

# Surveys to Improve Cash Transfer Delivery in Bangladesh



Digitizing government cash transfers may boost usage of formal financial services among vulnerable households and women's economic empowerment, but poor delivery of these digital transfers could increase the risks that beneficiaries face. In this project, IPA is partnering with A2i and the Ministry of Social Welfare (MSW) in Bangladesh to understand how beneficiaries, particularly women, receive their payments and increase state capacity to proactively monitor and identify difficulties at scale. Since this project is taking place during the COVID-19 pandemic, it is also collecting information about participants' economic responses to the crisis.

## Policy Issue

Government cash transfers are an important source of income for many households living in poverty, and digitizing these payments offers a unique opportunity to improve program quality and overall usage of formal financial services, especially among women. [Digital payments](#) can also provide women with greater privacy and control over their incomes by facilitating savings and employment decisions.<sup>1</sup> However, digital finance comes with risks: [prior research](#) has also found that low-income households are particularly vulnerable to abuse and risks when using technologies they are not familiar with.<sup>2</sup> As government agencies digitize programs focused on vulnerable people, developing in-house expertise and systems that focus on the user experience becomes increasingly relevant to improve program design, delivery and beneficiary outcomes. Rigorous data collection can help organizations improve the delivery of cash transfer programs and monitor their performance overtime.

## Evaluation Context

As of [2018](#), the government of Bangladesh spends USD\$5.8 billion on social programs—about two percent of the country's GDP.<sup>3</sup> In 2015, the government began experimenting with digitization of the cash-based payments it makes through its 110 social safety net programs. [A report](#) on beneficiary satisfaction found that most beneficiaries viewed the processes for cash disbursement cumbersome, unpredictable, inconvenient and open to fraud. Improving the delivery of payments could make these social safety net investments more effective.<sup>4</sup>

The Access to Information Initiative (A2i) of the Bangladeshi government is a cross-government agency dedicated to improving government services to citizens and has been leading a process to digitize government transfers from several different agencies, including the Ministry of Social Welfare (MSW)

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### COUNTRY

Bangladesh

### PARTNERS

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### PROGRAM AREA

Financial Inclusion

### TOPICS

Consumer Protection, COVID-19, Women & Girls

### TIMELINE

2019-2021

and the Department of Social Services (DSS).

This project's implementation coincides with the 2020 COVID-19 pandemic. In light of study participants' vulnerability in this crisis, the project is incorporating rapid feedback on key household indicators related to the epidemic.

## Details of the Intervention

*Note: This is not a randomized controlled trial.*

IPA is working with A2i and the Ministry of Social Welfare (MSW) to develop a measurement and monitoring agenda about payment delivery of social benefits for elderly people, disabled people, and widows. The agenda is focusing on women beneficiaries and their households' responses to the COVID-19 pandemic. IPA and government partners are also recording recipients' journeys to cash out their payments and developing survey instruments to closely monitor and improve the delivery of cash transfers.

After identifying the state of the data available, IPA will conduct four rounds of surveys (including phone-based and in-person surveys) with 5,000 households. The surveys will cover participants' experiences with digitization, prior program experience, financial capability, and financial health, as well as COVID-19's socioeconomic effects.

A2i will continue to adopt and implement the short version phone survey instrument on a regular basis after the completion of this project. As part of this process, IPA will co-create a learning agenda with A2i and identify other sources of data and establish a set of indicators which will compliment phone survey data in order to meet A2i's learning objectives in the long term.

The goals of the project are to improve recipients' experiences with digital social benefit payments and increase their usage of formal financial institutions.

## Results and Policy Lessons

Project ongoing; results forthcoming.

*To find out more about how this study is contributing to A2i's learning during the pandemic, please visit the [Research for Effective COVID-19 Responses \(RECOVR\) Hub page](#).*

## Sources

[1] William Jack and Tavneet Suri, "[The long-run poverty and gender impacts of mobile money](#)," *Science* 354, no. 6317 (December 2016).

[2] Michelle Kaffenberger, Kate McKee, and Jamie Zimmerman, "[Doing Digital Finance Right](#)," CGAP Focus Note (June 2015).

[3] World Bank. October 28, 2018.

<https://www.worldbank.org/en/news/press-release/2018/10/28/world-bank-helps-bangladesh-modernize-cash-transfer-programs-for-poor>.

[4] Baur-Yazbeck, Silvia, and Joep Roest. "The Future of G2P Payments: Towards an Integrated Infrastructure in Bangladesh." Washington, DC: CGAP, 2019.

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