him money he goes back with the mail saying he will return the next day and we should keep some money for him. They know the postman well because he lives in the village. Their house is 15 km from the market and they usually travel by foot to get there.

They go hungry once in a while i.e. when there is no money and even the shopkeeper stops loaning food rations to them. They have a running tab with the shopkeeper and repay him whenever they get money. She said that the days on which she gets the BISP cash grant she buys food items (potatoes, rice, lentil etc.) in bulk and cooks something special. They eat well thanks to the cash grant and she says she thanks Benazir in her prayers (*dua*) for that; poor people, whom otherwise nobody cares about, have gotten benefits at their doorsteps (*ghar baithay*). Food is cooked thrice at her house. There are palm trees everywhere in the village so sometimes when there is not enough food the children eat dates (*khajoor*) from these trees. They even store wheat grains after the harvest, enough for about 6 months; after this runs out they purchase flour from the market.

The Hajikhel kinship group is the dominant one in the village according to Zaiwar. They own a lot of land, are well educated and many of them have government employment. They keep to themselves and do not like to interact with the lower castes/weaker kinship groups. Their attitude is very condescending and rude while the rest are deferential to them. Zaiwar said that we cannot go against them. They only come and talk to us when they want our votes which we give to them. Nai, Mochi and Kumhar are the weaker kinship groups. The weaker groups' attitude towards each other is pleasant and helpful. The *zamindars* do not come to their weddings; however they do come to their funerals. If there is an emergency they do not even lend their cars to the weaker kinship groups since they do not trust them.

c. Household cash flows

Zaiwar Bibi's husband works as a barber (*nai*) and also cooks food at people's houses (he gets PKR 200 for cooking 1 *deyg*). He often gets called to weddings or funerals etc. to cook food where he gets food for the family for that day in addition to getting paid. Their family has consisted of barbers for generations, but her husband also cooks food on the side. Zaiwar Bibi is not allowed to leave the house to work therefore she relies entirely on her husband to provide for the family.

Zaiwar's household used to have debt- they took a loan from a bank- but they paid it off with the help of the Watan Card payments. They still have small debts with the shopkeeper and some relatives which they keep paying; paying around PKR 200-500 each time they get some money.

d. Cash transfer history

CNIC details: Zaiwar had her CNIC made 2 years ago. She said that a survey team (most likely BISP surveyors) visited the village at the time. She had her old NIC with her so they told her to get the new one made if she wanted her form to be filled out. She told her husband who then took her to the NADRA office. The first day she went there she had to wait out in the sun all day long and she did not get her turn. The next day she went again and when her number came she submitted her old NIC to them and got a receipt in return. She did not get her picture taken because her husband did not approve of it; she said there is no culture (*rivaj*) of women getting their pictures taken because it is considered inappropriate. It is also not considered appropriate for women to get their ID cards made but she had it made out of compulsion (*majboori*).

The NADRA office is 60 km from the village and it takes 2-3 hours to get there; local transport goes there but they have to travel by foot to the bus stop. Her husband took her slip to the NADRA office and collected her CNIC a month later. The address listed on her CNIC is the same as her place of residence; similarly for her old NIC. She said there are many advantages to having a CNIC; poor people get assistance because of it such as BISP and Watan Card, it is important to carry it while travelling, it helps with identification in case of death and it helps in making land deals etc.

BISP: She is a beneficiary of BISP and has been receiving her cash payments from the postman. He used to bring the money to their house but now she must go to the post office to collect her payments. Her household is also a Watan Card beneficiary and these payments are obtained from an ATM. Her husband collects her BISP instalments from the post office. She was issued PKR 3,000 in her first instalment of BISP of which she only got PKR 1,900- the post office staff told her that PKR 1,100 would be charged as commission. Now she gets instalments of PKR 1,000 on which the postman charges PKR 100 in commission. He charges PKR 100 when he delivers it at home and also when her husband collects it from the post office. There is no objection to him coming to the house since many people get their payments at home. He would always come very late when he used to bring the payments home so now she sends her husband to collect it from the post office himself. He does not go to work the day he goes to collect her payments and so that day's wages are wasted. Her husband withdrew money from the ATM when they received the Watan Card- he is matric pass therefore he is literate enough to understand these instructions. Both she and her husband decide how to spend the cash grant money. It is mostly spent on household rations and gets spent in a day.

e. Mobile phone usage and literacy/aptitude

She has a mobile phone which is used by both her and her husband. The SIM is on her husband's name. Her husband taught her to dial numbers but she cannot read messages since she is illiterate; she said that even if she learnt how to send messages, who would she send them to, considering her relatives are illiterate too? She does not know about the easypaisa facility and she has never used it.

f. Saving Behaviour

They typically live hand-to-mouth so they never have enough money to think about saving. She would like to save though because she has 3 daughters who will need to get married and she needs to save for their dowries (clothes, jewellery, dishes etc.). She said it cannot be bought in one go so she would need to keep buying items every now and then and this would serve as her savings. She considers buying an animal or jewellery or dowry items (clothes, dishes etc.) as a safe method of saving because these things would be kept at home in front of her eyes and can be accessed immediately if needed. She said she would decide how to invest her savings if she had any because men just know how to spend money they do not know how to invest it wisely. She said she would not tell her husband if she kept any savings but even if he found out he would not force her to hand over the savings because they are her savings and she will spend them on her children.

If Zaiwar got PKR 10,000 she would buy dowry items for her daughters. If she got PKR 100,000 she would build her own house with it and spend it on her children's weddings. She said she is most worried about her children because they are young right now and she wants them to get educated and married and make something of themselves so they can support their parents in their old age.

g. Knowledge of and experience with financial instruments

There are no committees (BC/VC) in the area and she has never used one before. She has never used any money transfer facilities. She does not know about microfinance services either. Two years ago her father-in-law took a loan of PKR 50,000 from a bank and he was charged PKR 15,000 interest on top of that. He took the loan because of his son's marriage (Zaiwar's husband) but it became a nuisance for them (*azaab*). Someone suggested him to take the loan so he did but he regretted it later; they have decided to never take a loan from the bank again. This loan was then eventually paid off using the Watan Card payments issued to this household. Zaiwar knows a little bit about banks because of this experience. She said banks are where you deposit and withdraw money and they also offer loans. She has never been to a bank nor does she have a bank account. However her husband and father-in-law visit the bank occasionally so she gets to know some details. Her husband also has

a bank account which he opened when his father took the loan. It is not considered appropriate for women to keep bank accounts. There are *purdah* issues, and women do not find it easy to communicate with the bank staff because they speak in English and we are illiterate, she said. They would never get permission from the men to go to the bank anyway. The bank is also very far. If one had enough money it would be fine to open an account and deposit your money there. Since most poor people do not have enough money to open an account they just keep their money at home in a box (*sandoog*). Her husband's account is no longer active, in her opinion, because he never checked it after that; he does not like the bank after their experience with the loan his father took and he thinks they charge too much interest. Zaiwar herself does not want to go to the bank. She has heard of ATMs and knows that money is withdrawn using an ATM card but she has never used one or seen it.

h. Attitude towards and perception of financial instruments

They had a terrible experience with the bank- her father-in-law took a loan which they found incredibly difficult to pay off. It was eventually repaid using the Watan Card cash transfers. However, she said that banks are both good and bad. Good because it helps one save- if money is kept at home it can get spent- and because money stays safe in a bank. It is bad because they charge too much interest on their loans which poor people find difficult to repay, and they harass you as a result. Banks are for rich people who can take and return loans on their own.

i. G2P impact on FIL

Zaiwar had never heard of or seen an ATM before receiving the Watan Card. She still does not have any experience of using an ATM since her husband is the one who withdraws the Watan Card payments. She never used to get payments from the post office before BISP either. However since she gets BISP payments from the post office- which her husband collects as well- she has no engagement with banks or other financial institutions and thus there does not appear to have been any impact on her financial inclusion or literacy.

j. Power linkages and impact on FIL

She needs her husband's permission to do anything. She said she would not get permission to open an account because there is no tradition (*rivaj*) of women opening accounts in this area.

k. Gender/Mobility and FIL

Zaiwar is not allowed to leave the house alone. She is not allowed to go to the market inside or outside the village; the male members of the family do the necessary shopping for them. She goes to the market with her husband on special occasions such as Eid, weddings etc. to buy clothes but she always feels odd and out of place. Women are not allowed to open bank accounts. If there was a women's bank where only women worked then she might get permission but it is just not considered appropriate for women.

5. In-depth Interview 2

a. Basic Information

| | |
|--|-------------|
| Name | Akbar Khan |
| Age | 33 |
| Gender | Male |
| Education | FA |
| Caste | Hajikhel |
| Occupation | Businessman |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | CDCP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Watan Card |
| Bank Account (Y/N) | Y |
| Bank Name | UBL, HBL |

b. Socio-economic position of respondent/respondent's household

Akbar Khan is a 33 year old man with an FA degree and a pronounced asthma problem, belonging to the Hajikhel kinship group. He is a Watan Card beneficiary while his wife is a BISP beneficiary (Smart Card). His house is 50 km from the closest market. The house is *pakka* and consists of 3 rooms and a bathroom. His family has been living in this village for generations. He inherited the land on which the house is built from his father. The land is on his father's name. They consider themselves secure; no one can remove them from this village. They receive letters and other correspondence at this address; however it takes 8-10 days for letters to reach them after they get to the post office even though the post office is very close to his house. They know the postman well and sometimes he delivers their letters at a nearby school where Akbar has other relatives and acquaintances who receive them on his behalf. Akbar said that sometimes it takes 20 days for money orders to be delivered to him.

Food is cooked thrice a day at his house and they have never gone hungry their whole lives. Even if they face tough times they can rely on their relatives to support them. They buy wheat from the local landlord (*zamindar*); storing enough grain to last 6 months (3-4 sacks). He spent the second instalment of the Watan Card on purchasing wheat. There was a lot of damage to his house in the floods and the Watan Card payments helped him with those repairs as well.

Hajikhel is the dominant kinship group in this area; Akbar belongs to this kinship group as well. The local councillor is also a Hajikhel. He said his kinship groups' attitude towards others is good; they involve the others in decision making and share in their happiness and sorrows. He relies on his relatives and friends for assistance when he needs any.

c. Household cash flows

One of his brothers works in the military and he sends money home. Akbar has a private business concern which he was not very open about. He buys goods like motorcycles and sells them on interest in small instalments. He has been involved in this business for 7 years now; he used to study before that. His father used to do the same business before him and Akbar started with his father's permission. He chose this job because it does not require any exertion or long distance travel (he operates from the village) which is good because he has an asthma condition which prevents him from doing the above. He is satisfied with his job as it provides him enough income to support his family and he does not need to rely on anyone else. They do not have any debt; he previously had a debt of PKR 200,000 which he borrowed for his wedding and to build their house. He borrowed this money from his relatives and repaid it gradually in instalments.

d. Cash transfer history

CNIC details: Akbar had his card made on 10th May 2011. The main reason behind this was that there is an atomic energy plant near Chashma so the police strictly checks ID cards of people travelling nearby. His previous NIC had expired therefore he had the new one made. The NADRA office which is in the city is 50 km from his house; he had to go there twice and it cost him about PKR 1,000 to get the CNIC made which he got in 15 days. He said the office is too far and you have to wait in line over there, therefore old people face a lot of problems in getting their CNICs made. Poor people also do not want to spend all that money to get a CNIC made which is why most of them do not even have their votes registered. The address on his CNIC is the same as his place of residence. CNICs are important because you can vote, travel, open bank accounts etc. with them. He needed a CNIC because of his business dealings.

CDCP: Akbar is a Watan Card beneficiary while his wife is a BISP beneficiary. Akbar withdraws the Watan Card payments from the ATM himself. He knows how to use an ATM because he has a bank account and he has used it before. The ATM is located 35 km from his house. His friend taught him how to use an ATM. He got a code which he inputted to withdraw money from the ATM. His wife's BISP payments come to the nearby post office and Akbar goes and collects them himself. He said the postal staff is not trustworthy; they charge PKR 50-100 for each instalment. His wife advises him on how to spend the cash grant money but he makes the final decisions because he is the head of the household. No one would have a problem if the postman would deliver at their doorstep. Describing the change that has come as a result of the BISP payments, Akbar said that he no longer needs to

give pocket money to his wife. Akbar frequently uses the bank account and ATM. He used to write cheques before getting an ATM card. He said that many poor people did not have bank accounts because they were too poor and illiterate, and the bank is too far away so that even if people have money they do not go to the bank. Akbar currently has PKR 15,000-20,000 in the bank. He said the ATM is the most convenient facility for him. He has never used the post office for money transfers.

e. Mobile phone usage and literacy/aptitude

Akbar has 2 mobile phones and the SIMs belong to him as well. He said he always knew how to use a mobile phone. He would ask his friends if he did not understand anything. He mostly uses the phones for his business and to stay in touch with his friends and relatives. He said that phones are essential these days and there is no getting by without them. He even taught his wife how to use a mobile and she can send messages now. He did not buy her a separate phone- he said that she never asked him for one and if she did he would consider it. Akbar has used the easypaisa facility; he said that a CNIC is needed and then a code is given to you to transfer the money. A friend told him about it and a shopkeeper taught him how to use easypaisa. His brother often sends him money through easypaisa and Akbar also transfers money to his clients through it sometimes.

f. Saving Behaviour

It is not possible to save in this day and age; maybe in the future, Akbar claimed. He said that his income usually runs out in 4 days. He tries to save whenever he can and he keeps that money in his bank account; he has 3 banks accounts. There is usually some debt with relatives or biraderi members. Akbar does not use village committees; there are only 7-8 shopkeepers who run a committee. They deposit PKR 100 every day and one person gets PKR 3,000 at the end of the month. This is very helpful to them as they can buy their store rations in one go from the city instead of making repeated visits throughout the month. There is no trend of the year-long committee in this area; that is more so in Punjab. Poor people usually buy small animals (goats, lambs etc.) as a form of saving. He said his biggest responsibility was to get his children married. He further said that if he had savings he would purchase wheat or an animal with it, and if there is a lot of money he would buy a motorcycle with it (and sell it ahead for a profit). His wife's jewellery is also kept at the bank. This is also a method of saving, and there is no fear of theft. If Akbar got a windfall of PKR 10,000 he would buy his wife a sewing machine (which would cost PKR 6,000-7,000) and with the remaining money he would buy household necessities and clothes for his children/wife. If he got PKR 100,000 he would put that into his business or open a large store with it or start a livestock business with it. If there was any money left over he would spend that on the treatment of his asthma condition. He further said that he would also purchase wheat in bulk with some money since wheat is not generally available here.

g. Knowledge of and experience with financial instruments

Akbar has used the shopkeeper's committee only once in his life whereby he would deposit PKR 100 per day. He thought it would be a good way to save money. When he got his payment of PKR 3,000 at the end of the month he also got an electricity bill of PKR 2,500 for that same month. He was glad that because of the committee he could pay off the bill without any worries but he was also disappointed because his savings could not be put to any other use. He said he trusted the committee members because they have been living in the village for a very long time and he knew them well. Akbar frequently uses money transfer facilities- either through easypaisa or the bank- to send money to other cities because of his business. When he gets money from his clients he withdraws it using an ATM. His brother, who is in the army, also sends him money through easypaisa. He has heard of microfinance organisations which provide small loans to people- he heard it from some friends outside the village who have taken these loans- but he has never used them. Akbar has never thought about taking these loans, even though his friends have urged him to do so many times, because he says they charge too much interest. He said that the rich *zamindars* over here can probably take such loans and repay them.

He has had bank accounts for 7 years now. He felt the need to open an account because of his business transactions and he thought a bank was the easiest way to send and receive money. All that was required was a CNIC and a form had to be filled out- which the bank staff helped him with. He knows that if you deposit money in a bank you earn a profit. There is no fear of money being stolen

from a bank. It costs PKR 100-200 to go to and come back from the bank, from his house. He thinks running the account has been easy for him. He does not know about all other banking facilities.

h. Attitude towards and perception of financial instruments

Akbar claimed that he learnt how to use the bank himself, with only some assistance from the bank staff. Microfinance is for rich people or those people with big businesses, he said; it is not for poor people. Many of his friends told him to take a microcredit loan but he is scared that if there is any loss to his business how would he recover? Because of his medical condition he cannot even do any other strenuous job. He is thinking of involving his brother in his business when he [the brother] retires, and then taking a loan so that the liability spreads out and he can have someone to rely on. He does not want to take such a big step (such as taking a loan) all by himself.

i. G2P impact on FIL

There does not appear to be much of an impact on Akbar's financial inclusion and literacy since he already had a bank account and knew how to run it before receiving BISP and CDCP cash transfers.

j. Power linkages and impact on FIL

He does not need anyone's permission to open a bank account. He is the head of the family.

k. Gender/Mobility and FIL

Women are not allowed to go to the market alone. This is the *rivaj* in this village. He has stopped giving his wife pocket-money ever since she started receiving the BISP cash grant.

6. Conclusions/FIL Outcomes

Saving is done by poor people in the community in the form of animals- small or large- which are reared and sold on Eid for a profit. Community members had very limited knowledge of financial instruments. They do not find it convenient to visit banks since these are located at such a distance from the village. Even though a majority of villagers received Watan Cards very few people withdrew money from the ATM themselves. Since this was a Pakistan Post district, community members were not well acquainted with other modalities. Zaiwar's family had a bad experience with banks because of a loan her father-in-law took which they repaid with great difficulty- their Watan Card payments were used to repay this loan. This experience created a poor impression in their minds and Zaiwar said that her husband did not visit the bank after opening an account there- even though Zaiwar claimed separately that money stays safe in a bank and depositing it there is an effective way of saving. They further decided to never take a loan from a bank. Zaiwar said she would save money by keeping it at home (in a box) and not tell anyone else about it, because men just spend money, they never save. She thought that buying livestock or jewellery are effective and reliable methods of saving because of visibility and accessibility. Her mobility is extremely limited and she cannot get permission from her husband to open a bank account even if she wanted to. She is not financially included or literate due to all of the above factors.

Akbar belonged to the dominant kinship group of the area and was highly financially included and literate. He had 3 accounts in separate banks which he opened prior to receiving G2P assistance, because of his business needs. Akbar frequently uses banks, ATMs and easypaisa facilities in order to carry out his financial dealings with clients and send/receive money from his brothers living outside the village. He also maintains cash savings in his accounts and his wife's jewellery is also deposited at the bank. Furthermore, he is extremely risk averse, and is considering taking a bank loan only after his brother puts a share in his business after retirement. One of the changes that has come about following G2P transfers to him is that he has stopped giving pocket-money to his wife ever since she became a BISP beneficiary. He would invest a hypothetical windfall in his business or start a side-business with it. Thus in this case we observe a wealthy individual from the dominant kinship group- an obverse of the previous case of Zaiwar Bibi. Both respondents did not witness significant changes to their financial inclusion and literacy, but for different reasons.

A2.13 Khatkalay-Charsadda-KP

1. Basic Facts

| | |
|--------------------------|---|
| Province | Khyber Pakhtunkhwa |
| District | Charsadda |
| G2P Modality | CDCP II |
| Tehsil/Taluka | Charsadda |
| Union Council | MC-2 |
| Deh/Mouza | Purang |
| Community | Khatkalay |
| Researchers | Aftab Khan, Noorain, Rozain, Shumail Hassan |
| Date of fieldwork | 13 th July 2012 |

2. Sampling and Fieldwork Conditions

The community of Khatkalay was selected at random from amongst the urban localities in Charsadda. The community profile exercise was conducted at Sabir Shah's *dera*. Main respondents for community profile included Sabir Shah (Khattak), Aleem (Khattak), Shah Jahan (Mamakhel) and Sher Zaman (Khattak).

3. Community Profile (Outline of social landscape/power brokers etc.)

Khatkalay is a *mohalla* in Purang area with a total population of 800 people, 100 households and 500 registered voters. It is located 2.5 km from a *pakka* road, and the distance from the nearest town is also 2.5 km. The average daily wage is PKR 300. Public transport facilities are available and are good. The only health facility available is a hospital in the Tehsil which is at a distance of 1 km from Khatkalay. There are government primary, middle and high schools both for boys and girls, as well as private schools for both. There was no drinking water facility but now it is being initiated. There are no taps in houses and the drainage system is poor. Gas has been available to this village for 3 years while electricity has always been available. Each house has mobile phones. The main crops grown here are sugarcane (15 *man/jureeb*), barley (10 *man/jureeb*) and wheat (20 *man/jureeb*).

The politicians belonging to this area are Fazal Shakoor MPA and Asfandyar Wali MNA. They only visit the village during rallies at election time. There are 5 kinship groups residing here: Khattak (20 hh), Mamakhel (5 hh), Bosakhel (20 hh), Durrani (10 hh) and Miangan (40 hh). Durrani and Miangan are the dominant kinship groups with respect to education, money, land, animals and government jobs whereas Mamakhel and Bosakhel are the marginalised kinship groups within this context.

a. Saving preferences

People do not have enough money to save. If poor people do save they keep it at home because it is such a small amount. People take loans from shops to buy rations and when they sell their produce they pay off their loans. Some people save money for their children's weddings- they keep their savings at home. We found one old person who took a loan of PKR 100,000 from someone to pay for his daughter's wedding. He is paying back this loan in instalments and still has to pay PKR 30,000. Some people save money to buy a sacrificial animal for Eid ul Azha while others put money in committees for which they use the word "*qist*" (instalment). Saved money is spent on weddings, dowries, Eid. The rich castes of Durrani and Miangan save their money in bank accounts because they have government jobs and they get money from abroad where their relatives live and do business. All rich households have bank accounts.

If a male gets PKR 10,000 he would spend it on a small animal such as a goat's kid. He would rear it for a couple of years and when it grows up he would sell it for a profit. Some people said they would open a small *khokha* (shop) with PKR 10,000. If a male gets PKR 100,000 he would buy a larger

animal such as a cow or buffalo. Some people said they would spend it on getting their children married while some others said they would pay back their loans and some said they would buy a rickshaw or Qingqi with it so they could earn money too.

If a female gets PKR 10,000 she would buy household items like beds, cots, clothes, dishes etc. or spend it on her children's education. It was said that some women would give this money to their husbands to spend as they will. If a woman gets PKR 100,000 she would spend it on her children's wedding, jewellery, dowry etc. Some women would buy household items with this money, while some women would go on Umrah or Hajj with it.

b. G2P modalities

Women in this area have been getting BISP cash grants for 3 years now. They are getting cash grants from the post office. The postman's name is Waris Khan and he is a resident of this village who is on good terms with everyone here. He goes door to door and first checks the beneficiary's CNIC, then obtains her finger print and hands her the money. People trust him and have no problem with him coming to their household. All the women are getting their payments like this. They prefer this method because they get their money on their doorsteps. The other methods are considered difficult.

This area was affected by the floods in 2010 and 2011 and everyone suffered in it to varying degrees; some houses were completely destroyed while others sustained only damages, similarly with agricultural land. Our respondents told us that about 80% of people received Watan Cards. There were many people who did not get these cards when they were distributed because they had moved somewhere else when the floods came and now they are back but do not have Watan Cards. Watan Card beneficiaries have received 3 instalments of PKR 20,000 each; usually each instalment arrives 3 months after the previous one. Most of the people withdraw the money themselves or take someone along who knows how to use an ATM. The last instalment was received about 9 months ago. No one sold their Watan Card.

The World Food Programme (WFP) along with other NGOs distributed food aid at the time of the floods, such as flour, lentil, sugar, oil etc. for at least 3 months. Some people were issued ration cards as well (issuing authority unknown) while very few people received cash support. The government even provided food rations. Furthermore the Edhi organization distributed foodstuffs and medicines amongst flood affected people.

c. Financial institutions/instruments

There is a United Bank Limited (UBL) branch around 1 mile from the village and a Qingqi costs PKR 10 to get there. There is an ATM at the bank as well. However not many people use it as they do not know how to use it. There are no microfinance initiatives in this area and microcredit loans are generally considered to be *haram* because of the interest rates (*sood*) charged on them. There are no easypaisa franchises present here and the respondents said such facilities should be available as it allows for easy transfer of money.

d. Attitudes and perceptions

Microfinance is considered *haram* by community members because of the interest (*sood*) charged on it. Easypaisa is considered a convenient method of money transfer. People with bank accounts are rich people with land and livestock etc. according to the respondents. They save their money by keeping it in banks and also send or receive money from abroad where their relatives are settled. From amongst the poor only those people who have permanent jobs/government employment have bank accounts. Banks generally serve to benefit rich and middle class people, not the poor. There is no benefit to poor people to keep an account since they do not have enough money to keep in it; they also do not know how to operate it that well.

e. Gender and FIL

Women traditionally practice purdah in this area and are not allowed to travel around on their own. They must be accompanied by a male or her children. There is also no tradition as such of women operating independent bank accounts when there is a male in the household.

4. In-depth Interview 1

a. Basic Information

| | |
|--|------------|
| Name | Shahjehan |
| Age | 50 |
| Gender | Male |
| Education | N/A |
| Caste | Mamakhel |
| Occupation | N/A |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | CDCP II |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Watan Card |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Shahjehan is a 50 year old man who is blind and he belongs to the Mamakhel kinship group. His house was affected by the floods in 2010 and he is a Watan Card beneficiary. There are 11 people in his household of which 3 male members (his sons) earn. Household assets include 3 fans, 1 cycle, 1 donkey-cart and 2 buffaloes. His house is located in the centre of the village. It is partially *katcha* and there are 3 rooms and 1 bathroom. Shahjehan's family has been living in this community for over 40 years. This house belongs to Shahjehan; he obtained it from a landlord in instalments. He can use this address for correspondence freely.

When his sons do not find work on a particular day the household has to go hungry; this happened once in the last month. Shahjehan said that the Watan Card payments helped him purchase food items with great ease and they did not have to face any food insecurity. Food is cooked thrice a day in his household. Sometimes if the wheat produce is plenty they store some which is usually enough for 4 months; it is obtained by his one of his son's who works on the landlord's land. They also purchase food from the store by paying cash and if there is none then on loan. Durrani and Miangan are the dominant kinship groups here while the Bosakhel are the weaker one. The attitude of all these kinship groups with his is good and so is theirs in return. His kinship group participates in community matters. Everyone invites each other to their weddings etc. Shahjehan relies on his relatives and neighbours for assistance if he needs any.

c. Household cash flows

Shahjehan's 3 sons earn and provide for the family. One of his sons, Younas Khan, works in Lahore as a peon/janitor at an office and earns PKR 8,000 per month. He visits his family once a month and gives them money to run the household. Two other sons, Manzoor Khan and Naveed, work as labourers on daily wages (one is an agricultural labourer and the other non-agricultural) earning PKR 350 per day each. Since his sons work on daily wages sometimes it is difficult to meet their household expenses. Shahjehan does not work because of his eyesight handicap. He used to work on the land before he lost his sight. He relies on his sons to meet household expenses now. Shajehan has debt which he owes to his relatives- he borrowed PKR 13,000 for household expenses and PKR 25,000 for his daughter's wedding.

d. Cash transfer history

CNIC details: Shahjehan has a new CNIC. He said he did not face any problems in getting it made. He simply took his previous NIC to the NADRA office and a month later he received his new one.

Since he cannot travel alone due to his blindness, he went to the NADRA office with his eldest son. The address on his CNIC and his place of residence are the same. He said the advantages of having a CNIC include becoming eligible for the Watan Card.

Watan Card: Shahjehan is a Watan Card beneficiary. He told us that after the floods a survey team came to this area and collected information regarding all households. A few days later they returned to the area, set up an office at a local school and called all community members over there. Shahjehan went there with his son, and provided his CNIC to the Watan Card team at the school in return for which he was provided his first instalment of the Watan Card by the team. He received his last instalment 9 months ago and has received 3 instalments thus far, totalling PKR 60,000. He obtains his payments from a payment centre established at a local school; someone always accompanies him there. Though not a BISP beneficiary he said that the postal method is the best because it saves time and effort and people trust the postman. He knows that people receive BISP cash grants through the postman; he did not know of other modalities. He said he had never used an ATM before and he still did not know how to use it because he cannot see. He told us of an NGO that started a cash-for-work scheme after the floods in the region. He decides how to spend the cash transfer amount depending on the urgency of the expenditure; such as paying off loans or preparing for his children's weddings.

e. Mobile phone usage and literacy/aptitude

Shahjehan does not own a mobile phone. Since he cannot see his son usually dials numbers for him; his son does own a mobile phone and knows how to use it. Shahjehan does not have any real need to use a phone. He does not know about easypaisa.

f. Saving Behaviour

He said his family's earnings are too low for him to open a bank account. Shahjehan further said that savings are helpful. He knows that others in the community put money in committees. He said that savings should be kept at home because they remain safe when they are in one's hands and can easily be accessed when it needs to be. He said that some people with higher savings start a livestock business (rearing animals and selling them at a profit). He decides how savings would be spent since he is the head of the household. If he got PKR 10,000 he would spend it on buying household rations and paying off some of his debts. If he got PKR 100,000 he would get 3 of his children, who are of age, married. He said if any money remained he would save that at home.

g. Knowledge of and experience with financial instruments

Shahjehan knows about one of the ways in which people in the community keep their savings which is the committee system. He has never used this system but he says it is a convenient method because money can be withdrawn whenever it is urgently needed. He has never transferred or received money from anyone. His son comes home once a month and drops off money for the household. He said that there has never been any microfinance initiative in the community. He knows about one person called Shoaib who took a loan from an NGO and used to pay PKR 400 every week. He told us of one instance when the Agriculture Department gave them a cheque for PKR 2,400. He went to the NBP to cash this cheque but they told him that he must have an account here to do so. When he asked them to open his account they laid down a number of conditions which included another person (with an account in the same bank) to offer a testimonial as well as a deposit of PKR 5,000. He could not meet these conditions so he left. Just outside the bank he met a photocopier working for the bank, who offered him PKR 2,000 in cash for the cheque. Shahjehan said that the bank staff's attitude was so poor that he would never open an account at that bank even if he had the money.

h. Attitude towards and perception of financial instruments

Microfinance is probably for poor people though he does not know for sure because they have never been established over here. Banks are for rich people and businessmen (*karobari log*). Money stays safe in a bank, he said.

i. G2P impact on FIL

Shahjehan's financial inclusion and literacy has not improved following G2P transfers to him. A primary constraint on him is his handicap. Secondly, he does not obtain his Watan Card payments from an ATM, instead there is a payment centre near the community where he provides his Watan and ID cards and receives cash. This is very similar to the Pakistan Post modality and thus precludes any engagement with banking systems. Thirdly, despite all his constraints, when he attempted to open an account on one occasion he remained unsuccessful because the requirements were beyond his reach. This experience did not leave a positive impression about banks in his mind and confirmed his opinion that banks are not for poor people such as him.

j. Power linkages and impact on FIL

Shahjehan does not need anyone's permission to open a bank account but he does rely on his children to accompany him anywhere he goes because he is blind.

k. Gender/Mobility and FIL

He said one's gender is not important to opening an account; what is important is how much money one has. He cannot travel to the market alone due to his handicap. There are no restrictions on him though.

5. In-depth Interview 2

a. Basic Information

| | |
|--|--------------|
| Name | Shamim Begum |
| Age | 46 |
| Gender | Female |
| Education | N/A |
| Caste | Bosakhel |
| Occupation | N/A |
| Beneficiary (Y/N) | N |
| Cash transfer scheme (BISP, CDCP) | N/A |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | N/A |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Shamim Begum w/o Shah Jee Khan is an illiterate woman belonging to the Bosakhel kinship group. There are 10 people in her household including her husband and their 8 children. Nearly 14 years ago her husband, Shah Jee Khan, suddenly lost his eyesight and became completely blind. He did not let Shamim go out to work even after his disability. Her brother-in-laws provided financial support to them during this time. She does sewing/stitching work from home sometimes. They used to go hungry on occasions. Due to their poverty their sons could not study beyond 5th grade. Currently 2 of their sons are working as labourers on daily wage while another one runs a shop.

Shamim's house is located close to the village centre (0.5-1 km). This house is partially *katcha*. The walls are made of cement while the courtyard is *katcha*. There are 2 rooms and 1 bathroom and an additional room which has been turned into a shop which is run by one of the sons. The total area of the house is 10 *marla*. They used to live in a joint family earlier, but now they live separately in a house which belongs to Shamim's husband, Shah Jee Khan, which he received in inheritance. They are insecure in their residential status because the government claims that this house is built on state property (belonging to the Auqaf Department) which was set aside for a graveyard. They have been told to vacate this property continuously. Shamim said that they do not need anyone's permission to receive posts at this address; however they have never felt the need to share their address and hence

have not received any correspondence here. Food is cooked thrice a day at their household. One of their sons is an agricultural labourer and therefore they store wheat grain enough for 4 months and when this runs out they purchase more. They have not gone hungry in the last month or year. She said that her kinship group participates in community affairs and all kinship groups have a cordial relationship with each other in this village; everyone is invited to weddings etc. Shamim relies on her brother-in-laws and other relatives in case of emergencies.

c. Household cash flows

Shamim does not work; she used to do home-based sewing/stitching for people in the village but is too weak to work now. Her husband did not let her leave the house to work when he lost his sight (and could not work anymore himself) and now her sons do not let her work. Thus, she relies on her sons to provide for the family. Manzoor and Younas work as non-agricultural labourers on daily wage, earning PKR 250 per day each. Asim runs the family store (located in the house) and does some agricultural labour as well earning PKR 300 per day, in addition to receiving food grains.

d. Cash transfer history

CNIC details: Shamim has a CNIC which she had made with help from the UC Nazim, because he had a contact at the NADRA office. The Nazim called her husband to his hujra one day and filled out her form for her. It is interesting to note that Shamim's husband's thumb print is on her CNIC and it does not have her picture on it because she herself was not keen to have her photo taken. Shamim did not have to go anywhere to get her CNIC made. The address listed on her CNIC is the same as her place of residence. Shamim said her children can easily get their CNICs made now that she has one.

Cash transfers: Shamim is not a beneficiary of any cash transfer scheme. She told us that the village was severely affected by floods in 2010 and that the BISP survey team came soon thereafter to fill out forms for each household. Shamim's sons had her form filled out and he was given a survey receipt. Shamim even received a letter from BISP afterwards, however she lost it since everything was in disarray following the floods. Neither Shamim nor her husband and sons, expressed any interest in pursuing the matter after that; they did not try to find out her eligibility status. She knows that people in the village used to receive money through the post office before the floods. Then after the floods there was another survey and now some women have been getting 'debit cards'.

e. Mobile phone usage and literacy/aptitude

Shamim does not own a mobile phone however her son, Asim, does have one. She does not know how to use it; when she has to talk to her married son on the phone, Asim dials the number for her. She said that "I do not even know how to hold the phone properly". According to her women and girls who use mobile phones are frowned upon in this village. Shamim does not know about the easypaisa facility as she does not even know how to use a mobile phone.

f. Saving Behavior

There is no saving in Shamim's household currently although she said that if their store starts running well they will start saving money. She said women in this area typically keep their savings in committees which they consider a safe mode of saving because money can be withdrawn lump-sum in times of need. She has used a committee in the past; she would deposit PKR 10 every day and 16 months later she got PKR 5,000 in payment. She used this money to convert one of the rooms in the house into a rations store which is run by her son. She said that when she saves she thinks about how to spend it very carefully in the same way that she thought about opening a store. She said she has the authority to spend their income on household expenses. If Shamim got PKR 10,000 she would buy small items for her daughters' dowries. If she got PKR 100,000 she would spend some of it on the shop and buy gold jewellery for her daughters' dowries with the rest.

g. Knowledge of and experience with financial instruments

She knows about the committee system. She has used it in the past but is not currently using it. She has never used money transfer services nor does she have any knowledge about microfinance services. She has heard of banks but has never used one or tried to open an account.

h. Attitude towards and perception of financial instruments

Shamim said that the committee system is easy and reliable because it is done with relatives and neighbours whom she can trust. Also it is better than keeping money at home where it can get spent. She said banks are probably for rich people; all that is needed to open an account is money. She further said that opening a bank account is not considered a good thing. There was one person in the village who opened an account and people said that he had done this to earn interest- they called him a “*sood-khor*”. Money earned in this way is considered ‘*haram*’ in the community, especially by the weaker kinship groups/lower castes.

i. G2P impact on FIL

Shamim is a non-beneficiary thus we cannot measure any improvement in her financial inclusion and literacy. She is not allowed to work outside the house, by her husband and sons. She relies on them for household income however she is allowed to spend this income on domestic expenses. Thus she is very careful and makes considered decisions regarding savings; the last time she used a savings committee she spent the returns on building a store in one of the rooms of the house so that her son could run a business. While she exhibits a strong potential for prudent fiscal management, it is unlikely that she would be allowed to open an account by her husband/sons nor would she want to do so in their presence. None of them even followed up on her BISP eligibility after her survey form was filled out.

j. Power linkages and impact on FIL

Shamim said that her sons would decide if she needed a bank account or not. She said women do not need to have accounts, because when they get money they immediately spend it on necessities. They can also save through other viable means like committees etc.

k. Gender/Mobility and FIL

Shamim’s husband did not let her work even after he lost his eyesight. He is too *khud-daar* (self-sufficient) to allow her to provide for the family. Shamim’s husband also does not approve of her going to the nearby town or market for shopping. Sometimes when she has to go to the market urgently she takes her mother along with her. Her sons do not like to take women to the market. She is not allowed to go to any shops inside the village at all. She can only go to nearby houses within the village if she takes a child along with her; she usually just goes to her mother’s house. Shamim has the authority to spend household income. She also said that women do not need to have bank accounts when there are males in the house.

l. Other observations

It can be assumed, due to the negative perception of banking, that people who open accounts here would do it secretly and without telling anyone.

6. Conclusions/FIL Outcomes

Shahjehan is a Watan Card beneficiary who is also blind. As such his primary constraint thus is his handicap. The Watan Card payments were distributed at a payment centre in the locality and he did not get an opportunity to interact with an ATM. Furthermore, his prior experience with banks- whereby he tried to open an account to cash a cheque but was dissuaded by the arduous requirements- was not very encouraging for him and left a poor impression on him. This incident reveals the obstacles faced by poor, illiterate people in interacting with formal financial systems such as banking. Consequently he did not become financially included or gain financial literacy after receiving G2P cash transfers. He evinced a clear preference for informal saving methods such as keeping money at home or buying livestock. Shamim hails from an extremely impoverished background and is not a beneficiary of any cash transfer program. Even though she received a letter from BISP after the survey was conducted she did not follow up on it since the floods occurred soon thereafter. Moreover, her family

members did not show any interest in following up on it and since she relies on them for all kinds of support and looks to them for direction, their lack of interest spelt the end of that chapter for her. She is not allowed to work outside the house, even after her husband lost his eyesight and could no longer earn for the family. She did not have an encouraging view of banks; she felt they were for wealthy people and also that the interest earned on money kept in a bank is *haram*. She preferred the committee method of saving as she had some past experience with it. She appeared to be very prudent with savings and when she received money from the committee she spent it on building a store in one of the rooms in their house so that it could become a source of income for her son. The low level of household income appears to be a determinative constraint on her saving behaviour, whereas her relative lack of mobility considerably restricts her financial inclusion.

A2.14 Galli Bagh-Batagram-KP

1. Basic Facts

| | |
|-------------------|---|
| Province | Khyber Pakhtunkhwa |
| District | Batagram |
| G2P Modality | Mobile |
| Tehsil/Taluka | Batagram |
| Union Council | Batagram |
| Deh/Mouza | Qila Behram Khan |
| Community | Galli Bagh |
| Researchers | Aftab Khan, Noorain, Rozain, Shumail Hassan |
| Date of fieldwork | 12 th July 2012 |

2. Sampling and Fieldwork Conditions

This site was selected at random after consulting with local informants about a locality with BISP mobile banking beneficiaries. The settlement of Galli Bagh is located almost 1 km away from the marketplace in one of the townships of Batagram. The community profile was conducted at the *dera* of Badar Munir Khan- who is a 70 year old man belonging to the Swati (Khan) kinship group. Main respondents for the community profile were Badar Munir Khan (Swati), Abdullah (Swati), Khan Muhammad (Awan), Ikhtiar Muhammad (Swati), Sarfaraz (Swati) and Syed Rehmat Shah (Syed). There were around 5-6 other people also present during this group discussion.

3. Community Profile (Outline of social landscape/power brokers etc.)

Galli Bagh is a small community with about 106 households, an approximate population of 1,000 people and 200 registered voters. It is 800 meters from a metalled road and 4 km from the nearest town. The average daily wage over here is PKR 200. Public transport facilities are poor. There is a *hakeem* in the town but not many people trust him. There is no BHU however there is an MBBS doctor and a hospital which is in good condition. The drinking water is poor here too; taps are installed in houses but there is no water in them. The water table lies 130 ft below- it mixes with rainwater when there is rainfall but when there is no rain the water goes deeper underground and people face a lot of trouble. There are government primary, middle and high schools for boys and girls as well as a private school till 12th grade. The primary crops grown here are wheat (30 kg/*kanal*), barley/*joar* (20-25 kg/*kanal*) and rice (1.5 man/*kanal*). None of the politicians from this area come here to visit. Taj Muhammad is the local MPA while Prince Nawaz is the local MNA.

There are 6 different kinship groups residing in this community: Swati (67 households), Awan (20 hh), Syeds (8 hh), Margay (8 hh), Kulal (1 hh) and Aliwal (1 hh). Swatis are the dominant kinship group with all of the landholdings, high education and people in 25 households have bank accounts. Margays are the poorest and can be considered the marginalised kinship group within the context of this community.

a. Saving preference

Very few people have savings because most of the population is poor and cannot afford to save. Those with enough money keep it in banks. One of the ways in which saving is carried out is in the form of crops/food grains. If there is extra produce in one season it is stored at home. This was described as a saving mechanism (even though it is consumed over the course of the year). Wheat is one such crop which people keep at home. There is no trend of running committees in this area. People also rarely keep cash savings at home because it gets spent. Those with permanent jobs keep their savings in banks. Banks are considered safe because money does not get stolen from there. Savings are often spent on household rations or some people buy livestock with it.

If a male got a windfall of PKR 10,000 he would spend it on food items and other items of basic necessity. If he received PKR 100,000 he would go and fulfil the religious obligation of Hajj or Umrah.

Some people would use it to purchase livestock while others would buy more land with it. If a woman received PKR 10,000 she would buy a sewing machine with or household items like a cot (*charpoy*), crockery, quilts, clothes etc. If a woman received PKR 100,000 she would buy gold jewellery with it and other household items.

b. G2P modalities

Women in this community have been beneficiaries of BISP since 2010. Some women used to get money from the Pakistan Post. They would provide a copy of their CNIC at the post office and receive payments. People had complaints with this system; many of them said that they would not get the money and would have to wait in line too long. Now the mobile banking system has started. They receive an SMS on their mobile which they take to an 'Omni Shop' and get their payments. So far women have received 3 instalments.

The first instalment was for PKR 9,000; the second one was PKR 2,000 and the third one was PKR 3,000. Each instalment would arrive 3 months apart from each other. Some women are still getting money from Pakistan Post. The last instalment came 2 months ago. They think the mobile banking modality is the best one; they do not have to make repeated trips or wait in lines as a result of it.

This area was not affected by floods although some people's land was affected. There were no Watan Cards or Pakistan Cards distributed here. Political differences were cited as one of the reasons. Many people's houses were destroyed in the earthquake that struck here. The government disbursed PKR 200,000 to each affected household in instalments of PKR 25,000. The Edhi organisation provided foodstuff in aid while other NGOs distributed some items of basic necessity.

c. Financial institutions/instruments

Financial services near the settlement are: Muslim Commercial Bank (MCB), National Bank of Pakistan (NBP), United Bank Limited (UBL), Bank Alfalah and Zarrai Taraqqiati Bank (Agricultural Development Bank). Each bank has an ATM inside it or next to it. These banks are located at a market which is 4 km from the community and public transport is used to get there. The easypaisa facility is also available in the settlement and in another market 1 km from the village. People use this facility to send money to their relatives living outside the community. No microfinance groups operate here. Microfinance is considered '*haram*' because of the high levels of interest charged.

d. Attitudes and perceptions

The respondents stated that bank accounts are usually kept by people with a lot of money, land, relatives who live abroad and need to be sent money, or those people who have government employment. People think they should have a bank account but do not have enough money to open one. They claimed they knew the procedure to open an account and how money is withdrawn but they did not know any of the specifics with regards to ATMs. Microfinance is considered *haram* by the community because of the amount of interest charged on microcredit loans.

e. Gender and FIL

Women of this locality are not allowed to travel alone inside or outside the community due to *purdah* constraints; they must be accompanied by someone if they must leave the house.

4. In-depth Interview 1

a. Basic Information

| | |
|--|--------------|
| Name | Mehtab |
| Age | 29 |
| Gender | Female |
| Education | FA pass |
| Caste | Swati Khan |
| Occupation | N/A |
| Beneficiary (Y/N) | N |
| Cash transfer scheme (BISP, CDCP) | N/A |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | N/A |
| Bank Account (Y/N) | Y |
| Bank Name | Bank Alfalah |

b. Socio-economic position of respondent/respondent’s household

Mehtab is a 29 year old woman who belongs to the Swati Khan kinship group, which is the dominant one in this area- it is dominant with regards to education, wealth, jobs etc. One of her uncles was an MNA. They interact with weaker kinship groups sparingly. Most of her family lives in the USA.

There are only 4 people in Mehtab’s household: Mehtab, her husband and their 2 children. Her husband is a government employee and he works as a banker at National Bank of Pakistan (NBP). Her house is 1 km from the marketplace. It is a lavish house with 3 rooms, 2 bathrooms and a TV lounge. The land on which the house is built is their personal property which they have inherited over the generations. No one can remove them from their land. They can receive mail at their home address. Her husband is educated and many of her relatives live abroad so no one has any objection to the postman coming to her house.

Food is cooked whenever it is needed in this household. Wheat, flour, rice etc. is obtained from their own land; these food grains are enough for them to last the whole year. Mehtab does not work because women from her kinship group, traditionally, do not work; she said she would get permission if she had chosen the medical profession. Her husband meets the household expenses on his own. They do not have any loans.

Since she belongs to the dominant kinship group her family owns a lot of land, is highly educated, and has government jobs. They are involved in decision making in the community; they provide a lot of people with jobs, fix their roads and drainage systems etc. They live at a distance from the lower castes/weaker kinship groups. People from other kinship groups treat them with great respect and deference. They invite them to their weddings however Mehtab’s family does not attend and instead they send them gifts.

c. Household cash flows

Mehtab is not employed. Her husband is the only earning member of the family; he is government employee working as a banker at National Bank of Pakistan (NBP). He earns PKR 50,000 per month. They have land-holdings as well, however she did not disclose how many acres were owned.

d. Cash transfer history

Mehtab has never benefitted from any cash transfer scheme. She thinks it would be against her self-esteem (*khud-daari*) to do so and no one would respect her household if she did that. She said she does not need the money. She knows that women are getting BISP cash grants through mobile banking in the community. She thinks new modalities like this should be adopted so that women can easily access their cash grants.

CNIC details: Mehtab has a CNIC which she got made when she turned 19 years old. No one objected to her getting her CNIC made or getting her picture taken. She got an NIC made when she was 18 but next year she had it updated to a CNIC. When she was getting the NIC made her brother filled out the NADRA form and brought it to her house where she signed it and received her NIC after some time. She was in Peshawar when she got her CNIC made; her husband who is an NBP employee was posted in Peshawar at the time and she was living with him. She went to the NADRA office with her husband where she had her picture taken, signed some forms and received a token after which she received her CNIC in a month's time. Her CNIC has the same address as her place of residence in Qila Behram Khan. She thinks having a CNIC helps in opening a bank account, casting your vote and getting a passport made.

e. Mobile phone usage and literacy/aptitude

She owns a personal mobile phone but the SIM is on her husband's name. She knows how to use her phone; her husband taught her. She typically uses it to communicate with her relatives. It is only considered improper (*mayoob*) for an unmarried girl to use a phone in her kinship group; not for married women like her. She has only heard of *easypaisa* on TV but has never used it herself.

f. Saving Behaviour

Both Mehtab and her husband save money. Mehtab puts her savings in a committee with her relatives. She considers it safe because she is related to them so there is no risk of theft or fraud. Men keep their savings in the bank; the more money you keep the greater the profit (interest) you earn. There are no formalities when you keep money in a committee (because it is with relatives) whereas at the bank there are many forms that need to be filled out and procedures need to be followed. She thinks both ways are good and safe. There is no harm in saving; only benefits. She usually buys gold (jewellery) with her saved money.

If her husband got a windfall of PKR 10,000 from somewhere he would change his mobile phone with it at most. If he got PKR 100,000 he would spend it on his car. If Mehtab got PKR 10,000 she would give some of it in charity to a poor person and spend the rest on household items. If she got PKR 100,000 she would pay Zakat with it and if possible buy some more gold.

g. Knowledge of and experience with financial instruments

Mehtab has only used committees amongst informal financial instruments. She does not have money in any committee these days. She did not face any problems when she deposited her money in a committee. She knows about the 'hundi' system, banks, ATMs and Western Union. She has very limited knowledge about microfinance and has heard about it from her husband who is a bank manager. She does not know anyone who has taken microcredit loans though.

Mehtab had heard about banking on TV and from her husband at first. She recently opened her own account in Bank Alfalah but she has still not received her chequebook or an information letter from the bank. Opening the account was very easy, she said; her husband filled out the form for her, took her CNIC and she just had to sign the relevant papers. She did not even have to go to the bank to get her account opened. She thinks running a bank account is simple too; you just need to keep depositing money in the account regularly. She knows that account holders can avail the bank locker facility and ATMs. She is not using any of these facilities currently. She thinks the process was made easier because her husband is a banker and she might not have opened her own account if he did not guide her. She plans on using the bank to keep her savings whereas she will continue to rely on her husband to provide her cash for household expenses.

h. Attitude towards and perception of financial instruments

She thinks committees are an easy and safe method of savings; there are no formalities and it is kept with relatives whom you can trust. You can even withdraw money in one go in case of emergencies. Microfinance is for people belonging to the middle class in her opinion; she does not consider herself in that group. People from all classes can benefit from banks, according to her, but poor people often do not have any information about banks and how to access/avail them.

i. G2P impact on FIL

Mehtab has not benefitted from any government sponsored cash transfer scheme. She is already relatively financially included and literate as a result of her class position. Further, while she opened the bank very recently she intends to use it primarily for the purpose of depositing her savings.

j. Power linkages and impact on FIL

She opened her account with her husband’s permission. She relies on him in cases of emergency and then on their relatives/family members. Moreover she said she might not have been able to open her account if her husband did not already work in that bank and helped her with the process. Thus, as a result of her class position in general and her husband’s position as a bank employee in specific, she is relatively financially included and literate.

k. Gender/Mobility and FIL

Mehtab is not allowed to go shopping within the community. If she wants something from this market she writes it down and one of her domestic servants brings it for her. She only goes to her relatives’ house in the neighbourhood but even then she does not travel alone. She is only allowed to go to the city near their settlement, where there is a market. Mehtab goes to Abbottabad nearly every week with her husband and does her shopping there. It is 2 hours from their settlement. She said that women should have bank accounts so that they can save money for their children’s higher education and/or weddings.

5. In-depth Interview 2

a. Basic Information

| | |
|--|------------------|
| Name | Muntaha |
| Age | 47 |
| Gender | Female |
| Education | N/A |
| Caste | Margay (Mahigir) |
| Occupation | Domestic worker |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Mobile |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent’s household

Muntaha is a 47 year old illiterate woman who belongs to the Mahigir (Margay) kinship group. There are 12 individuals in her household and only 3 earning members. Her house is 15 minutes’ distance from the central marketplace. The rooms in the house are *pakka*: they were built by the Khan family. Muntaha’s family (along with 5-6 other Mahigir families) used to live in a nearby village previously but when they came here 8-9 years ago they requested the Khans to provide accommodation to them as the Khans are landlords over here. The women of these household went to the house of the Khan family and requested them for some help so he built these rooms for them- these women are also domestic workers in the Khans’ households. There are 2 rooms and no bathroom facility. They have been living here for 5 years. This house does not belong to them therefore they do not receive any mail at this address; instead all their mail goes to the post office. There are occasions when they have had to go hungry. The men in the household earn daily wages and so on days when they do not get work the household runs the risk of going hungry. Sometimes they have to take loans to feed the family. BISP cash transfers have helped in procuring household rations, according to Muntaha. Food is cooked twice a day in the household. They do not have their own land; they work on others’ land and earn wheat, rice etc. to store at home. They buy 2-3 kg of wheat and rice from the market other than that.

Muntaha is a domestic worker; she works all day and only comes home in the afternoon to cook food for her family before going out again to work till evening. She washes dishes and clothes, sweeps the floor etc. for people. She does not earn any money for this; she gets paid in kind. Muntaha belongs to the Mahigir (Margay) kinship group. She says the Khans treat them well and even help them out occasionally. She further said that they make them work at their weddings, festivals etc.

c. Household cash flows

Muntaha's husband, Ghulam Mehmood and their son Bakhtiar work as non-agricultural labourers earning PKR 200-250 each per day on daily wages. Muntaha is a domestic worker earning in kind (food etc.) and not cash.

d. Cash transfer history

CNIC details

Muntaha's husband had her CNIC made in 2009. The card was issued to her on 3rd March 2009; this was before her BISP form was filled out in the survey. It took one month to be made. Her husband told her from other people in the neighbourhood that a CNIC was necessary to become eligible for the BISP cash grant scheme and thus he told his wife to get hers made as well. No one objected to her getting a CNIC made or getting her picture taken.

BISP

Muntaha is a beneficiary of BISP and gets her cash transfers through the mobile banking service. She gets a message on her phone when her instalment arrives- which her young daughter reads- and then she goes and procures her payment from the post office. She had never gotten money from Pakistan Post before even though others in her community used to get it.

e. Mobile phone usage and literacy/aptitude

She has a mobile phone which she received from BISP and therefore the SIM is on her name too. She does not know how to use it though. Her daughter dials numbers and sends messages for her- she is slightly literate and can read messages etc. No one objects to her having a mobile phone. She does not know about the easypaisa facility.

f. Saving Behaviour

She said that one should save money but she has never thought about how to do it and which is the best way. She has never kept a committee nor does she know about other ways of saving. If she got a windfall of PKR 10,000 she would pay off her debts and save some money for her daughters' weddings. If she got PKR 100,000 she would have a house built for herself since the house they live in currently does not belong to them. She said if you have a house you can think about saving as well.

g. Knowledge of and experience with financial instruments

She has never used any informal financial instrument; she has never put money in a committee or used money transfer facilities. She has heard about banks but has never used one; she has never felt the need to open an account. She has never heard about it from her neighbours or visited the bank herself either. She does not even know about ATM cards.

h. Attitude towards and perception of financial instruments

In Muntaha's opinion banks are for rich people with a lot of money; poor people have no use for them. She has never used any committee or money transfer facilities. She constantly described her household as incredibly poor and incapable of saving much. Their illiteracy was also cited as a major obstacle. The meagre savings they carry out are used to purchase food rations when they run out or pay off outstanding debt.

i. G2P impact on FIL

Muntaha has not been financially included as a result of G2P transfers- she has not opened a bank account nor has she thought about it. Her financial literacy has not improved either. One of the strongest reasons for this, it appears, is that she gets her payment through the Pakistan Post modality even though she is a mobile banking beneficiary. When she receives a message from BISP that her payment is due she has it collected from the postman. Thus she does not have any exposure to banks. She owns a mobile phone for the first time as a result of the BISP but she does not know how to use it and her daughter mostly uses it on her behalf.

j. Power linkages and impact on FIL

Muntaha and other women from her kinship group are reliant on the Khan household for their income and look to them for financial assistance when the need arises. However, she does not need their permission to open a bank account. Women of this area do not usually operate independent bank accounts because of cultural constraints- Muntaha would require her husband's permission to do so as well. Muntaha is astute enough to recognise that if she had residential security she could divert her attention to better saving techniques; this is why she claims she will buy a house if given a windfall of PKR 100,000, arguing that one can start to think about saving if one has a house.

k. Gender/Mobility and FIL

She is allowed to go to the market but only with a child. She can visit relatives within the neighbourhood if she is alone.

6. Conclusions/FIL Outcomes

Mehtab is a relatively financially included and literate individual who is a non-beneficiary of any G2P cash transfer scheme. She belongs to the dominant kinship group in this community and as such is very wealthy. Moreover, she became financially included as a result of her husband's access to banks since he works as a government employee in a bank himself. Mehtab has used savings committees in the past and recently opened a bank account for the express purpose of depositing her savings. Mehtab's case reveals the ease of access to formal financial systems enjoyed by relatively wealthy individuals and dominant kinship groups.

Muntaha belongs to one of the weaker kinship groups of this locality. She is a BISP beneficiary and had her CNIC made in order to become eligible for the BISP cash grants. As a mobile banking beneficiary she also owns a mobile phone now for the first time in her life. However whenever she receives a message from BISP she collects her payments from the post office. Furthermore, she does not know how to use the mobile phone- she cannot read messages since she is illiterate. As a result of this lack of interaction with new technologies she does not appear to have gained in financial literacy. Her extreme poverty also prevents her from becoming financially included. One of the biggest constraints to this is her perceived residential insecurity- they have had to rely on the munificence of the land owning Khan family for their current residence. It was thus that she claimed that she could only start to think about saving, let alone banking, once they had their own house.

A2.15 Ghafoor Khan-Quetta-Balochistan

1. Basic Facts

| | |
|-------------------|---|
| Province | Balochistan |
| District | Quetta |
| G2P Modality | Debit Card |
| Tehsil/Taluka | Quetta |
| Union Council | Halqa-20 |
| Deh/Mouza | Pashtun Dara |
| Community | Ghafoor Khan |
| Researchers | Zafarullah Mengal, Yasmin Baloch, Parveen |
| Date of fieldwork | 12 th August 2012 |

2. Sampling and Fieldwork Conditions

This site was selected at random from the urban localities of Quetta after consulting with local informants about whether there were a sufficient number of BISP beneficiaries here. The community profile exercise was conducted in an open setting in front of a tea-shop in the Ghafoor Khan *mohalla*. The main respondents for the community profiling were: Abdul Samad (Barrech), Noor Ahmed (Khilji), Abdul Qayoom (Barrech) and Muhammad Imran (Durrani).

3. Community Profile (Outline of social landscape/power brokers etc.)

The Ghafoor Khan *mohalla* of Pashtun Dara has a total population of about 1,482 people with 247 households and around 750 registered voters. As it is located in the city there are *pakki* roads, however the public transport facilities are poor. There are no health facilities located in this area. There are no means of obtaining drinking water either and the locals are forced to buy it. There are taps in most households but no drinking water. There is a government owned boring (well) which has been dysfunctional for months. The drainage system is in shambles as well. There is one co-educational government primary school and one co-educational government middle school. In addition there is also a government high school for boys but none for girls. There is a private school in the locality which is attended by children from the powerful kinship groups. Sui gas is available to all households as well as electricity. Nearly each household has mobile phones too. There are 9 kinship groups living in this area: Baloch (30 households), Sindhi (15 hh), Punjabi (15 hh), Durrani (30 hh), Khilji (40 hh), Barrech (40 hh), Kakar (40 hh), Achakzai (20 hh) and Logari (17 hh).

a. Saving preferences

Most of the people in the *mohalla* are poor and cannot save due to inflation. It is far from possible for them to form committees to save money, as they often have to take loans. Were the respondents saving any money, they would prefer to keep it in banks as money remains safe there and can be withdrawn whenever it is necessary. The other way to save would be to form committees and/or have the money kept with the elders of the community. This method is not viewed as preferable as they think getting the money back on time would be hard and it is not easy to trust people. This would cause rifts which is not a good thing. If the money is kept at home, it would be spent and saving would not be possible.

There is no household in their *mohalla* which could save and invest the money in jewellery or cattle, because of which they could trust someone. The respondents view saving as very beneficial, as it would allow them to further their earnings by putting into use their traditional and domestic skills, like *kasheeda-kaari* (embroidery) and trade of other types of *dastkaari* (hand-embroidery). They think they can also immediately seek relief from illnesses and other emergencies if money was kept saved. They do not see any drawbacks to saving. Their *mohalla* does not have any households which save; however they think households consisting of people who do business, are employed at the

government or earning outside the country can afford to save. The respondents do not know why the rich do not save.

When probed what they would do if given PKR 10,000, they said a man would start a small business because in PKR 10,000, the affordable scale of business would be small. And from further earnings, he would expand the business, which would enable him to save. They find the method of saving in a bank to be secure. When asked what a man would do, if he were given PKR 100,000, it was answered that he would invest the money in a shop or buy a rickshaw on instalments. Through (driving) the rickshaw, he would be able to save and pay his instalments. If a woman were given PKR 10,000, they said she could buy a sewing machine, and through making use of her talents, she could generate income and save. She could sew, embroider, do other traditional work or sell designs in the market. If a woman were given PKR 100,000, she would buy some machines, cloths, strings and other necessary things to start up a business in the *kafeel tareeqa*. Not only this; she could employ other women to sew and do work to sell clothes in the market. Not only would this solve a woman's economic problems but also aid other households. And they could save significantly from this. Overall, they would prefer to save the money in banks. If a woman cannot go to the bank, she can save it at home. They would not trust other people with their money.

b. G2P modalities

Women in the respondents' *mohalla* have been receiving money through BISP since 2 years. However, since the last 6 months, a lot of households have not been receiving the money; only a few. Initially they received the money through the post but later they were told that they had to collect the money from the office of the Pashtunkhwa Milli Party. They would be charged PKR 100 for each instalment. A majority of households/people are not receiving the money because now only 6 households remain who have the BISP card and they collect the money through that. The only way through which they have been receiving the money is through the BISP card. The money is received either through the post or is collected from the Pashtunkhwa Milli Party office.

There is no bank located near their *mohalla*. And then the women of the area do not like to go to the market so going to the bank is not the preferable method. They are not familiar with banks or ATMs. They perceive the method of receiving money through the post to be the best because the postman is someone they are familiar with and the money is collected with ease. Because of the distance and the people's unfamiliarity with ATMs, the debit card modality is not preferred. They want a way in which the money is delivered to their doorsteps like telephone and electricity bills are. This would be considered better. The respondents were grateful to God that the floods of 2011 did not affect their area. Their elders often mention the earthquake of 1935 AD; that it was very destructive and most of the people were killed. Except the community's elders, most of the people do not remember this. There is no victim of the 2011 flood in their area, nor has any such victim migrated there, so they did not receive any Watan Card or Pakistan Card. Apart from the BISP there has been no cash transfer scheme in the area and they have never received any aid in the form of cash vouchers or food vouchers from either the government or any NGO.

c. Financial institutions/instruments

Never has any NGO attempted to make a microfinance group in their area and they do not know why. They do not have the facility of cash transfer via mobile phones and they think the provision of these services is necessary as it would be helpful. The people in the respondents' area do not keep commercial bank accounts but they do think there is a need to keep such accounts. Most people do not have the knowledge of how to open bank accounts or withdraw money from them. Most of the people are also unaware of what ATMs are, but some do know. There are no banking services present in the area; the nearest commercial bank branch is 6 km away.

d. Attitudes and perceptions

As this is an urban location we see that community members do not trust informal methods of saving such as purchase of cattle, keeping committees etc. Instead they declared a preference for keeping savings in banks as they are considered safe. However, most community members feel that saving is very difficult on their limited incomes and that banks are out of their reach since they are not rich. Respondents also preferred receiving cash transfer money through the post office- even though it is

not delivered to their household and a commission is charged- because there is no bank in their locality so they are forced to travel and wait in long lines at the banks which are 6 km from their settlement. Many people do not know how to use Debit Cards either.

e. Gender and FIL

Women are generally not allowed to travel alone to the market and they can visit relatives/neighbours in the neighbourhood if they have a child or someone else accompanying them. This is due to the cultural constraints of *pardah* and notions of honour.

4. In-depth Interview 1

a. Basic Information

| | |
|--|------------------|
| Name | Noor Bibi |
| Age | 42 |
| Gender | Female |
| Education | N/A |
| Caste | Barrech |
| Occupation | Sewing/stitching |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Debit Card |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent’s household

Noor Bibi is a 42 year old woman- belonging to the Barrech kinship group- who lives almost an hour away from the city centre. Her house is *katcha*, consists of 2 rooms and a latrine. Household assets include a bicycle, a TV, a tape player, a fan and a sewing machine. She has been living here for 16 years. The land her house is built on used to be owned by her father-in-law and he gave it to her husband. She considers the land to be secure as it is now under her husband’s name. She has never received any post/letter on this address though. In the last month, they went hungry 2-3 times. In the last year also they had to remain hungry on some days. The BISP cash transfers made a difference to their lives/household as they bought a month’s ration with it. The postman charged them PKR 100 (for the delivery of the money). Food is cooked once a day. They buy wheat, rice and other things from the *mohalla* shop. They buy wheat and rice from the shopkeeper/market and therefore save nothing (at home). Other kinship groups besides Noor Bibis’ live in her area; most of the people belong to weak kinship groups but the Kaakarh kinship group is powerful. Noor Bibi’s kinship group and Kaakarh kinship group behave well towards each other. There is a sense of community in the area and they all participate in each other’s times of joy and sorrow. In case of emergency, Noor Bibi trusts her brother who, in times of illness, aids her monetarily and gets her medicine. After her mother, her brother takes care of her and helps her financially.

c. Household cash flows

Noor Bibi’s husband works as a casual labourer on daily wages, earning about PKR 100 per day. Noor Bibi has been associated with the profession of embroidery (*kasheed kaari*) for 11 years now, and she earns PKR 500 per month through this work. Till 5 years after her marriage, she could not do any labour work or embroidery because her mother was alive and helped her monetarily. So, after her death, she has been doing labour work to meet their basic needs. She cannot do domestic work for other people on payment; “*hamaray haan aurten doosron kai gharon main ja kar kaam naheen kartein*”. She finds her *kasheedakaari*/embroidery work to be secure as she takes on the work from other people herself. Her household is under no debt.

d. Cash transfer history

CNIC Details: Noor Bibi has had a computerized ID card for 5 years. She faced no difficulty in getting it made as their mohalla is under a political party's patronage and the people from NADRA came to this area themselves. She got her CNIC made in 2008. Her husband said it would be good if they got their CNICs made as it would enable them to vote and also receive aid through BISP. She had permission to get her picture taken. Before this, she did not have an ID card. The address on her CNIC corresponds with her actual residential address. Noor Bibi thinks there is a benefit to getting an ID card made as through it, one gains an identity.

BISP: Noor Bibi has obtained cash transfers through BISP and now she receives it through the Benazir Debit Card. She first received a cash transfer 2 years ago and used to regularly get BISP payment through the post office but now she has a Debit Card. She received the Debit Card from the post office; the post is not delivered to her current address and they go to the post office with an elder of the area. She thinks no one would object to the coming and going of the postman in their area. No one from her clan or community objects to receiving money through a bank or mobile phone banking. Before receiving the money through Debit Card, she used to receive it through the Pakistan Post. She has information about these two ways. Other people used to receive the money through Pakistan Post and now they have not been receiving this money for a year. Since she does not know how to use the Debit Card, nor does her husband, they usually ask the watchman or guard for assistance in withdrawing the money. She thinks collecting money through Debit Cards is easy but it costs one PKR 200-300 to go there. Before this, they never used the post office for anything else. Earlier we had no ATM card nor did we know its function. She has never gotten any other form of financial assistance through food or cash vouchers etc. Noor Bibi said her husband decides how the cash grant money is spent; he is the head of the family but he takes her opinion too.

e. Mobile phone usage and literacy/aptitude

Noor Bibi does not own a mobile phone; however, her husband does. She does not know how to use a mobile phone; she can neither call someone nor message them. She only talks to her *paikay walay* (family) and for that, her husband dials the number. People of her kinship group object to a woman's use of mobile phone. She does not know anything about easypaisa and had never heard of it prior to this interview.

f. Saving Behaviour

Noor Bibi claimed nothing is saved; all of the household income is spent on domestic expenses. She said she will save in the future if their income is enhanced because saving is necessary. She had seen people who save through the saving committees. She said that banks and saving committees are both secure ways of saving. She said that saving has many advantages; one can fulfil many needs through it and one can be spared the trouble of asking someone else for money in times of need. There is no harm in saving but we are unable to do any saving, she said. When probed about what she would do if she received a windfall of PKR 10,000 Noor Bibi said she would fulfil their domestic needs with it (household rations etc.) and would spend the rest on her child's education as well as buy some clothes etc. with it. If she got PKR 100,000 she would jointly initiate a small business with her husband.

g. Knowledge of and experience with financial instruments

Noor Bibi has not used a savings committee or any other saving method as such. There is no saving being done by her currently either; even though she feels that saving has many advantages but she cannot save because of her lower income. She has never used money transfer services to send or receive money. She does not know anything about the microfinance services and heard about it for the first time from our team- that they help poor people to start their own small businesses. Though I am a part of the poor people but no microfinance team has ever visited our area, she said. She does not have enough information about banking either; she just knows that banks exist. We have never opened a bank account nor have we ever attempted to do so, she said. She does not know anyone with a bank account either.

She said she does not know whether it is easy or difficult to operate a bank account because she has no experience operating one or enough money to open a bank account. Nonetheless she said that having a bank account is a good thing because it is a good way to save money.

h. Attitude towards and perception of financial instruments

Nor Bibi knows about the Debit Card because she has received one and gets her BISP payments through it. She thinks this method is preferable because it saves time and she gets her money easily too. She said that after you understand how to operate the card it is an easy process. In her view, mostly the rich people take advantage of banks because they have money and they keep their money in the bank.

i. G2P impact on FIL

Noor Bibi does not engage in saving through formal or informal means- she is very poor, the household income is very low and they even face food insecurity very often. As a BISP beneficiary she got the chance to interact with banking systems for the first time, since she obtains her payments through the Benazir Debit Card; she used to get payments from the post office previously. While she does not use the Debit Card herself, she did not complain about the Debit Card modality and said that this technique was easy once you learn the ropes. Her approval of this modality might be due to lesser waiting time at the bank as opposed to at the post office/Pashtunkhwa office, nonetheless she did mention that it is costly as the travel fare for a return trip is PKR,200-300. Thus, it can be observed that she adapted very well to a change in modalities and gained confidence about her ability to access the bank.

j. Power linkages and impact on FIL

Noor Bibi would need her husband’s permission to open a bank account because consultation between husband and wife is needed for decision making in the household but she said she could not open an account because they are unable to save any money. If I open an account I will need to rely on my husband to accompany me and open the account and get information from other people, she said.

k. Gender/Mobility and FIL

Noor Bibi’s husband and in-laws do not allow her to go the market/*bazaar* because that is not the norm/tradition in their family. Whenever she goes to her parents’ house, she goes to the market with her sister from there but that too, in a market that is close to her home. In her *mohalla*, she goes around for *mohalla-daari*, weddings and commiseration. Noor Bibi said that women should have bank accounts but they should also have enough money to operate the bank account so that they can save and fulfil their needs.

5. In-depth Interview 2

a. Basic Information

| | |
|--|-----------------|
| Name | Zarghoona |
| Age | 32 |
| Gender | Female |
| Education | N/A |
| Caste | Logari (Gulzai) |
| Occupation | N/A |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Pakistan Post |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent's household

Zarghoona Bibi is a 32 year old, illiterate woman belonging to the Logari (Gulzai) kinship group. There are 6 people in her household; Zarghoona, her husband and their 4 children. Her house is located at 1 hour's distance from the city centre. This house is *pakka*; it has 1 room and 1 toilet. They have been living in this house for the last 18 years. The house is owned by Zarghoona's father-in-law. She has never received any letter on this address.

There was not a single day in the previous month when her household went without food. Similarly they have never gone hungry on any day in the last year. As their income is very little they hardly fulfil their basic needs. Food is cooked once a day in the household. They purchase wheat, rice, flour etc. from a nearby shop as they had no land.

People belonging to different communities live in this area. The most powerful kinship group in this area is the Kakar one, who are economically strong but have a good attitude towards other people. They had good relations with her community. They participate in social gatherings like marriages and deaths. They come forward on times of crises. In case of an emergency her father-in-law, brother-in-law and her brothers come forward to help with money. They help to spare them from asking someone else.

c. Household cash flows

Zarghoona's husband does casual labour on daily wages. He was doing the same work earlier too. She did not have permission to work outside the house as they had no custom, of women working, in their family. Only her husband works on daily wages and it is an insecure job as he finds work on some days and does not on others. They do not have any household debt.

d. Cash transfer history

CNIC details: Zarghoona faced no difficulty in getting her CNIC which was issued on 14/03/2011 to her. She had her CNIC made in order to vote and to get the BISP money. No one objected to her photo being taken for the CNIC. She had an NIC earlier too and its form was filled by her husband. She was accompanied by her husband to the NADRA office for the CNIC which was at an hour's distance from their house.

They went there by rickshaw and got the CNIC after 1 month. The CNIC had the same residential address of mohalla Kulli Malali, Haji Nabi road, Quetta. By having a CNIC she can vote and it gives her an identity, she said. Besides that she also gets BISP money through this card.

BISP: Zarghoona has been getting cash transfers from BISP through the Pakistan Post. She received her first instalment 1 year ago. Although no one had any objection to the postman coming to their house, he did not deliver these payments at their doorstep. She said the change that happened as a result of the BISP cash transfers was that now she goes to the post office and that change occurred with the cooperation of her husband. No one in the family had any objection to this. She does not know any other methods of cash transfer. She knows a few other people who get their money from the post office as well.

She said she faces difficulty through this modality because of over-crowding at the post office. A lot of time is wasted and because of the distance she has to pay fare as well. She had heard that some people were getting money through the (debit) card and heard that this method was easy and there was no over-crowding. She has never received money by any other way prior to this. She has never used an ATM card; only heard about it from other people. She said that she spends the BISP cash grants after consultation with her husband. The amount fulfils very few needs, according to her.

e. Mobile phone usage and literacy/aptitude

She had no mobile phone and no SIM registered on her name. Her husband owns a mobile phone. She does not know how to use the mobile phone for calling or text messaging. Her husband dials the number whenever she has to talk to her parents. Her in-laws object to her possessing a mobile phone

so she does not have one. She has never heard of easypaisa and heard about it for the first time from our team. She has never used this service before.

f. Saving Behaviour

Zarghoona said they mostly cannot save. If they do manage to save a small amount it is kept with the head of the family. She has never used a saving committee. She considers banks to be safe as money is safe there. She does not consider keeping money at home safe as it usually gets spent. She said there were advantages to saving but she cannot do any saving because of their limited income. There is no harm in saving because the money can be utilized in case of need.

According to Zarghoona if a man got a windfall of PKR 10,000 he would start a fruit and vegetable vending business on a hand-pushed cart (*rerhi*) and will meet households expenses through that in this time of price hike (*mehngai*). If a man got PKR 100,000 he could fulfil the households needs of his family, initiate a good business, and spend the returns on his children's education besides other expenditures. When probed about what she would do with PKR 10,000 she said she would spend it on her children's education and medical treatment. If she got PKR 100,000 she would spend the money on a business in consultation with her husband and other family members.

g. Knowledge of and experience with financial instruments

Zarghoona has never used a savings committee. Being a woman she considers saving to be a good thing but said that she cannot do it. She has never sent or received money through money transfer facilities. She has never heard about microfinance banking or microcredit loans. She knew what a bank was; she had heard about it from her husband, neighbours and her sister-in-law. Her husband operates a bank account. She has never tried to open a bank account. Her brother-in-law draws money from the bank but she does not know in detail whether opening an account is easy or difficult. Those who had bank accounts would know better. She thinks that having a bank account is a good thing because it helps one to save money, and banks are a safe place to keep money.

h. Attitude towards and perception of financial instruments

She did not know what kinds of people are served by microfinance institutes. Banks are useful for rich people and they take advantage of it because they have money.

i. G2P impact on FIL

Zarghoona does not get the opportunity to save much because of the low household income. If she manages to save money, it is kept in the custody of her husband. She is not allowed to work outside the house. As a BISP beneficiary, she has been getting her payments through the Pakistan Post. She does not appear to have gained in financial literacy at all and is not aware of most formal and informal financial instruments. Nor does she have a bank account. Nonetheless the change that has taken place as a result of G2P transfers is that she gets to leave the house in order to collect her payments from the post office/Pashtunkhwa office. She also had her CNIC made and picture taken in order to obtain the BISP payments.

j. Power linkages and impact on FIL

She would need her husband and father-in-law's permission to open a bank account because of their family traditions and the cultural traditions of the area. To open a bank account she will have to rely on her husband's help.

k. Gender/Mobility and FIL

Women of this locality are not allowed to go to the market. Zarghoona's father-in-law brings the required items from the market. The women follow family traditions and do not go out of the house. She is only allowed to visit the neighbourhood but she must be accompanied by another woman or a child.

6. Conclusions/FIL Outcomes

Noor Bibi has been getting BISP payments for 2 years now. She used to get these payments from the post office at first but now she has a Benazir Debit Card. This was the first time she interacted with the banking system. While she did not become financially included or literate (she does not withdraw Debit Card payments herself) as a result of G2P transfers to her, she did gain in confidence. She claimed that the Debit Card modality was more convenient since she did not have to wait in long lines as she had to at the post office. Because of her poverty, she cannot engage in savings and even faces food scarcity occasionally. Furthermore she would need her husband's permission and help to open a bank account, which would most likely not be forthcoming considering the predominant cultural tradition in the area. Nonetheless, her only complaint about the Debit Card modality was the cost of travel associated with it. Given the situation whereby an overwhelming majority of beneficiaries complained extensively about their payment modalities, her case appears very promising and implies that she generally had a positive view of the banking system as a result of her experience with it.

Zarghoona had her CNIC made in order to become eligible for the BISP cash grant scheme. She faces slightly greater mobility restrictions compared to Noor Bibi. However after becoming a BISP beneficiary she has experienced a marginal improvement in this condition- she now regularly visits the post office to obtain her BISP payments. She still does not have any experience with banks or ATMs. She complained that she has to wait in long lines at the post office and has to pay for the travel fare. Thus she did not become financially included following the G2P transfers and due to her payment modality (i.e. Pakistan Post) she did not gain in financial literacy either. However she experienced a marginal improvement in her mobility and this could potentially have an impact on other aspects of her life.

A2.16 Essa Khan Brohi-Jafferabad-Balochistan

1. Basic Facts

| | |
|--------------------------|---|
| Province | Balochistan |
| District | Jafferabad |
| G2P Modality | CDCP-I |
| Tehsil/Taluka | Jhatpat |
| Union Council | Nasirabad |
| Deh/Mouza | Nasirabad |
| Community | Essa Khan Brohi (Khiyazai) |
| Researchers | Abbas Soomro, Abid Memon, Hussain Bux Mallah, Sadaf Shah, Saeeda Gopang |
| Date of fieldwork | 13 th July 2012 |

2. Sampling and Fieldwork Conditions

The community interaction was held in an AusAid and UNICEF funded “transitional schooling” site which was constructed and has been operational since 6 months ago. The school was made of tin and shaped like a container. There was a separate toilet for the school. The school was at a height of five feet. There is no lighting or furniture in the school. On our arrival around 20 old women and 30 men gathered around us and inquired regarding their grievances with BISP cash transfers and Watan Card instalments. Out of the crowd only 10 persons were interested in sharing information regarding the community and around 4 persons from different caste and kinship groups actively responded and mentioned one man Haji Muhammad CDCP-1 who was a beneficiary/account holder in the village. Haji Muhammad was a government employee and from among the well off families in the village. The village community also mentioned regarding a poor widow woman CDCP-I beneficiary and both man and woman were selected for in depth case studies.

3. Community Profile (Outline of social landscape/power brokers etc.)

The village Essa Khan Brohi was around 4.5 km away from Jhatpat Tehsil/district headquarter. There was a canal at 1 km distance in the west of the village which was believed to be the dividing line between the peri-urban area and the rural village of Essa Khan Brohi. The estimated number of households was 90, total population was 800 and total number of registered votes was 300. The village was connected with the main Jacobabad-Quetta road by a shingled road with a bridge on the canal. The village comprised of 3 different ethnic groups: Brahavi (Khiyazai) 70 households, Bhangar (Sindhi Jamot) 10 households and Rind (Jatoi Baroch) 8 households. Fateh Muhammad Mohmand Hassani, Umar Daraz Bhangar and Sardar Yar Muhammad Rind were the tribal heads of those community groups. The head of the village Essa Khan Brohi was the main actor involved in solving minor disputes locally.

The village was 80 years old and the Brohis had migrated there first. The Brohis had migrated from Chatan Patti area in the same vicinity where they were doing *Rahaki* (sharecropping) on the agricultural lands of powerful tribes like the Khosa and Jamali. The landlords had evicted them forcibly therefore they chose that unoccupied place to live. Bhangars were late comers and only one family came there 20 years ago and requested the head of the village for a residential plot. They were landless and poor but later one person got a government job in the revenue department as a peon and became well off.

There was a minor dispute between the Rinds and Brohis over the naming of the Rind *para* as a new village. The Rinds had fixed their own village name board after the 2010 floods and the Brohis had an objection to it but the dispute was resolved locally.

A small number (17) of households owned agricultural lands. The participants of the community groups discussion were not sure about their residential land ownership status and most of them were of the view that they were living on landlord Essa Khan’s (head of the village) and Hayat Khan’s land

but stated that no one could evict them forcibly. Casual labour plus livestock rearing were the main sources of income generation. The participants labelled the rich households as “*goshit wara*” those who could afford meat as part of their meals. The households with agricultural land and with government jobs were perceived to be rich compared to the majority who were dependent on casual labour.

There was no public transport to access the city but privately hired rickshaws & tractors were the only transportation source. Most of the people preferred to walk to reach Jhat Pat Township and could reach within half an hour. The village was electrified in 2009 but floods of 2010 had damaged it and the government had restructured the power supply by 2011. The government had allocated a water supply scheme but most of the households were not equipped with tap water. The boys’ school was constructed during Zafurrallah Jamali’s government but it was damaged during the floods. AusAid in collaboration with UNICEF constructed a girls’ school in 2011. A large number of households were using the fields for defecation and a few were facilitated with in-house toilets by the Balochistan Rural Support Programme (BRSP) after the floods. Wheat and fodder were the only crops in the village and the average wheat product per acre was 25 *maunds*. There was no health facility inside the village and Lady Health Workers (LHWs) came from the city. There was no gas facility in the village and wood and cattle’s dung were being used as fuel for cooking. Around 30 households out of 90 had cell phones.

The people of the village always voted for the Jamali tribe (Changez Khan Jamali) who was affiliated with the Pakistan Peoples Party.

a. Saving preferences

The participants of the community group discussion were very clear regarding saving preferences and they divided the community along gender and occupational levels. The households which could afford meat, households with government employment, with agricultural land, with tractors were able to save and the households depending on casual or agricultural labour were not able to save even for hard times: “We felt the importance of saving/hard cash while faced with the flood disaster”. A large number of households at the time of the flood were without hard cash and they could not arrange food, medicines and urgent transportation expenses. Some people who had hard cash were able to shift their “*Baar*” women and children and even their cattle to safe places by hiring trucks etc and others had to walk through the deluges and took weeks to reach safer places. “Saving is a good thing for hard times but it is impossible for casual labourers to afford food expenses of 10 members in a household” said the participants.

The respondents told us that they were well aware that the rich households (15-20) with government employment, agricultural land, large numbers of cattle and tractors were the ones who often had hard cash at home or in their pockets even. They also lend money to the poor in case of any emergency and get back that amount on promised dates. The borrowers often return money on due dates otherwise they would be liable to a bad reputation and will miss the chance to borrow money in emergencies. In most cases the lenders felt safe to see their hard cash as savings in others’ hands because it was returnable at a scheduled time. People respect the person who has the capability to save money and label him as “*Changoon*” (good man) but a person who refused to lend money and help a needy person was labelled by the community as “*Kanjoos*” (miser) and “*Sood Khor*” (profit maker).

It was a common trend in the village that if someone amongst the poor had a chance to save money he/she would prefer to buy goats. People of the village were very familiar with good and bad “*Nasal*” (gene) of animal and were well-versed in how to rear and make those animals more productive. People purchase goats from the city “*Piri*” animal selling points. There was no BC/VC saving schemes in the village; some persons in government jobs had VCs in their offices but the respondents were not sure about VC patterns etc.

While asked a direct question regarding a windfall of an amount PKR 10,000 to a man, people said that men will invest to improve the quality and quantity of their daily food and will stock some wheat grain for 10-15 days. The man will consume all of the PKR 10,000 within a day. And the woman will use PKR 10,000 not much differently and will focus on daily food quality, purchase utensils and cloths

for children and will consume all the money at least within a week. Regarding a windfall of PKR 100,000, the participants of the community group discussion were astonished and told us that a man would invest in a “*Karobar*” (business) relevant to men’s specific work such as rickshaws, *rerhi* (donkey cart) for public and goods transportation and most often cattle which would be reared jointly by all family members. And a woman will invest the hard cash of PKR 100,000 in women specific “*Nafay waro Karobar*” (profiting businesses) such as cattle, tailoring machine, embroidery, grocery shop inside home etc. Both man and woman will invest around PKR 10,000-15,000 on food items and clothes and keep some hard cash less than PKR 20,000 for hard time.

b. G2P modalities

“Third “*Roza*” of Ramzan and 14 August 2010 (Pakistan Day) 10 AM brought “*qayama*” for us” said the respondents. The powerful politicians and tribal heads wanted to protect Ronjhan Jamali area from the flood therefore they breached Sim Shakh Jacobabad to flood Jhat Pat and its vicinities. God avenged and inundated Ronjhan Jamali too. There was no early warning therefore there was very little time to run away. A majority of households lost each and every thing and fled away and saved children and women only. Some households which had hard cash, hired trucks and saved home use items and reached “*Jabal/dasht*” of Quetta and those who could not afford went to various places and hills near Dera Murad Jamali. The fare of one truck to reach Quetta was not less than PKR 80,000. The Brohi respondents told us that they used their tractors to reach Quatta and did not join any camp. The village was under 9 feet of water for many days. Many households returned and stayed in camps in Jhat Pat after Oct 2010 while flood water receded up to 3 feet in the village. A few *pakka* structures remained partly safe and a majority of *katcha* structures were fully damaged and deluged in the flood. In January 2011 almost all people came back to the village.

From Oct 2010 the government announced that people who had CNICs will be given money for rations and damages through a card called “Watan Card”. Initially the people were told that the powerful “*Sardars*” (tribal heads) and politicians will distribute the Cards among their tenants and relatives but later people came to know that a Card office (NADRA) and “Bank” will issue cards first and then money to male heads of households with CNICs. At that time a majority of married men had no new identity cards so people of the village rushed towards the “Card Office” also called NADRA. There was only one office in Jhat Pat. The government posted *patwaris* to identify applicants by their residential “*deh*” and a *patwari* was responsible for issuing a “*parchi*” or token to each applicant. *Patwaris* were getting bribes of PKR 5,000 from each person and another person “agent” at the NADRA office was getting PKR 8,000 for issuance of the card. The beneficiary respondents told us that they could get PKR 8,000-10,000 out of the PKR 20,000 allocated amount. A very small number of people who had personal relations with government officers had paid amounts lesser than PKR 8,000. People were compelled to pay bribes otherwise the authorities like *Patwaris* and agents had many reasons not to issue card and money. The beneficiaries who were already mobile for example truck or van drivers got money without PKR 200-300 deductions from Bank ATMs from different cities like Sukhur and Jacobabad and the beneficiaries who were government employees with bank accounts could draw money themselves from ATMs. Out of 90 households only 45 men and 2-3 widows could get the first instalment of the Watan Card during the months of Dec 2010 to March 2011. Around half of the married couples could not get Watan Card money because they had no CNICs and due to some other reasons.

The Watan Card beneficiaries of the village were not satisfied with the amount because the amount which they received after paying a bribe was very small compared to their losses of cattle, groceries etc during the flood of 2010. All beneficiaries were eagerly waiting for the second instalment as they were aware that in Sindh province the flood affected had received 3 instalments.

Other than Watan Card there were 20 BISP cash grant beneficiaries who were getting money from the post office and recently 10 out of 20 women were getting BISP cash transfer through the “Debit Card”. The Poverty Score Card (PSC) survey called “*Mardamshumari*” was held during 2011.

c. Financial institutions/instruments

There were 4 commercial bank offices: UBL (with ATM), National Bank Pakistan, Zaraee Bank and four branches of Khushali Bank in Jhat Pat which was 4 km away from the village. The Watan Card

holders were linked with NADRA office and UBL Bank and its ATM, the government employees had accounts in National Bank and some landlords of the village had got loans from Zaraee Bank. People were aware that Khushali Bank was also providing small loans but no one from the village or from bank officials had contacted any person from the village. During the period of the issuance of Watan Cards most of the households were not resettled in the village but displaced in camps and various private spaces and they were using different modes of transport to reach the offices. People who were resettled on the bank of a canal near the village used to go to the bank and other offices by walking because the village was not accessible by any vehicle etc. The participants of the community group discussion- a majority of poor people- also mentioned that it was the first time in their lives they had interacted with government officials, NADRA and banks. Most of the married women were keen to get their CNIC only to receive BISP cash grants so they needed to visit the *Daak Khana* (Post Office) and NADRA offices. Women of the village who were not BISP active beneficiary also were visiting the BISP office/NADRA office/bank frequently to find out regarding their non-payment issues. The Debit Card beneficiaries were also frequently visiting UBL to get their money and to get information regarding their next instalments. No women, even Debit Card beneficiaries, were reported to be users of ATMs but the agents or bank staff usually supported them in withdrawing cash. People knew about easypaisa but were not sure that any one from the village had used the easypaisa facility. People were not aware regarding Omni or any other money transfer facility in Jhat Pat.

d. Attitudes and perceptions

A large number of men and women gathered around us and wanted to solve their grievances with G2P modalities such as Watan Card's second instalment, why widow women could not get Watan Cards, why all married women could not get BISP cash grants, why women with Debit Card were not getting money regularly etc. People from all three community groups and even from adjacent villages gathered there and wanted to solve their issues through us. Men and women were providing us the numbers of their PSC forms to know their "Payment Detail" status. While we told people that we had no powers to solve their issues but we were there to interact with particular CDCP beneficiaries then they went off and a few (around 6 to 10) people continued to answer our questions.

People had a perception that households with a person employed in a government department, holding land and with business were able afford meat in their meals and were able to save hard cash too. The respondents told us that the educated persons of the village had easy or free access to government offices like Post Office, NADRA and banks while uneducated "*Jahil*" (illiterate) "*Tagari Mazdoor*" with ugly clothes were not allowed to enter government offices and banks.

e. Gender and FIL

The respondents told us that a person with savings of above PKR 100,000 could keep money in banks and for opening an account one needed to submit an application and needed to deposit money in the bank. The bank will later issue a cheque book by which a person can draw money during office timings only. For educated persons it was easy to access and use Watan Card but others were compelled to pay around half of the money of the first Watan Card instalment to government officials and agents. A majority of young people who were working in the township as wage labourers were aware of how to use cell phones and messaging services. A majority of men in the village had interacted with government offices for the first time after the 2010 flood. Many people of the village know how to open an account in a bank but they had no extra money to deposit in the bank. People preferred to use whatever they save in purchasing goats and buffalos etc. and keep some hard cash at home in the custody of women. The participants of the community group discussion were excited to share regarding the tribal traditional norms of their ethnic groups. The head of the village told us that some years ago it was a common trend to kill both alleged "*Karo and Kari*" with the consent of both the families' or caste groups' related to the man and the woman. There was no system of complaint registration with the government but now this trend has been changed and "even" women were ready to lodge complaint against their husbands. "Now this world is of women" said the participants and after "Benazir's Scheme" it was not possible for them to restrict their women to go to the city. Brohi and Rind women were not using mobile phones but some women of Bhangar Jamot family were skilled in using mobile phones.

The community leaders told us that widow women were not barred to access BISP office alone but young married women needed to be in “*pardah*” and accompanied with their men. Some households allowed their women to go in groups to Jhat Pat to access CNIC, bank and BISP offices. Majority of the community discussion participants were not happy with the change in tribal traditional practices in which women were not allowed to interact with stranger men.

4. In-depth Interview 1

a. Basic Information

| | |
|--|------------------------------|
| Name | Haji Muhammad |
| Age | 48 |
| Gender | Male |
| Education | M.A, M.Ed |
| Caste | Brohi (Khiyazai) |
| Occupation | Teacher |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | CDCP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Watan Card |
| Bank Account (Y/N) | Y |
| Bank Name | Habib Bank and National Bank |

b. Socio-economic position of respondent/respondent’s household

The interview was conducted in an open space adjacent to the respondent’s house. A number of men and women gathered there with their grievances with BISP and CDCP but most of them were diverted by our team members conducting community profile in the school building. The respondent was keen to leave for Jumma prayer so he was in a hurry and tried to respond to our questions in short.

Haji Muhammad Brohi, 56, was residing in village Essa Khan Brohi in Tehsil Jhat Pat District Jafferabad. He was a government school teacher (grade 18) and passed Masters in Education. His household assets included 1 tractor, 2 wagons, a TV with dish antenna, a washing machine, 1 shot gun, 1 pistol, 4 goats and he owned 4-5 acres of agricultural land. His house was electrified since 2009. His household comprised of 6 members including his wife, 1 daughter and 3 sons. All children were educated; the daughter was in college and one son had completed his graduation and the second was learning computer. His last son was handicapped.

Haji’s house had 2 *pakka* rooms, with a *katcha* toilet inside and his house was located in the centre of the village. This village is 80 years old and he was born there. His family was very poor before his government employment and his father was a tenant with the Jamali landlord of Chatan Patti area who had evicted his family from the land. He further added that the landlords were very violent with his parents.

His house was made on the land purchased by his extended family in 1975. No single person was assumed to be owner of the village land therefore there was no question of any forced eviction of any one. “All people are poor and are not *Vadera* or *Jagirdar* and forced eviction takes place in the village owned by Khosa and Jamali landlords” Haji told us. Khosa and Jamalis were believed to be the powerful “*qoums*” (castes) or tribe but they had good relations with the poor Brohi *biraderi*. The village head Essa Khan Brohi usually solved local level disputes and medium level disputes were tackled by the Jamalis and high level disputes were often solved by Sardar Fateh Muhomand Hassani (head of Brahvi tribe). Last time a problem of electricity transformer maintenance was solved by Naeem Khosa (having affiliation with the PPP).

Haji had never used his home or village as a postal address but always preferred to use his school in Suhabat Khan Dera Allah Yar for any type of correspondence. People of the village who used the village name as their postal address always faced problems because postman always avoided visiting villages to deliver posts or delayed in delivering posts.

c. Household cash flows

Haji Muhammad Brohi was employed as a primary school teacher on contract for 3 years in 1984 and confirmed in 1987. In 1989 he had completed his graduation and was promoted as a Junior School Teacher (JST) and after completion of a Masters in Education in 2009 he was awarded Grade 18. Haji was the only breadwinner of the household and his sons were helping him in his businesses. His monthly salary was PKR 50,000; he was earning around PKR 40,000 and PKR 20,000 from agricultural land and wagons per annum respectively as well. He owned 1 tractor which he used for the tilling and leveling of his land. He told the team that his family was not indebted to any person or bank. There was a shop in Dera Allahyar from which he usually borrowed fertilizers on minimum interest. That shop was owned by one of his ex-students.

Haji told us that he often procured 50 *maunds* of wheat grain which could be consumed for 8 months of each year. And because of his regular monthly salary none of his household member had ever gone hungry.

d. Cash transfer history

CNIC details: Haji got his first NIC during late 1970's while he was in his twenties. He could not remember the NIC making process but told us that he went alone to an office in Dera Allahyar. The NIC had his village's address. "The NIC was a very important document to get employment in any government department" he added. In Musharaff's time the government introduced the computerized card scheme. Haji went to the NADRA office in Dera Allahyar where he paid PKR 200 for a token to enter the office. His old NIC details, thumb and finger impression, and picture was taken in the same office. He was given a paper for certification from a known government officer. He submitted that form after a day or two and he was asked to collect his CNIC after 40 days. "The CNIC gave us an identity", "helped us in getting employment", "helped us in getting passport" and "it was a fact that without the CNIC it was not possible for me to get Watan Card's money" Haji said.

BISP: Haji used to get his monthly salaries and other allowances from the treasury office directly but after 2004 his salaries etc were transferred to the National Bank of Pakistan. Later in 2009 he opened his personal account in UBL at Dera Allahyar; then all his official transactions were transferred from NBP to UBL. No one from his household was BISP's active beneficiary. He was a beneficiary of the Watan Card issued after the 2010 floods and received one instalment of PKR 20,000 in Oct 2010. Haji told us details regarding the floods of 2010 and cash transfer by the Pakistan government. Floods deluged his village on 14th August 2010. He was busy in preparation for 14th August celebrations in his school when he was intimated regarding the flood. He came to his village on the evening of 13th August and put all family members and some close relatives in his wagon, Datsun, and tractor and moved to an area called Dashat in Quetta. A number of households from his village went to that area and lived with Mengal and Bugti communities who were known to them earlier. His family stayed there and spent Ramzan Eid there and came back to visit his village some days before Bakra Eid but his village was under flood water. During that time he had called one of his students to shift his family to a safe place. His student helped him and arranged a stay in a school in Mengal Kot near Dera Murad Jamali. His family spent 15 days in that school and during this time he was informed that the government had announced to compensate all rich and poor families affected by the floods. He accessed the place called Gymkhana where the government officials had held a camp to scrutinise the applications and where Watan Cards were being processed. Haji could not dare to stay in a long queue for a whole day so he came back home and started to find an easy way out to get the Card. He called one of his ex-students again whose father was deputed on distribution of cards. On the second day Haji was given a "token" which he produced before the Watan Card distribution officer. His CNIC was verified along with his finger prints and after that process a card was given to him along with a secret password. He was told that his card will be activated after 48 hours and he could draw money from UBL's ATM. After 2 days he handed over that card to his older son Amjad for him to draw the money. Haji said that he had not learned how to operate an ATM but his son knew how to do so. Haji had seen UBL's ATM card before but he had never used it. His son got PKR 20,000 in one go and deducted PKR 3,000 and paid PKR 17,000 to his father. Haji said that he consumed all the money in purchasing staple food items. Haji told us that other than 1 instalment of the Watan Card money he had not gotten any financial assistance or cash grant from any NGO or government.

e. Mobile phone usage and literacy/aptitude

Haji told us he was using a mobile phone since 2007 and his son Amjad learned how to use the phone and to operate the SIM etc. first. He had three SIMs in use and registered on his name. He had only one phone set in his household. He learned from his son how to dial and attend any call but he could not use the messaging service at all. His son was well-versed in using the mobile set. Haji did not know about money transfer through easypaisa but a month ago he was told by a shopkeeper (who had the easypaisa facility in his shop) that he could deposit his bills by his phone too. The shop owner had operated his phone and deposited PKR 2,810 for his electricity bill. “We are Baloch, we never allow women to use phones” replied Haji.

f. Saving Behaviour

Haji told us that he usually saved PKR 10,000-15,000 from his salary and expanded all amounts in months he earned from land products and transport businesses. He had saved his money in his current bank account at UBL. “Every one should save money for hard times and people are well aware about hard times” he expressed. He told us that the bank was a safer place to save money than other informal instruments. “No one knows how much and where money is saved, even my sons and wife do not know about the amount of saved money because it is in the bank and not in the pocket” he added. Haji did not use his savings to purchase cattle because of possible diseases in animals. He used to purchase golden ornaments (if needed but not for saving purposes) but after careful scrutiny. He always purchased gold from a reliable “sonara” (goldsmith) after seeing many people purchase gold from that shop etc. He had purchased many accessories such as a washing machine, fridge and other necessary items from his extra saving. He said that if he got PKR 10,000 he would buy home use items and if he got PKR 100,000 then he will spend that money to offer “Umrah”. To this question he said that he had not performed Haj and “Haji” was part of his actual name. He told us that “Haj” was more expensive than Umrah so he would prefer that. He had never been part of any VC or BC and it was not common in his village. He knew about the VC system because some of his colleagues in school often used that technique to save money.

g. Knowledge of and experience with financial instruments

Haji was well informed regarding the importance of a CNIC and its use to be a part of various financial institutions. He said that he had applied to the treasury office to support him in opening open a new account in UBL because UBL’s service was faster than the overloaded National Bank of Pakistan. It was government policy to issue salaries through banks in spite of the treasury. Haji had a personal bank account and ATM but he could not use the ATM. He was recently informed regarding the use of easypaisa services and how to deposit bills etc from a phone. Haji had not been a part of any VC or Bachat Committee but preferred the bank as the only place to save money. Haji was well informed regarding saving schemes of banks but he never used those facilities. Haji had gotten a “salary advance loan” from National Bank in 2004-5 just after opening the account which was returned through deduction from his monthly salaries up to 2008. Haji was aware of microfinance loans by NGOs and banks but he had never tried to get those loans.

h. Attitude towards and perception of financial instruments

He told us that the ATM was an important facility through which one can draw money from all banks in Pakistan and at any time in case of any emergency. He told us that bank officials always prefer the rich or their potential client but not usual clients who saved little money from their salaries etc. Haji said that banks were the best places to save money rather than informal ways such as purchasing gold or animals or keeping hard cash at home.

i. G2P impact on FIL

Government employment was the first and most important financial modality for him that had played a role in his knowledge and financial literacy. His son Amjad had learned how to use a phone and ATM after Haji’s account in UBL. Haji was not happy with deduction of PKR 3,000 by Amjad from Watan Card’s money therefore it was possible that he will try to draw his next instalment of the Watan Card himself through the ATM.

j. Power linkages and impact on FIL

People (landlords, businessmen) who save and invest a lot of money in banks usually get special care by the bank staff compared to persons with salary accounts.

k. Gender/Mobility and FIL

Being a Baloch and supporter of Baloch traditions and norms, Haji was not in favour of women accessing banks, mobile phone facilities etc.

5. In-depth Interview 2

a. Basic Information

| | |
|--|--|
| Name | Mai Sheeri |
| Age | 78 |
| Gender | Female |
| Education | N/A |
| Caste | Brohi (Mengal) |
| Occupation | Agricultural work (irregular due to old age) |
| Beneficiary (Y/N) | Y |
| Cash transfer scheme (BISP, CDCP) | BISP, CDCP |
| G2P Modality (Pak Post, Debit Card, Smart Card, Mobile) | Debit Card, Watan Card |
| Bank Account (Y/N) | N |
| Bank Name | N/A |

b. Socio-economic position of respondent/respondent’s household

The respondent could not understand Sindhi or Siraiki so one woman had helped us to translate her responses from Brahvi to Sindhi. The interview was held in her house. A number of women were present there with their grievances but after clarification many of them had vanished.

Mai Sheeri was a 78 year old widow and beneficiary of the Watan Card. She was uneducated. Her household comprised of 12 members including her older son who was a father of 7 children. There were 4 earning hands (her son Abdul Nabi, his wife and 2 of his daughters) in her household and a fifth one was Sheeri herself but she was weak and old and sparingly took part in agriculture related works. Sheeri’s house was located near the centre of the village. Her house comprised of 2 *katcha* rooms with no toilet. She had 1 tape recorder, 2 fans, 1 bi-cycle and 4 goats. She was settled in that village since the last 2 years after spending 20 years in a village called Nazir Ahmed (5 km away from village Essa Khan). She had shifted from Nazir Ahmed’s village because all her close relatives and her daughter were married in Essa Khan Brohi village. In her previous village Sheeri’s house was the only one belonging to the Brohi caste. She told us another reason for leaving Nazir Ahmed’s village was that her 2 sons and 1 daughter had committed suicide by taking poison. She always felt nervous and lonely there so her daughter in Essa Khan Brohi village invited her and suggested her to request Essa Khan for a plot and agricultural land on tenancy.

Her home in Essa Khan village was constructed on Hayat Khan’s private land who had engaged Sheeri’s family to cultivate 10 acres of agricultural land on half-share (sharecropping). Her family was living there on the will of the landlord. She told us that if they could not pay off debt or if the amount of debt increased from a certain level then the landlord would force them to vacate the plot and agricultural land too. She cited an example of when Hayat Khan had snatched agricultural land and residential land from one of his tenants who could not return their debt after harvest time.

There was only one caste group in her village and she belonged with Brohi (Khiyazai) caste. Other castes such as Rind, Bhangar and Lashari were settled in separate villages but all those caste groups had close relations with Essa Brohi (the head of the village). Sheeri was not happy because all four caste groups always clashed with each other on very minor issues. Some years ago there was a

scuffle among children of different castes but the dispute flared up to a high level. Many other disputes had taken place over land issues, name of village and use of paths from private land but all disputes usually used to be settled on a local level and without the involvement of police.

c. Household cash flows

Sheeri's son, his wife and 2 daughters were working on 10 acres of land as tenant labourers for landlord Hayat Khan Brohi. Her family had worked for landlord Nazir Ahmed on half-share sharecropping continuously for 20 years; they could often save 30-35 *maund* of wheat grain per year after paying off the landlord's debt. That amount of wheat grains was said to be sufficient for all 12 members in the household till the next wheat harvest season.

They could not save from Hayat Khan's 10 acres land in village Essa Khan Brohi like they were able to from Nazir Ahmed's land which was more productive than Hayat's land. They were getting 20-25 *maund* and this was not enough for 8 months of the year. She had also borrowed 20 *maund* of wheat grain last year which she had to return from the first wheat product. She said that her older son Abdul Nabi was handicapped and could not work properly therefore 4 women had to do all types of land related work.

Her household was indebted to a shopkeeper for an amount of PKR 35,000 which they borrowed in kind for staple food and in cash for various types of emergencies. In addition she had borrowed PKR 5,000 to spend on her personal medical treatment. She had to return all debt after the harvest season this year. She could not return 20 borrowed *maunds* of wheat which she had to return this year. She said that 10 acres of less productive land on half-share sharecropping will certainly not produce much and she will not be able to return all his debt this year. Sheeri was impressed by her previous landlord who never stressed her to return her debt unlike Hayat Khan.

d. Cash transfer history

CNIC details: Sheeri told us that her CNIC was made in 2009. She repeated the story of the suicide committed by her married daughter. Her daughter was displaced from her husband's house which badly affected her and she lost her senses and then committed suicide. Sheeri wanted to lodge a complaint against her daughter's husband and wanted to get back her share in property for her daughter's children but failed due to unavailability of CNIC. Then one of her brothers Abdul Ghafoor suggested her to apply for a CNIC which would help her in lodging a complaint. She went to the NADRA office and got her new card. She went along with her son by foot and reached after 1.5 hours. She paid PKR 200. At that time she was living in Nazir Ahmed's village but she gave the address of village Essa Khan. The head of the village Essa Khan had given her his own CNIC for accurate address etc. She had never received any type of post on her door step. But she was sure that she will receive post because she was living in a well known village. She had her old NIC with her husband's name which was lost after her husband's death.

Watan Card: The 2010 floods had hit her house in village Nazir Ahmed Brohi, her household moved towards Jhat Pat along with other villagers and lived in a small camp for one month but due to a scarcity of ration and water she had to move towards another big camp in Dera Murad Jamali in a school. It was a very hard time for Sheeri's household because NGOs and government officials had not delivered rations and other usual items properly. Then after 4-5 month her household had gone back to Nazir's village. She said that her landlord Nazir had provided his tractor for the shifting of her family to the camp and then to return. Some months after she got back to the village she got the Watan Card. She told us that her sister's son Ali Ahmed had helped in getting the Watan Card. He was educated and employed with the government. Ali had accompanied her to the office where she had submitted her CNIC and thumb impressions. She was asked to collect the card after a few days. Then Ali went to a township called Sahatpur around 30 km away from Jhat Pat to get Sheeri's Watan Card and money. Total amount was PKR 20,000 which she got from Ali and no deduction was made by the bank, card issuing authority, any middleman or by Ali. She had consumed PKR 10,000 on food and clothes for her family and PKR 10,000 to pay off the shopkeeper's debt.

She also disclosed that she was getting Benazir's money through the post office since 2010 and during June 2012 she had received PKR 3,000 through the "Benazir Card" with Ali's help. She could

not remember about amounts and number of deliveries by the postman but estimated that she had received PKR 6,000-7,000 by the postman and PKR 3,000 from the ATM.

e. Mobile phone usage and literacy/aptitude

Her son Abdul Nabi owned a mobile phone for the last two years. Nabi can dial and receive phone calls. Sheeri did not know how to use a cell phone. She had often talked to her relatives in Quetta and her daughter in Jhat Pat, but Nabi would dial the numbers for her.

f. Saving Behaviour

Sheeri had never saved money. This was the first time she got PKR 20,000 in cash but she consumed all the money to fulfil home needs. She was well aware regarding saving patterns and trends and wished to save money. Most women preferred to keep money in their pillow or *bhandari*. For her, a *sandoq* was not a safe place to keep money. She told us that if she could get PKR 10,000 then she would use it on good food: “we will eat chicken and daal for a couple of days and will buy clothes for children and myself” she said. In case of PKR 100,000 she would consume PKR 10,000 on good food and clothes, some amount to pay off debts and remaining fifty or sixty she will handover to her sister’s son Ali Muhammad and will instruct him to put that money in an ATM because she trusted Ali very much.

g. Knowledge of and experience with financial instruments

Sheeri was unaware of any microcredit scheme, about any VC system or any money transfer through easypaisa etc. She told us that she heard the word “bank” for the first time from Ali. She remembered that she got Watan Card from a “bank”. She could pronounce ATM easily and told us that an “ATM is a bank”. On further probing she told us that she had never tried to open an account because she did not have much money to put in a bank. She did not know anybody who had easy access to a bank. She said that if she got PKR 100,000 then she will open her account in a bank. “I don’t know which type of language people speak in the city and the bank so I will need someone like Ali or my son Nabi to accompany me” she added. She herself went to get “Benazir Card’s” money from the bank. She was accompanied by her son and a few other women of her new village. The bank officer had gotten her thumb impressions and gave her a paper then asked her to wait outside the bank.

h. Attitude towards and perception of financial instruments

Sheeri was of the view that poor women should be given lots of money and should be facilitated with bank accounts by the government. Women should have accounts and savings in banks. Sheeri had a feeling after getting Watan and Benazir Card that the language spoken in the bank was different than her language (Brahvi) therefore she needed a trusted man who could interact and interpret with bank staff for opening an account etc.

i. G2P impact on FIL

Sheeri had heard the word “bank” for the first time in her life when she was awarded with the Watan Card (CDCP) and then heard the word “ATM” after she got the “Benazir Card”. She told us that if she got PKR 100,000 then she will ask a trusted person to put her money in the “ATM”. She thought that her money will be safe in that machine and she was sure that no deduction will be made and she could easily withdraw money at any time as she had multiple experiences with a bank and then an ATM. She could not find her PSC form slip for which she felt regretful and was determined to keep all documents i.e. receipts and letters related to Watan and Benazir Cards in a safe place in the future. Sheeri had got Essa Khan Brohi’s (head of the village) CNIC as a sample for accuracy in deh, union council name and address etc. As she revealed that she made her CNIC to pursue her daughter’s death and to get property for her children left behind but the CNIC helped her in getting Watan and Benazir Cards and knowledge regarding bank or ATM.

j. Power linkages and impact on FIL

She told us that old and widowed women had no barriers to visit towns and to interact with strange men for any financial and moral support. Her son was handicapped so community elders had never criticised her mobility but always helped her to access facilities. She had often used a phone to talk to her relatives settled in Jhat Pat and Quetta but no one had any objections.

k. Gender/Mobility and FIL

Sheeri was always accompanied by Nabi or Ali because of her age, language etc and no one had restricted her but helped her. Young women also visited offices and banks for CNICs and BISP money frequently. Young women usually used to be accompanied by a person from their kinship group or a relative (an educated man like Ali) but no one had objected openly. Young women have to wear a “*burqa*” when they travel outside the village to access the bank, hospital etc. in the township.

6. Conclusions/FIL Outcomes

As a government employee with prior experience of banks, Haji Muhammad Brohi is a highly financially included individual. He used to get his salary at the NBP but he opened an independent account at UBL- because he felt NBP’s services to be too poor/slow. Apart from teaching at a government school (as a Grade 18 employee) he also owned agricultural land and a transport business- he earns a substantial amount overall and manages to save money regularly. He chooses to keep his savings at the bank and regularly buys items like jewellery and household assets like washing machines etc. Thus, he frequently deposits and withdraws money from his bank account. Nonetheless, Haji is not highly financially literate; he does not know how to use an ATM for instance and his son withdrew Haji’s Watan Card payments for him and kept some amount for himself as well. Haji was not pleased with that, which opens the possibility for him to learn how to use the ATM and withdraw money on his own in the future. Haji does not provide his residential address for official correspondence; instead his mail comes to his school address which he said was a more reliable tactic.

Mai Sheeri is a Watan Card and BISP beneficiary. She interacted with a bank and ATM for the first time after becoming an active beneficiary of both schemes. She does not have her own bank account, nor does she ever have enough money to save. Whatever amount she saves gets spent repaying household debt accumulated by her. Despite this she is very confident about banks and ATMs and is in favour of women keeping bank accounts. She claimed that the only problem with banks is that she faces a language barrier- since she speaks Brahvi which is not understood by the bank staff- and so she relies on a relative to interact with the staff. She said that if she got a windfall of PKR 100,000 she would definitely deposit some amount at the bank; however, in a testament to her low financial literacy, she said she would ask her relative to put the money in the ATM for her. Despite her lack of financial inclusion and literacy she expressed an interest in using a bank for saving purposes which appears promising.

Annex 3 Review of Literature of cash Transfer Programmes

A3.1.1 Mechanisms & Approaches for enhancing financial inclusion and literacy

The European Bank for Reconstruction and Development (EBRD) is leading a series of financial literacy and inclusion projects in several countries of operations, most recently in Tajikistan and the Kyrgyz Republic. The projects, which are funded by the Bank's multi-donor Early Transition Countries (ETC) Fund, aim to strengthen the financial inclusion of remittance recipients in countries where a large part of the population depends on money sent home from abroad. The projects aim to establish a relationship between banks and remittance recipients by:

- increasing the level of financial literacy of remittance recipients and promoting a culture of saving via the formal banking system through targeted training making remittance recipients comfortable with the idea of having a bank account or using other banking products
- training bank staff about the link between remittances and banking, and providing feedback on the profile of remittance recipients as a potential customer base, their current financial behaviour and preferences
- advising banks on the role they can play to increase financial literacy and on measures they can take to attract the “under the mattress” savings of remittance recipients into bank accounts.

The regulatory environment in these countries means that remittance recipients can only collect their money by visiting a bank branch. The programme has funded financial consultants in local commercial banks to provide independent and free financial advice sessions to remittance recipients.

Between December 2011 and May 2012 more than 23,000 people were engaged in financial education activities in Tajikistan and over 14,000 people in the Kyrgyz Republic. In Tajikistan 59 per cent of remittance recipients who took part in the training had never budgeted nor had any savings. In the Kyrgyz Republic 51 per cent of participants were in the same situation, making this group of people particularly vulnerable to unexpected shocks in either their income and/or expenses.

According to the participating banks, as a direct result of the financial education projects 1,169 accounts had so far been opened in Tajikistan and a total of USD 2.45 Million deposited. In the Kyrgyz Republic, the number of accounts opened is over 1,200 and the total amount deposited in the banks comes to just over USD 1 Million. Not all remittance recipients who took part in the financial education bought a financial product right away. However, a large percentage of them indicated that they were interested in buying some of the products they were introduced to (for example, a current account, child savings or term deposit) and would start to save if they were not already doing so.

All of the participating banks are extremely supportive of the project and as a result they are keen to improve marketing and financial products to attract remittance recipients; for example, one bank has removed charges for opening a deposit account and another is planning to train remittance agents in deposit-opening operations.

A report on financial education initiatives for the poor for the MasterCard Foundation reviewed the experience of 12 organisations worldwide and identified the following lessons.

Financial education plays an important role in branchless banking initiatives and partnerships with external organisations specialising in curriculum and learning programme development (education specialists), achieved significant benefit. For example, FINCA Mexico's experience shows that financial education helped bring the introduction of pre-paid cards to scale in the Mexican financial services market. FINCA Mexico sees financial education as the principal driver for the increased uptake and use of the cards.

To be effective, the content and delivery channel for financial education programmes need to be practical and useful to their target audiences. The Private Education Development Network (PEDN) in Uganda combines financial education with entrepreneurial and business skills training, as well as an opportunity to save, so that participants are able to immediately put new knowledge into

practice. Individuals are more likely to retain and adopt key messages if the financial education curriculum is relevant to particular goals or problems they face. This requires that content and messages be refreshed and updated at regular intervals.

Market research is integral to the successful development of financial education programmes. Organisations require insight into the cultural, social, and economic dynamics of their target audiences in order to ensure their financial education curricula is relevant. Certain financial management skills need to be prioritized according to these dynamics. Investing, for example, may be less relevant to young and vulnerable groups than, say, budgeting and saving. Thus, in successful programmes, financial institutions gather data on clients' levels of financial literacy and status of financial inclusion to inform the development of the programmes. However, in practice, some financial institutions focus on understanding financial product gaps, rather than focusing exclusively on the financial education needs of their clients.

Similarly socio-economic analysis of the target audience will also help to determine the appropriate financial education delivery channel for a programme. Socio-economic determinants may include educational levels and/or geographic locations. For example, rural populations—many of whom may have limited or no formal education—prefer learning in communal environments, such as group training classes or study circles. By contrast, market research shows that urban populations prefer one-on-one counselling or conversation-style learning environments.

The sustainability of a financial education programme is directly linked to the funding model and the demand for such information by the target audience. Funding models with inherent sustainability are those which in different ways enhance profitability, such as:

1. Profit-driven programmes or services (e.g., Free to Grow in Kenya, Namibia, Tanzania, Uganda and South Africa which charges for its financial education training sessions)
2. Financial education subsidised by the financial services provider as a value-added component of their business model (e.g., Opportunity International Bank in Malawi (OIBM), Faulu in Kenya, and XacBank in Mongolia)
3. Financial education as a vehicle to influence the market.

A3.1.2 Enhancing Knowledge & Awareness of electronic payments and technology driven programmes

Broadly, the delivery channels for awareness-raising fall into three groups:

1. **Face-to-face training** is the most effective tool for improving behavioural outcomes. This is the most common delivery channel and allows a close relationship to develop between the organisation and the participant. When distrust and fear impede the use of branchless banking instruments, such as ATMs and pre-paid cards, direct training is a useful tool to address this challenge. FINCA Mexico uses face-to-face training to build trust for the use of pre-paid cards through relationship building and role-playing. However, in order to deliver training effectively, the programmes also require specialised or complementary platforms, vehicles, or agendas. This degree of customization can challenge the programme's ability to achieve scale (see below).
2. **Mass media** such as television, public campaigns, 'road shows', and radio programmes have the ultimate goal of promoting general awareness of financial literacy issues. Radio programmes, more so than television, are effective at reaching low-income audiences. While mass media has the ability to reach large numbers of people, the impact of such programmes on long-term financial behaviour change has not been assessed and is largely unproven.
3. **Tools** such as brochures, flyers, posters, or training videos/DVDs, offer enormous potential to lower the per person cost of delivering financial education programmes.

There are four main routes to reaching scale:

1. **National/regional consumer education campaigns:** These programmes have a low cost per person and expose large numbers of the public to key messages.
2. **Financial service providers:** Financial service providers' existing clients offer an important base for rapid scale-up of financial education programmes. From a user's perspective, having

simultaneous access to financial services and a financial education programme enhances practical learning. From an organisation's perspective, financial service providers can utilize their existing infrastructure and resources to deliver financial education programme to large numbers of people.

3. **School-based programmes:** Using pre-existing platforms to reach groups of young people provides considerable opportunities to scale. Organisations like PEDN and JA Nigeria have achieved this by building school-based strategies to leverage existing networks, and by using standardized content and delivery channels to manage costs.
4. **Workplace programmes:** In addition to financial literacy packages for school age children, Leeds City Council (UK) is running financial capability training for low-paid council workers. (Dayson, K. et al. (2009).

[See also Success Factors below]

A3.1.3 Improving payment procedures to improve access and enhance available financial services **Types e-payment systems**

The four most common electronic payment systems that are currently being used are pre-paid debit cards, smart cards, mobile money transfer systems and electronic vouchers. A report for the Cash Learning Partnership (CALP) (2011) discusses the experience of electronic payment systems.

The research identified six programmes using smart cards for cash payments in humanitarian contexts in agency-led programmes. The research also incorporated experiences from the Hunger Safety Nets Programme (HSNP) in Kenya, a longer-term government social protection cash transfer programme.

Mobile money transfer applies to any payment or fund that is transferred from one person or organisation's 'mobile wallet' or bank account to another through mobile phones. Mobile money services are well established in Kenya, elsewhere in East Africa and in the Philippines, and are becoming available in other low income and crisis-prone countries, including Nigeria, Niger, Haiti, Zimbabwe, Afghanistan, Pakistan and Democratic Republic of the Congo (DR Congo).

Scratch card vouchers held by recipients are redeemed at a participating store vendor by scratching a panel to reveal a code. This code is input into the vendor's phone along with a serial number on the voucher corresponding to the person's ID. The World Food Programme (WFP) made use of this technology for their SPLASH (Sustainable Programme for Livelihoods and Solutions for Hunger) programme in Zambia.

SMS voucher code system is not given to the recipient on a card but via SMS. This is then sent along with the recipient's PIN and the participating vendor's code as an SMS to the central database. The system verifies the ID of the recipient, and sends a response SMS regarding the value to be allocated. In October 2009 WFP undertook a mobile voucher pilot response to the Iraqi refugee crisis in the Syrian Arab Republic covering 1,000 households with two payments of USD34; this was subsequently scaled up to thousands of households over two years. FrontlineSMS in conjunction with Catholic Relief Services (CRS) in Kenya are working on development of an open source mobile voucher system delivered by SMS.

Benefits and Challenges of e-payment systems

The benefits to be gained from e-payment systems include improved security for staff and recipients; reduced leakage; improved reconciliation and control of expenditure; greater speed and efficiency of transfers; reduced costs for the agency and recipient; and the potential for realising wider impacts for the recipient.

However, when working with the poorest groups in the population and in emergencies, challenges arise from lack of prior experience with technology; poor network and infrastructure; low literacy and lack of agency capacity. Access to e-payments technology alone should not be assumed to automatically have financial inclusion benefits for the poorest people.

Barriers to be considered for future design

Technological barriers include limitations in agent coverage and cash flow for e-payments systems

Financial barriers identified were lack of resources for investment in new technologies; and lack of a business case to justify the expansion of services by the private sector into remote areas.

Institutional barriers include: lack of awareness about new technologies; time and effort required to adopt new systems; and limited resources and capacity to adopt new ways of working. The low capacity of private sector actors to scale-up and low levels of recipient literacy and education also remain important constraints.

Operational constraints in adopting new technologies include the limited availability of time and resources to research, cost and select an appropriate technological solution, and the time required to negotiate contracts, set up and test new systems, and train staff.

Political barriers include concerns about data protection issues and, more broadly, wariness of the risks of involving private sector actors in the humanitarian sphere and suspicions about their underlying motives, particularly amongst aid agencies.

Attitudinal barriers from senior decision makers within all stakeholders can constrain the wider adoption of new technologies. Senior managers of humanitarian organisations may perceive new technologies as being too risky or expensive, may not be familiar with the potential benefits that new technologies can offer, may fear that technology will lead to exploitation of recipients by the private sector, and may be hesitant to commit resources to adopting new systems. Attitudes to new technologies from donors and recipients can also present barriers to using e-payments systems to transfer cash.

Legislative barriers in the regulatory environment vary from country to country. National governments can act as promoters of or as barriers to adoption of particular e-payment mechanisms.

Success Factors for e-payment programmes

Despite encountering some challenges, the research found that all practitioners who have used e-payment systems found them beneficial and all would use them again. E-payment systems are considered to be a promising way to deliver aid to recipients with speed, precision and flexibility even in challenging environments. ACF in Philippines considers the prepaid card to be practical and scalable for repeated distributions. WFP in DR Congo have concluded, based on WFP's experiences with smart cards in Kenya, that such a system has strong potential to meet a large proportion of their requirements. Concern in Niger has reverted to mobile money payments for 100% of their cash payments in 2011.

There is no single model of delivery mechanism, rather the most appropriate system depends on consideration of the context, the delivery options available, what the programme aims to achieve, its scale and scope, and recipient profile. Many issues identified are common, to a greater or lesser extent, to all four e-payment systems and a number – such as insufficient planning, capacity issues and the time required for adapting to new ways of working and new partnerships- relate to people and processes rather than the technology per se.

Context-specific factors can contribute to the greater success of programmes using e-payments technology, namely: strong delivery partners; adequate training for all stakeholders; availability of on-the-ground support; a well-functioning payment agents network; a solid (private sector) strategy for and broader commitment to the development of emerging systems or networks; and a financial regulatory environment suited to or adapted to the realities of the humanitarian context.

Strong delivery partners: The adoption of e-payment systems calls for expertise and alliances with dedicated service providers. The private sector partners have often been more than just provider of an e-payment service – they have been active partners in the programme. The case of Pakistan is striking, where UBL Bank and Visa succeeded in deploying 1.3m cards in less than 3 months,

developed training materials and also covered a significant part of the costs. Equity Bank in Kenya has invested heavily in establishing four new branches in four remote districts of the arid and semi-arid lands, and subsidised equipment for the HSNP. All implementing partners consider the work of Equity to have been critical in the achievements of the HSNP. Many of the mobile network operators (MNO) providing mobile money services have invested heavily or are in the process of investing in the agent network (Safaricom has invested a huge amount of money over the last five years in an agent network in Kenya that is now more than 16,000 strong). For programmes requiring cash out the private sector partner has played a vital role in actively supporting liquidity management.

Adequate training for all stakeholders: A good understanding of the process is needed from implementing staff and recipients of humanitarian cash transfer programmes, the majority of whom can often have had little previous experience with formal banking or transferring value using phones. Vendors may also require training. One of the main lessons from Visa and UBL Bank was that success will depend on how effectively the importance of the card, the PIN, and their functionality, is communicated. In new partnerships and programmes time must be invested by both the service provider and the NGO on education. Lack of knowledge and distrust of banks risks creating resistance from people; however, with awareness raising and training this research has found that these can be removed. Additional investment is required for those who are illiterate or innumerate.

On the ground support: Programmes have not removed the human element from the process. Hands-on presence on the ground and interaction with recipients were deemed essential to support recipients through the process. Some considered this a requirement for oversight of the cash-out or purchase process (including ACF, WFP and Mercy Corps). Concern's program in Niger, WFP's in DR Congo and Help Age's in Haiti are examples of where agencies had community animators on hand to assist with the cash-out process through mobile money. Some target groups are likely always to require this type of support.

Functioning payments agent network: A factor behind the success of several of these programmes is the use of pre-existing payment agent networks. The Visa system is an internationally recognised standard. In the prepaid card examples, bank partners, regulators and vendors were familiar with Visa, which reduced set-up time. Some programmes used pre-existing POS infrastructure in shops. A critical success factor for branchless banking, whether via card or mobile phone, is known to be the establishment of the distribution channel. The model of choice is to develop this through a network of agents. This is critical for successful delivery of aid through these systems, given the demand from this client base for cash out, which can put additional pressure on agent or vendor liquidity. Mobile money cash transfers in Kenya through Safaricom are taking advantage of a well-established agent network. In the Philippines Globe Telecom has over 18,000 'GCASH' partner outlets.

A sound strategy for rapid expansion: This research identified several instances where a humanitarian need has coincided with development and rollout of a strategy for branchless banking by the private sector. In the case of UBL Bank, Digicel, Voila, Equity bank and TN bank the company's investment was not merely a public service, but can be considered a core element in their strategy for agent network expansion to serve previously untapped markets, and central to projected revenue and profit growth. The expectation of these service providers is that scale will yield profitability.

Finally, in India, the State Bank of India's (SBI) answer to financial inclusion is the 'SBI Tiny project', which can in simple terms be defined as a "Bank in a Box". The entire set up consists of a cell phone which serves as POS machine, a finger print reader and a tiny printer, all of which can be packed into a 10 inch by 10 inch box. All these work on rechargeable batteries. SBI Tiny accounts (no frills accounts) are opened on the smart cards. The smart card is akin to an e-purse and stores information about the customer, the account number, finger prints as well as the balance in the account. The smart card can handle up to 16 accounts including loan accounts. This card is highly secure as it works on the bio-metric validation of the customer. The card works on the Radio Frequency Identification (RFID) technology. SBI is today using this technology in smart cards which work in conjunction with a mobile or a hand held connectivity device which works on Near Field Communication Technology (NFC). Transactions are possible both in online and off line mode. It also permits the real time updation of balances in the card. By issuing a smart card to the rural customer, the cost of the transaction is reduced because it dispenses with paper based transactions and shifts the transaction operation on the account away from the branch to the Customer Service Point / Provider (CSP) at the outlet in the location of the rural customer. SBI is piloting this system including

for disbursements under National Rural Employment Guarantee Programme (NREGP) and other rural development schemes through SBI Tiny Card accounts.

Selected Programmes

| Country | Year | Organisation | Partner | Detail |
|---|----------------|------------------------|-------------------|---|
| Pre-paid Card (used for emergency and humanitarian programmes) | | | | |
| Smart Cards (non-emergency programmes) | | | | |
| Kenya, DR Congo | 2010 – 2011 | WFP | In house solution | With the support of a national software solution provider WFP Kenya developed an in-house e-voucher system to support migration from food distribution to open market systems. WFP procure the hardware and cards directly. POS devices are equipped with fingerprint scanners and solar chargers. The web-based data management system links to Equity bank for payment of traders. This solution has subsequently been successfully field tested for similar work in DRC, expected to upscale to +200,000 HH in 2012. |
| Kenya | 2009 – ongoing | DFID and GoK | Equity Bank | The Government of Kenya's Hunger Safety Nets Programme is the largest cash transfer programme through smart cards to date. Bi-monthly cash payments of KSh2150 are distributed to 60,000 HH in four remote districts of northern Kenya. Payment points were installed in over 80 local shops and recipients can redeem all or part of the cash following fingerprint recognition. |
| Mobile Money | | | | |
| Kenya | 2010 | Concern Worldwide | Safaricom | Use of Safaricom's M-PESA platform in the urban slums to deliver approximately USD18 a month to 2,400 households, for 8 months to support basic needs. |
| Kenya | 2010 | Oxfam | Safaricom | Monthly cash transfers to 3000 households in urban settlements for 10 months during period of escalated food prices. |
| Haiti | 2011 | Help Age International | Voila | Urban and rural programme targeting 6500 older people with a monthly cash transfer of USD 17 per month. |
| Haiti | 2011 | CRS | Voila | Urban programme targeting 500 households with cash transfers to support food security, with the aim to scale up to 2-3000 households. |
| Philippines | 2011 | WFP | Globe | Used Globe Telecom's GCASH mobile money service to deliver cash transfers to 2000 flood affected households. |

Annex 4 Stakeholders Roles and Responsibilities – Watan Cards

| S. No. | Activities | Cabinet Division | Others | NADRA | Partner Banks |
|--|---|------------------|-------------------------|-------|---------------|
| ARRANGEMENTS PRIOR TO WATAN CARDS DISTRIBUTION | | | | | |
| 1. | Managing TA and providing funds for CDCP Project | | Development Partners | | |
| 2. | House Damage Assessment Survey | | Y | | |
| 3. | Third Party Independent Verification of house damage assessment survey | | NGOs | | |
| 4. | Triangulation of data, data verification and run tests for beneficiary eligibility criteria | | | Y | |
| 5. | Media Campaign for Public Awareness | | | Y | |
| 6. | Creating, providing and distributing material for public campaign | | | Y | |
| 7. | Information through District Administration for distribution of Watan Cards | | District Admin | | |
| 8. | Where required, updating of CNIC of beneficiaries by NADRA | | | Y | |
| 9. | Inform Cabinet Division about monthly requirement of funds | | | Y | |
| 10. | Transfer of funds to banking partners for cash disbursement for the CDCP beneficiaries. | Y | | | |
| ESTABLISHING WATAN CARDS FACILITATION CENTRES AND ISSUING WATAN CARDS | | | | | |
| 11. | Establish Watan Card Facilitation Centres (WCFCs) at designated places | | | Y | |
| 12. | Coordinate with district management and law enforcing agencies for providing security arrangements at WCFC. | | District Administration | | |
| 13. | Provision of tents and seating arrangements | | | | Y |
| 14. | Establishment of NADRA counters at WCFC | | | Y | |
| 15. | Establishment of bank counters at WCFC. | | | | Y |
| 16. | Provision of appropriate bank staff for issue of Watan cards | | | | Y |
| 17. | Provide WAN/LAN facilities at WCFC. | | | Y | |
| 18. | Provide PoS machines at WCFC | | | | Y |
| 19. | Authenticate and conduct biometric verification of beneficiaries. | | | Y | |
| 20. | Provide online beneficiaries' validation to the banking partners' staff. | | | Y | |
| 21. | Ample supply of Watan cards for distribution to beneficiaries at each WCFC. | | | | Y |
| 22. | Opening of virtual accounts of CDCP beneficiaries. | | | | Y |
| 23. | Transfer of Funds to beneficiaries' virtual accounts | | | | Y |
| 24. | Distribution of Watan cards to the beneficiaries | | | | Y |

| S. No. | Activities | Cabinet Division | Others | NADRA | Partner Banks |
|---|--|------------------|--------|-------|---------------|
| 25. | Activation of Watan cards (on intimation/ verification by NADRA) | | | | Y |
| 26. | Providing guidance to beneficiaries about using the Watan cards | | | | Y |
| 27. | Providing guidance to the beneficiaries about places where the Watan card can be used for withdrawing cash. | | | | Y |
| 28. | Guide the beneficiary about customer support and complaint redressal in case of any problem relating to Watan card or PIN. | | | | Y |
| DISBURSEMENTS OF CASH TO BENEFICIARIES THROUGH WATAN CARDS | | | | | |
| 29. | Disbursement of cash through ATMS, PoS at WCFC or branches of partner banks. | | | | |
| 30. | Reconciliation of funds with the partner banks | Y | | Y | Y |

Source: CDCP Operational Manual. July 2011. Cabinet Division, Government of Pakistan

Annex 5 Stakeholders Roles and Responsibilities – BDC

| S. No. | Activities | BISP | NADRA | Bank | Agent |
|---|--|------|-------|------|-------|
| ARRANGEMENTS PRIOR TO BDC DISTRIBUTION | | | | | |
| 1. | Necessary regulatory approvals/ exemptions required for BISP cash transfer program including without limitation of the approval letter from the State Bank of Pakistan for minimum account information fields. | Y | | | |
| 2. | Define measures of success and bench marks in coordination of stake holders. | Y | | | |
| 3. | Letter sent through Pakistan Post to beneficiaries having unverified status asking them to go to NADRA for updating their CNIC. | Y | | | |
| 4. | Updating of CNIC of unverified beneficiaries at NADRA | | Y | | |
| 5. | Letter sent through Pakistan Post to beneficiaries having verified status asking them to go to BDC Distribution Centre on a specific date for collecting their BDC (based on 150 beneficiaries per counter of NADRA per day) | Y | | | |
| 6. | Initiate media campaign and prepare promotional material like banners and necessary signage for the BISP BDC Distribution sites. | Y | | | |
| 7. | Arrange for customer information leaflets with collated information guiding the beneficiaries for Benazir Debit Card activation, funds disbursal and claims. | Y | | | |
| 8. | Production of debit cards for BISP beneficiaries. | | | Y | |
| 9. | Design and deploy customized software application to authenticate BISP beneficiaries and establish interface with partner banks and BISP. | | Y | | |
| 10. | Impart trainings on the Benazir Debit Card to local (regional) BISP officers. | | Y | | |
| 11. | Conduct trainings for staff deployed at BISP BDC Distribution site for smooth execution of the project. | | Y | | |
| ESTABLISHING BDC DISTRIBUTION CENTRES AND ISSUING BDCs | | | | | |
| 12. | Provision of BISP BDC Distribution site at tehsil level where possible and sufficient space is available. | Y | | | |
| 13. | Coordinate with district management and law enforcing agencies for providing security arrangements at BISP BDC Distribution sites. | Y | | | |
| 14. | Provision of tents, seating arrangements and queue management through local governments for the beneficiaries. | Y | | | |
| 15. | Ensure establishment of bank counters at site as specified by NADRA according to the work load. | Y | | | |
| 16. | To setup/establish dedicated BISP BDC Distribution sites along with equipment, HR, furniture & fixture, provision of utilities like connectivity (1 x Node) and 1 x power supply . | | Y | | |
| 17. | Establish reasonable counters with respect to case load at BISP BDC Distribution site for information and biometric verification of beneficiaries' data. | | Y | | |
| 18. | Provide WAN/LAN from NADRA to the concerned BISP BDC Distribution sites. | | Y | | |

| S. No. | Activities | BISP | NADRA | Bank | Agent |
|--|--|------|-------|------|-------|
| 19. | Provide web interface (web service) to banking partners for online verification of beneficiaries' data. | | Y | | |
| 20. | Provide 1x network node to partner banks at BISP BDC Distribution site. | | Y | | |
| 21. | Ensure availability of BISP and bank representatives at BISP BDC Distribution sites two days prior to site launch. | Y | | Y | |
| 22. | Establishment of bank counters at BISP BDC Distribution site along with HR and furniture. | | | Y | |
| 23. | Provision of LAN for the operation of Bank counters. | | | Y | |
| 24. | Availability of bank representatives at BISP BDC Distribution site for the duration of the project. | | | Y | |
| 25. | Authenticate and conduct biometric verification of BISP beneficiaries. | | Y | | |
| 26. | Guide the beneficiary about updating her CNIC information from the nearest NADRA office or MRV in case biometric verification is unsuccessful | | Y | | |
| 27. | Provide online BISP beneficiaries validation to the banking partners' staff as per agreed format. | | Y | | |
| 28. | Ample supply of debit cards for distribution to beneficiaries at each Benazir BDC Distribution site. | | | Y | |
| 29. | Opening of virtual accounts of BISP beneficiaries. | | | Y | |
| 30. | Distribution of Cards to the beneficiaries | | | Y | |
| 31. | Guide the beneficiary about using the BDC | | | Y | |
| 32. | Guide the beneficiary about customer support in case of any problem | | | Y | |
| 33. | Provide NADRA registration unit/ Mobile Registration Van at BISP BDC Distribution site (where required) to re-register applicants for CNICs in case biometric information does not exist or not verified in NADRA database at the time of validation and authentication of data. | | Y | | |
| DISBURSEMENTS OF INSTALLMENTS TO BENEFICIARIES THROUGH BDCs | | | | | |
| 34. | Make disbursement to banking partners for cash disbursal management for the BISP beneficiaries. | Y | | | |
| 35. | Transfer disbursement funds to banks, and ensure availability of funds for disbursement. | Y | | | |
| 36. | Disbursement of cash through ATMS, e-PoS and their franchisee network. | | | Y | Y |
| 37. | Sharing data of activated cards and cash disbursement with BISP. | | | Y | |
| 38. | Re adjustment of Funds of non-activated accounts. | Y | | | |
| 39. | Indemnify banking partners against wrongful delivery of Benazir Debit Card. | Y | | | |
| 40. | Indemnify banking partners against usage of Benazir Debit Card (post-activation) distributed as part of the BISP program. | Y | | | |

Annex 6 BISP Questionnaire

| | | | | | |
|---|----------------------|----------------------|--------------------|------------------|-------------------|
| 1. Questionnaire Number: | Province Name | District Name | Tehsil Name | Code | |
| 2. Name of Enumerator: | | | | | |
| 3. Date(Day-Month-Year): | | | | | |
| 4. Current Cash Transfer Mechanism | Pakistan Post=1 | Smart Card=2 | Debit Card=3 | Mobile Banking=4 | |
| 5. Before you received a cash transfer under BISP had you ever received a cash transfer or voucher by the government or NGO before? | Yes=1 | | No=2 | | |
| 6. If yes, under which scheme | CDCP Watan Card= 1 | IDP=2 | ERRA=3 | Cash For Work=4 | Other (Specify)=9 |
| Section A: Questionnaire Details | | | | | |
| 7. Province: | | | | | |
| 8. District: | | | | | |
| 9. Tehsil/Town/Taluka: | | | | | |
| 10. Union Council: | | | | | |
| 11. Village / Mohalla / Colony Name: | | | | | |
| 12. Type of Area: | Rural=1 | | Urban=2 | | |
| 13. Affected by flood/earthquake: | Yes=1 | | No=2 | | |
| Section B: Beneficiary and Household Characteristics | | | | | |
| 14. Beneficiary Name: | | | | | |
| 15. Mobile Number, if Any: | | | | | |
| 16. CNIC Number | | | | | |
| 17. When did you get your CNIC made? (Date to be obtained from the CNIC card) (Day-Month-Year) | | | | | |
| 18. Did you have a CNIC prior to this one? | Yes=1 | | No=2 | | |
| 19. Are you the head of household? | Yes=1 | | No=2 | | |
| 20. Your Age (Last Birthday) (Observe from CNIC) | | | | | |
| 21. Years of education completed | | | | | |
| 22. Marital Status | Single = 1 | Married = 2 | Divorced = 3 | Widowed = 4 | |

| | | | | | | | |
|---|-----------------------------|-----------------------|------------------------------------|------------------------------|-----------------------------|-------------------------------|----------------------------|
| 23. Household assets (more than one answer could be there) | Livestock=1 | Cash=2 | Gold=3 | Land=4 | None=5 | Other (Specify)=9 | |
| 24. Do you own any assets which belong only to you? | Yes=1 | | | | No=2 | | |
| 25. If Yes, what are these assets | Livestock=1 | Cash=2 | Gold=3 | Land=4 | None=5 | Other (Specify)=9 | |
| 26. Approximate distance of house from (KMs): Write DK for Don't Know | Metaled Road=1 | Nearest town centre=2 | Bank=3 | ATM Machine=4 | Nearest Post Office=5 | Omni Dukan, Easy Paisa, GSM=6 | |
| | KM: | KM: | KM: | KM: | KM: | KM: | |
| 27. Number of members in household? | Adult (Men)=1 | Adult (Women)=2 | Children=3 | Total = 4 | | | |
| | No.: | No.: | No.: | No.: | | | |
| Section C: Household cash flow | | | | | | | |
| 28. Number of household members who earn | Adult (Men)=1 | Adult (Women)=2 | Children=3 | Total=4 | | | |
| | No.: | No.: | No.: | No.: | | | |
| 29. Employment details of household members living in the village Code for Occupation: Farming =1, Daily Wage earner = 2, Government employee (in service and retired) =3, Salaried employee = 4 Own business = 5, Domestic worker= 6 | | | | | | | |
| Occupation | Wage in cash or kind | | How often is wage received? | | | | Amount monthly (Rs) |
| | Cash=1 | Kind=2 | Daily=1 | Monthly=2 | Seasonal=3 | Irregular=4 | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly=2 | Seasonal=3 | Irregular=4 | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly=2 | Seasonal=3 | Irregular=4 | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly=2 | Seasonal=3 | Irregular=4 | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly=2 | Seasonal=3 | Irregular=4 | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly=2 | Seasonal=3 | Irregular=4 | |
| 30. Number of household members working outside village | | | | | | | |
| 31. Number of household members working outside Pakistan | | | | | | | |
| 32. Do you pay any utility bills? | | | | Yes=1 (Go to question 33) | No=2 (Go to question 34) | | |

| | | | | | |
|---|---------------------------------------|-------------------------------------|--------------------------------|---------------------|--|
| 33. If yes, which bills you pay? | Electricity=1 | Gas=2 | Water = 3 | Other (Specify)=9 | |
| 34. Are you able to meet your expenditures every month? | Yes=1 (Go to Question 36) | | No=2 (Go to Question 35) | | |
| 35. If no, what is your coping strategy? | Borrow money from family or friends=1 | Borrow money from shop keeper= 2 | Borrow money from Bank=3 | Sell livestock = 4 | Sell household assets =5 |
| | Take on part time job =6 | Reduce consumption=7 | Pull Children out of school =8 | Other (Specify)=9 | |
| 36. How have you used the money from BISP? | Purchase Food=1 | Purchase livestock=2 | Meet health expenditures= 3 | Education=4 | Purchased consumer goods (fans, TV, motorcycles, refrigerators) =5 |
| | Improve house=6 | Invest in land=7 | Buy Jewelry or gold=8 | Other (Specify)=9 | |
| 37. Has your household been affected by any risks in the last 2 years? | None = 1 | Food inflation=2 | Fuel inflation=3 | Loss of livestock=4 | Ill health=5 |
| | Uncertain wages=6 | Low price of agricultural produce=7 | | Floods=8 | Earthquake=9 |
| | Displacement due to conflict =10 | Other (Specify)=19 | | | |
| Section D1: BISP Cash Transfer(This section is to be filled for all respondents currently receiving payment though Pakistan Post. Leave this section if beneficiary is receiving cash transfer through mechanism other than Pakistan Post) | | | | | |
| 38. Current Cash Transfer Mechanism | Pakistan Post=1 | Smart Card=2 | Debit Card=3 | Mobile Banking=4 | |
| 39. Through what means did you receive the first cash transfer? | Pakistan Post=1 | Smart Cart=2 | Debit Card=3 | Mobile Banking=4 | |
| 40. When did you first receive a BISP cash transfer? (Day-Month-Year) | | | | | |
| 41. How many BISP payments have you received so far? | | | | | |
| 42. Before you received a cash transfer for the first time, had you ever used the Post Office for money transfer? | Yes=1 | | No=2 | | |
| 43. Before you received a cash transfer for the first time, had you ever used an ATM Machine? | Yes=1 | | No=2 | | |
| 44. How often do you get the cash transfer? | Monthly = 1 | After two months= 2 | After three months = 3 | Irregularly = 4 | |

| | | | | | |
|--|--|--|--|---|----------------------------|
| | | Others (Specify)=9 | | | |
| 45. How much did you get last time? | | Rs. | | | |
| 46. How much did you get the time before that? | | Rs. | | | |
| 47. Do you know how much you will get next time? | | Yes=1 | | No=2 | |
| 48. Where do you receive the BISP Money Orders? | | At my doorsteps=1 (Go to question 57) | At the Post Office=2 (Go to question 49) | At some common place in the neighborhood=3 (Go to question 49) | |
| 49. Did someone accompany you? | | Yes=1 | | No=2 | |
| 50. Does it cost you any money to receive the cash grant | | Yes=1 (Go to Question 51) | | No=2 (Go to Question 53) | |
| 51. What cost was incurred? | | Rs. | | | |
| 52. How much does it cost you (or the person who withdraws money) to receive the cash transfer? Fill for each type of cost. | | Transport=1 | Paying someone to help you out=2 | Payment to franchise manager=3 | Bakhsheesh to post man = 4 |
| | | | | | Other cost=9 |
| 53. How much time is required to receive the cash transfer from the post office? | | Hrs | | minutes | |
| 54. Do you get the cash transfer on your first visit to "Post Office?" | | Yes=1 (Go to question 57) | | No=2 (Go to Question 55) | |
| 55. If No; what is the reason? | | Post office was closed=1 | | Post man not available=2 | |
| | | Other (Specify)=9 | | | |
| 56. How many visits were required to get the cash from post office, for your latest last payment? | | | | | |
| 57. Are you satisfied with the current system of payments? | | Yes = 1 (Go to question 58) | | No = 2 (Go to question 59) | |
| 58. Reason for preference of post office? | | Method is simpler and easy to understand=1 | Payments are reliable=2 | I get the money in my own hands=3 | |
| | | There is less cheating or deductions=4 | Method is less costly=5 | Payments were delivered at my doorsteps=6 | |
| 59. If you are not satisfied, with the current system of payments, specify why not? | | Payments are not regular=1 | I do not get full payment = 2 | I am always asked for Bukhsheesh = 3 | |
| | | Payments are not delivered at my doorsteps = 4 | The post man does not give the money in my hand =5 | Other (Specify) = 9 | |
| 60. Would you like to receive | | Yes = 1 | | No = 2 | |

| | | | | | | |
|---|--|--|--|--|---------------------------------------|----------------------|
| payments though any other payment mechanisms? | | (Go to question 61) | | | (Go to Section E) | |
| 61. If yes, what mechanism would you prefer? | | Card = 1 | Mobile Phone = 2 | Shop = 3 | Bank Branch = 4 | Other (Specify) = 9 |
| 62. Why would you prefer this mechanism? | | Don't have to pay Bakhsheesh =1 | | Can get the money at my convenience = 2 | Introduction to a Bank = 3 | |
| | | Other (Specify) = 9 | | | | |
| Section D 2: BISP Cash Transfer (The following questions are only applicable if beneficiary receives cash transfers through smart card/ debit cards or mobile banking. Do encircle one of the option mode 1, 2, 3) | | | | | | |
| For Payments Through Benazir Smart Card= 1 | | For Payment Through Benazir Debit Card = 2 | | | For Payments Through Mobile Phone = 3 | |
| 63. Have you collected the Benazir Card/ Smart Card/ Mobile Phone? | | | Yes=1 | | No=2 | |
| 64. When did you receive a Smart Card, Debit Card or Mobile Phone for cash receipt? (day-Month-Year): | | | | | | |
| 65. Have you activated the Card/ Mobile Phone? | | | Yes=1 | | No=2 (Go to question 66) | |
| 66. If not, why not? | | Didn't know how to use the card = 1 | Don't know where to activate the card= 2 | Went to the franchise but was refused = 3 | Went to the Bank but was refused = 4 | Others (Specify) = 9 |
| 67. Where from did you get your Smart Card/Debit Card/Mobile Phone | | BISP Tehsil Office =1 | BISP Divisional office = 2 | BISP Regional office at the province level = 3 | Mobile Franchisee = 4 | Others (Specify) = 9 |
| 68. How far did you have to go to receive the Card/Phone? | | | Distance in km: | | | |
| 69. Time required: House to collection center. | | | Hrs Minutes | | | |
| 70. How many visits were required to collect the card/phone? | | | | | | |
| 71. Did someone accompany you to collect the card/phone? | | | Yes=1 | | No=2 | |
| 72. Did it cost you any money to receive the Smart Card/Debit Card/Mobile Phone | | | Yes=1 (Go to Question 73) | | No=2 (Go to Question 75) | |
| 73. What cost was incurred to collect the card/phone? | | Rs. | | | | |
| 74. How much does it cost you to collect the card/phone?? | | Transport=1 | Paying someone to help you | Payment to franchise manager=3 | Bakhsheesh to post man = 4 | Other cost=9 |

| | | | | | |
|---|---|----------------------------------|--|--------------------|-----------------|
| Fill for each type of cost. | | out=2 | | | |
| 75. Do you have the Benazir Smart Card/ Debit Card with you right now? | Yes=1 (Go to question 77) | | No=2 (Go to question 76) | | |
| 76. If not, who has the card? | Husband=1 | Father=2 | Brother=3 | Mother-in-law=4 | |
| | Father-in-law=5 | Brother-in-law=6 | Neighbour=7 | Friend=8 | |
| 77. Do you remember your PIN? (Do not ask the PIN number itself) | Yes=1 | | No=2 | | |
| 78. How many times have you used the smart card, debit card or mobile to get your cash receipt? | | | | | |
| 79. When did you first receive a BISP cash transfer? (day-Month-Year) | | | | | |
| 80. How many BISP payments have you received? | No.: | | | | |
| 81. How often do you get the cash transfer? | Monthly = 1 | Every two months = 2 | Every three months = 3 | Irregularly = 4 | |
| | Others (Specify)=9 | | | | |
| 82. How much did you get last time? | | | | | |
| 83. How much did you get the time before that? | | | | | |
| 84. Do you know how much you will get next time? | Yes=1 | | No=2 | | |
| 85. Do you withdraw the money from an ATM or Bank or Mobile franchise yourself? | Yes=1 (Go to Question 88) | | No=2 (Go to question 86) | | |
| 86. If you do not withdraw money yourself, then who encashes the payment? | Husband=1 | Father=2 | Brother=3 | Son=4 | Mother-in-law=5 |
| | Father-in-law=6 | Brother-in-law=7 | Neighbor=8 | Others (Specify)=9 | |
| 87. If you do not withdraw money yourself why do you not do so? | Do not know how to use these services=1 | Not allowed to leave the house=2 | Husband/father/brother does not let me=3 | | |
| | Others (Specify)=9 | | | | |
| 88. How much does it cost you (or the person who withdraws money) to receive the cash receipt? (Fill for each type of cost.) | Transport=1 | Paying someone to help you out=2 | Payment to franchise manager=3 | Other cost=9 | |
| | Rs: | Rs: | Rs: | Rs: | |
| 89. How much time is required to get the cash receipt: [House to "ATM/Bank Branch, Mobile Franchise"]? | Hrs | | Minutes | | |
| 90. Do you get the cash receipt on your first visit to "ATM/Bank Branch, Mobile | Yes=1 | | No=2 (Go to question 91) | | |

| | | | |
|---|--|--|---|
| Franchisee?" | | | |
| 91. If No; what is the reason? | Bank branch closed=1 | ATM did not have cash=2 | ATM was not working = 3 |
| | Franchisee did not have cash=4 | Payment was not released by BISP | Others (Specify)=9 |
| 92. In case the Mobile Franchisee is a shop, do you buy your household groceries and other requirements from the same shop? | | Yes=1 | No=2 |
| 93. Did you receive any training /instruction about how to use the new method? | | Yes=1 | No=2 |
| 94. Do you feel you need training/instruction in the use of the card/phone? | | Yes=1 | No=2 |
| 95. Do you prefer the current method or Pakistan Post money orders? | Prefer current method=1 (Go to Question 96) | No difference=2 (Go to Question 97) | Prefer previous method=3 (Go to Question 97) |
| 96. Reason for preference of current method if any? | Method is simpler and easier to understand=1 | Payments are reliable=2 | I get the money in my own hands=3 |
| | There is less cheating or deductions=4 | Method is less costly=5 | Payments were delivered at my doorsteps=6 |
| Section E: Household Financial Inclusion and Literacy | | | |
| 97. Can you add numbers together? | | Yes=1 | No=2 |
| 98. Can you subtract one number from another? | | Yes=1 | No=2 |
| 99. Do you recognize the different currency notes and coins? | | Yes=1 | No=2 |
| 100. Can you count currency notes and coins? | | Yes=1 | No=2 |
| 101. Tell me the following about these words | Never Heard = 1 | Heard but do not understand = 2 | Heard and Understand = 3 |
| Bank Account | | | |
| Savings account | | | |
| Current Account | | | |
| Interest Rate | | | |
| Debit Card | | | |
| ATM | | | |
| Mobile Banking | | | |
| Insurance | | | |
| Swift Transfer | | | |
| 102. Do you receive any remittance income from family members working outside the village or country? | | Yes=1 (Go to question 103) | No=2 (Go to 105) |

| | | | | |
|--|--|--------------------------------------|--|------------------------------------|
| 103.How often do you receive remittances? | Monthly=1 | After 3 months=2 | Six monthly=3 | |
| | Annually=4 | | Irregularly=5 | |
| 104.What channel do you receive remittances through? | Delivered personally = 1 | Through friends or Family = 2 | Through Hundi or other informal system=3 | Money Order through post office =4 |
| | Through Mobile=5 | Authorized Money Transfer Agencies=6 | Through Bank=7 | |
| 105.Do you send money to a household member or relative living outside the village? | Yes=1 (Go to question 106) | | No=2 (Go to 108) | |
| 106.How often do you send this money? | Monthly=1 | After 3 months=2 | Six monthly=3 | |
| | Annually=4 | | Irregularly=5 | |
| 107.What channel do you send money through? | Delivered personally = 1 | Through Family or friends = 2 | Money Order through post office =3 | By Bank=4 |
| | Through Mobile=5 | | Through Hundi system=6 | |
| 108.Have you ever paid any bills through the Bank? | Yes=1 | | No=2 | |
| 109.Do you save any money each month? | Yes=1 (Go to question 110) | | No=2 (Go to Question 112) | |
| 110.How much do you save every month? | Rs | | | |
| 111.What do you do with the savings? | cash at home= 1 | save in Committee=2 | = invest in Livestock =3 | Purchase household asset= 4=4 |
| | invest in Jewelry=5 | invest in Land=6 | save with NGO=7 | save in Bank =8 |
| 112.Are you a member of a savings committee? | Yes=1 (Go to question 113) | | No=2 (Go to Question 115) | |
| 113.If yes, how much do you contribute every month? | | | | |
| 114.What is the total value of the savings committee? | | | | |
| 115.Have you ever borrowed money? | Yes=1 (Go to question 116) | | No=2 (Go to question 117) | |
| 116.If yes , fill following table for the money borrowed in the last one year Borrowing code: Family or friends =1, Shopkeeper = 2, Landlord = 3, Arhti=4, Money Lender =5, NGO = 6, Bank = 7 | | | | |
| Purpose | Amount Borrowed during last one year? | Source (borrowing code) | Time period of borrowing (less than one month=1, 1 month to | Interest Rate |

| | | | | | |
|--|----------------------------|-------------------------------|--|----------------------------------|-------------------------|
| | | | 6 month=2, 7 month to 12 month= 3, More than one year = 4) | | |
| Consumption | | | | | |
| Agriculture inputs | | | | | |
| To rent or purchase equipment | | | | | |
| To purchase fodder | | | | | |
| To purchase livestock | | | | | |
| Marketing | | | | | |
| House construction | | | | | |
| Education | | | | | |
| Health costs | | | | | |
| Wedding | | | | | |
| Funeral | | | | | |
| Other | | | | | |
| 117.If not, why have you never borrowed any money? | | Did not need to=1 | Could not afford it=2 | Lack of guarantor = 3 | Lack of collateral =4 |
| | | Lengthy process=5 | | Interest on Loan is un-Islamic=6 | Tried but was refused=7 |
| 118.Are you enrolled in any insurance scheme? | | Yes=1 (Go to question 119) | | No=2 (Go to Question 120) | |
| 119.If yes, what type? | BISP Insurance Company = 1 | Insurance company=2 | NGO=2 | Other=9 | |
| 120.Do you own a mobile phone? | | Yes=1 | | No=2 | |
| 121.Do you own a mobile SIM? | | Yes=1 | | No=2 | |
| 122.Is the mobile SIM in your name? | | Yes=1 | | No=2 | |
| 123.Have you ever made any bill payments through mobile phone? | | Yes=1 | | No=2 | |
| 124.Have you ever transferred money through mobile phone? | | Yes=1 | | No=2 | |
| 125.Do you have a bank account? | | Yes=1 (Go to section F1) | | No=2 (Go to section F2) | |
| Section F (1)If respondent has a bank account | | | | | |
| 126.Was this account opened before or after you started receiving BISP cash transfers? | | Before=1 | | After=2 | |

| | | | | |
|--|--|---|---|--|
| 127. How many years have you had this account? | | | | |
| 128. Do you find it easy to use the account? | Yes=1 | | No=2 | |
| 129. How far is your bank branch from you? | KM: | | | |
| 130. How much does it cost to go there? | Rs.: | | | |
| 131. How did you know how to open the account? | Went to bank directly=1 | | Had account since childhood opened by parent/guardian=2 | Family member/relative informed/helped=3 |
| | Employer informed/helped=4 | Local notable/political worker helped=5 | Others (Specify)=9 | |
| 132. What documents did you require to open the account? | CNIC=1 | | Proof of address=2 | |
| | Introduction by existing account holder=3 | | Supporting letter from notable/govt official/employer=4 | |
| | Don't know=5 | Others (specify)=9 | | |
| 133. Can you easily sign your name? | Yes=1 | | No=2 | |
| 134. Can you write a cheque? | Yes=1 | | No=2 | |
| 135. Do you have an ATM card other than one given by BISP? | Yes=1 | | No=2 | |
| 136. Do you know how to use the card? | Yes=1 | | No=2 | |
| 137. How do you normally operate your account? | By visiting bank branch personally=1 | Someone going on my behalf with cheque/deposit slip=2 | Writing/signing cheques=3 | ATM card=4 |
| Section F (2) If respondent does not have a bank account | | | | |
| 138. If you do not have a bank account, have you ever thought about opening one? | Yes=1 (Go question 139) | | No=2 (Go to question 140) | |
| 139. If yes, why? | Saving=1 | | Receiving payments=2 | |
| | Making payments=3 | | ATM card=4 | |
| 140. If not, why not?? | Not safe=1 | | No knowledge=2 | |
| | Too complicated=3 | | Never have enough cash=4 | |
| | Other (specify)=9 | | | |
| 141. Have you ever tried to open a bank account? | Yes=1 (Go to question 142, 143 and 144) | | No=2 (Go to question 144) | |
| 142. If Yes, When?(Day-Month-Year): | | | | |
| 143. Why did you not succeed? | Did not know procedures=1 | | Did not have documents=2 | |
| | Bank staff did not cooperate=3 | | Did not have money=4 | |

Annex 7 CDCP Questionnaire

| | | | | | | |
|--|-----------------------|-----------------------|---------------------|-------------------|--------|-------------------|
| 1. Questionnaire Number: | Province Name- | District Name- | Tehsil Name- | Code | | |
| | - | - | - | | | |
| 2. Name of Enumerator: | | | | | | |
| 3. Date(Day-Month-Year): | | | | | | |
| 4. Before you received a cash transfer under WATAN Card (CDCP) had you ever received a cash transfer or voucher by the government or NGO before? | Yes=1 | | No=2 | | | |
| 5. If yes, under which scheme | IDP=1 | ERRA=2 | Cash For Work=3 | Other (Specify)=9 | | |
| Section A: Questionnaire Details | | | | | | |
| 6. Province: | | | | | | |
| 7. District: | | | | | | |
| 8. Tehsil/Town/Taluka: | | | | | | |
| 9. Union Council: | | | | | | |
| 10. Village / Mohalla / Colony Name: | | | | | | |
| 11. Type of Area: | Rural=1 | | Urban=2 | | | |
| 12. Affected by flood/earthquake: | Yes=1 | | No=2 | | | |
| Section B: Beneficiary and Household Characteristics | | | | | | |
| 13. Beneficiary Name: | | | | | | |
| 14. Mobile Number, if Any: | | | | | | |
| 15. CNIC Number: | | | | | | |
| 16. When did you get your CNIC made? Date to be obtained from the CNIC card. (Day-Month-Year) | | | | | | |
| 17. Did you have a CNIC prior to this one? | Yes=1 | | No=2 | | | |
| 18. Are you the head of household? | Yes=1 | | No=2 | | | |
| 19. Your Age (Last Birthday) (Observe from CNIC) | | | | | | |
| 20. Years of education completed | | | | | | |
| 21. Marital Status | Single = 1 | Married = 2 | Divorced = 3 | Widowed = 4 | | |
| 22. Household assets | Livestock | Cash=2 | Gold=3 | Land=4 | None=5 | Other (Specify)=9 |

| | | | | | | | | |
|--|-----------------------------|-----------------------|------------------------------------|---------------|-----------------------|-------------------------------|----------------------------|--|
| (more than one answer could be there) | =1 | | | | | | | |
| 23. Do you own any assets which belong only to you? | | | Yes=1 (Go to question 24) | | | No=2 (Go to question 25) | | |
| 24. If Yes, what are these assets | Livestock=1 | Cash=2 | Gold=3 | Land=4 | None=5 | Other (Specify)=9 | | |
| 25. Approximate distance of house from (KMs): Write DK for Don't Know | Metaled Road=1 | Nearest town centre=2 | Bank =3 | ATM Machine=4 | Nearest Post Office=5 | Omni Dukan, Easy Paisa, GSM=6 | | |
| | KM: | KM: | KM: | KM: | KM: | KM: | | |
| 26. Number of members in household? | Adult (Men)=1 | | Adult (Women)=2 | | Children=3 | | Total = 4 | |
| | No.: | | No.: | | No.: | | No.: | |
| Section C: Household cash flow | | | | | | | | |
| 27. Number of household members who earn | Adult (Men)=1 | | Adult (Women)=2 | | Children=3 | | Total=4 | |
| | No.: | | No.: | | No.: | | No.: | |
| 28. Employment details of household members living in the village Code for Occupation: Farming =1, Daily Wage earner = 2, Government employee (in service and retired) = 3, Salaried employee = 4 Own business = 5, Domestic worker= 6 | | | | | | | | |
| Occupation | Wage in cash or kind | | How often is wage received? | | | | Amount monthly (Rs) | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly =2 | Seasonal=3 | Irregular = 4 | | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly =2 | Seasonal=3 | Irregular = 4 | | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly =2 | Seasonal=3 | Irregular = 4 | | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly =2 | Seasonal=3 | Irregular = 4 | | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly =2 | Seasonal=3 | Irregular = 4 | | |
| | Cash=1 | Kind=2 | Daily=1 | Monthly =2 | Seasonal=3 | Irregular = 4 | | |
| 29. Number of household members working outside village | | | | | | | | |
| 30. Number of household members working outside Pakistan | | | | | | | | |
| 31. Do you pay any utility bills? | | | Yes=1 (Go to question 32) | | | No=2 (Go to question 33) | | |
| 32. If yes, which bills you pay? | | | Electricity | Gas=2 | Water = 3 | Other (Specify)=9 | | |

| | | | | | |
|--|---------------------------------------|-------------------------------------|---|-----------------------------|--|
| | =1 | | | | |
| 33. Are you able to meet your expenditures every month? | | Yes=1 (Go to question 35) | | No=2 (Go to question 34) | |
| 34. If no, what is your coping strategy? | Borrow money from family or friends=1 | Borrow money from shop keeper= 2 | Borrow money from Bank=3 | Sell livestock = 4 | Sell household assets =5 |
| | Take on part time job =6 | Reduce consumption=7 | Pull Children out of school =8 | Other (Specify)=9 | |
| 35. How have you used the money from Watan Card? | Purchase Food=1 | Purchase livestock=2 | Meet health expenditures=3 | Education=4 | Purchased consumer goods (fans, TV, motorcycles, refrigerators) =5 |
| | Improve house=6 | Invest in land=7 | Buy Jewelry or gold=8 | Other (Specify)=9 | |
| 36. Has your household been affected by any risks in the last 2 years? | None = 1 | Food inflation=2 | Fuel inflation=3 | Loss of livestock=4 | Ill health=5 |
| | Uncertain wages=6 | Low price of agricultural produce=7 | | Floods=8 | Earthquake=9 |
| | Displacement due to conflict =10 | Other (Specify)=19 | | | |
| Section D: CDCP Cash Transfer | | | | | |
| 37. Have you collected the Watan Card? | | Yes=1 | | No=2 | |
| 38. Have you activated the Card? | | Yes=1 (Go to question 40) | | No=2 (Go to question 39) | |
| 39. If not, why not? | Didn't know how to use the card = 1 | Don't Know where to Go = 2 | Went to the Bank but did not get paid = 3 | Others (Specify) = 9 | |
| 40. When did you first receive a CDCP cash transfer? | | | | | |
| 41. How many times you received the Watan card cash grant? | One time =1 | Two time=2 (Go to question 42) | Three times=3 (go to question 42) | Others (Specify) = 9 | |
| 42. When did you receive the last payment? (DD-MM-YYYY) | | | | | |
| 43. Do you remember your PIN? | | Yes=1 | | No=2 | |
| 44. How did you encash your payment? | Went to ATM | Someone else went on my | Sold card/PIN | Others (Specify) = 9 | |

| | | | | |
|--|---|--|--|----------------------|
| | myself=1 (Go to question 47) | behalf=2 (Go to question 45 and 46) | to someone =3 | |
| 45. If someone else encashed payment: then who encashed the payment? | Husband=1 | Father=2 | Brother=3 | |
| | Mother-in-law=4 | Father-in-law=5 | Brother-in-law=6 | |
| | Neighbour/friend=7 | Others (Specify) = 9 | | |
| 46. Why did you not encash the payment yourself? | Do not know how to use these services=1 | Not allowed to leave the house=2 | Husband/father/brother does not let me=3 | |
| 47. Does it cost you any money to receive the cash grant | Yes=1 (Go to Question 48) | | No=2 (Go to Question 50) | |
| 48. What cost was incurred? | Rs. | | | |
| 49. How much does it cost you (or the person who withdraws money) to receive the cash transfer? Fill for each type of cost. | Transport=1 | Paying someone to help you out=2 | Payment to franchise manager=3 | Others (Specify) = 9 |
| | | | | |
| 50. How much time is required to receive the cash transfer? | Hrs | | minutes | |
| 51. Do you get the cash transfer on your first visit? | Yes=1 (Go to question 54) | | No=2 (Go to Question 52) | |
| 52. If No; what is the reason? | Bank branch closed=1 | ATM did not have cash=2 | ATM was not working = 3 | |
| | Franchisee did not have cash=4 | Payment was not released by CDCP | Others (Specify)=9 | |
| 53. How many visits were required to get the cash from post office, for your latest last payment? | | | | |
| 54. Did you receive any training or instruction about how to withdraw money? | Yes=1 | | No=2 | |
| 55. Do you feel you need training in the use of the service? | Yes=1 | | No=2 | |
| 56. Before you CDCP for the first time, had you ever used an ATM Machine? | Yes=1 | | No=2 | |
| Section E: Household Financial Inclusion and Literacy | | | | |
| 57. Can you add numbers together? | Yes=1 | | No=2 | |

| | | | | |
|--|-------------------------------------|---------------------------------|--|------------------------------------|
| 58. Can you subtract one number from another? | Yes=1 | | No=2 | |
| 59. Do you recognize the different currency notes and coins? | Yes=1 | | No=2 | |
| 60. Can you count currency notes and coins? | Yes=1 | | No=2 | |
| 61. Tell me the following about these words | Never Heard = 1 | Heard but do not understand = 2 | | Heard and Understand = 3 |
| Bank Account | | | | |
| Savings account | | | | |
| Current Account | | | | |
| Interest Rate | | | | |
| Debit Card | | | | |
| ATM | | | | |
| Mobile Banking | | | | |
| Insurance | | | | |
| Swift Transfer | | | | |
| 62. Do you receive any remittance income from family members working outside the village or country? | Yes=1 (Go to question 63 and 64) | | No=2 (Go to question 65) | |
| 63. How often do you receive remittances? | Monthly=1 | After 3 months=2 | Six monthly=3 | |
| | Annually=4 | | Irregularly=5 | |
| 64. What channel do you receive remittances through? | Delivered personally = 1 | Through friends or Family = 2 | Through Hundi or other informal system=3 | Money Order through post office =4 |
| | Through Mobile=5 | | Authorized Money Transfer Agencies=6 | Through Bank=7 |
| 65. Do you send money to a household member or relative living outside the village? | Yes=1 (Go to question 66 and 67) | | No=2 (Go to question 68) | |
| 66. How often do you send this money? | Monthly=1 | After 3 months=2 | Six monthly=3 | |
| | Annually=4 | | Irregularly=5 | |
| 67. What channel do you send money through? | Delivered personally = 1 | Through Family or friends = 2 | Money Order through post office =3 | By Bank=4 |
| | Through Mobile=5 | | Through Hundi System=6 | |
| 68. Have you ever paid any bills through the Bank? | Yes=1 | | No=2 | |

| 69. Do you save any money each month? | Yes=1 (Go to question 70) | | No=2 (Go to question 72) | |
|--|---------------------------------------|-------------------------|---|-------------------------------|
| 70. How much do you save every month? | Rs | | | |
| 71. What do you do with the savings? | Cash at home= 1 | Save in Committee=2 | Invest in Livestock =3 | Purchase household asset= 4=4 |
| | Invest in Jewelry=5 | Invest in Land=6 | Save with NGO=7 | Save in Bank =8 |
| 72. Are you a member of a savings committee? | Yes=1 | | No=2 | |
| 73. If yes, how much do you contribute every month? | | | | |
| 74. What is the total value of the savings committee? | | | | |
| 75. Have you ever borrowed money? | Yes=1 (Go to question 76) | | No=2 (Go to question 77) | |
| 76. If yes , fill following table for the money borrowed in the last one year Borrowing code: Family or friends =1, Shopkeeper = 2, Landlord = 3, Arhti=4, Money Lender =5, NGO = 6, Bank = 7 | | | | |
| Purpose | Amount Borrowed during last one year? | Source (borrowing code) | Time period of borrowing (less than one month=1, 1 month to 6 month=2, 7 month to 12 month= 3, More than one year = 4) | Interest Rate |
| Consumption | | | | |
| Agriculture inputs | | | | |
| To rent or purchase equipment | | | | |
| To purchase fodder | | | | |
| To purchase livestock | | | | |
| Marketing | | | | |
| House construction | | | | |
| Education | | | | |
| Health costs | | | | |
| Wedding | | | | |
| Funeral | | | | |
| Other | | | | |
| 77. If not, why have you never borrowed any money? | Did not need to=1 | Could not afford it=2 | Lack of guarantor = 3 | Lack of collateral =4 |
| | Lengthy process=5 | Interest on the Loan | Tried but was | |

| | | | |
|--|---|---|--|
| | | is un-Islamic=6 | refused=7 |
| 78. Are you enrolled in any insurance scheme? | Yes=1 (Go to question 79) | | No=2 (Go to 80) |
| 79. If yes, what type? | Insurance company=1 | NGO=2 | Other=9 |
| 80. Do you own a mobile phone? | Yes=1 | | No=2 |
| 81. Do you own a mobile SIM? | Yes=1 | | No=2 |
| 82. Is the mobile SIM in your name? | Yes=1 | | No=2 |
| 83. Have you ever made any bill payments through mobile phone? | Yes=1 | | No=2 |
| 84. Have you ever transferred money through mobile phone? | Yes=1 | | No=2 |
| 85. Do you have a bank account? | Yes=1 (Go to section F1) | | No=2 (Go to section F2) |
| Section F (1) If respondent has a bank account | | | |
| 86. Was this account opened before or after you started receiving CDCP cash transfers? | Before=1 | | After=2 |
| 87. How many years have you had this account? | | | |
| 88. Do you find it easy to use the account? | Yes=1 | | No=2 |
| 89. How far is your bank branch from you? | KM: | | |
| 90. How much does it cost to go there? | Rs.: | | |
| 91. How did you know how to open the account? | Went to bank directly=1 | Had account since childhood opened by parent/guardian=2 | Family member/relative informed/helped=3 |
| | Employer informed/helped=4 | Local notable/political worker helped=5 | Others (specify)=9 |
| 92. What documents did you require to open the account? | CNIC=1 | | Proof of address=2 |
| | Introduction by existing account holder=3 | | Supporting letter from notable/ govt official/employer=4 |
| | Don't know=5 | | Others (specify)=9 |
| 93. Can you easily sign your name? | Yes=1 | | No=2 |
| 94. Can you write a cheque? | Yes=1 | | No=2 |
| 95. Do you have an ATM card other than one given by Watan Card (CDCP)? | Yes=1 | | No=2 |
| 96. Do you know how to use the card? | Yes=1 | | No=2 |

Annex 8 Terms of Reference

ABOUT THE PROJECT

During the second half of 2008 the Government of Pakistan launched the Benazir Income Support Programme (BISP) as a flagship government initiative. The program to date has provided cash transfers of PKR 1000 [USD12] per month to 3.2 Million eligible families. The short term objective of BISP is to cushion the adverse impact of the food, fuel and financial crisis on the poor. Its broader objective – in line with the National Social Protection Strategy - is to establish a nationwide safety net program, marked by effective and transparent targeting and delivery mechanisms. The 2008/09 budget allocation for the BISP (PKR 34 billion), doubles the federal Government's social safety nets spending from 0.3 percent in 2003/04 to 0.6 percent of GDP. The Government's ultimate goal over the medium term is to expand coverage to 7 Million families nationwide.

Given the imperatives of the evolving food and financial crises, combined with weak existing targeting capacity, the Government started the BISP program in mid 2008 through a legislator -based targeting system. BISP application forms were distributed to Members of the National Assembly (MNAs) and provincial parliaments in order to identify poor and needy families for the program, this mechanism has now been replaced by the Poverty Score card based targeting.

With the support of the World Bank and other donor agencies, the GoP is moving to consolidate its recent safety net reforms through a combination of activities that will strengthen program targeting, operations and management. At the centre of these efforts is the recognized need to enhance national capacity and expertise given the ambitious nature of the program, as well as the fragmented nature of existing programs.

Consistent with international best practice, the Government has put in place separate agencies to conduct the enrollment process, determine program eligibility and pay benefits. The Government has also included monitoring, evaluation and other control and accountability mechanisms of the program as an important element of the reform agenda. The Government's commitment is particularly evident in the formal adoption of a poverty score card as an objective targeting instrument done recently to identify safety net beneficiaries—a first in the South Asia region. Given the limitations of the legislators based targeting system, the Government of Pakistan (GoP) decided in December 2008 to improve BISP targeting through the adoption of a poverty scorecard that is based on a 'proxy means testing' approach, thus creating a national targeting system that could serve multiple purposes.

BISP has tested different alternative delivery channels for the payments on a pilot basis. Cash transfers are delivered via a money order from the Post Office, through mobile banking channels, as well as with the use of ATMs and POS machines, hence both push and pull mechanism to transfer money have been used. As opposed to the electronic payments mechanism using ATM cards, postal workers make cash deliveries to each beneficiary's house once every two months, but there is dissatisfaction with the service due to late payments in some areas and allegations of instances of fraud and "leakage".

Another program initiated by the government, in response to the floods in 2010, is the Citizen Damage Compensation Programme (CDCP) which provides cash grants for the affected families, using a magstripe enabled "Watan card" that can be operated by using both Point of Sale (POS) terminals and ATM machines.

Considering the need to provide rapid support to the flood affected families for their recovery and the huge extent of the floods throughout the country, potential applicants were invited to enrolment centres at which information was verified and targeting was based on geographical location of beneficiaries. At the enrolment centres biometrics of all applicants were captured. This information was further used to cross-verify with the central database of NADRA to secure identity and reject duplications. Those applicants, who presented their CNIC and were verified through biometrics, were declared enrolled beneficiaries. Enrolled beneficiaries received an ATM/debit card (Watan Card') activated within 48 hours after NADRA completed identity checks of enrolled people. This card

enabled beneficiaries to receive a flat rate grant of PKR 20,000). Once the card was activated, the enrolled beneficiary became eligible to withdraw money at Watan Card Centres where payment points were installed or at any ATM. Within three months of its initiation in September, 1.4 Million families were registered and paid PKR 20,000. To date, a total of more than 1.53 Million of an estimated 1.8 Million families across Pakistan have been granted cash assistance under the Watan Card Project, also called CDCP I.

The Government of Pakistan, with the help of donors, is now implementing a second phase of CDCP to continue to support the recovery of flood affected households. This CDCP II will provide a total of PKR 40,000 to selected flood affected households, in two PKR 20,000 tranches. Beneficiaries are anticipated to use these funds to not only cover basic consumption but to also recapitalize assets, repay loans, recover their livelihoods and repair housing. The GoP seeks to provide these additional payments to an estimated 1.1 Million households. Its operation is based and built upon what CDCP performed through NADRA in CDCP I using the same mechanism of disbursing cash using the Watan Card.

The Government also has some experience with payments through debit cards to IDPs of the Malakand Division and surrounding Tribal Areas of NWFP. BISP is already trialing a very small pilot (536 people) using debit cards as a delivery channel for those beneficiaries that had already been issued with cards as IDPs from Bajaur in collaboration with United Bank Limited, one of the large commercial banks. They have claimed significant usage of these bank accounts after the trial.

The above initiatives support the trend toward ‘branchless banking’—the use of non-traditional banking channels such as ATMs, agents with point of sale devices or mobile phones—has accelerated in recent years. The rapid adoption of new mobile phone payment schemes has caught the attention and fuelled the interest of major and new financial service providers. These new channels do not require traditional banking branch infrastructure, reducing the cost and enabling less dense areas and poorer people (with smaller balances and transaction sizes) to be served in a more sustainable way by private and public financial institutions. These approaches make the goal of promoting financial inclusion more feasible. The current cash transfer schemes are increasingly being designed both to take advantage of these developments in the financial sector and to take them further still.

The Branchless Banking Regulation of 2008 (BBR) further paved the way for new entrants into the banking sector with the potential to radically change the landscape for financial inclusion (including payment processing) in Pakistan. Several new actors have entered the market since the using new technologies such as mobile phones to bring down the cost of delivering financial services. Others have already applied or are poised to apply for Branchless Banking licenses. Each of these actors will make use of “agents” (a network of stores or retail outlets) that can deliver services on behalf of a bank. The potential to deliver financial services to a large number of low income Pakistanis is enormous.

The current assignment supports a more rigorous impact evaluation which would enable a measurement of the ‘lift’ from enhanced payment arrangements available for beneficiaries of the BISP and CDCP programs.

OBJECTIVE OF STUDY AND SCOPE OF WORK

The objective of the assignment is to carry out a survey and beneficiary assessment using both qualitative and quantitative methodologies. These assessments will advise the team on the outcomes and beneficiary perceptions of financial inclusion and literacy outcomes of cash transfers through the Banking system in Pakistan.

The study is to provide insights and recommendations to the following areas of interest: (i) household characteristics and their livelihoods profile for cash grant recipients; (ii) household financial management and use of financial services, (iii) household perceptions and preferences of financial products and systems; and (iv) perceived improvements of financial inclusion and financial literacy of

these beneficiaries/recipients. It is also envisaged that the study will identify feasible options for the efficient and cost-effective delivery of payments to targeted cash transfer beneficiaries to enhance their financial inclusion and literacy.

The study is motivated by the assumption that the financial inclusion and financial literacy cash transfer beneficiaries (BISP and CDCP) could be an additional benefit to the delivery of the payments made for income support and livelihood generation. The team is interested in the feasibility of the payment flows landing in financial accounts from which beneficiaries could save and transact. It is also envisaged that a beneficiary assessment will be conducted for lesson learning on the customer experience and the extent to which customers are making use of the accounts available to them. This also provides the prospect of assessing the impact of the electronic payments mechanism (ATM cards, POS machines, mobile transfers) as compared to the post office model.

In addition to this, the GoP has expressed a strong interest in learning from the experiences of the impact of such programs from other countries that have successfully rolled out G2P programs using new technologies. The consultant(s) will work with BISP, CDCP and partner commercial bank teams.

The report will also undertake an comparative impact of different delivery channels such as smart cards, mobile phones and Pakistan Post on the financial inclusion and financial literacy of the cash transfer beneficiaries, where this might be feasible, also take into account the differences between urban and rural areas and the specific challenges in areas affected by natural disasters and conflict.

The report should make recommendations on where different approaches might be used to enhance financial inclusion and financial literacy of the cash transfer beneficiaries.

SPECIFIC TASKS & OUTPUTS

The primary scope of the project is to carry out a study on the delivery mechanisms being used by cash transfer programs (BISP and CDCP) and the extent to which these can be leveraged into offering greater access to financial inclusion and financial literacy. The main deliverable is the study which will a) draw lessons from the ongoing implementation of BISP and CDCP using debit cards and compare them with international practice and the current means of delivery via the post office, mobile phones etc; and b) make recommendations and advise on the possibility of enhancing the financial inclusion and financial literacy of cash transfer beneficiaries using smart cards and/or mobile phones and the conditions under which this might be possible.

In particular the study will make recommendations on the current approach being used for implementing the program and its impact on financial inclusion and financial literacy of cash transfer beneficiaries given the role of the different parties involved (e.g. BISP, Cabinet Division, State Bank of Pakistan, Banks, NADRA, Mobile Network Operators etc).

The following topics overall should be covered during the analysis. The key questions which the consultant will necessarily address are listed below. The sub-issues are provided only as examples. It is anticipated, that these will be enhanced and structured by the Consultant and will be further detailed subsequently in the Inception Report.

1. Assessment of the current landscape and baseline information on cash transfer programs and products available
 - a. Types of financial instruments available to the beneficiaries to withdraw cash (ATM cards, POS machines, Pakistan Post, mobile phones)
 - b. Current plans of the partner commercial banks and stakeholders in moving towards financially inclusive cash transfer mechanisms as well as enhancing beneficiary financial literacy
 - c. Types of products to be developed to enhance financial inclusion and literacy in the short term (one year) and medium term (two to five years)
 - d. Analysis of possible combination of different type of products, with same agency, more than one agency to enhance beneficiary financial inclusion and coverage

2. Assessment of Financial Inclusion and Financial Literacy Outcomes for cash transfer beneficiaries:

Financial Inclusion areas:

- a. Access of beneficiaries to formal or informal financial services
- b. Costs, frequency, efficiency and transparency of payments when done through the formal banking system and its impact on beneficiaries
- c. Degree of efficiency gains in terms of decreased corruption and leakage, and less time for beneficiaries to receive payments
- d. Impact pertaining to the use of formal payment mechanisms on transaction costs in the financial sector (for example, the ratio of banking fees to GDP per capita)
- e. Impact of availability (both depth and breadth) and costs of banking services for beneficiaries and the larger population
- f. Extent to which delivery payments can land in a regulated bank account
- g. Level of services available with the bank account, such as savings
- h. Probability of usage by the targeted recipients
- i. Beneficiary authentication process and the cost of authentication to use electronic payment service, how long it took and any costs incurred both (both direct and indirect costs), any difficulties faced and how overcome. This should include the process of accessing Watan card, PIN code etc.
- j. Comparison between processes followed by the different Banks in transferring cash to beneficiaries and ease of access and role of the agent network
- k. Overall impact in terms of financial deepening for the local economy

Financial Literacy areas:

- a. Household characteristics and their livelihoods profile for cash grant recipients
- b. Household financial management and use of financial services and household perceptions and preferences of financial products and systems and impact on ease of access and use for the beneficiaries for the product itself
- c. Assess impact on change in household behaviors and households budgets for beneficiaries of cash transfer schemes
- d. Assess impact on household consumption patterns and spending areas pertaining to beneficiaries of cash transfer schemes
- e. Assess impact on ease and use of alternate financial services for beneficiaries who are recipients of cash transfers and impact of beneficiary financial and investment decisions in the household
- f. Assess the need and impact of training of beneficiaries in use of technology and use of services and degree of beneficiary education needed to operate the services
- g. Comparison between Pakistan Post, ATM, Bank branch and Point of Sale (PoS) payments - what difficulties were encountered and how overcome by beneficiaries, if possible, some assessment should be made of PoS payments at various different types of shops/locations, role of agent networks in supporting beneficiary payments
- h. Any particular difficulties for specific groups (eg. women- headed households, aged, disabled, minority groups)
- i. Assess public opinion of payment process, assess bank officials' reflections on WATAN card, BISP card issuance and activation, release of payments from Government and payments procedures - any difficulties faced and how overcome

3. Analysis of the design and implementation of the current cash transfer programs (BISP and CDCP) to inform future financial inclusion and literacy outcomes of cash transfer beneficiaries
In the context of the issues discussed between stakeholders, BISP, NADRA, Cabinet Division CDCP stakeholders, Banks, Telecom operators, and State Bank of Pakistan, donors and World Bank, and also based on the findings of the fieldwork, the Evaluation will identify areas that highlight recommendations for the following areas:

- a. difficulties and constraints facing program implementation and, where possible, identify potential mechanisms and approaches for enhancing financial inclusion and financial literacy

- b. to increase the efficiency of implementation and outreach to beneficiaries when using financial inclusive payment services
- c. enhance the public knowledge, awareness and appreciation of the electronic payments and technology driven program
- d. improve efficiency and effectiveness of payment procedures, both for improving access for beneficiaries and enhancing available financial services

METHODOLOGY AND SAMPLING

The Consultant will carry out the following activities when finalising the methodology for the assignment:

- a) develop the impact evaluation methodology
- b) develop questionnaires/instruments for quantitative and qualitative data collection
- c) sample selection
- d) field work to collect data (and all related activities) and training for field work
- e) data entry and processing
- f) data analysis
- g) analysis of findings with recommendations and lessons for design
- h) preparation of reports

The evaluation would be carried out in the following 3 phases:

Phase 1 – Planning, Design, Piloting, Mobilisation, Preparation (2 weeks)

Phase 2 – Fieldworker Training and Fieldwork Implementation (4 weeks)

- i. 1 week of training
- ii. 4 weeks of fieldwork

Phase 3 – data processing, data analysis, report writing and dissemination workshop (5 weeks)

Methodology- The methodology may include but will not be limited to the following:

- a. Beneficiaries: Household sample surveys and Focus Group Discussions
- b. Those who implement the program (BISP, NADRA, Banks, Cabinet Division, local government officials at UC and district level, NADRA officials, point of sale operators etc): Interviews, Systematic observation, administrative data analysis as available.
- c. Other stakeholders (community leaders, donor community): key informant interviews

Data collection- The means of data collection may include but will not be limited to the following:

- a. Identifying communities/settlements for primary data collection (quantitative and qualitative): In order to get the most cogent information for the evaluation, both the quantitative interviews of beneficiary households and qualitative interviews of program implementers will be carried out in the same locations (eg. community or settlement). This nesting of qualitative information with quantitative information will potentially yield a rich source of information for the evaluation. In addition, it would be important for the evaluation to capture variations in conditions, urban-rural, flood and not flood effected districts.
- b. The consultant will, therefore, follow a stratified random selection of communities and households for data collection (both qualitative and quantitative). The quantitative household survey data will be entered into a pre-established database. The qualitative data could be analyzed using qualitative data analysis software. A textual analysis would be performed on the qualitative data, and simple tabulations and analysis on the quantitative data.
- c. The evaluation must be based on factual findings, drawing from reliable and credible data and observations. The consultant should triangulate and validate information, decide and describe data quality in a transparent manner, assessing strengths and weaknesses, as well as sources of information. Data gaps should be highlighted.

Confidentiality and data ownership: The consulting firm will protect the confidentiality of individuals participating in the survey at all stages. All data is confidential and property of the Government of Pakistan and the World Bank. No data or other information from this survey will be released to third parties without the written approval of the World Bank.

TIMELINE

The study will take approximately 11 to 13 weeks. The final report should be submitted within 3 months of the signing of the contract with the consultants.

DELIVERABLES & REPORTING

The Consultant will ensure completion of the following reports/activities to the assigned Bank specialist, for onward sharing with Government and other Development Partners, as follows:

1. **An Inception Report** to be submitted for approval to the assigned World Bank specialist within two (2) weeks of the contract signature. The Inception Report will include, as a minimum:
 - The evaluation approach, including a detailed methodology, proposed sampling and data-collection strategy. The choice of methods, and criteria should be justified;
 - Any questionnaires that are to be used
 - Key personnel and logistics, and the detailed work-plan giving activities, locations, timetables, proposed phasing and expected outputs at each stage of the assignment (see below).

The preparation of the Inception Report will require detailed interaction with World Bank and key stakeholders, BISP, CDCP team, Cabinet Division, NADRA, partner commercial banks and other relevant entities so as to understand the minutiae of their approaches. The Inception Report will also justify the sampling being proposed and outline any analytical framework that is deemed appropriate.

2. **An Inception Workshop** to be held within ten days of submission of Inception Report (once the inception report is approved by the concerned specialist at the Bank). This workshop will be held at a local hotel (as per Bank standards) where the overall methodology, activities and outcomes of the assignment will be shared with the key stakeholders of the program including donors and government. The inception workshop will also summarise the key finding of the earlier interactions held with BISP, CDCP, NADRA, partners commercial banks and State Bank in the finalisation of the inception report.
3. **Fortnightly Project Director's Feedback.** The World Bank is anticipating receipt of fortnightly feedback from the fieldwork to inform the design as it proceeds. The Consultant/Firm will indicate how this will be achieved to maximum effect and with minimum delay or disturbance to the fieldwork activities.
4. **Mid Term Report** - presented within one weeks of the end of the field work, as a minimum will include:
 - an executive summary
 - key lessons from the field
5. **Draft Final Report** - presented within three weeks of the end of the field work, as a minimum will include:
 - an executive summary
 - an overview of the financial inclusion and financial literacy status of the cash transfer beneficiaries
 - a description of the analytical framework and methodology adopted for the evaluation
 - an analysis of the main evaluation findings

- overall conclusions and recommendations with detailed lessons for design and implementation cash transfer programs to enhance the financial literacy and financial inclusion for the beneficiaries.
6. **Dissemination Workshop/Event** - to be held within ten days of submission of Draft Final Report (once the Draft Final Report is approved by the concerned specialist at the Bank). This workshop/event will be held at a local hotel (as per Bank standards) where the overall findings of the assignment will be shared with the key stakeholders of the program including donors and government. The workshop/event will also seek any comments and feedback from the stakeholders present to incorporate in the final report.
 7. **Final Report** – Final report will be submitted to the Bank within ten days of holding the Dissemination Workshop/Event and this Final report must incorporate all feedback provided by BISP and CDCP program stakeholders, including government and donors.
 8. The Consultant will submit two original versions and one electronic version (PDF) of each report. The Consultant must be in permanent contact with the assigned World Bank specialists.
 9. Presentations of the Evaluation Findings will be expected, in addition to written Reports.
 10. Sharing the data collected: Within 4 weeks of the completion of field work all data collected (quantitative household data and qualitative data) will be shared with the World Bank. The data will be fully labelled and cleaned and will be accompanied by detailed documentation and survey instruments.

LEVEL OF EFFORT, PAYMENT AND DISBURSEMENT SCHEDULE

Payments will be made upon receipt of invoice and approval of the Task Manager.

10% upon signature of contract

40% upon Inception report and workshop

30% for draft final report and dissemination workshop

20% for final report with feedback from dissemination workshop and stakeholders

Annex 9 List of People Met

| Sr. No. | Meetings | Participants | Date | Location |
|---------|--|--|--------------|------------------------------------|
| 1 | Mobilisation meeting with the World Bank | Quanita Khan - Senior Social Protection, World Bank Khatib Alam - ICF GHK Project Director Maliha Hussein - ICF GHK Team Leader Sumara Khan - ICF GHK Deputy Team Leader | 21 May, 2012 | World Bank Office Islamabad |
| 2 | Presentation on different payment modalities of BISP for developing the documentary on Financial Inclusion | Quanita Khan - Senior Social Protection, World Bank Sumara Khan - ICF GHK Deputy Team Leader Zarshan Ahmed Tariq - ICF GHK Team Member for FIL Team developing the Documentary BISP Team | 21 May, 2012 | BISP Headquarters Islamabad |
| 3 | Introductory meeting with UBL | Unwan Ud Din - Regional Head Agent & Merchant Network (North) Maliha Hussein - ICF GHK Team Leader FIL Sumara Khan - ICF GHK Deputy Team Leader FIL | 25 May, 2012 | UBL Plaza, Islamabad |
| 4 | Meeting with Telenor Islamabad on BISP payment models | Tughral Torab Ali – Telenor Maliha Hussein - ICF GHK Team Leader Sumara Khan - ICF GHK Deputy Team Leader Zarshan Ahmed Tariq - ICF GHK Team Member for FIL | 29 May, 2012 | Telenor office Islamabad |
| 5 | Consultation Meeting with CDCP Cabinet Division | Mussaddiq Ahmed Khan - CDCP Cabinet Division Ejaz Bajwa - CDCP Cabinet Division Taimoor Ahmed Khan - CDCP Cabinet Division Maliha Hussein - ICF GHK Team Leader Sumara Khan - ICF GHK Deputy Team Leader Zarshan Ahmed Tariq - ICF GHK Team Member for FIL | 29 May, 2012 | CDCP Cabinet Division Islamabad |
| 6 | Introductory meeting with NADRA | Ali Javed - NADRA Naeem Iqbal - NADRA Maliha Hussein - ICF GHK Team Leader FIL Sumara Khan - ICF GHK Deputy Team Leader FIL Zarshan Ahmed Tariq - ICF GHK Team Member for FIL | 29 May, 2012 | F6-3, NADRA Office Islamabad |
| 7 | Initial Brainstorming Session with key stakeholders | Quanita Khan - Senior Social Protection World Bank Resident Mission Noor Rehman Khan - Director Payments, Benazir Income Support Program Shah Haroon - M & E Specialist, Citizen Damage Compensation Program(CDCP)- NADRA Adnan Ali - V.P Head of ADC & E , Summit Bank Ejaz Ahmed Bajwa - Donor Coordinator, Citizen Damage Compensation Program(CDCP)- Cabinet Division Azhar - Director Field Operations, Benazir Income Support Program | 31 May, 2012 | World Bank Office Islamabad |

| Sr. No. | Meetings | Participants | Date | Location |
|---------|--------------------------------|--|---------------|-----------------------------|
| | | Shakir Hussain Yousafzai - Payments Specialist, Benazir Income Support Program Zeeshan Mirza - Branch Manager, Sindh Bank Limited Sohaib Malik - AD Easy Paisa, Tameer Bank Nisarul Amin - Regional Manager Credit, Bank Alfalah Limited Irfan Shahzad - Planning & Services Coordinator, CDCP- NADRA Abrar Mir- Regional Manager Credit, United Bank Limited Zalma Khalid - Social Analyst, Pakistan Microfinance Network Khadija Ali - Social Associate, Pakistan Microfinance Network Aban Haq Chief - Operating Officer, Pakistan Microfinance Network Taimoor Shakir Khan -Regional head –ADC, Habib Bank Limited Abrar Amin - EVP & Head of Branchless Banking, Bank Alfalah Limited Maliha H. Hussein - Team Leader FIL Sumara Khan - Deputy Team Leader FIL Haris Gazdar - Poverty and Social Exclusion Expert FIL MysbahBalagamwala - Research Associate FIL Zarshan Ahmd Tariq- Financial Management Specialist FIL Taimoor Khan - Coordinator FIL | | |
| 8 | Consultation Meeting with BISP | Noor Rehman - Director Payments, BISP Muhammad Azhar Shah - Director Field Operations - BISP Sumara Khan - ICF GHK Deputy Team Leader Zarshan Ahmed Tariq - ICF GHK Team Member for FIL | 01 June 2012 | BISP Office Islamabad |
| 9 | Inception Workshop | Mr. Safeer Hussain Branch Manager - Summit Bank Limited Mr. Shah Haroon - M & E Specialist - CDCP Musaddiq Khan - Programme Coordinator - CDCP Mr. Ejaz Ahmed Bajwa - Donor Coordinator - CDCP Waseem Sharazi - Manager Operations - CDCP Nabeel Najam - Director NADRA Gohar Ahmed Khan DJ Projects CPO PD - CDCP Mian Unwaruddin - RH - UBL OMNI Saima Nazir - Manager Special Projects - UBL OMNI Naeem Iqbal - Manager Planning - NADRA Kamran Ikram - Hub Manager Bank Alfalah M. Abrar Ameen - Head of Branchless Banking Bank Alfalah Noor Ali - Head of Services and Planning – Easy | 19 June, 2012 | World Bank Office Islamabad |

| Sr. No. | Meetings | Participants | Date | Location |
|---------|--------------------------------|--|---------------|------------------------|
| | | Paiza - Branchless Banking Tameer Bank Dure-Shahwar - Reporting Assistant IOM-HComms IOM Zahra Khalid - Social Analyst - Pakistan Microfinance Network Ms. Khadija Ali - Social Associate - Pakistan Microfinance Network Wasiq Ismail - Associate Project Manager - Pakistan Microfinance Network Mr. Haris Gazdar - Senior Researcher - Collective for Social Science Research Mr. Tehmoor Khan - Project Coordinator for Financial Inclusion and Literacy - AiD Zarshan Ahmd Tariq - ICF GHK Team Member for FIL Noor ul Zaman Rafiq - ICF GHK Team Member for FIL Quanita Khan - Social Protection Specialist - The World Bank Zainab Faisal - Deputy Programme Manager DFID Toseef Irfan - Assistant Manager Sindh Bank - Sindh Bank Blue Area Islamabad Babar Abbas - OCS Summit Bank Ltd. Safeer Hussain - AVP / Branch Manager Summit Bank Ltd. Azfar Jamal - Head of Branchless Banking HBL Sumara Khan - ICF GHK Deputy Team Leader Maliha Hussein - ICF GHK Team Leader | | |
| 10 | Meeting with Bank Al Falah | Abrar Ameen - Branchless Banking Head – Bank Al Falah Kamran Ikram Shaikh - Hub Manager – Retail & Middle Mark Group – North – Bank Al Falah Shezad Abdullah - ICF GHK Team Member for FIL | 19 June, 2012 | World Bank office |
| 11 | Consultation Meeting with BISP | Ahsan Ali Mangi - Benazir Income Support Programme (BISP) Noor Rehman - Director Payments, Benazir Income Support Program Azhar Shah - Benazir Income Support Programme (BISP) Asma - Benazir Income Support Programme (BISP) Sumara Khan - ICF GHK Deputy Team Leader Zarshan Ahmed Tariq - ICF GHK Team Member for FIL Noor Zaman Rafiq - ICF GHK Team Member for FIL | 21 June, 2012 | BISP office, Islamabad |
| 12 | Meeting with Telenor | Roar Bjaerum - Vice President Financial Services Ayesha Sajid - Corporate Communications Shezad Abdullah - ICF GHK Team Member for FIL | 19 June, 2012 | Telenor Head Office, |
| 13 | Meeting with | Safeer Hussain - Assistant Vice President / Branch | 20 June, 2012 | F-6 Markaz, |

| Sr. No. | Meetings | Participants | Date | Location |
|---------|--|--|-----------------|--|
| | Summit Bank. | Manager Baber Abbas - Manager Zarshan Ahmed Tariq - ICF GHK Team Member for FIL Shezad Abdullah - ICF GHK Team Member for FIL | | Branch Office in Islamabad |
| 14 | Consultation Meeting with UBL | Mian Unwan-ud-Din Regional Head Agent & Merchant Network (North) Zarshan Ahmed Tariq - ICF GHK Team Member for FIL Shezad Abdullah - ICF GHK Team Member for FIL | 20 June, 2012 | UBL Building, 14 th Floor, Jinnah Avenue, Islamabad |
| 15 | Consultation Meeting with State Bank of Pakistan | Dr.Saeed Ahmed - Head Agriculture Credit & Micro Finance Department Anique Sewani - ICF GHK Team Member for FIL | 2 July, 2012 | Main Building SBP. |
| 16 | Meeting with Pakistan Micro Finance Network | Zahra Khalid – Social Analyst Shezad Abdullah - ICF GHK Team Member for FIL | 2 July, 2012 | Islamabad |
| 17 | Consultation Meeting with HBL | Azfar Jamal - DGM Branchless Banking Shezad Abdullah - ICF GHK Team Member for FIL | 13 July, 2012 | Conference call with Azfar Jamal & his team |
| 18 | Meeting with Tameer Micro Finance Bank Ltd. | Noor Ali Khowaja - Head of Service & Planning - Branchless Banking Anique Sewani - ICF GHK Team Member for FIL | 14 July, 2012 | Conference call with Noor Ali |
| 19 | Progress Meeting with the World Bank | Quanita Khan - Senior Social Protection, World Bank Maliha Hussein - Team Leader Sumara Khan – ICF GHK Deputy Team Leader Tanawwur Ali Hyder- ICF GHK Team Member for FIL | 16 July, 2012 | World Bank Office Islamabad |
| 20 | Consultation Meeting with Ufone | Noman Azhar - Head Branchless Banking Ufone Mahmood-ul-Hassan - Manager VAS-Mobile Financial Service Ufone Sumara Khan - ICF GHK Deputy Team Leader Tanawwur Ali Hyder - ICF GHK Team Member for FIL Zarshan Ahmed Tariq - ICF GHK Team Member for FIL | 17 July, 2012 | F6-3, Ufone Office Islamabad |
| 21 | Meeting with NADRA | Waseem Sherazi - NADRA Naeem Iqbal - NADRA Quanita Khan - Senior Social Protection, World Bank Maliha Hussein - ICF GHK Team Leader Sumara Khan - ICF GHK Deputy Team Leader Tanawwur Ali Hyder - ICF GHK Team Member for FIL | 18 July, 2012 | F6-3, NADRA Office Islamabad |
| 22 | Consultation Meeting with DFID | Alexis Ferrand - Economist - DFID Maliha Hussein - ICF GHK Team Leader | 02 August, 2012 | |

| Sr. No. | Meetings | Participants | Date | Location |
|---------|---|--|----------------|------------------------------------|
| 23 | Consultation Meeting with CDCP Cabinet Division | Mussadiq Khan - CDCP Cabinet Division Ejaz Bajwa - CDCP Cabinet Division Taimoor Khan - CDCP Cabinet Division Quanita Khan - Senior Social Protection, World Bank Maliha Hussein - ICF GHK Team Leader Sumara Khan - ICF GHK Deputy Team Leader Tanawwur Ali Hyder - ICF GHK Team Member for FIL | 03 Aug, 2010 | CDCP Cabinet Division Islamabad |
| 24 | Consultation Meeting with the World Bank | Quanita Khan - Senior Social Protection, World Bank Maliha Hussein – ICF GHK Team Leader Sumara Khan – ICF GHK Deputy Team Leader Anique Sewani - ICF GHK Team Member for FIL | 06 Aug, 2012 | World Bank Office Islamabad |
| 25 | Consultation Meeting with NADRA | Waseem Shirazi - NADRA Sumara Khan – ICF GHK Deputy Team Leader Anique Sewani – ICF GHK Team Member for FIL | 06 Aug, 2012 | NADRA Office Islamabad |
| 26 | Consultation Meeting with Pakistan Post | Muhammad Zaheer - Pakistan Post - MR Sumara Khan - ICF GHK Deputy Team Leader Anique Sewani - ICF GHK Team Member | 06 Aug, 2012 | Pakistan Post Office Islamabad |
| 27 | Consultation Meeting with World Bank. | Quanita Khan - Senior Social Protection, World Bank Maliha Hamid Hussein - Team Leader FIL Sumara Khan - ICF GHK Deputy Team Leader Anique Sewani - ICF GHK Team Member for FIL | 7 Aug, 2012 | World Bank Office |
| 28 | Consultation Meeting with BISP | Noor Rehman - Director Payments, Benazir Income Support Program Quanita Khan - Social Protection Specialist - The World Bank Maliha Hussein - ICF GHK Team Leader Sumara Khan - ICF GHK Deputy Team Leader Anique Sewani - ICF GHK Team Member for FIL | 7 Aug, 2012 | BISP Office |
| 29 | Meeting with UBL | Abrar Mir - Head of Branchless & e-Banking - UBL Shezad Abdullah - ICF GHK Team Member for FIL Anique Sewani - ICF GHK Team Member for FIL | 10 Aug, 2012 | UBL Head Office |
| 30 | Meeting with Tameer Microfinance Bank | Habib Ali - Head of Operations Shezad Abdullah - ICF GHK Team Member for FIL | 25 August 2012 | Tameer Microfinance Bank |

Annex 10 Minutes of Meetings (Available on request)

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- Mastercard Foundation (2011) 'Taking Stock: Financial Education Initiatives for the Poor' Genesis Analytics and Microfinance Opportunities, MasterCard Foundation, Toronto, Canada www.mastercardfdn.org/pdfs/TakingStockFinancial.pdf
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