



Pacific Financial
Inclusion Programme



G2P: FIJI'S ELECTRONIC SOCIAL WELFARE TRANSFER SYSTEM

A BENEFICIARY IMPACT REVIEW EIGHT YEARS POST IMPLEMENTATION

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Glossary of terms

ATM	Automated Teller Machine
DSW	Department of Social Welfare
EFTPOS	Electronic Funds Transfer at Point Of Sale
FJD	Fiji dollars
G2P	Government-to-Person
MNO	Mobile network operator
PFIP	Pacific Financial Inclusion Programme
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
USD	United States Dollar



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1. Background

The Pacific Financial Inclusion Programme (PFIP) partnered with the Ministry of Women, Children and Poverty Alleviation in 2009 to commence work to transition the then welfare benefit payments from a voucher based system to an electronic direct transfer into a beneficiary's bank account. Under this partnership, the transition to digital transfers was undertaken for selected welfare benefits through a working arrangement between the Department of Social Welfare, Westpac Banking Corporation and PFIP from 2009 to 2011, with the first accounts opened for monthly benefit transfers in January 2011. This transition arose out of an activity-based costing analysis considering both the impact on the Department and the welfare beneficiaries, was conducted.

From commencement and to-date, these digital transfers are deposited into a no-frills bank account held in the name of the welfare beneficiary with Westpac Banking Corporation, an Australian bank operating in Fiji for over 115 years. In limited instances, beneficiaries had an existing bank account, which they used to receive their monthly benefit, however, for the majority of beneficiaries during the transition, the Westpac Bank account was to become their very first bank account.

The voucher system of benefit payments involved the beneficiary visiting a pre-identified Department of Social Welfare office semi-annually to receive a six-monthly book of vouchers and then visiting a second location to access the monthly benefit payment. The system was paper based and manual, with risks associated with loss and damage to the vouchers. Furthermore, the system relied heavily on the postal system for encashment of vouchers, which were impacted by the gradual reduction in representative postal agencies and post offices country-wide.

The current digital payments system involves direct deposit of the social welfare payment by the Department of Social Welfare (DSW) into the beneficiary's Westpac account monthly on a pre-determined date. Beneficiaries must attend a Westpac branch, Westpac In-store agent, Westpac or other bank ATM or Westpac or other bank EFTPOS terminal to access their funds. The monthly benefit payment is available to the beneficiary from the 5th of every month. One beneficiary per household will receive these funds on behalf of the household every month.

In February 2018, as part of a wider study into the impact of this transition, a beneficiary survey was undertaken by PFIP. Over the course of three weeks in February 2018, PFIP interviewed social welfare beneficiaries that had experience using both systems to understand how the change had impacted their lives.



2. Objectives of the Review

The overall objective of the review was to examine the possible impacts of the G2P project, whose main intervention consists of the digitization of the social welfare benefit payments from a voucher based system to direct transfers into a bank account. This report addresses and provides qualitative and quantitative evidence as to the expected impact for different stakeholders involved in the process, with a particular focus on the beneficiary population.

More precisely the review was intended to:

- Identify and assess the impact on the beneficiary population of the transition towards the electronic direct transfers of welfare benefit payments. These include the impact on cost and time arising from improved bureaucratic burdens, improved financial literacy, improved saving habits, as well as the access to and usage of additional financial services.
- The report also addresses the overall assessment of the transition process and the new system in place based on the perceptions by the beneficiary population.
- Identify and assess impact on the operations of the DSW, with a particular focus on efficiency gains and the optimization of resources as a consequence of the new system in place.
- Identify and assess impact on the financial service provider, Westpac in connection with its engagement over the transition period and with the use of the new system.

In light of these findings, the review proposes a series of Lessons Learned.

3. Methodology

3.1. G2P Department of Social Welfare Beneficiary survey activity

Prior to commencing the activity, PFIP approached DSW and Westpac to discuss the project and obtained agreement for the activity to be undertaken. Following this, in partnership with both DSW and Westpac personnel, selected locations and in store agents where beneficiaries could be interviewed were identified considering population of beneficiaries serviced keeping in mind a rural, peri-urban and urban population.

Table 1. Survey summary



The activity was carried out in five phases:

- Design, testing and finalization of the survey instrument
- Identification of target population
- Identification of target locations
- Field work involving field and phone interviews with beneficiaries
- Data cleaning

¹Initial estimated sample size in order to guarantee statistical representativeness of the survey

Survey instrument design and testing

A structured questionnaire was employed for the beneficiary survey that included a combination of qualitative and quantitative questions. The questionnaire was designed and tested in two locations (a peri-urban and rural location – Korovou in Tailevu and Vunidawa in Naitasiri) in August 2017 using a paper-based sample questionnaire and face-to-face interviews with beneficiaries. Supplementary anecdotal interviews were also held with the two largest Westpac In-store Agents by volume of DSW beneficiary transactions per month in the Central Division of Fiji.

Through a number of iterations, the questionnaire was further revised with specific qualitative and quantitative questions looking at testing the initial purposes of the transition:

- To bring about a safe place to save for beneficiaries;
- To introduce a cost-effective method of receiving a welfare benefit;
- Resulting time (travel and waiting) savings from a digital channel; and
- Financial inclusion and increased access to financial services by the underserved.

The survey instrument also attempted to establish other impacts of receiving the monthly benefit within the bank account. With the agreement of the Department of Social Welfare, the structured questionnaire was finalised and loaded onto tablet computers using Google Forms. All interview responses from each tablet computer synced with a master excel spreadsheet on the submission of each interview. This regular syncing allowed the team to have an up-to-date status of the progress in each interview location, whilst facilitating prompt collection of data as well as improved responsiveness when trouble shooting issues.

Training pertaining to the conduct of the survey and in relation to the survey instrument was done with the 5 PFIP interviewers or enumerators. All training also involved interactions with the survey instrument on the tablet computers.

Prior to the conduct of fieldwork, tests were also done to ensure that the technology was able to transmit information in a timely manner from the field and reports generated on progress could be viewed regularly.

The survey instrument itself, whilst written in English, was designed to be translated using vernacular, with a number of interviews conducted in Fijian and Hindi, or a combination of the three languages, dependent on the level of comfort of the beneficiary. Prior to the commencement of fieldwork using the survey instrument, approval in principle was obtained from the Director Social Welfare and information communicated to the Permanent Secretary for the Ministry of Women, Children and Poverty Alleviation in January 2018.

Identification of target population

The survey looked specifically at the population that was initially involved in the transition and estimating a drop off rate of 3% of the population over the period due to change in personal circumstances or death using 2014 and 2015 national population data. It was noted that with the frequent occurrences of cyclones, flooding and other natural disasters together with the increasing cost of living, the population was not expected to have been able to improve circumstances markedly.

The target sample of 385 beneficiaries was thus identified, using the information below and statistically generating a confidence level of 95% of the total population. With 95% confidence, we expect the probability that the sample of 385 accurately reflects the attitudes of the population size of 23,000.



Population size
23,000



Confidence level
95%



Target sample
385



Margin of error
5%

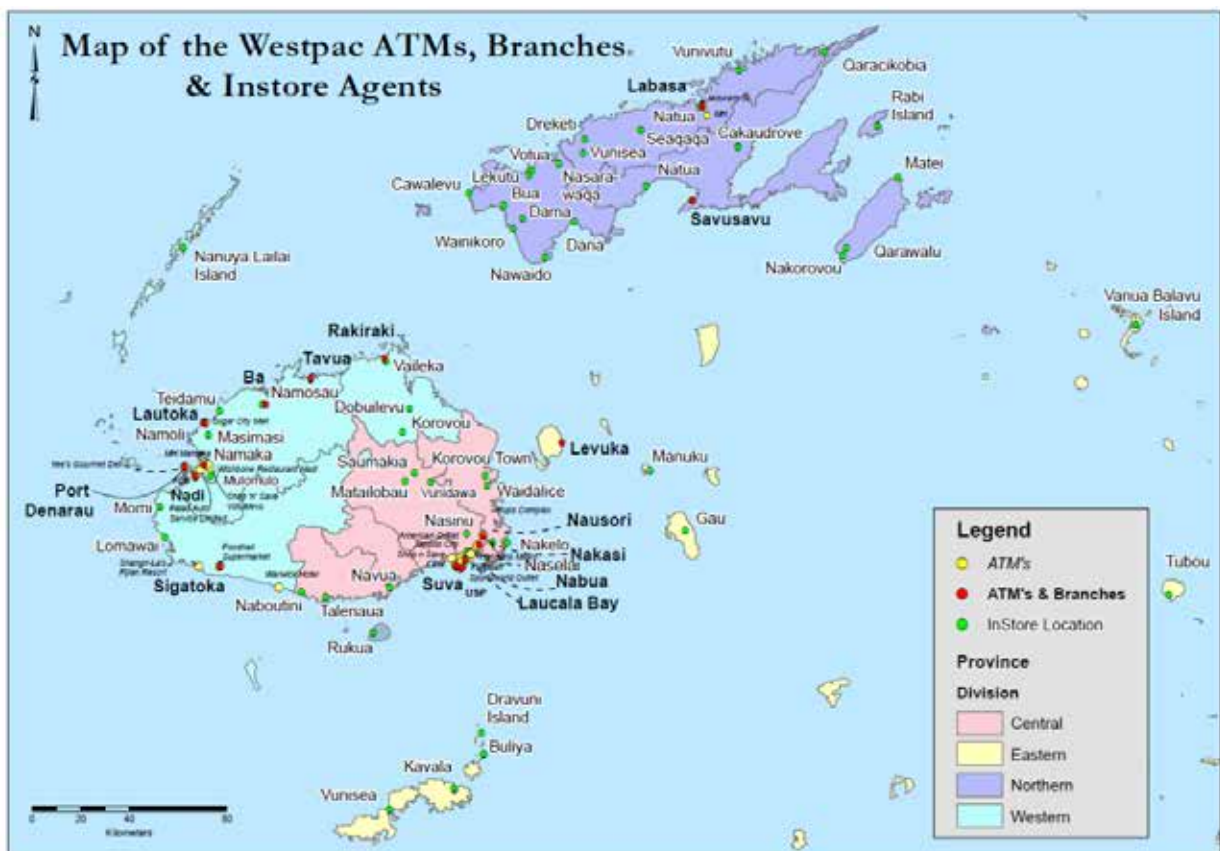
The margin of error (also called confidence interval) takes into consideration the impact of miscalculation or uncertainty. Therefore, using the margin of error of 5, should 50% of the sample select a specific answer, we have a very high level of comfort that if the question had been applied to the entire relevant population, between 45% (50-5) and 55% (50+5) would have selected that answer.

Efforts were made to ensure this population was representative of the rural, urban, peri-urban and urban population through the careful selection of locations for interviews. The definition of rural, urban, peri-urban and urban was derived using nationally accepted definitions based on distance from post office or government centre.

Efforts were also made to ensure that the locations selected would provide a representation of male and female respondents of all ages. This however, proved to be difficult given the overwhelming number of females attending selected interview locations and the significant number of the elderly who were welfare beneficiaries.

Survey location selection

The locations for interview were identified as locations where beneficiaries would access their benefit once a month. The common denominator became Westpac In-store agents and Westpac branches around the country. These locations are identified in the map below.



Targeting six urban/rural locations on the two main islands of Viti Levu and Vanua Levu, the following locations are listed and identified in the map below:

- Dreketi outside of Labasa on Vanua Levu
- Lautoka on Viti Levu
- Korovou on Viti Levu
- Vunidawa on Viti Levu
- Sigatoka on Viti Levu
- Suva on Viti Levu



The survey locations did not cover beneficiaries on remote or outer islands as the majority of these still receive postal vouchers, vouchers or cash delivered by Department of Social Welfare personnel to pre-identified locations on an island group.

It is imperative to note that whilst the locations were selected based on a mix of urban, peri-urban, rural and remote, the reality was that the beneficiaries themselves appeared to be largely living in peri-urban, rural and remote locations, thus travelling in some cases quite significant distances to access their benefit. For the sake of simplicity of the analysis, two categories have been used for geographical classification: urban and rural.

Field work - Field and phone interviews

Using a team of five interviewers, interviews were conducted across the country beginning on 5 February. Face-to-face interviews lasting approximately 20-30 minutes were conducted over the period of the first two weeks. Face-to-face interviews were conducted for beneficiaries

meeting the criteria of having the voucher experience, as they presented themselves to the benefit access points of a bank branch or bank agent to access their benefit. Beneficiaries were observed to be very willing to share their experiences with only beneficiaries in Dreketi on Vanua Levu displaying hesitancy in doing so.

Due to limitations of reaching the target in face-to-face interviews in two locations: Vunidawa and Lautoka, telephone interviews were conducted with willing beneficiaries living in or near both locations over a period of one week. These interviews were selected off beneficiary lists meeting the criteria, provided by the Department of Social Welfare office in each location.

Data cleaning

Data cleaning was conducted a total of two times. The first, to edit for basic data entry issues with the second being undertaken for uniformity across the locations and enumerators and to account for general data cleaning. Given the type of technology used, more detailed data cleaning was not required as regular checks during the actual survey, enabled speedy troubleshooting of potentially bigger data-related issues.

3.2. Questionnaires to DSW and the service provider

Results from the other two main stakeholders of the project have been investigated through in-depth interviews with key informants at the Department of Social Welfare and Westpac, as well as through questionnaires distributed in electronic format to gather relevant data and information.

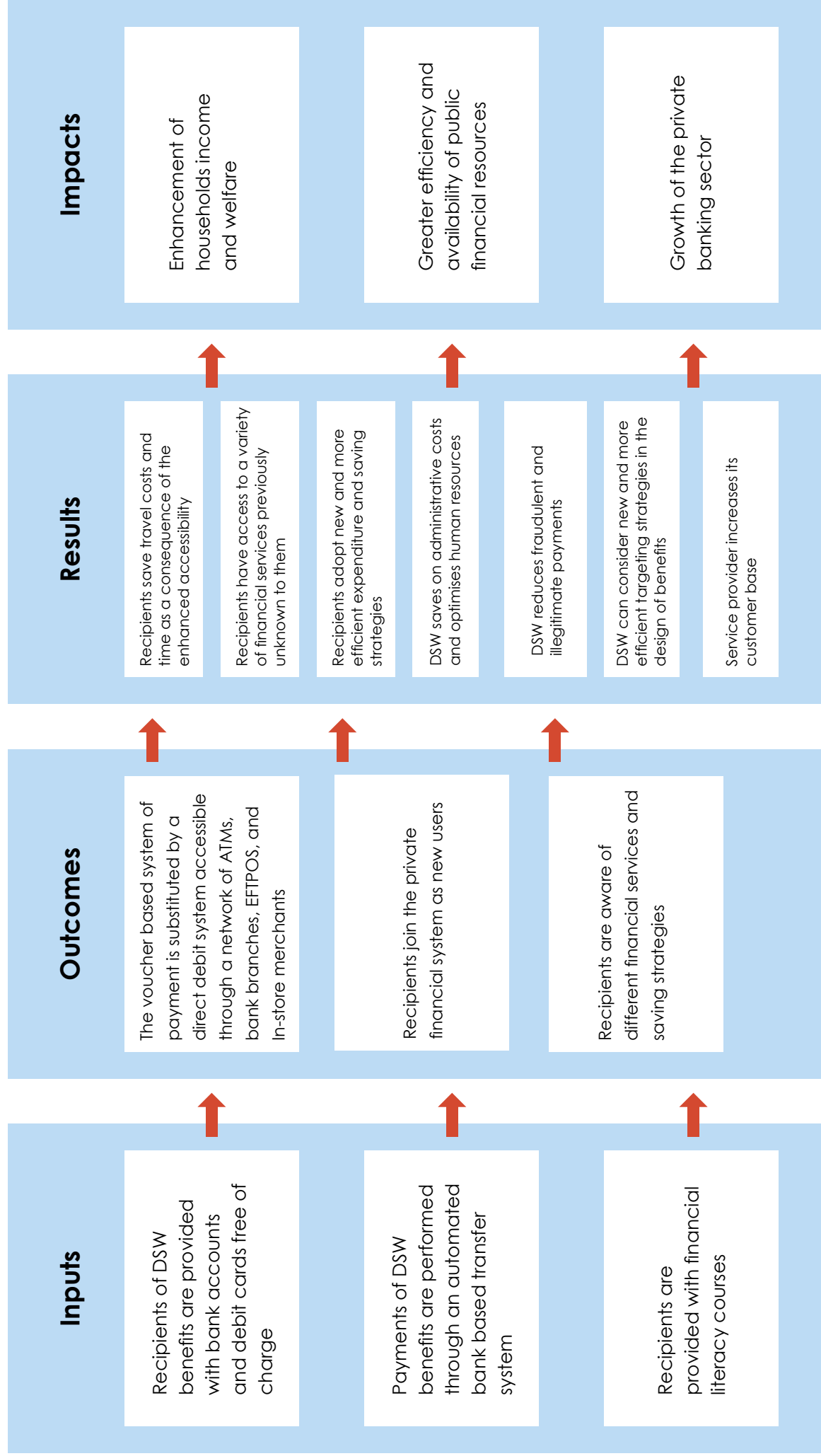
Consultations with Westpac included:

- Meeting with Eseta Nadakuitavuki on 16 August 2017 on planned activity, in-store merchants and Westpac's experiences with the G2P activity followed by a meeting with the aforementioned and Robert Rigamoto on the outcomes of the DSW beneficiary survey and Westpac's experiences with the G2P activity on 15 May 2018;
- Email submission of information from Ana Dabea on 12 September 2017 on DSW customer numbers followed by teleconference with the same on 31 January 2018;
- Teleconference with Maryangela Henry Berwick on 1 February 2018 with regard to in-store merchant locations;
- Various meetings and engagements with Lepani Marawa on 6, 14 and 15 February 2018 with regard to beneficiaries, beneficiary financial literacy, in-store merchants and DSW customer experiences; and
- Email submission of DSW Westpac information from Shane Smith on 4 September 2018.

Consultations with DSW included:

- Meetings and conversations with the Director of the Department of Social Welfare, Mr. Rupeni Fatiaki on 30 January 2018 on structure of the intended survey activity and on 12 July 2018 on the impact on DSW of the transfer from voucher to electronic payments; and
- Email submission of information from the Principal Social Welfare Officer, Raijieli Erasito on 5 November 2018 on the impact on DSW of the survey.

4. Project Intervention Logic





5. Beneficiary Impact

5.1. Beneficiaries: sample composition

A total number of 398 individuals who receive welfare benefits have been surveyed for this impact assessment. Out of them, 46.7% were women. The distribution by age shows that the larger group of beneficiaries are those aged above 60 years old, which account for 66.6% of the females and 77.8% of the males. Beneficiaries younger than 40 years² old account for only 4% of the sample. Regarding the type of benefit received, 39.6% of the sample are recipients of a Social Pension Scheme, whereas Social Poverty Benefits are received by 36.2% of the sample. The remaining individuals are recipient of loss of spouse benefits (4.5%) or were uncertain of the nature of their welfare benefits (19.7%). Table 2 shows the full disaggregation of the sample by age, sex and type of benefit.

Table 2. Number of surveyed individuals by sex, age and type of benefit

	Loss of Spouse	Social Benefit Scheme	Social Pension Scheme	Uncertain	Total
Female					186
40 yrs and under		4		1	5
41-50 yrs	4	5	1	5	15
50-60 yrs	4	23	5	10	42
above 60 yrs	10	37	54	23	124
Male					212
40 yrs and under		8	2	5	15
50-60 yrs		12	10	10	32
above 60 yrs		55	86	24	165
Total	18	144	158	78	398

The ethnic composition of the surveyed beneficiaries is shown in Table 3. Individuals of iTakuei descent account for 68.3% of the total, whereas the remaining interviewees were of Indo-Fijian descent. Only three individuals have a different ethnic background (Chinese and Rotuman).

²Among them, seven respondents were aged under 30 years old. Although the survey did not capture the relationship of the survey respondent with the household head or beneficiary, these are likely relatives responding on behalf of an elderly beneficiary.

Table 3. Number of surveyed individuals by sex, age and ethnicity

	Indo-Fijian	iTaukei	Part Chinese	Rotuman	Total
Female					
40 yrs and under	4	1			5
41-50 yrs	7	8			15
50-60 yrs	17	25			42
above 60 yrs	26	96	1	1	124
Male					
40 yrs and under	11	4			15
50-60 yrs	9	23			32
above 60 yrs	49	115		1	165
Total	123	272	1	2	398

Regarding the geographical distribution of the survey, 58.5% of the respondents live in urban areas, where the weight of social benefits against pensions is much larger in comparison to rural areas (42.1% against 28.2%). All the surveyed individuals have been receiving welfare benefits for more than six years, and among them, 29.6% have done it for more than 10 years (37.4% in rural areas).

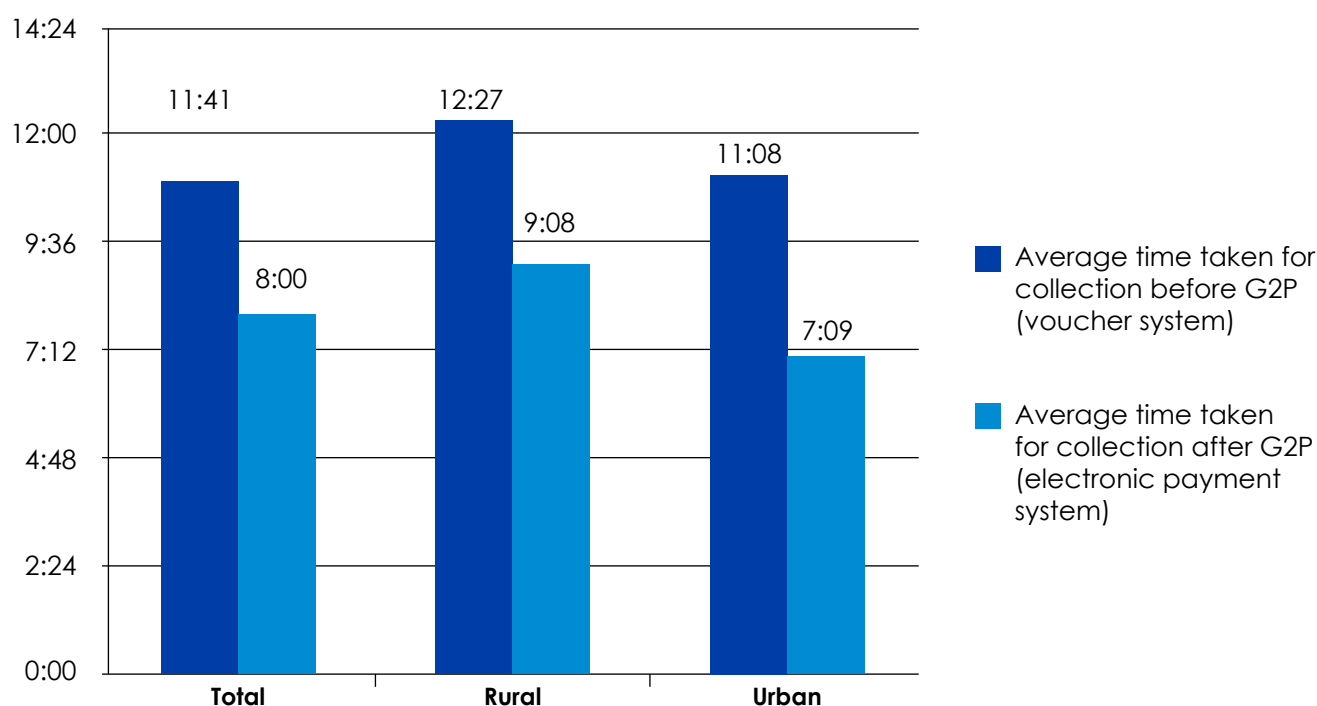
Table 4. Number of surveyed individuals by type of benefit, geographical area and time receiving the benefit

	Loss of Spouse	Social Benefit Scheme	Social Pension Scheme	Uncertain	Grand Total
Rural					163
Above 10 Years	4	17	34	6	61
More than 8-10 Years	3	9	23	7	42
More than 6-8 Years	2	20	22	15	59
Unspecified				1	1
Urban					233
Above 10 Years	3	25	23	6	57
More than 8-10 Years	1	12	12	12	37
More than 6-8 Years	5	61	42	31	139
0-5 Years			0		0
Unspecified					2
More than 6-8 Years			1		1
More than 8-10 Years			1		1
Grand Total	18	144	158	78	398

5.2. Travel cost and time

One of the most important impacts expected as a consequence of the transition from a voucher based system towards an electronic transfer system is the savings in time and travel costs. This is mainly due to the fact that in the former, beneficiaries needed to cover considerable distances to collect their voucher books every six months, in addition to the monthly trips to the post office for voucher encashment. Additionally, waiting and travel times are expected to be reduced as a consequence of the increase in access points, the availability of multiple types of access point such as ATMs, EFTPOS and In-store agents in the execution of transactions and the locations of these around Fiji. Accordingly, survey based data show that, on an average, beneficiaries would save around 3 hours and 40 minutes every six months in comparison to the voucher system, a gain that would amount up to nearly four hours in urban areas (Figure 1). Respondents reported that these time savings are largely influenced by the travelling time to and waiting time at the DSW offices to collect the voucher books every six months.

Figure 1. Travel times (hours : minutes) for a period of six months with voucher system and bank account system³



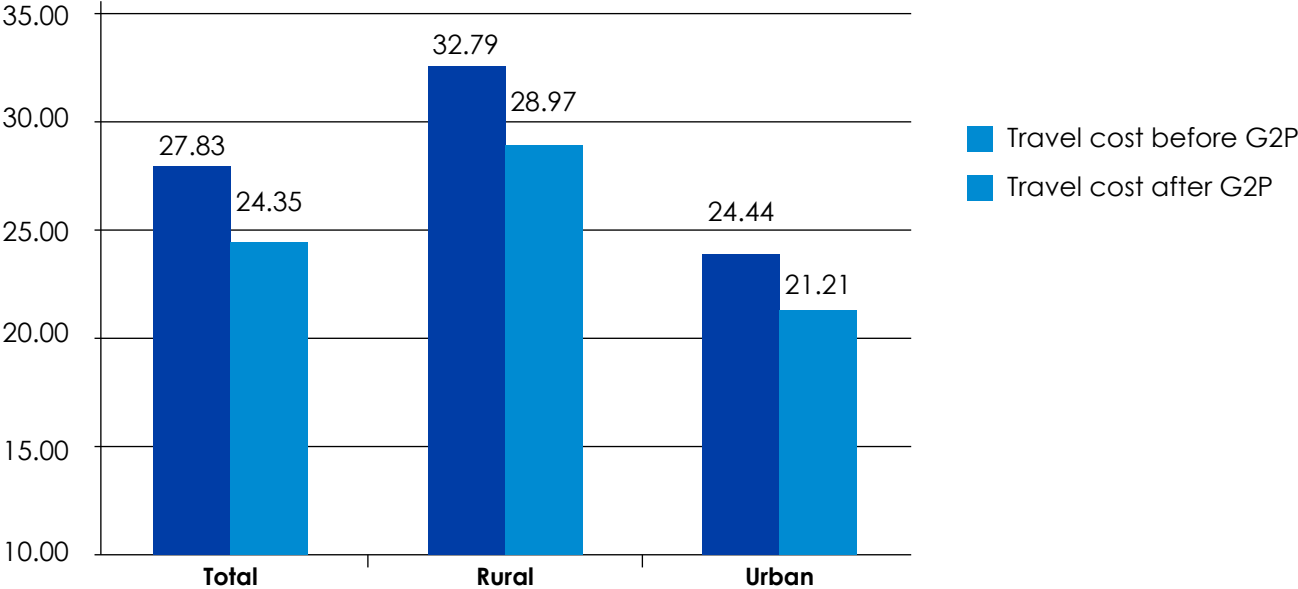
In terms of cost savings, survey data reveals that, on average, beneficiaries of vouchers would spend around FJD27.80⁴ every six months for collection and encashment. These costs are primarily transport costs, whereas bank account users spend an average of FJD24.30 during the same period to access their nearest service point (i.e. bank in-store agent, ATM, branch, EFTPOS or other bank ATM or EFTPOS) resulting in a saving of approximately FJD4.00. The cost

³Average time for collection and encashment of vouchers does not include waiting times (not included as survey question), which means that time savings could be even larger than the shown figures

⁴1 United States Dollar equals 2.10 Fijian Dollar (July 2018)

savings is largely driven by not having to visit the DSW office once every six months to collect a voucher, as people were still found to be travelling to urban centres to access their funds (often these urban centres are within a 5 kilometre radius of the post office that they would have to line up at, for the initial voucher system). These modest savings are driven by the experiences of beneficiaries in rural areas, where the semi-annual transportations costs would be reduced from FJD32.80 to FJD28.90 as a consequence of the introduction of the electronic G2P program. In contrast, in urban areas, where average distances and transportation costs are considerably lower, the savings caused by the use of bank accounts as compared to vouchers amounts to FJD3.20 every six months (Figure 2).

Figure 2. Average transportation cost (FJD) every six months, by area



Another aspect that is worth investigating, which could be one of the underlying factors behind the savings in transportation costs and times, is the possible change in the frequency of access to funds before and after the introduction of bank accounts. It is known that 93% of beneficiaries used to redeem their vouchers on a monthly basis, the remaining respondents did not access funds monthly due to the cost of travel to the post offices. Of those beneficiaries that used to access their funds by encashing their voucher monthly, only 6.7% have increased the frequency of access, whereas a similar proportion have reduced it to less than once a month. Among the beneficiaries that redeemed their vouchers with a frequency of less than once a month⁵, 61.5% now access their bank accounts on a monthly basis or more.

⁵According to survey data the reasons for this lower frequency are the excessive distance and travel costs, as well as the disabilities associated to age and illness.

Table 5. Frequency of bank account access compared to frequency of voucher encashment (percentage of beneficiaries)

	2-3 times per month	Less than once per month	More than 3 times per month	Once per month	Total
Beneficiaries who used to redeem their vouchers less than once a month	3.85%	38.46%	0.00%	57.69%	100.00%
Beneficiaries who used to redeem vouchers once a month	6.45%	6.72%	0.27%	86.56%	100.00%
Grand Total	6.28%	8.79%	0.25%	84.67%	100.00%

In terms of distance travelled, the introduction of the digital transfers have implied an improvement for 18.1% of the beneficiaries (16.6% in rural areas as compared to 19.3% in urban areas), whereas 10.1% of the beneficiaries (16.6% in rural areas and 5.6% in urban areas) must travel further distances to access their funds as compared with the voucher system. The remaining 71.9% of beneficiaries have not experienced any changes in terms of travelled distances.

Table 6. Percentage of beneficiaries that travel more, less or same distance after the introduction of bank account system, by geographical area

	TOTAL	RURAL	URBAN
Same travel distance	71.9%	66.9%	75.1%
More distance	10.1%	16.6%	5.6%
Less distance	18.1%	16.6%	19.3%

Regarding the specific locations where beneficiaries have access to their funds, 63.1% of beneficiaries redeemed the voucher at a post office or postal agency, whereas the rest used to do so at other unspecified locations⁶. The collection of the vouchers was mostly done at the nearest Social Welfare Office (90.5% of beneficiaries). After the implementation of the G2P project, the options for accessing funds significantly increased for beneficiaries, with Westpac In-store agents being the most popular access option (36.9% of the surveyed population preferring this option), followed by the nearest bank branch (20.9% of users) and ATMs (18.1% of beneficiaries). The remaining 23.6% used a combination of the aforementioned access points. No users reported using EFTPOS machines in shops outside of the bank's In-store merchants, and no beneficiaries reported using other bank EFTPOS or ATM machines.

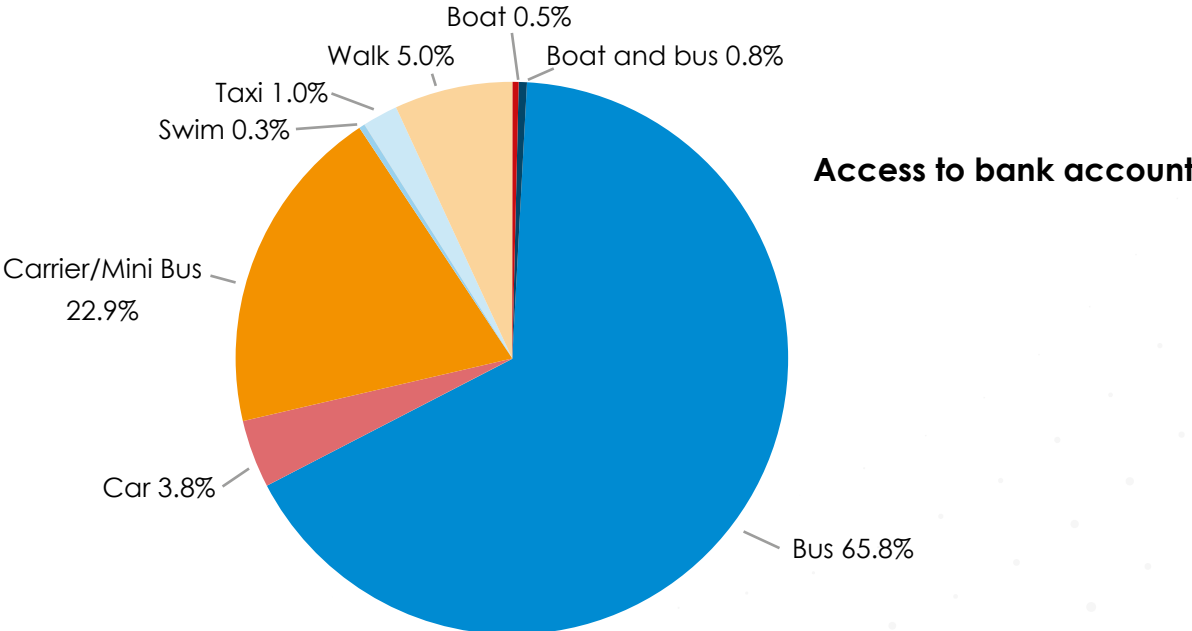
⁶These were anecdotally reported but not consistently captured by enumerators as being small goods merchants in urban centres, which would encash Social Welfare vouchers at a haircut for the convenience of avoiding the queues at the closest Post Office.

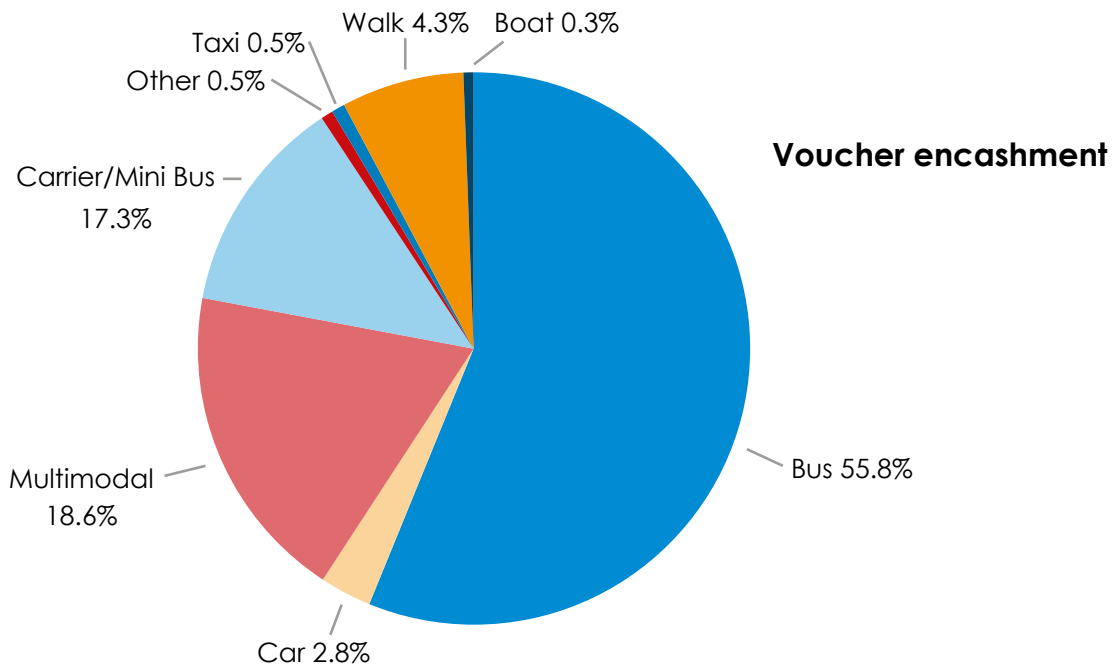
Table 7. Percentage of beneficiaries by access point to funds, with voucher system and bank account system

Voucher System		Bank account system	
Place of voucher encashment		Place of bank account access	
Post office	63.1%	ATM	18.1%
Other location	36.9%	Bank branch	20.9%
Place of voucher collection		In-store agent	36.9%
Closest Social Welfare Office	90.5%	A combination of the above	23.6%
Other Social Welfare Office	4.5%	Other	0.5%
Other Location	5.0%		

Finally, another aspect worth investigating is whether modes and habits of transportation to access welfare benefits have substantially changed after the introduction of the electronic transfer system, which could be also an explanatory factor of the changes in transportation costs explained above. In this regard, survey based data show that the most common transportation means for voucher encashment, which included the bus and minibus/carriers were also the primary means of transportation to access a beneficiary's bank account (see Figure 3). An indication that access to funds through a bank account might require simpler transportation means, is observed through less frequent use of multimodal transportation options now than with the voucher system. One must be mindful however, that the transportation coverage network may have changed or improved with time and this was not assessed as part of the Beneficiary Survey.

Figure 3. Transportation modes used by welfare beneficiaries for voucher encashment and access to bank account





5.3. Use of financial services

One of the most significant results directly attributable to the G2P project is that 85.9% of recipients of welfare benefits have had access to a bank account for the first time, a proportion that amounts to 89.8% in the case of the females. This is a result that clearly illustrates the relevance of the intervention and the targeting.

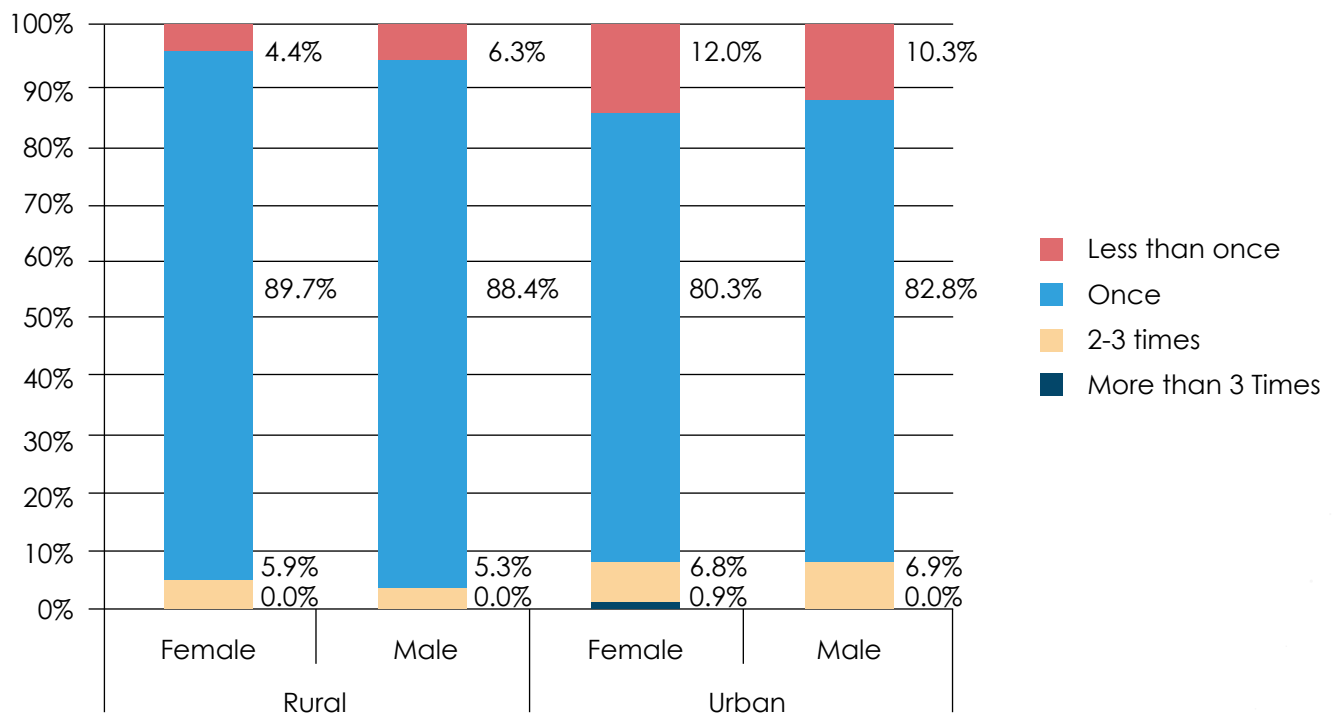
Table 8. Percentage of beneficiaries who used a bank account for the first time as a consequence of the G2P project, by age and gender.

Population segment	%
Female	89.8%
18-30 yrs*	100.0%
31-40 yrs*	100.0%
41-50 yrs*	100.0%
50-60 yrs	85.7%
above 60 yrs	89.5%
Male	82.5%
18-30 yrs*	75.0%
41-50 yrs*	72.7%
50-60 yrs	71.9%
above 60 yrs	85.5%
Total	85.9%

(*)Not statistically representative

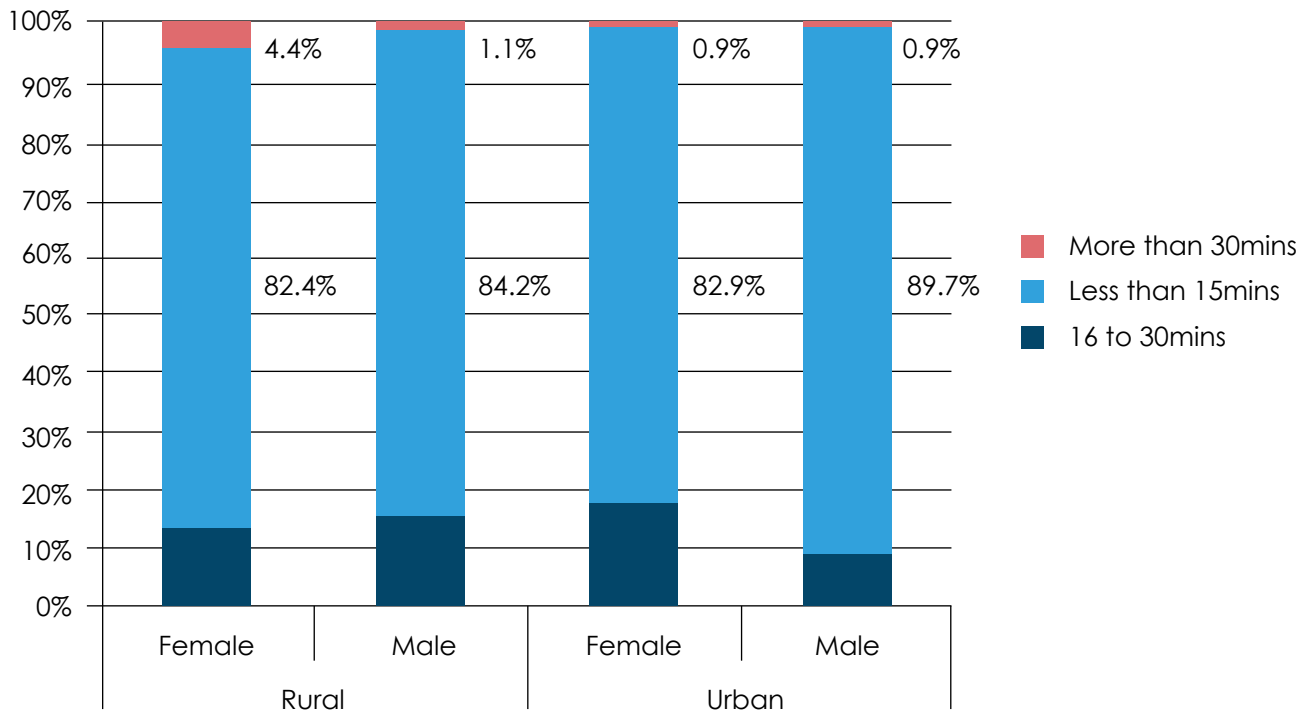
One of the most interesting issues that deserves closer inspection is the frequency with which the targeted population accesses their bank accounts and whether this differs from the frequency of voucher encashment (refer Table 5). A closer look at those figures shows that the share of rural beneficiaries who access their account only once a month is higher than in urban areas (89.0% against 81.5%), whereas differences by gender are not significant in this matter. Interestingly enough, the proportion of users that access it with a frequency of less than once a month are higher in urban areas, wherein principle distances and geographical barriers are more affordable. When asked about the reason for this low frequency, respondents indicated the waiting time in bank branches were a deterrent to access, which is further compounded by age and mobility.

Figure 4. Frequency of bank account access per month (% of population) by gender and geographical area



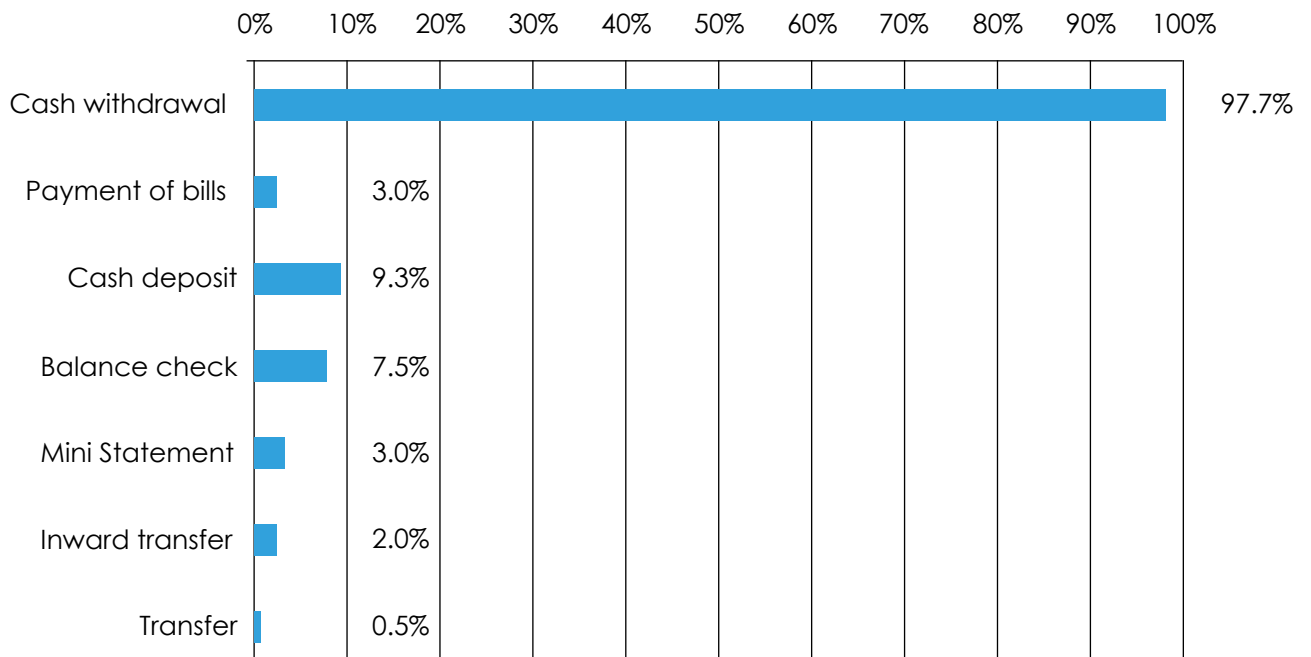
When it comes to other measures of the convenience of using a bank account, survey results show that most beneficiaries (around 85.1%) spend less than 15 minutes to complete a financial transaction at the ATM, In-store or the bank teller, whereas only 1.5% need more than 30 minutes to do it. Some slight gender differences were discovered, showing that women find on average more difficulties in performing financial transactions than men (Figure 5). In rural areas the proportion of beneficiaries who take less than 15 minutes for a transaction are less than in urban areas (86.3% against 83.4%), from which it can be inferred.

Figure 5. Distribution of beneficiary population (%) according to time spent in one financial transaction, by gender and geographical area



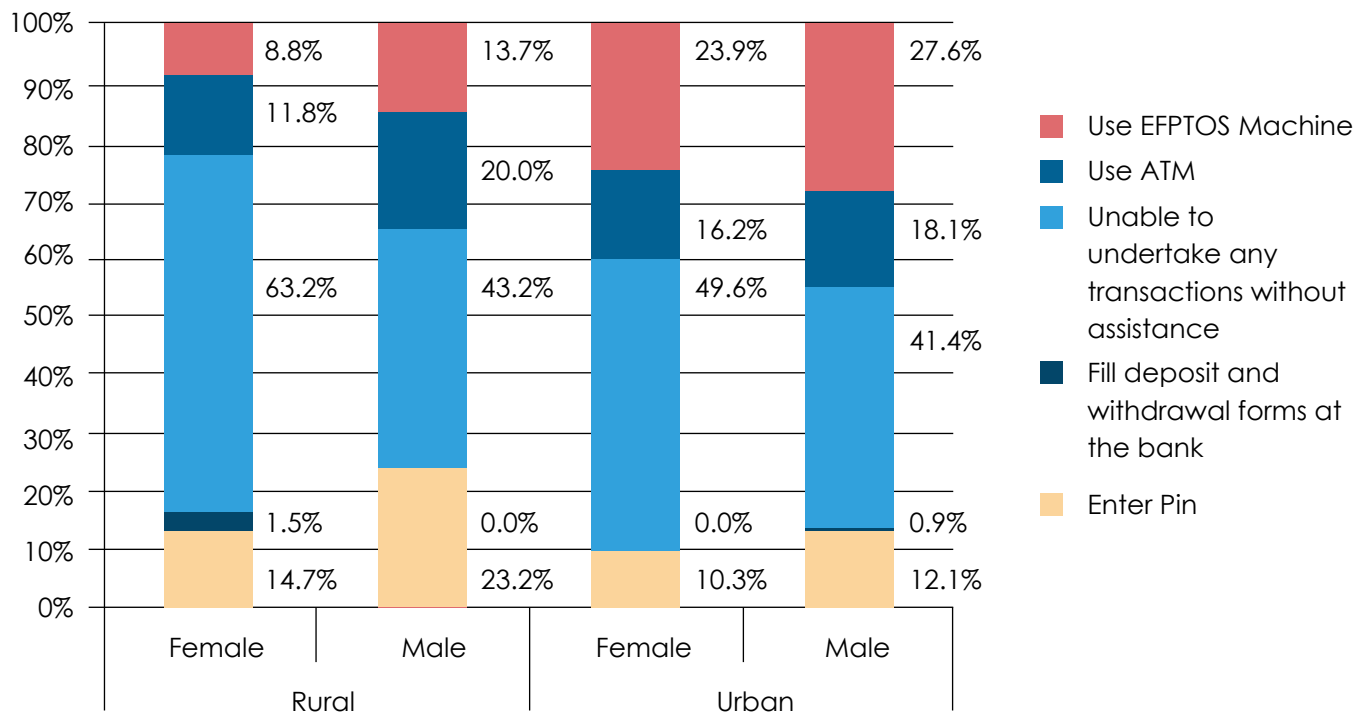
As discussed above, one of the main goals of the G2P project is to encourage beneficiaries to access and utilize a variety of financial services other than the mere deposit and withdrawal of their welfare benefits. However, survey results show that this goal still falls short of the expected outcomes, as only a small proportion of the recipients have reported the use of other financial services. Cash withdrawal remains the most commonly used financial service associated with the bank account, with 97.7% of the beneficiaries conducting this transaction on a regular basis, followed by 9.3% of beneficiaries using cash deposits, 7.5% leveraging the balance check function and 3% making bill payments from their accounts. Other services remain largely underused, despite the deployed efforts in the form of basic trainings for the initial round of beneficiaries.

Figure 6. Percentage of beneficiaries using different financial services.



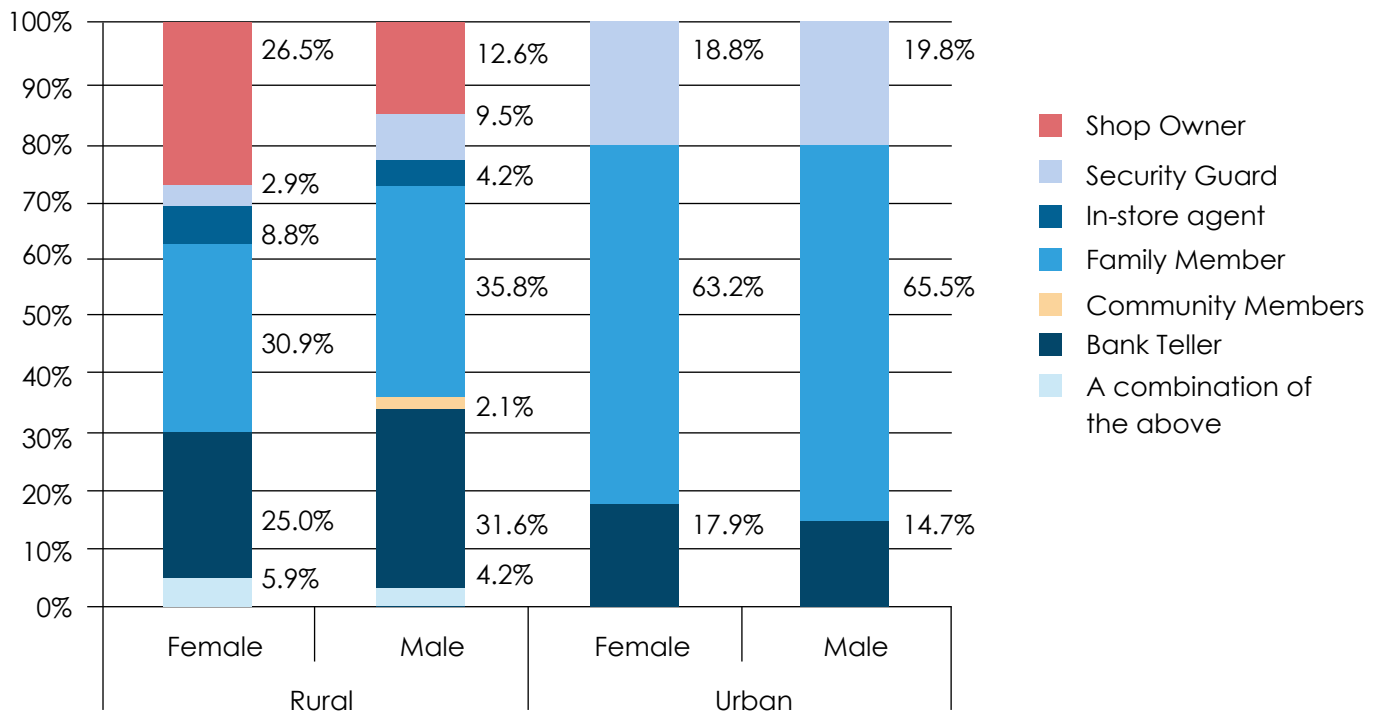
Another aspect that points in the same direction is the large proportion of beneficiaries who are unable to access their accounts or conduct a related financial transaction without assistance. Almost half of surveyed beneficiaries (in the case of women from rural areas this is 63.2%) reported that they were unable to operate their account on their own. To reinforce this, the percentage of users who claim to be able to use an ATM without any assistance amounts to only 19.9%, whereas entering a PIN can be performed by an average of 14% of the population. Lack of confidence with independently using the banking facilities to access the welfare benefit were particularly noted for females and the rural population (Figure 7).

Figure 7. Percentage of population who can perform certain tasks during a financial transaction without any assistance



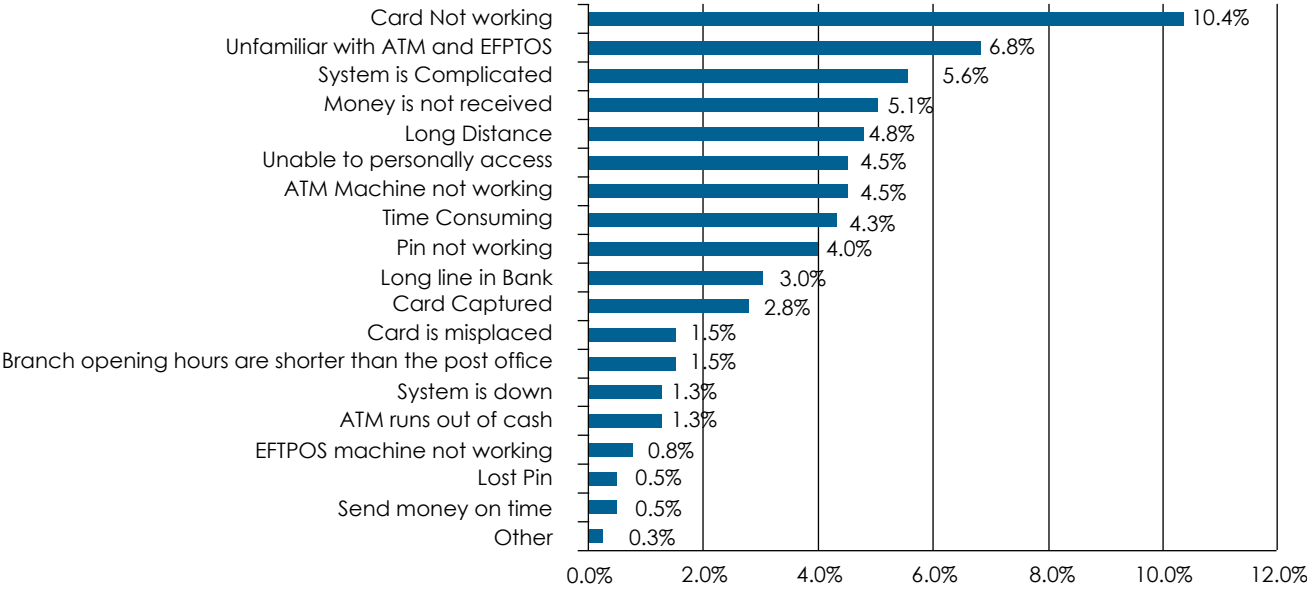
A more in depth investigation on how beneficiaries seek assistance when using banking services reveals some interesting results. For instance, in urban areas it is very common that people resort to family members for any of the tasks above listed (around 64% of the surveyed beneficiaries), but also assistance sought from the security guard or the bank teller at the bank branch are also common (19% and 14% of the beneficiaries respectively). In rural areas, where EFTPOS are more frequently used for financial transactions, the most common source for assistance were the shop owner and In-store agent as reported by 24% of beneficiaries surveyed. Differences by gender in these habits are more evident in rural areas, where women seem to make a more frequent use of EFTPOS and hence be more dependent on assistance to access their welfare benefit provided by shop owners and agents in contrast to bank staff (Figure 8).

Figure 8. Type of assistance received by users of financial services (% of beneficiary population), by gender and geographical area



Finally, regarding the specific types of difficulties faced by users of banking services when performing a transaction, survey results show that the problems with debit cards are the most frequent, as this is faced by 10.4% of the beneficiaries, followed by unfamiliarity with ATMs and EFTPOS (6.8%). Other frequent difficulties include the overall complexity of the system (reported by 5.6% of the beneficiaries), the delay in the receipt of funds (5.1%), the long distance to reach an access point (4.8%), or the impossibility to personally access the services (4.5%). The full ranking of most common difficulties reported by beneficiaries is depicted in Figure 9.

Figure 9. Percentage of beneficiaries who face different types of difficulties when performing a financial transaction⁷.

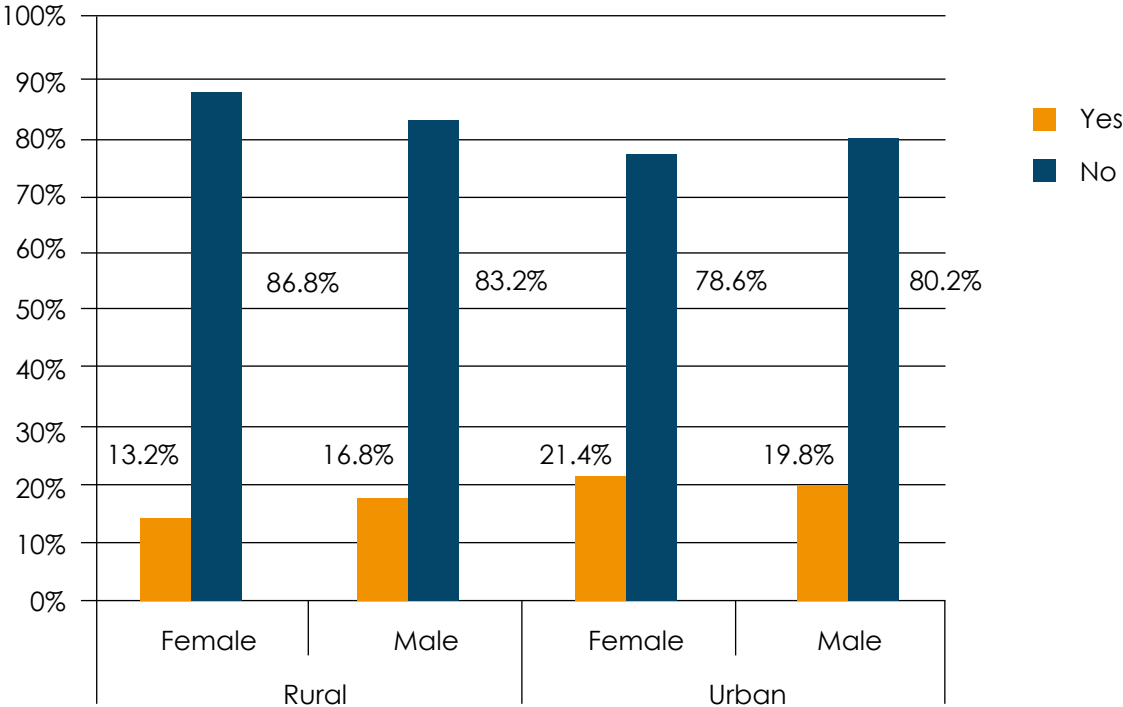


5.4. Savings and expenditure

The transition from a voucher system is also expected to encourage beneficiaries to adopt different saving habits, as it enables recipients to withdraw only those amounts necessary at one specific time, or even to deposit additional earnings. Furthermore, additional financial services (credit, transfers, insurance, etc.) may strengthen the economic resilience of low income households by facilitating the generation of income, assist with the preservation and accumulation of assets so that these can graduate from dependence on the grant as their only or main source of income. However, survey results show a modest impact with only 18.4% of the recipients using their bank accounts for saving purposes the largest proportion, with the largest proportion being urban females (Figure 10).

⁷Percentage of no answer reached 36.9%

Figure 10. Percentage of beneficiaries who claim using their bank account for saving purposes



Of the small number of beneficiaries who claim to keep their savings in a bank account, the majority (61.9%) have a savings target of FJD5 to FJD10. The detailed distribution of bank account users according to their reported saving target is shown in Figure 11. When comparing the reported saving targets of bank account users with their actual amount of savings achieved, it is noted that 75% regularly meet their initial targets. Only 6% of the respondents have exceeded their savings expectations, according to survey data (Figure 12).

Figure 11. Distribution of beneficiary population by savings target

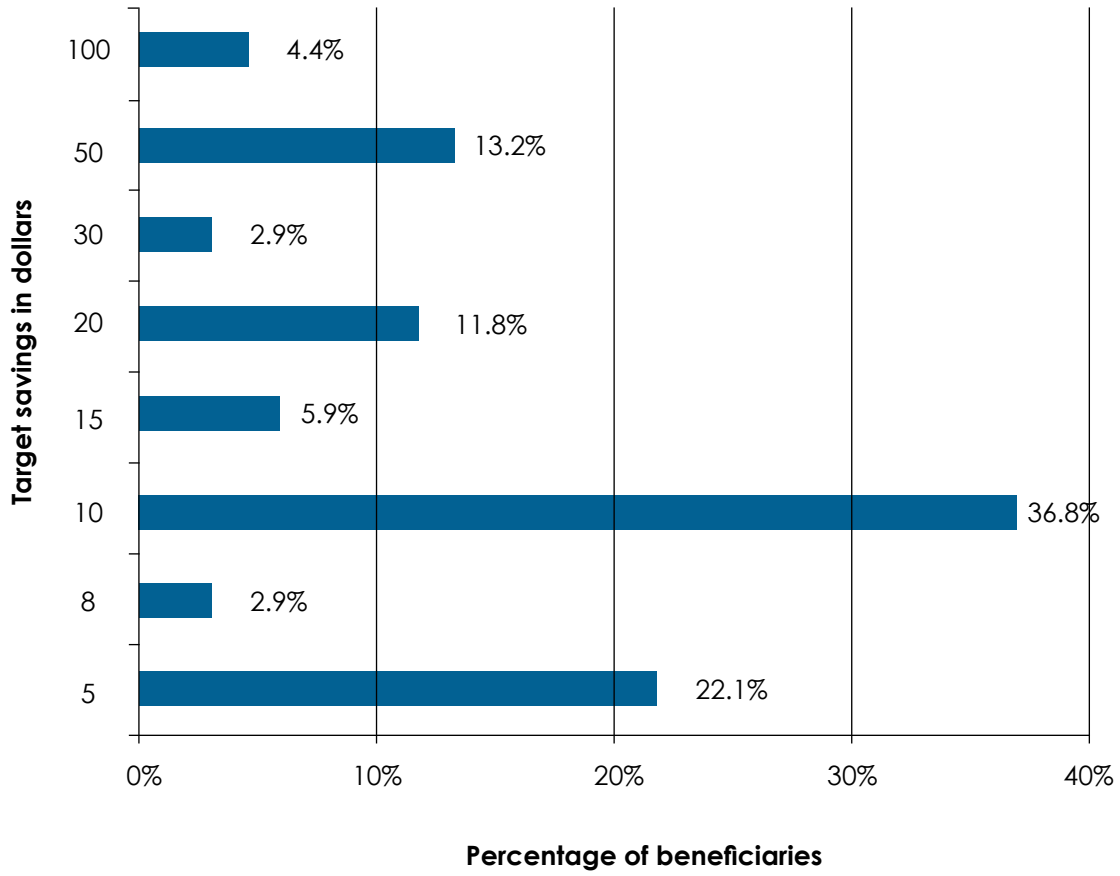
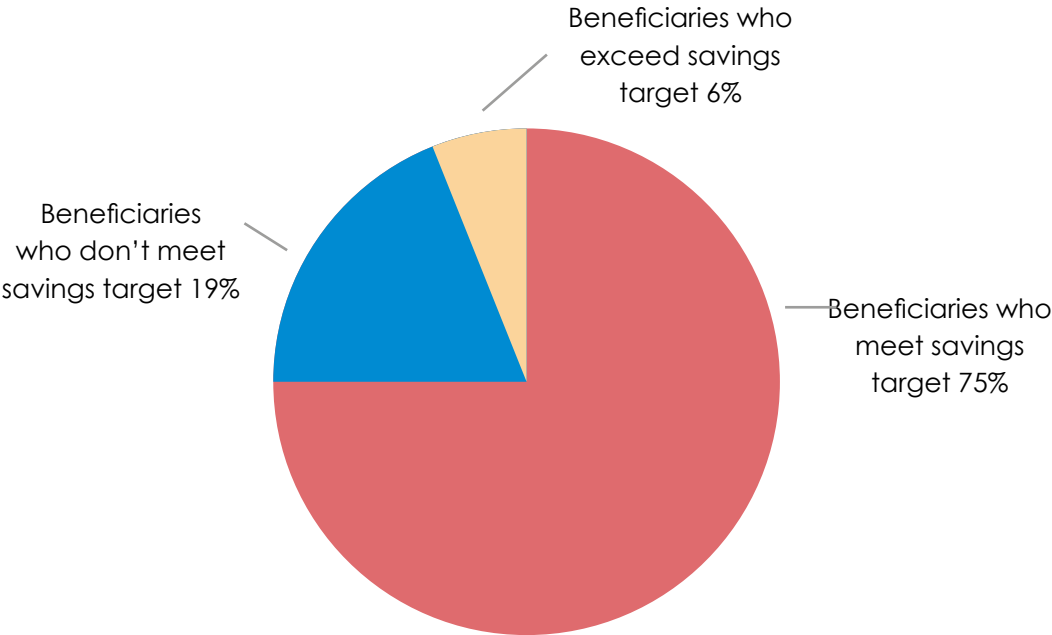


Figure 12. Percentage of bank account users who meet their savings target.

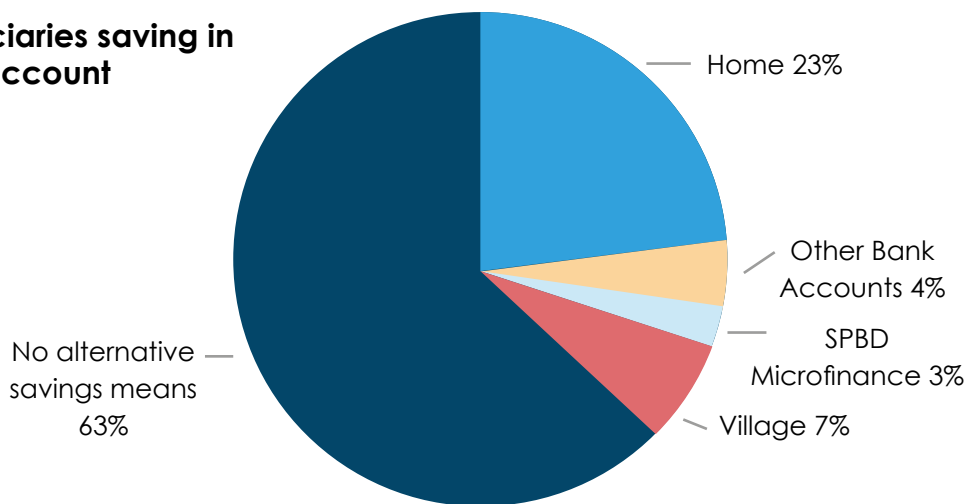


When asked about alternative means for savings, only 30.2% of respondents claimed to keep their money in places other than their bank account. The most common of these alternatives is keeping their money at home in cash, reported by 22.9% of the beneficiaries, followed by saving village clubs (4%) and microfinance institutions (3%). Figure 13 shows the frequency of use of alternative savings means, differentiating between beneficiaries who use their bank account as their main saving instrument and those who do not.

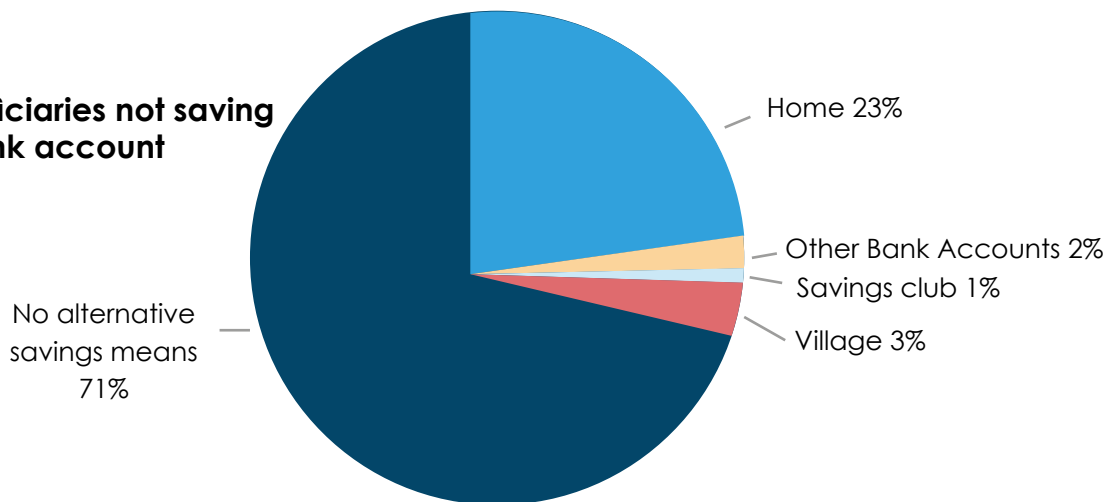
Of the one third of beneficiaries that responded on their savings habits, those saving in bank accounts averaged FJD20.20 in savings, as compared to FJD16.30 for beneficiaries using alternative channels. With regard to preferred savings instruments, respondents were not dissimilar in preferences between in-cash home savings and the bank account.

Figure 13. Distribution of beneficiary population according to alternative saving means used

Beneficiaries saving in bank account

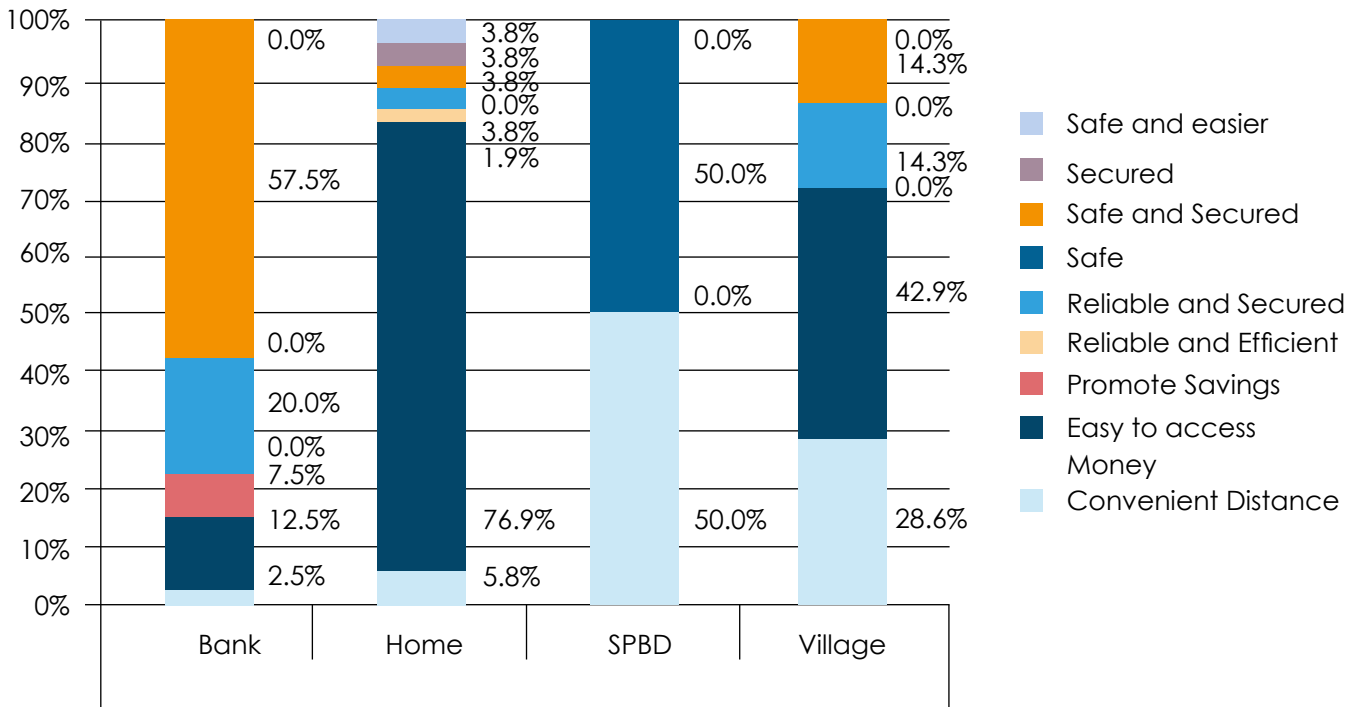


Beneficiaries not saving in bank account



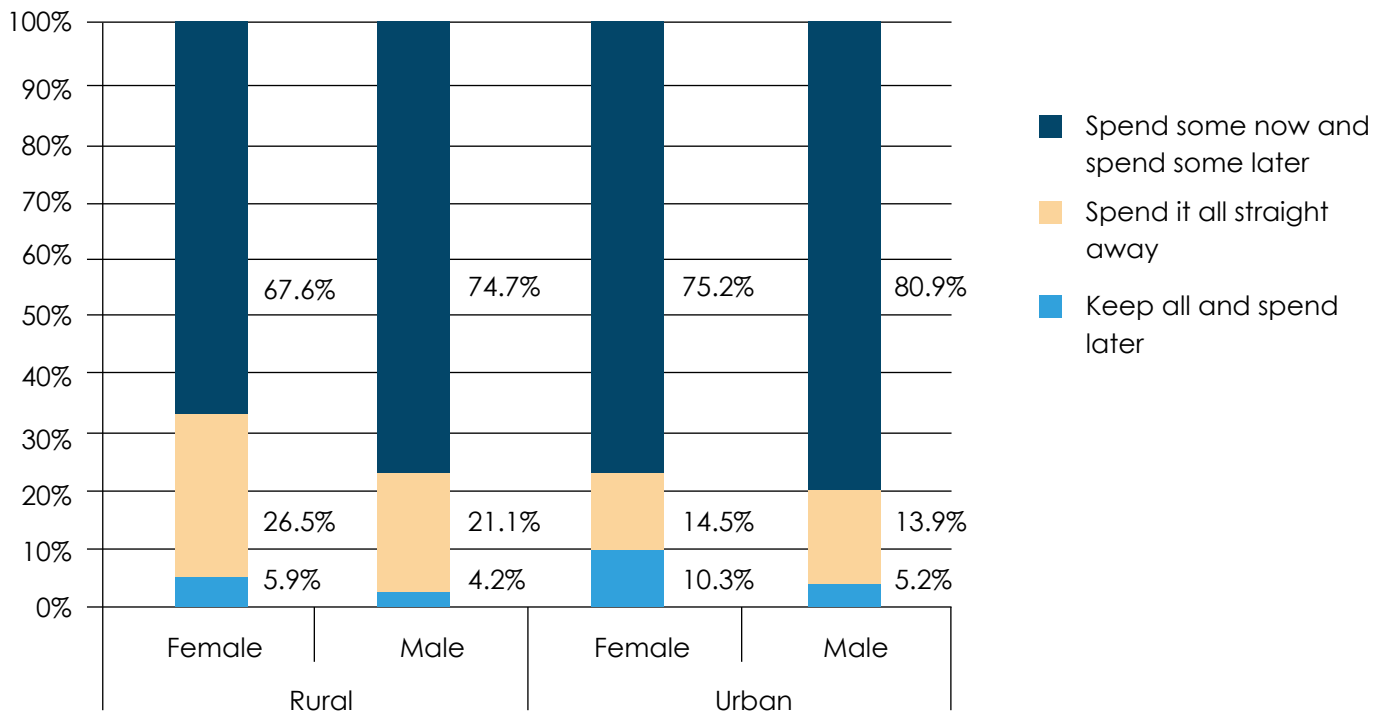
When asked about the main reasons for savings channels preferences, respondents indicated that safety, security, reliability and accessibility are the main factors behind their choice of the bank account. Among those preferring in-cash savings at home, 77% identified accessibility as the driving influence. Safety, convenient distance were the main factors that influenced users using the microfinance account for saving, whereas village saving clubs were chosen mostly due to accessibility and convenient distance (see Figure 14 for full detailed analysis).

Figure 14. Main reasons for preferred savings instrument



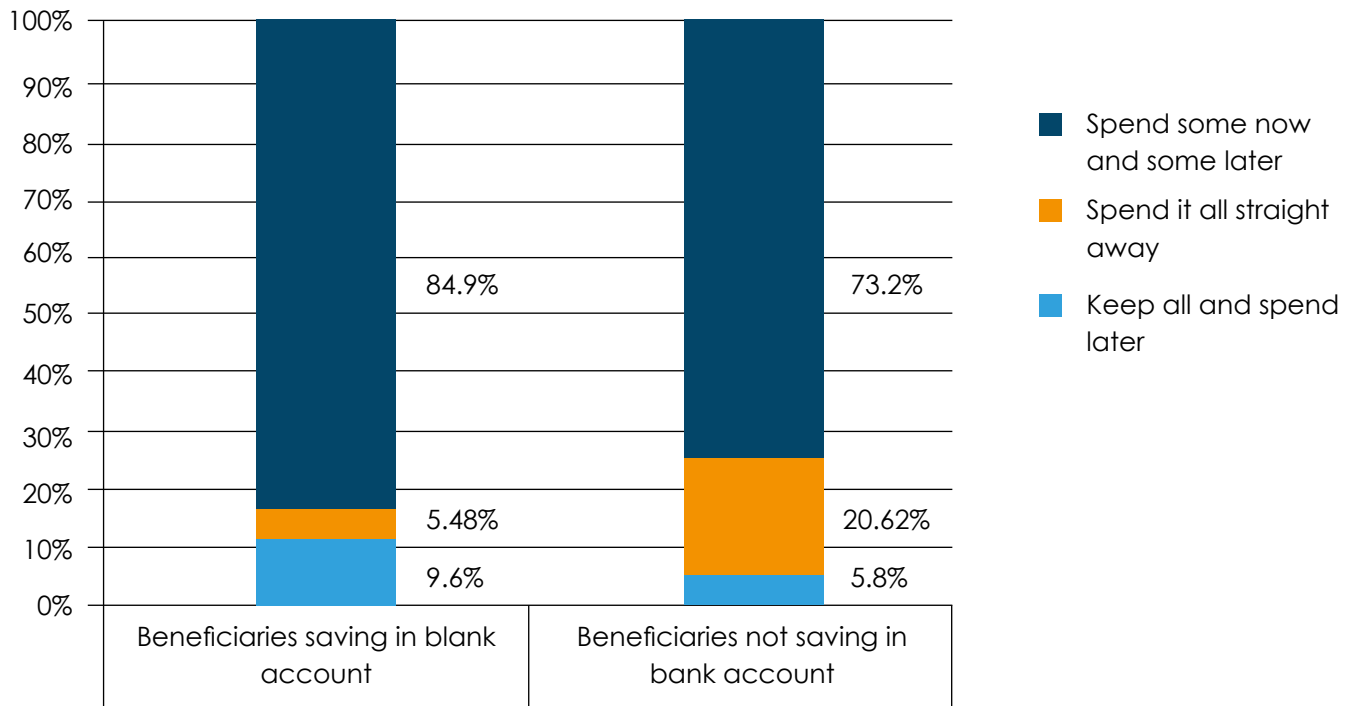
Another aspect that deserves a closer inspection is the expenditure patterns of households on receipt of the benefits. The proportion of individuals who spend all of their funds at the moment of receipt amounts to 18%, although there are significant differences by gender and geographical area (Figure 15). As a function of accessibility, 26.5% of respondent females in rural areas spent the entire amount on receipt, whilst 13.9% of urban men spent their entire monthly benefit on receipt. It should be noted that the most common practice in all population segments consists of spending a portion of the benefits and saving the rest for later use (between 67.6% and 80.6% depending on the geographical area and gender).

Figure 15. Expenditure patterns after receipt of welfare benefits, by gender and geographical area



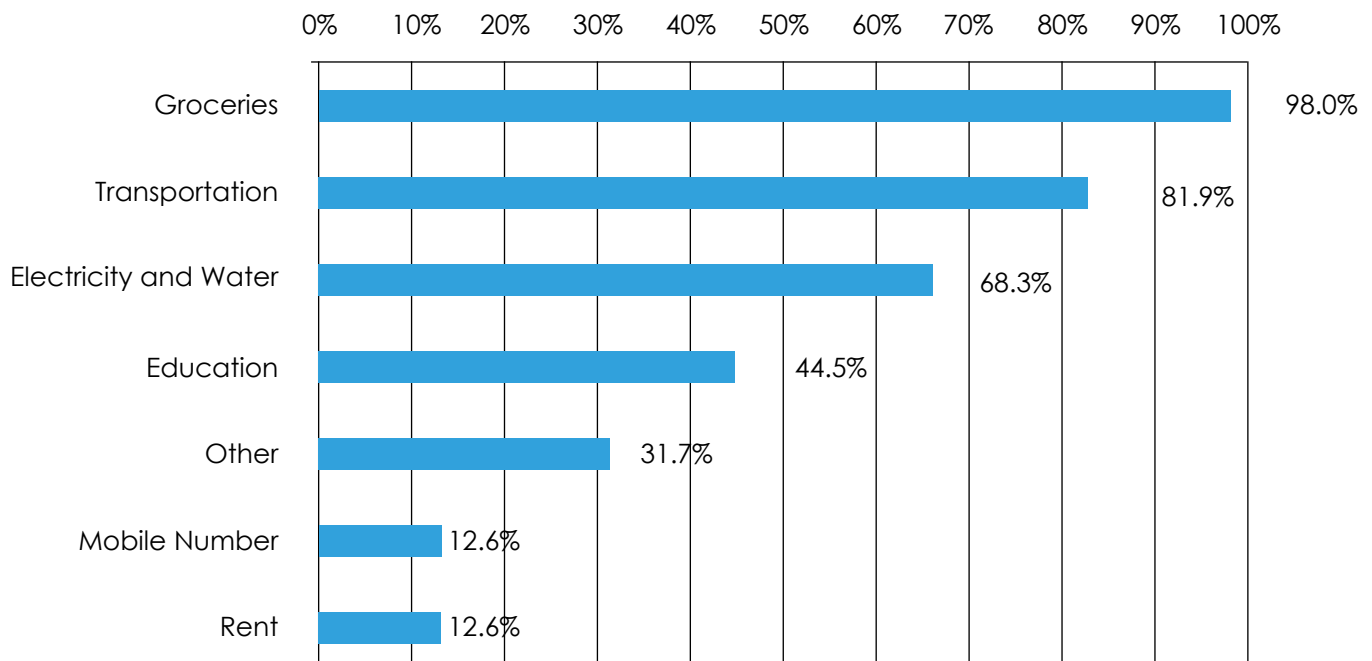
The survey notes that users of bank accounts as a savings instrument are much less prone to spend their benefits right away as compared to those who use other means of saving or who do not save. The same applies to the proportion of individuals who keep all of their money for later expenditure (9.6% among respondents saving in their bank account as compared to 5.8% of beneficiaries saving elsewhere).

Figure 16. Expenditure patterns after receipt of welfare benefits (comparison between users and non-users of savings account)



Regarding the composition of expenditure by recipients of welfare benefits, survey data shows that the vast majority of respondents (98%) use their money on groceries, followed by transportation (81.9%), electricity and water (68.3%) and education (44.5%). The least recurrent expenses are mobile phone bills and rent, with only 12.6% of respondents reporting to have spent their money on these items. Other reported expenses include medical bills, clothing, support of family members and contribution to village/church funds.

Figure 17. Composition of expenditure (% of individuals who spend their money on each expenditure item)



Finally, an aspect that deserves some attention is that nearly all beneficiaries that use Westpac In-store services to access their funds, spend their money at the store itself. Although this aspect has not been specifically researched in the survey, spontaneous responses during interviews indicated that these bank agents require a minimum purchase in order to make use of the financial services offered by the In-store agent to access the beneficiary's benefit.

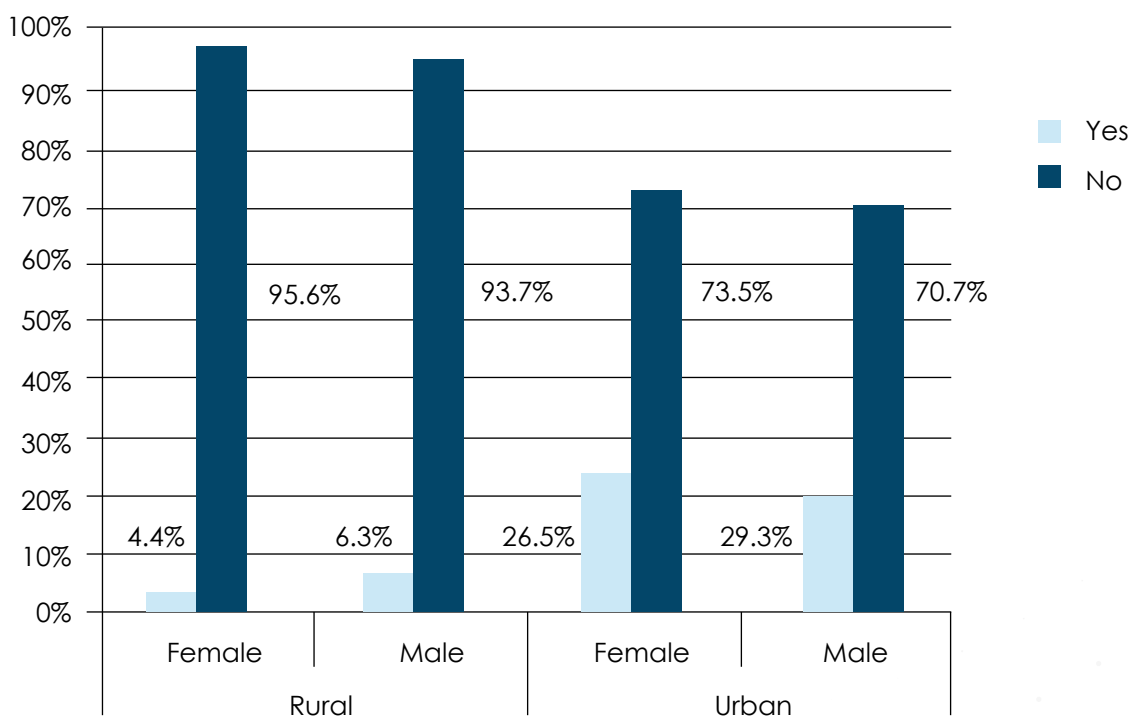
5.5. Impact of financial literacy trainings

A key intervention measure of the G2P project has consisted of the provision of financial literacy trainings to a sample of beneficiaries. The initial intention of the training programme was that the financial literacy programme would cover all the villages in Fiji and would leverage the Financial First Steps training programme⁸. However, in practice this training is delivered at the request of communities and has not been available beyond product use education, which has covered the following topics:

1. What is the Westpac card used for (in relation to accessing the benefit)
2. Account number
3. PIN number
4. How to use the EFTPOS machine

The beneficiary survey performed for this study also covered aspects relating to the efficiency and usefulness of the trainings as perceived by the beneficiaries, also allowing for comparisons of key target variables between those who participated in the trainings and those who did not. According to survey data, around 18.7% of recipients of welfare benefits have taken part in the training sessions, although there are significant disparities by geographical area [on average the participation rate in rural areas amounted to 5.3% as compared to 28% in urban areas]. By gender some significant differences are observed (as depicted in Figure 18) with the participation rate of women on average 2.5% lower than for men.

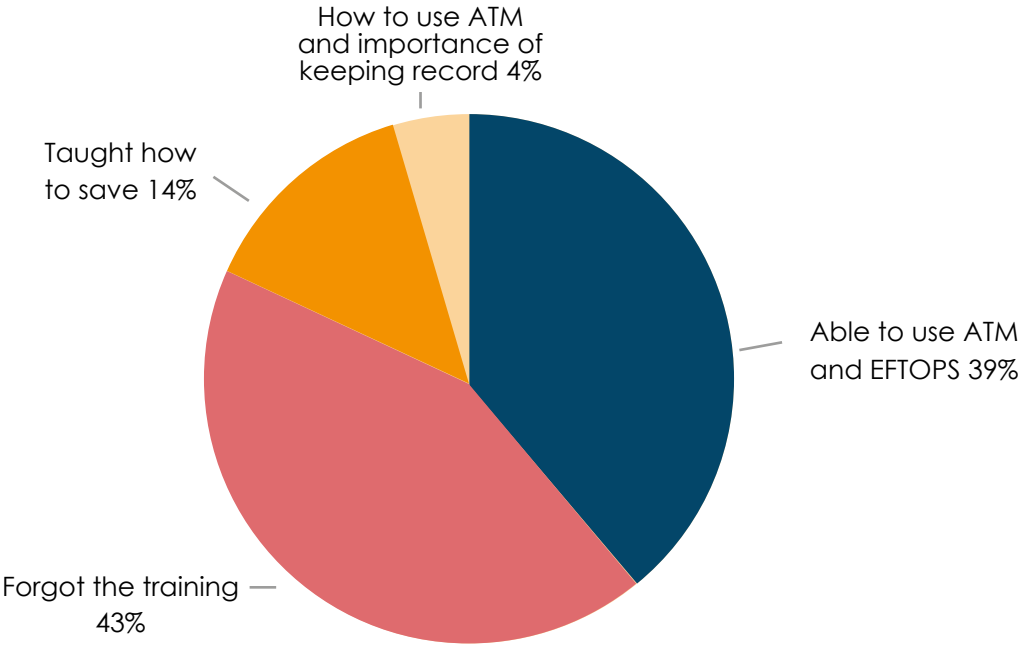
Figure 18. Rates of participation in financial literacy trainings, by gender and geographical area.



⁸As per link http://pacificwomeninbusiness.com.au/wpcontent/uploads/2015/10/1.2_Financial_First_Steps_A5.pdf

Among those who participated in the full financial literacy training sessions, when asked about the way in which the trainings have helped them, 43% responded that they had forgotten the content, which gives account of the need to review their depth and adequacy to the targeted population. Nonetheless, 39% of respondents identified that after the training they are now able to use ATMs and EFTPOS, with an additional 14% claiming that they have learnt how to save as a result.

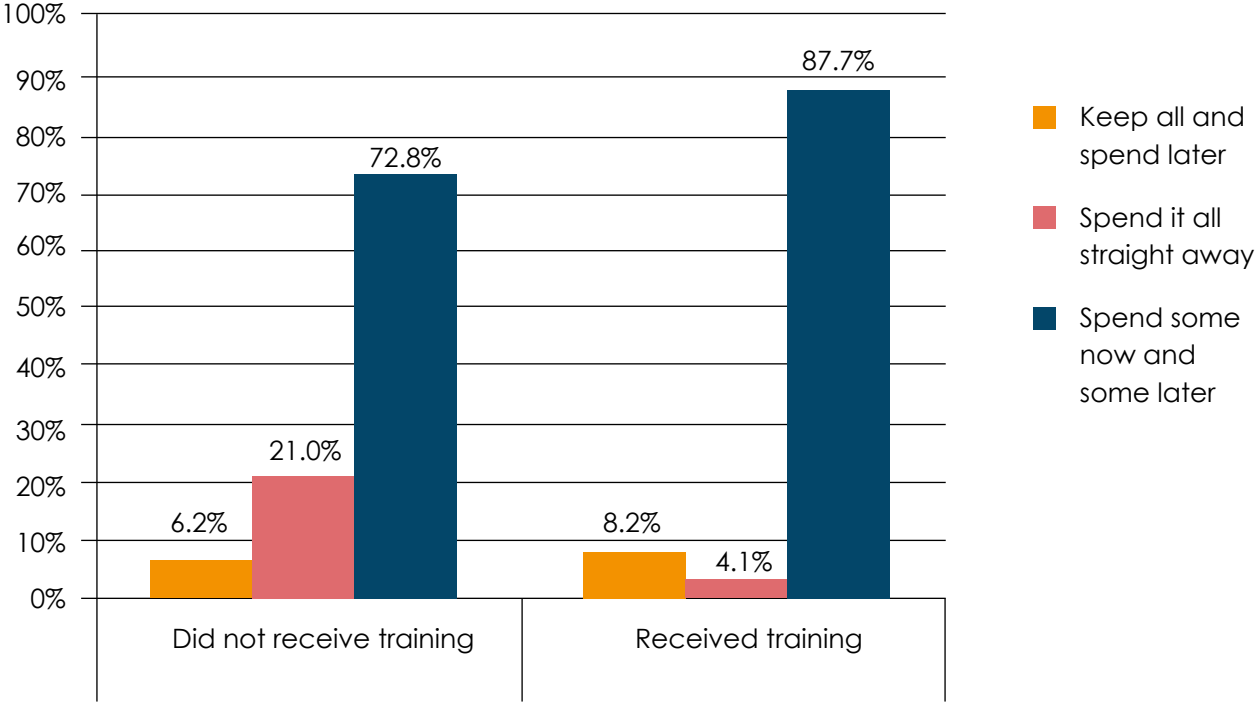
Figure 19. Perceived ways in which financial literacy trainings have helped participants



An interesting analysis can be performed by comparing some key variables between those who took the trainings and those who did not in order to inspect possible impacts attributable to this intervention measure⁹. Thus, it is possible to approximate answers to questions such as: have participants in training developed different savings patterns? Are training participants more prone to use different financial services? For instance, survey data show that the propensity to spend all the money after its encashment is much higher among those who didn't take the training (21%) than those who did (4.1%).

⁹The results should not be interpreted as counterfactual analysis provided that the assignment of participants in the trainings were not performed through any randomized method or any other process to control for possible statistical biases.

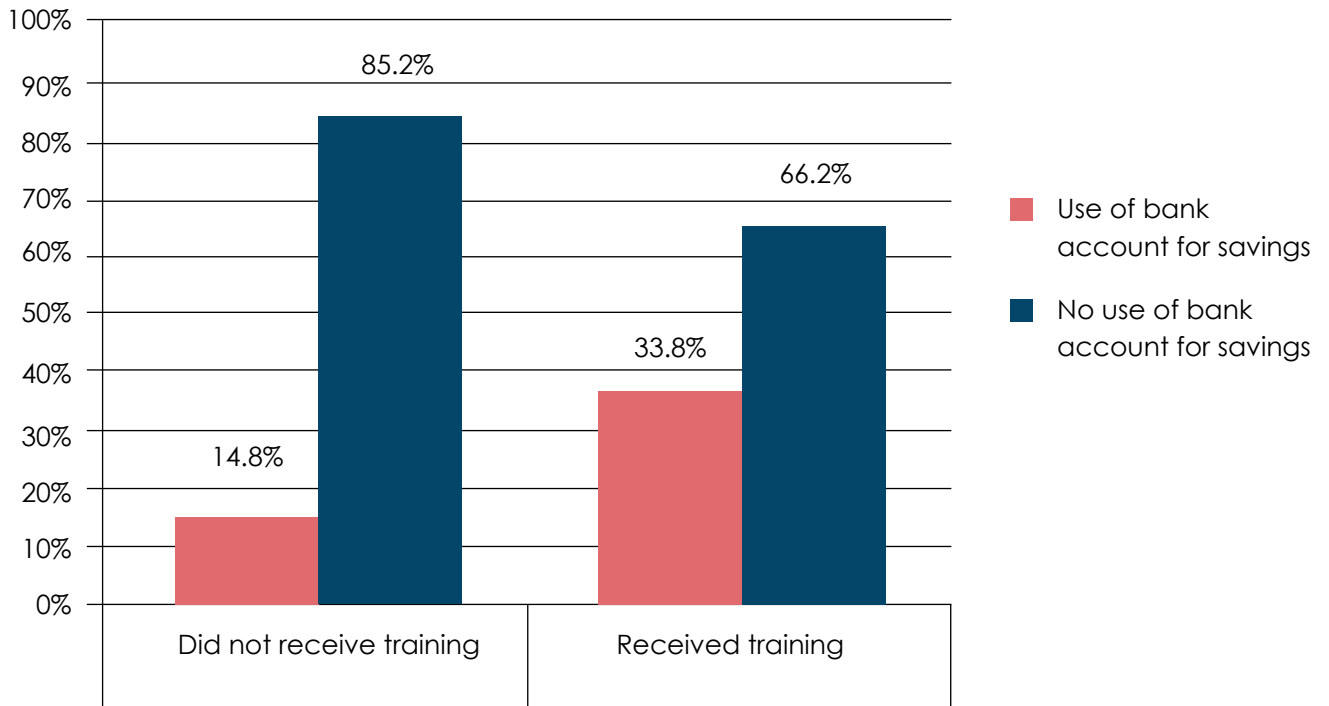
Figure 20. Impact of financial training literacy on saving habits



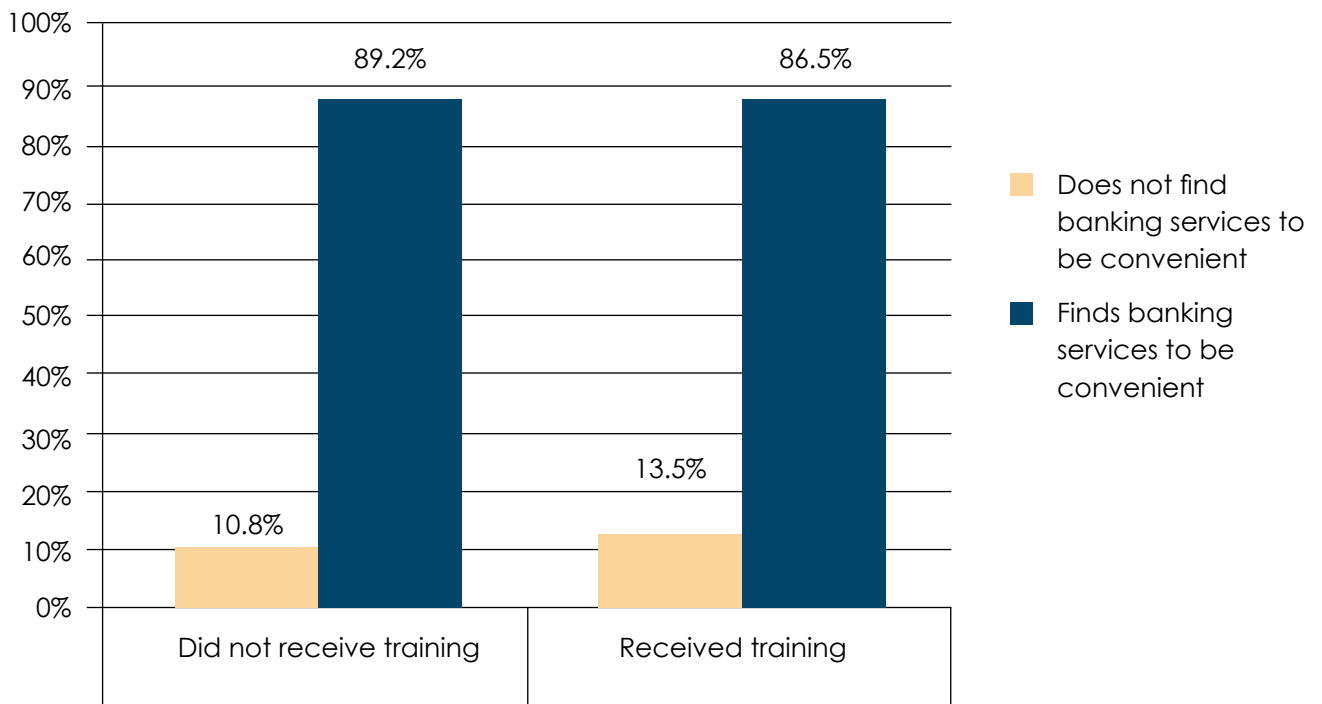
Other aspects in which those beneficiaries that received training performed considerably better is in the use of the bank account for saving purposes (33.8% against 14.8% by those who were not trained) and the level of confidence when using financial services (44.6% of trained beneficiaries reported they were not confident when using different banking services). Nevertheless, these results demonstrate that the training itself needs further contextualization to meet the needs of beneficiaries, given the persistently high degree of insecurity reported with using the new system. On the contrary, some other aspects seem to not have been positively or negatively improved by the trainings, showing no significant differential when comparing both groups of beneficiaries in relation to preference for the voucher system or those unsatisfied with the availability of access points to their funds under the new system.

Figure 21. Impact assessment of financial literacy training over different target variables

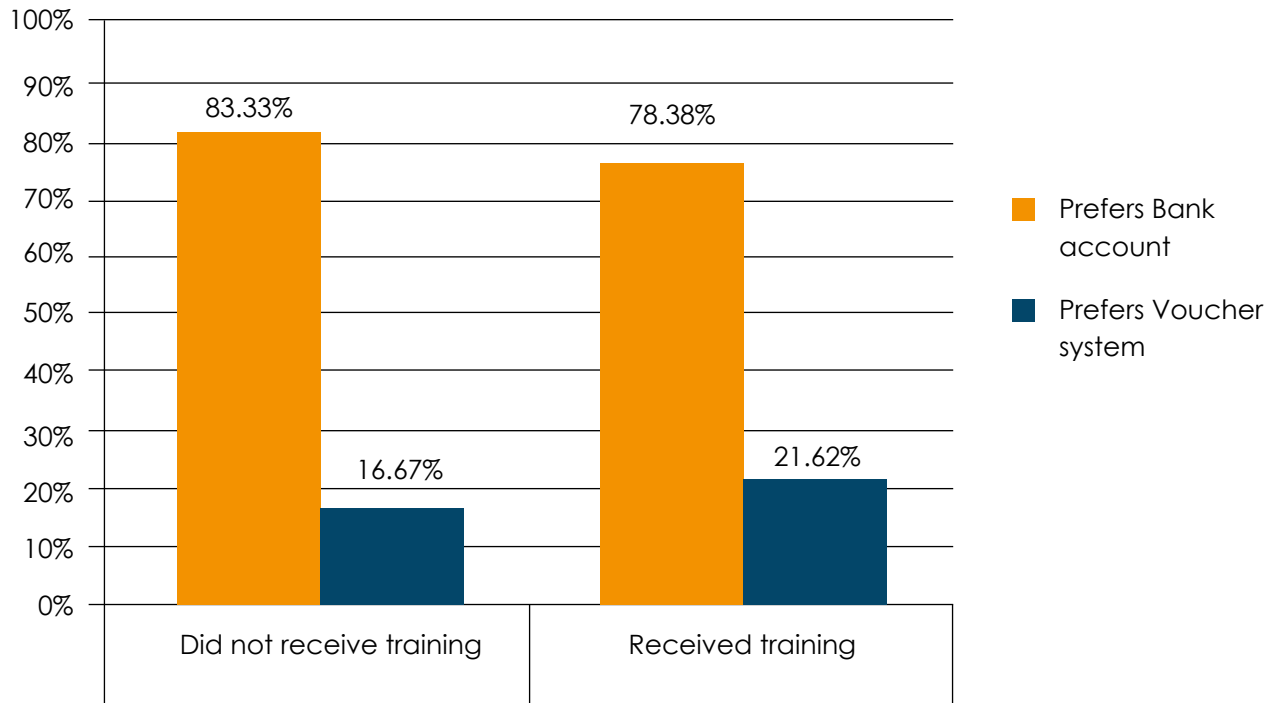
Use of bank account for savings



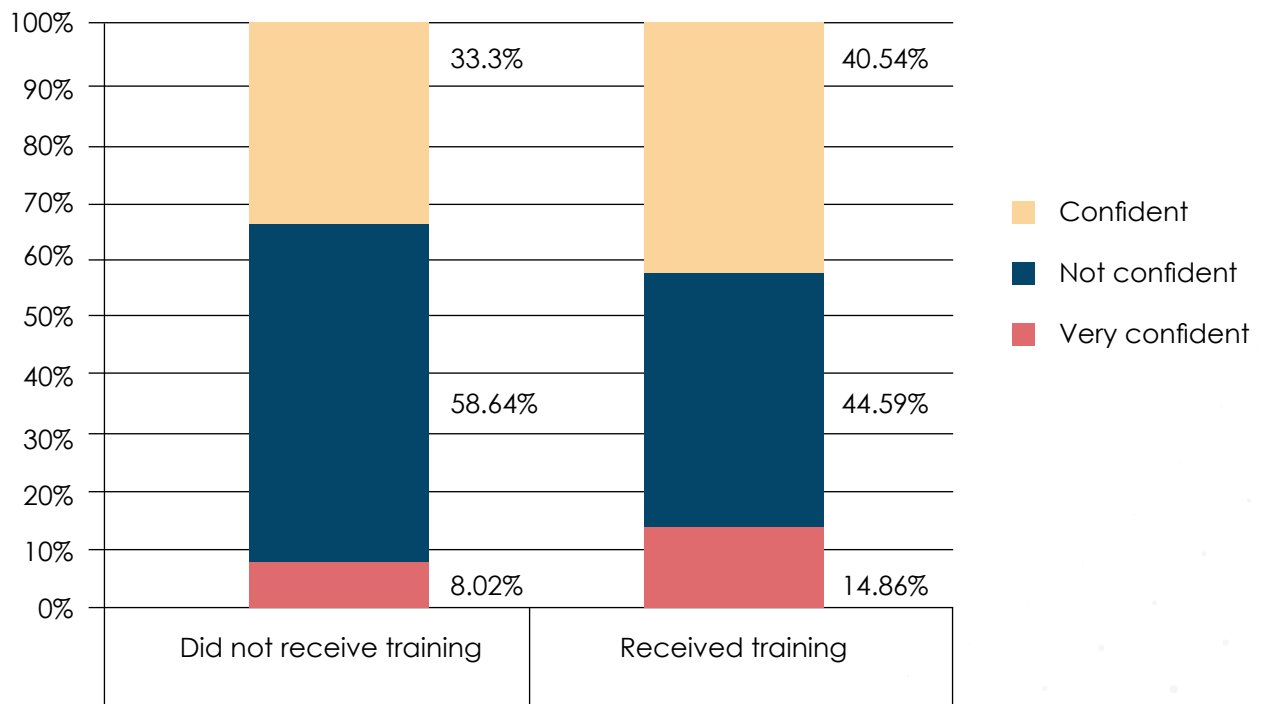
Convenience of bank services



Overall system preference



Confidence in using banking services

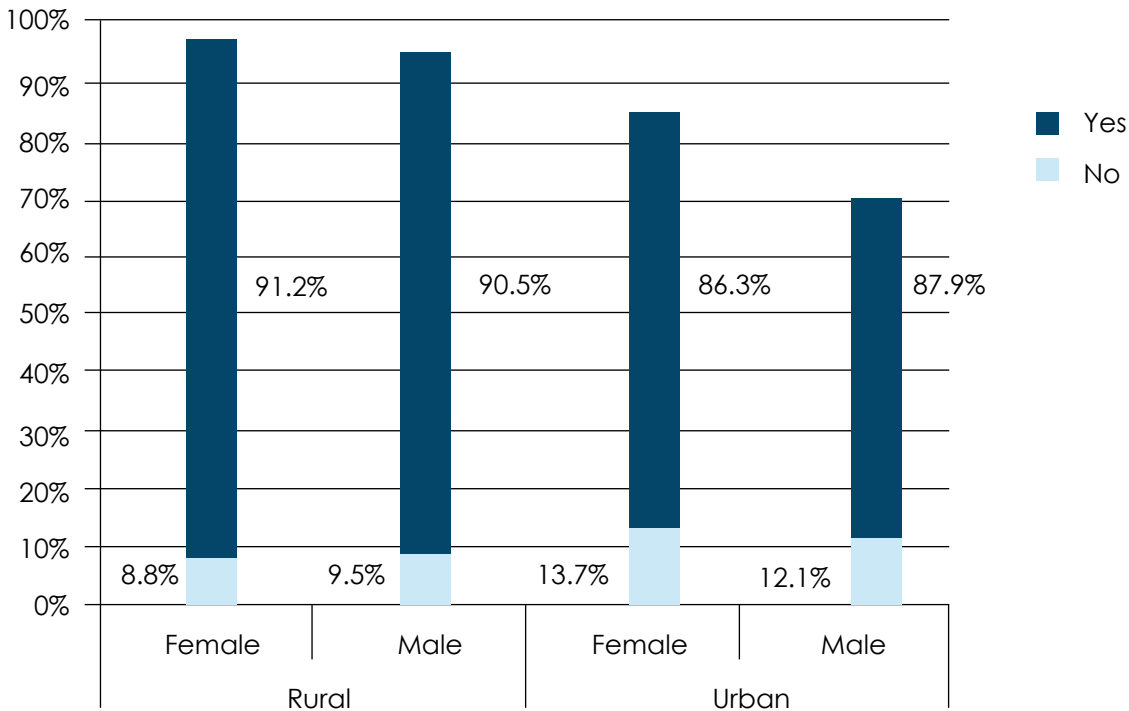


5.6. Overall system perceptions

When asked about the overall convenience of banking services, including all of its facets and potential benefits, the majority of respondents (88.6%) expressed their content with the system. Some slight differences in these perceptions can be observed in connection to geographical areas, as the rate of positive answers amounted to 90.8% of rural respondents as compared to 87.1% in urban areas. No significant differences by gender have been observed.

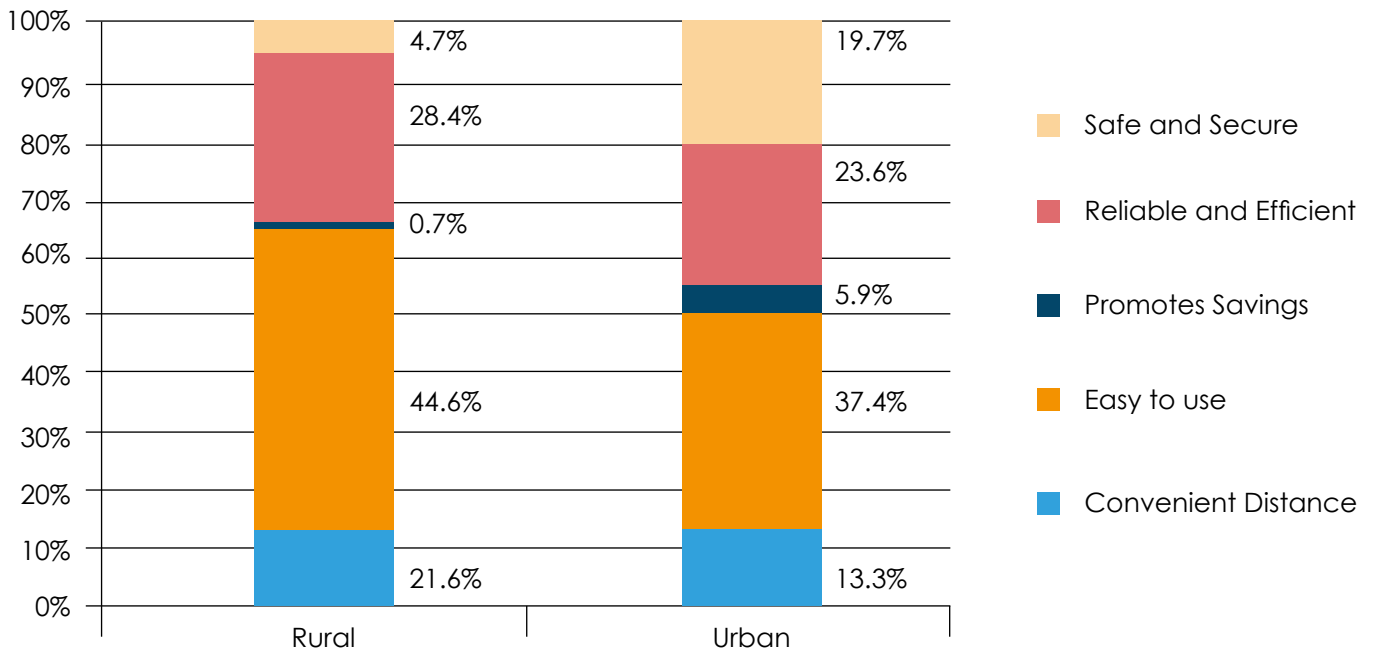
Figure 22. Perceptions about convenience of banking services

Do you find banking services to be convenient?



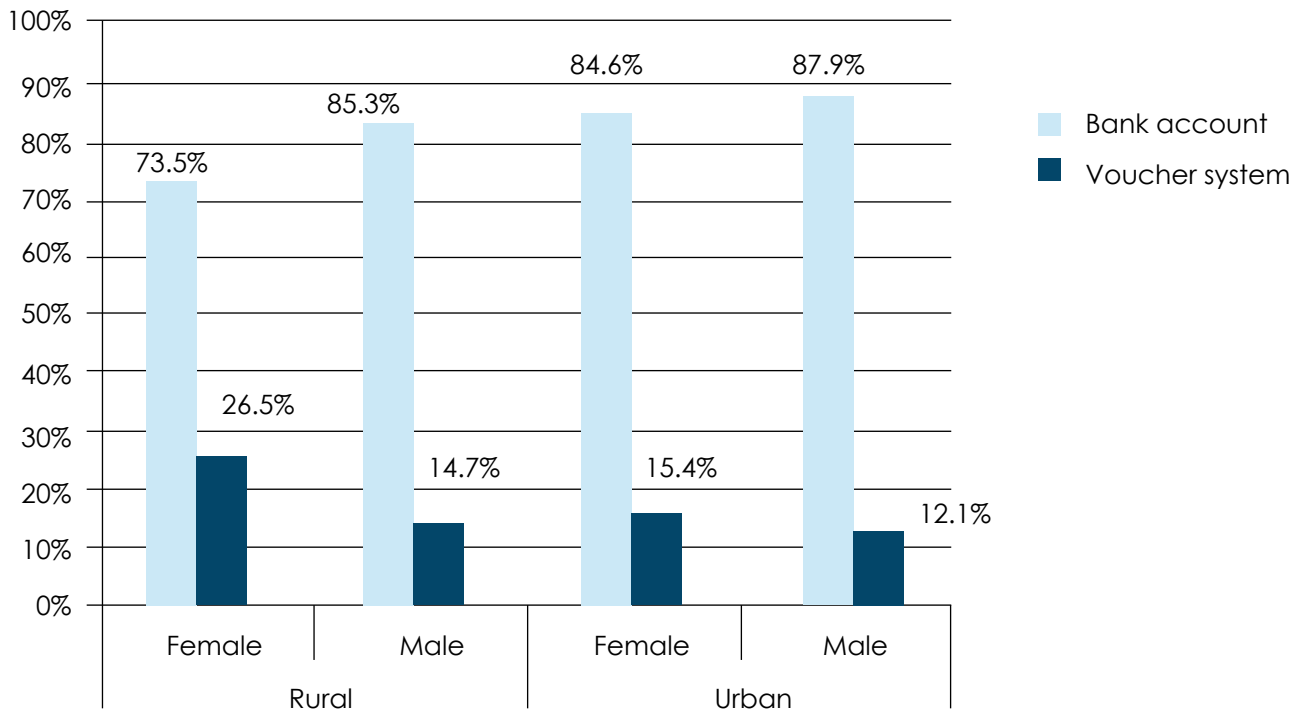
Further investigation on the exact reasons that lead beneficiaries to believe that banking services were convenient, revealed that user friendliness of the system (particularly in rural areas), together with reliability and efficiency were the most valued aspects. Additionally, safety and security issues also played an important role in urban areas. On the contrary, the promotion of savings have been reported as the main factor only, by a minority of respondents. Individuals who did not perceive the banking system to be convenient for them attributed this to the difficulty in accessing money and the waiting time involved with this at both bank branches and Westpac In-store agents.

Figure 23. Reasons alleged by beneficiaries on why they believe banking services are convenient



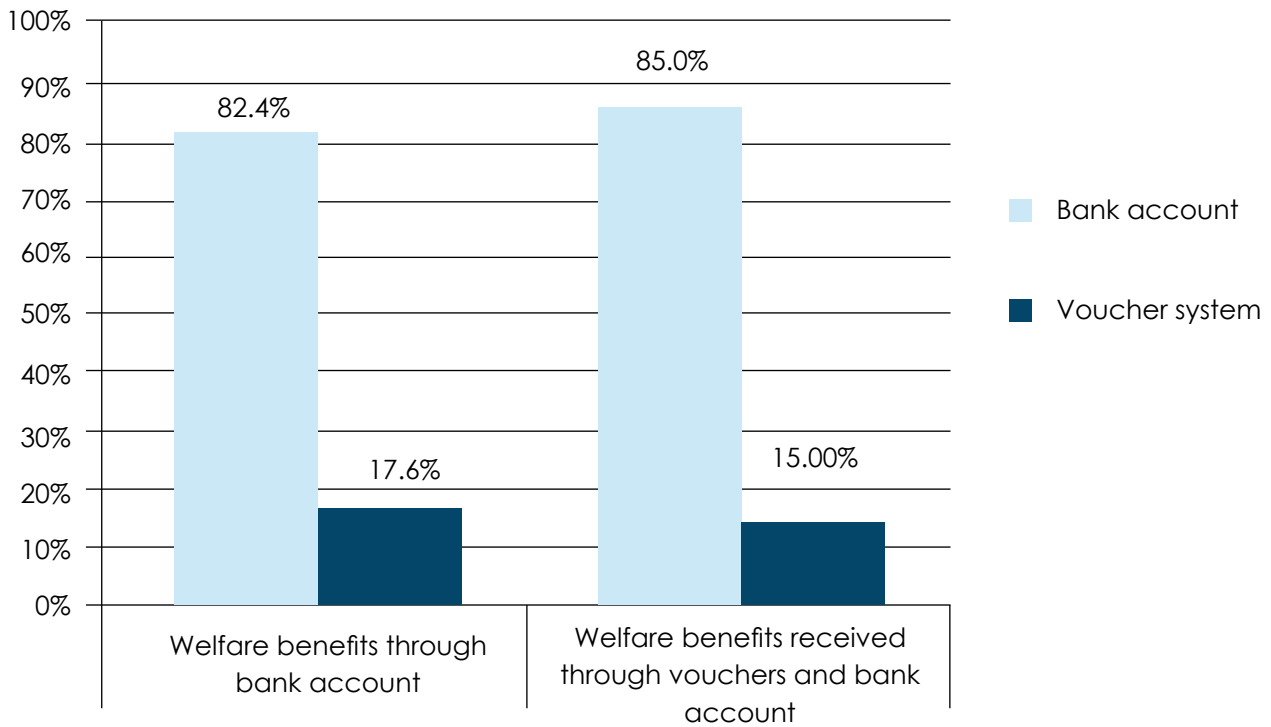
Beneficiaries were also asked as to their payment system receipt preferences for their welfare benefits. Results show that, despite reported difficulties and lack of confidence in using financial services, a vast majority of beneficiaries (82.3%) prefer the banking system. Preference for the voucher system is more frequently found in rural areas, particularly among women, although even in this population the bank account is still the preferred option (26.5% as compared to 73.5%).

Figure 24. Preference for bank account and voucher systems, by gender and geographical area



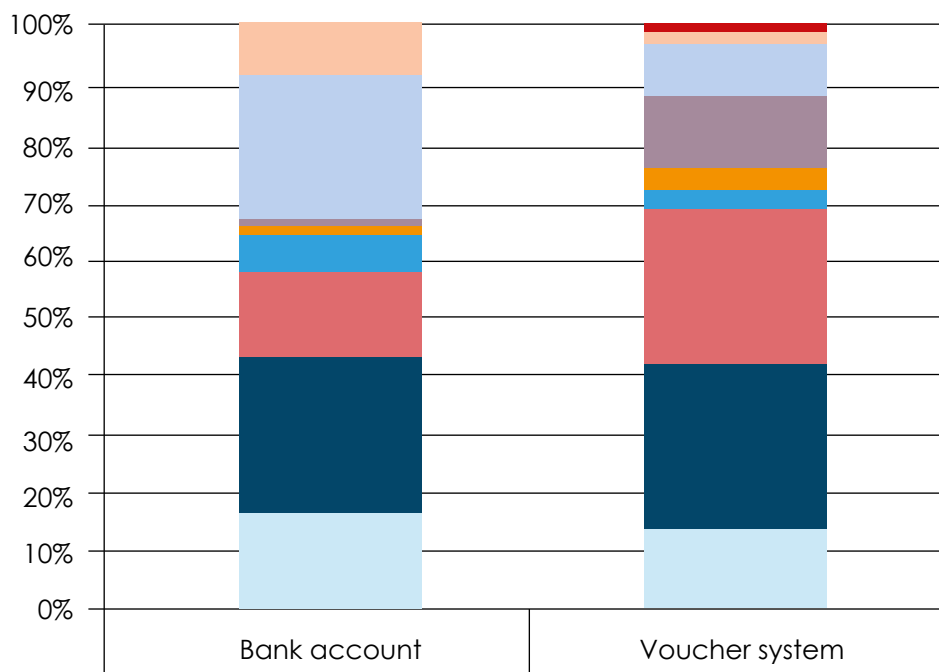
Survey results show that still 57.2% of beneficiaries, although holding a bank account, receive benefits through the old voucher system, given not all benefits are paid through the beneficiary's bank account. Therefore, it is interesting to investigate whether system preferences in this group of beneficiaries differs from those who are already fully engaged in the bank account system. Interestingly enough, preference for the bank account option is higher among those who still use both systems. As shown in Figure 25, preference for the voucher system amounts to 17.6% among bank account exclusive users, against 15% of those who received their benefits through both systems.

Figure 25. System preference among bank account users and voucher system users



Further investigation on the reasons that lead beneficiaries to prefer one or the other system shows that similar factors influence the decisions of both groups of users. Thus, reliability, efficiency, flexibility, and access were the most frequently reported reasons for beneficiaries, regardless of their system preference. However, some differences are worth noting, for instance, flexibility is considerably more valued among supporters of vouchers, whereas efficiency and reliability has been more frequently appreciated by supporters of the banking system.

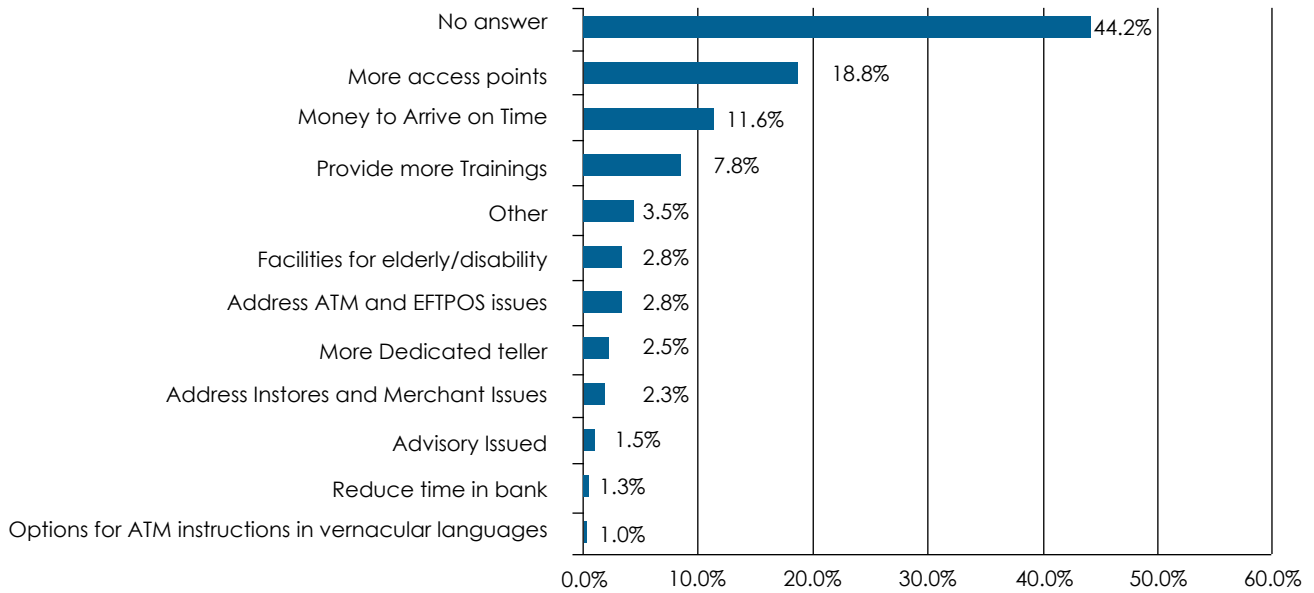
Figure 26. Underlying reasons for system preference



■	A combination of factors	0.3%	1.6%
■	No answer	0.3%	1.6%
■	Safe and Secure	8.4%	9.4%
■	Reliable and efficient	24.9%	12.5%
■	Reliable	0.9%	0.0%
■	Promote savings	1.5%	3.1%
■	Nearby	6.3%	3.1%
■	Flexibility	13.5%	26.6%
■	Easy to use	0.6%	0.0%
■	Easy to access	26.9%	28.1%
■	Convenient	16.5%	14.1%

Finally, beneficiaries have been explicitly asked about possible improvements that can be done for bank account users. Of the 65.8% of respondents, the most frequent suggestion was the provision of more access points (18.8% of respondents) followed by the need to improve the timing of the money transfers (11.6%) and the provision of further trainings (7.8%) which seems to be in line with the modest results of the trainings performed so far. Other reported suggestions include facilities for the elderly and disabled, further attention to solve ATM and In-store technical issues, advisory notices of receipt of funds into accounts, reduction of waiting lines at the bank and ATM instructions in vernacular.

Figure 27. System improvement suggestions by bank account users





6. Impact for the Department of Social Welfare

The DSW within the Ministry of Women, Children and Poverty Alleviation, is the government agency in charge of the distribution of social welfare benefits, which in past years relied on a cumbersome, manual system of processing benefit payments. This prior system meant substantial costs to government, the diversion of staff from other priorities and hardships to welfare beneficiaries such as traveling long distances, increased costs of accessing these funds and longer waiting times. The transition to a more customer-friendly and efficient, savings-linked electronic payment system continued to have administrative and financial implications on the DSW, albeit in a reduced manner. The following section presents a summary of qualitative results gathered through interviews with key informants as well as questionnaires sent on an electronic format for the gathering of data, indicators and additional questions aimed at relevant managerial staff within DSW.

In the view of the contacted representatives, the newly introduced system of payment has greatly assisted the efficient processing of monthly allowance payments for recipients. Its introduction has enabled the Department to disburse monthly payments to a large number of recipients, introduce and manage new Social Protection benefit schemes and simultaneously process other targeted benefits like the disaster relief benefits. The ability to target and speedily deliver additional benefits including emergency related benefits was particularly pronounced in the aftermath of Category 5 Tropical Cyclone Winston which impacted Fiji in 2016, where the electronic transfer system was harnessed to speedily distribute much needed financial relief to all beneficiaries in addition to their monthly benefits.

Furthermore, the Department continues to pursue the automation of processes through data migration into electronic databases and the implementation of a new Social Welfare System completed in 2018. Holistically, the transition to the bank payment mode saw an immediate ease in the process of disbursements. Over time however, the increase in the number of recipients (See Table 9), the introduction of new benefit schemes, the requirements needed to address the complex needs of the beneficiary has meant that there is an increased pressure on both the Social Welfare system managing the beneficiaries and the benefits as well as the product offering and accessibility options provided by the financial service provider. Identified needs in this area comprise firstly, an automated mode of payment that has the capacity to process large volumes of data to accommodate the sharp increase in numbers of beneficiaries between the DSW and the financial service provider and secondly, a beneficiary database that can be expanded to include new beneficiary schemes or spontaneous payout of all or selected recipients.

Table 9. Statistics on beneficiaries of Social Protection Programme - Year 2015 to 2018

Program	2015	2016	2017	2018
Poverty Benefit Scheme	23,235	23,872	24,807	26,023
Care & Protection Assistance	3,141	3,760	4,058	5,531
Allowance to Persons with Disability	-	-	-	2,597
Social Pension Scheme	16,472	24,023	32,453	37,494

Source: DSW

Note: Estimated 4% of the above recipients are on the voucher mode

DSW further indicated that no substantial administrative changes were needed to transition from the prior voucher system to direct deposits apart from adjustments in responsibilities for staff involved in the administration of the voucher system, the addition of fields in the Social Welfare database to enable direct deposits as an additional payment mode for benefits. In terms of human resources, the new system implied a significant advantage, since the initial voucher printing exercise had involved all staff in the bi-annual voucher verification, publication, distribution, issue and reconciliation, whereas the transition enabled all welfare officers to concentrate on service delivery of a growing suite of welfare benefits for the entire 12 months of the year. Additionally, the transition has over the years saved on printing costs, transportation costs and overtime allowances payable to staff in the Welfare, Administration and Support teams. However, no particular quantification of these savings had been provided at the moment of the consultation. Reference is therefore made to the four months of staff time combined with almost FJD158,000 saved referenced by PFIP at the time of the introduction.

DSW indicated that as a consequence of the new payment system, the introduction of an electronic database to manage beneficiary payments to bank accounts reduced the reliance on the manual paper based systems that influenced the then existing e-welfare database, resulting in the weeding of duplicate, fraudulent and deceased beneficiary accounts. As explained by DSW representatives, the bank mode of payment is not contained in one system. It is instead captured in three different systems that provide more robust guarantees against fraudulent or illegitimate payments. Thus, the approved list for payment is initially extracted from the application system and then compiled on an excel worksheet manually by clerical officers. Then, it is again manually imported into the payroll software that is provided by the bank and eventually the folder is emailed for payment.¹⁰ The cumbersome task of compiling the monthly payout in itself requires repeated verification of listing to avoid overpayments and errors in the monthly payout requests. It is at this step of collation that the system is able to identify fraudulent activities. It was reported that the rigour brought about by electronic payments eliminated close to 11,000 duplicate, deceased and fraudulent beneficiary accounts between 2009 and 2012.

In the view of DSW, the timing and the transition process was optimal as numbers of recipients and the additional new schemes show. However, if there was an opportunity for variation, the incentives of meeting bank fees should be made compulsory across all banking institutions and standard simplified requirements for opening of new bank account across all banking institutions, so that the choice of banking institution is left with the beneficiary considering their accessibility to existing banking services in their locality.

The DSW has an established grievance mechanism with regards to related electronic bank transfers. To-date the nature of complaints has primarily included the timing of monthly payments, confusion with regard to the requirements for opening of accounts, waiting times at bank branches, confusion in relation to bank fees for beneficiaries with non-Westpac bank accounts and the charging of account access service fees by In-store agents and maritime merchants. In terms of customer satisfaction, the intended beneficiary for the mode of payments does not only depend on the processing systems but is also largely determined by its service delivery, which is only available where banking facilities are located either in branches, automatic teller machines or vendor machines that are most importantly able to dispense cash at any given time without any extra fee. To date, the Department continues to process and issue voucher books for the maritime areas or locations where there are no or unreliable banking services.

The most recently introduced schemes namely the Social Pension Scheme and Disability Allowance Scheme have beneficiaries with diversified and special needs and limitations. Access to information coupled with physical access to banking services has necessitated variations to the operations of accounts which are continuously being negotiated with Westpac by the Department, which proves that there is room for and ability to effect ongoing product offering adjustments.

¹⁰This is the case for Westpac bank only for the other banking institutions the provision of the excel format suffices



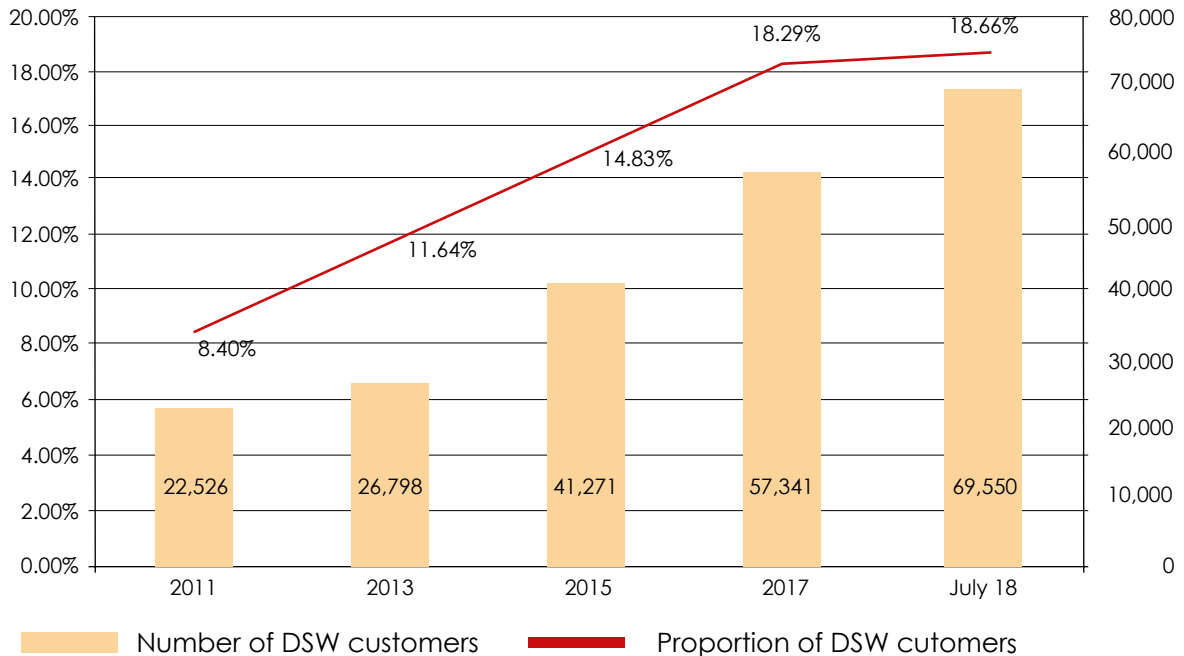
7. Results for the financial service provider

Westpac Banking Corporation (Westpac) is Australia's second largest bank with USD611 billion in total assets, providing diversified services to 14 million customers across the region. With 51 branches throughout the Pacific, it reaches some 245,000 retail and business customers and has built an asset base of USD2.4 billion. In Fiji, beyond its engagement with DSW, Westpac has opened a microfinance department at the behest of the Reserve Bank of Fiji and partnered with local MNOs (Digicel and Vodafone) to act as a cash agent for mobile money. In November 2010, after the review of several proposals, the Ministry awarded a tender to Westpac Banking Corporation. Westpac's competitive bid included providing recipients with a bank card to withdraw benefits and access to its 37 ATMs and merchants throughout the country. Furthermore, it included a no-fee bank account with free withdrawals, an optional savings account, and financial education. Westpac also provided a Handycard linked to the bank account, as well as internet banking services upon request. As a result of its participation in this G2P project, Westpac has undoubtedly positioned itself well for further partnerships with the government in Fiji and other similar initiatives throughout the Pacific. Since the inception of the G2P project, Westpac network in Fiji has expanded to a total number of 76 ATMs, 19 branches, 2,200 EFTPOS and 62 In-store merchants, according to information provided by the bank's representatives for 2018.

The most immediate and straightforward effect of Westpac's involvement in the project is the adding of 69,550 new customers who are recipients of some form of benefits provided by the DSW. This increase in their customers has gradually occurred throughout the implementation period of the project, as shown in the figure below. By July 2018, DSW customers accounted for 18.7% of total Westpac customers in the country.¹¹

¹¹It should be noted that according to Westpac sources, none of the DSW beneficiaries receive transfers to a non-Westpac account.

Figure 28. Number and proportion of DSW customers at Westpac 2011-2018



Source: Westpac

Regarding financial costs borne by the recipients, all inward transactions carried out by DSW are free of any charge, except for the case of ATM interexchange where DSW customers use another bank’s ATM, in which case the customer must pay FJD1.50. In the case of Branch EFTPOS Cash withdrawal fee to be charged for each transaction amounts to FJD0.40. It should be noted that, despite the initial agreement with DSW, through which additional charges for other financial products could be applied, beneficiaries of the programme have not paid any additional fees according to interviewed Westpac representatives. These conditions, products and services have remained unchanged throughout the entire implementation period of the project.

When asked about how the change in customer numbers and transactions impacted the bank, Westpac representatives responded that operational costs have noticeably increased as a consequence of the increased number of Handycards issued free of charge, but also in terms of branch over-the-counter teller services and paper withdrawals offered for free, although no specific figures or economic estimations have made available to the research team. According to the informants, the increased number of customers is causing the saturation of branches across the country, mainly due to the fact that new customers require face-to-face assistance for services that could be normally performed through ATMs and EFTPOS, such as withdrawal or balance checks. Branches are experiencing heavy traffic, especially in the first week of every

¹²Cost to the instore merchant: FJD6/month for the SIM card, instore machines is provided and maintained by the Bank. Incentives to the Instores - FJD0.30 a transaction for transactions involving more and equal to 500 customers per month, machine rolls.

month, as beneficiaries expect their allowance to be in the account on the 5th day of each month. The processing of lost cards reports and card replacements are also time consuming activities frequently performed by new customers that are contributing to the overflow of the branches. In order to cope with this situation, Westpac personnel at the branches have been instructed to, whenever possible, redirect and educate customers to use all available e-channels like ATM, EFTPOS, internet and mobile banking and the In-store merchants.

Regarding the impact of the G2P project over the network of collaborating merchants¹², the informants at Westpac have observed an increase in the number of instore transactions, averaging 20,000 per month, mainly from top merchants in Bua, Ba, Korovou, Momi, Nalawa, Nausori, Tavua and Vunidawa. When asked about feedback provided by the merchants, Westpac representatives claimed that there are a good number of them that are really keen to provide this service and some are finding it as an extra task in addition to their core function (to sell groceries). The Bank has appointed an officer in the North, and two based in the West and Eastern Divisions of Fiji, in order to manage the relationship with these merchants, which seems to be working well according to the informants.

When asked about Westpac's views on the way forward with regard to DSW customers and customer base, the informants emphasize the focus on the Bank's digital strategy in line with the Government strategy to go paperless and cashless in the future. In order to achieve these goals, the introduction of paper withdrawal and branch cash withdrawal fees was proposed to deter customers from performing branch over the counter withdrawals given the number of ATMs and EFTPOS available.

In sum, the financial service provider reports that it has experienced a negative shock in the form of branch overflows and additional operational costs, which in light of the increased numbers in their customer base, should be regarded as an assumable investment cost for further long term benefits. It is acknowledged that a thorough cost-benefit analysis is not available in order to provide a clear quantitative assessment of the latter. These benefits are further, yet to be manifested due to the low functional financial literacy of customers linked to DSW benefits and the low rate of demand for additional or linked financial services. It is however, reasonable that long term learning and the involvement of younger household members in the management of domestic household finances will gradually lower these operational costs and increase the demand for additional financial services. With regard to the management of branch shocks, the introduction of additional fees and charges in order to redirect over-the-counter services to e-channels should be carefully considered and accompanied with client targeted financial literacy training programmes, which according to survey data, have not been delivered to a large number of the survey sample nor have proven to be effective in the selection of account access options. In any case, a gradual approach to such measures would be highly recommendable in order to avoid the transfer of the problem from the service provider to the customers.



8. Summary of Key Findings

36.9%

In-store agents



20.9%

Nearest bank branch



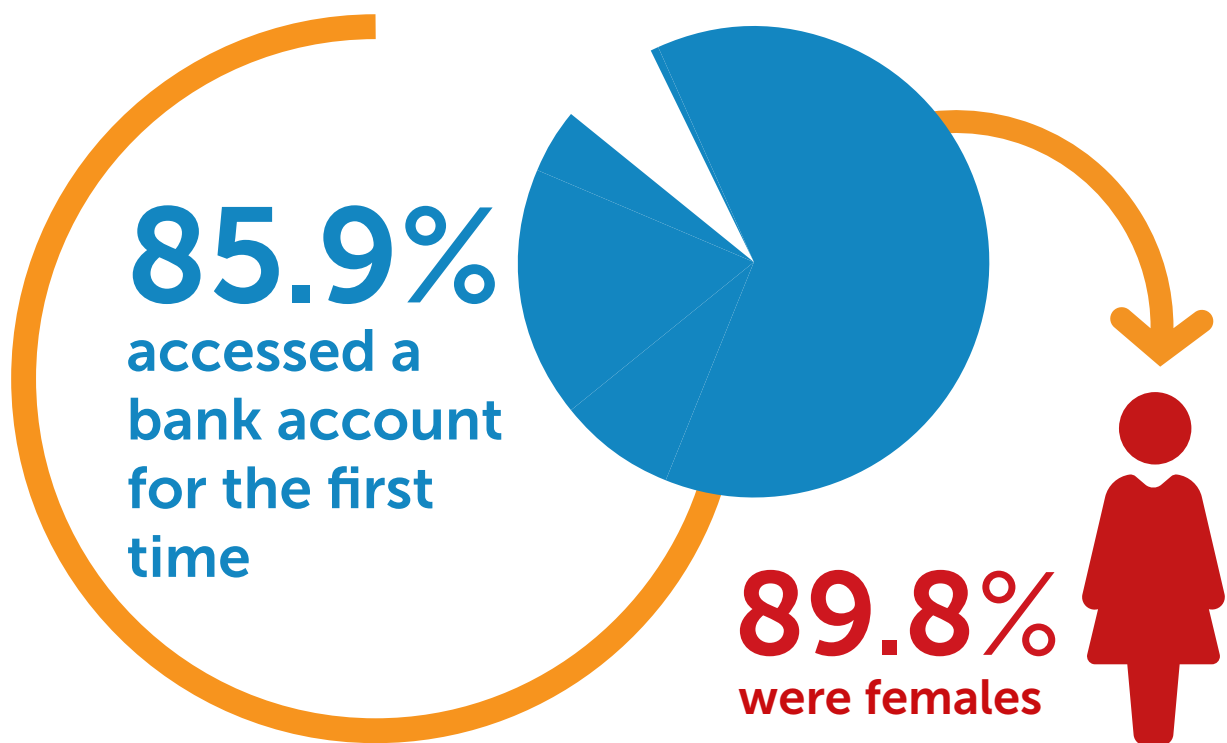
18%



Travel cost and time

- The implementation of the G2P project has implied significant time savings for beneficiaries (around three hours and 40 minutes every six months and up to four hours in urban areas) in comparison to the voucher system. These gains are largely influenced by the travelling time to and waiting time at the DSW offices to collect the voucher books every six months.
- Cost savings for beneficiaries can be also attributed to the implementation of the programme, as beneficiaries of vouchers would spend around FJD27.80¹³ every six months in their collection and encashment of vouchers under the prior system, solely in transport costs, whereas bank account users spend an average of FJD24.30 during the same period, a saving of approximately FJD4. These modest savings are driven by the experiences of beneficiaries in rural areas, where the semi-annual transportation costs would be reduced from FJD32.80 - 28.90.
- The share of rural beneficiaries who access their account only once a month is higher than in urban areas (89.0% against 81.5%). Interestingly enough, the proportion of users that access it with a frequency of less than once a month are higher in urban areas, where in principle distances and geographical barriers are more affordable. When asked about the reasons for this low frequency, respondents pointed to the long time that it usually takes to access it, followed by their old age as the main causes.
- After the implementation of the G2P project, the options for accessing funds significantly increased for beneficiaries, with in-store agents being the most popular access option (36.9% of the surveyed population preferring this option), followed by the nearest bank branch (20.9% of users) and ATMs (18.1% of beneficiaries). The remaining 23.6% use a combination of the former access points, with users reporting nil usage of EFTPOS machines in shops other than Westpac's instore merchants, and no usage of other bank EFTPOS or ATMs.

¹³1 United States Dollar equals 2.10 Fijian Dollar (July 2018)



Use of financial services

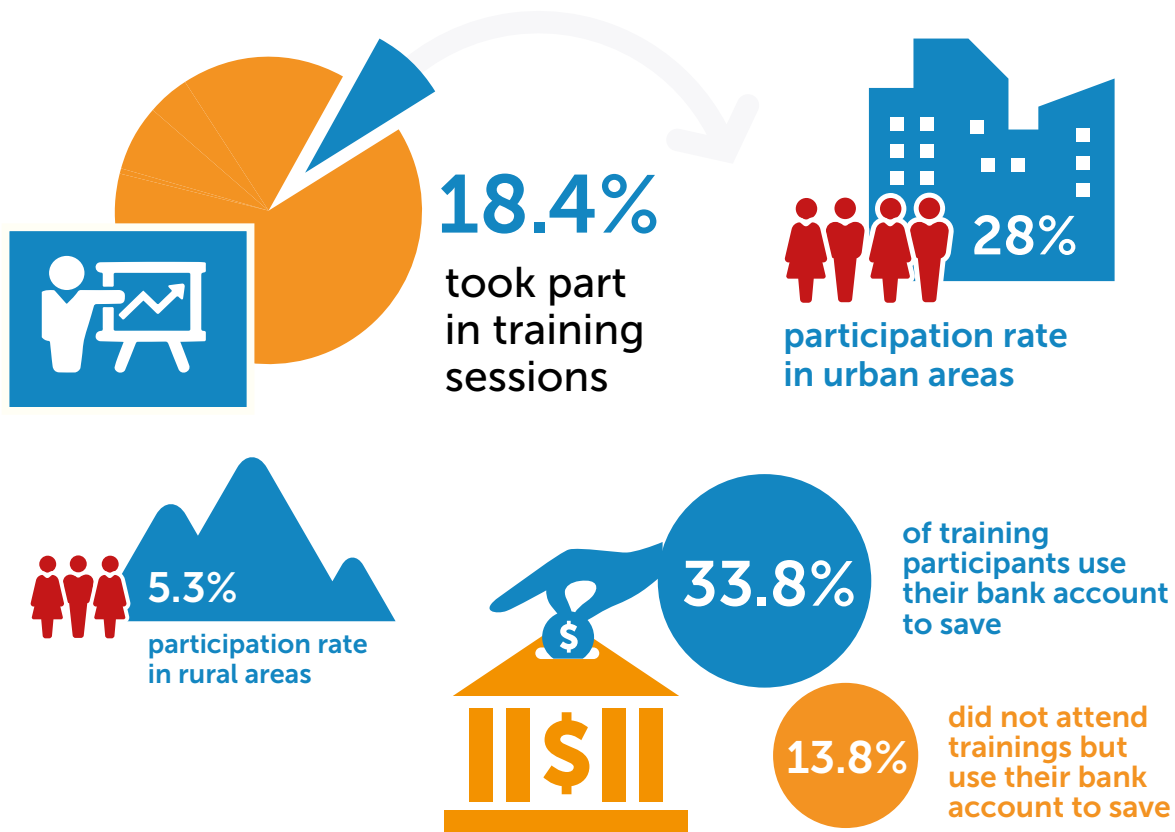
- One of the results that best illustrates the relevance of the intervention is the fact that 85.9% of recipients of welfare benefits have had access to a bank account for the first time (89.8% in the case of the females).
- Although one of the main goals of the G2P project aims at encouraging beneficiaries to make use of a variety of financial services, only a small proportion of the recipients have reported uses, other than cash withdrawals. Services such as cash deposits (9.3%), balance check (7.5%), payment of bills (3.0%) or transfers remain largely underused.
- Another aspect that points in the same direction is the large proportion of beneficiaries who are unable to perform any task without assistance during a financial transaction, which according to survey data amounts to 48% of beneficiaries (in the case of women from rural areas this is 63.2%).
- Regarding the specific types of difficulties faced by users of banking services when performing a transaction, survey results show that the problems with debit cards are the most frequent, as this is faced by 10.4% of the beneficiaries, followed by unfamiliarity with ATMs and EFTPOS (6.8%).

Savings and expenditure

- The project is also expected to encourage beneficiaries to adopt different saving habits, as it enables recipients to withdraw only those amounts necessary at one specific time. However, survey results show a modest impact on the common means used by beneficiaries to save their money, as only 18.4% of the recipients claim to use their bank accounts for saving purposes.
- Despite the fact that average savings among bank account users amounted to 20.2FJD, 16.3FJD by those using alternative means, still in-cash home savings are preferred over bank account savings. When asked about the reasons behind, respondents pointed mostly to the accessibility advantage of alternative means, whereas supporters of the banking system alleged safety and reliability as their main arguments.
- The proportion of individuals who spend all of their funds immediately after collection amounts only to 18%, although there are significant differences by gender and geographical area. More interestingly, users of bank accounts as a savings instrument are much less prone to spend their benefits right away (5.5%) than those who use other means or none for that purpose (20.6%).
- Nearly the totality of beneficiaries that use Westpac in-store services to access their funds, actually spend their money at the store itself. A common practice reported by survey respondents is the fact that In-store agents require a purchase or an additional fee in order to make use of the financial services.



18.4%
**use their bank
accounts to
save**



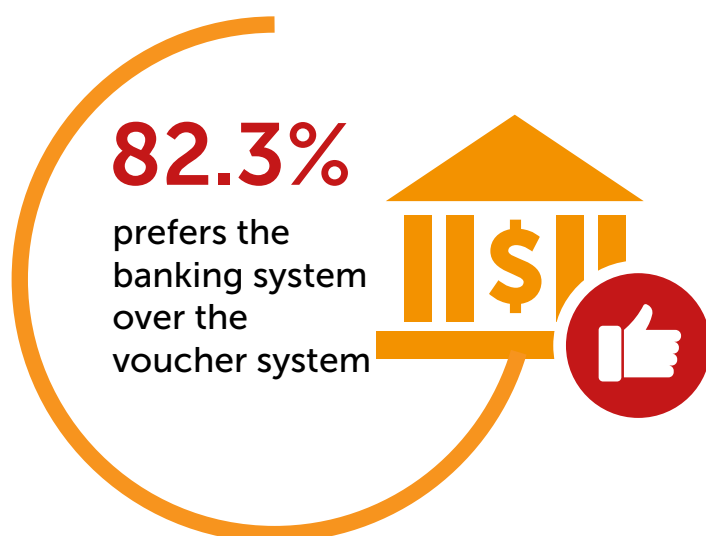
Impact of financial literacy trainings

- Financial literacy training for all beneficiaries around Fiji has not happened in any structured form, with no apparent strategy for its implementation, and only being based on requests to the bank by communities. The courses undertaken with beneficiaries only covered the topics of card basic use instructions, account number, PIN number and how to use the EFTPOS machine.
- According to survey data, around 18.7% of recipients of welfare benefits have taken part in the training sessions, although there are great disparities by geographical areas as on average the participation rate in rural areas amounted only to 5.3% (against 28% in urban areas).
- Among those who participated in the sessions, when asked about the way in which the trainings have helped them, 43% responded that they had forgotten the contents, which gives account of the need to review their depth and adequacy to the targeted population.
- Nevertheless, when comparing some key variables between those who took the trainings and those who did not, survey data show that the propensity to spend all the money after its encashment is much higher among those who did not receive the training. Other aspects in which training attendants perform considerably better is in the propensity of using a bank account for saving purposes (33.8% against 14.8% by those who were not trained) and the level of confidence when using financial services. These results illustrate that trainings could have a significant effect on the use of financial services if properly implemented and scaled up.

- On the contrary, some other aspects seem not have been positively improved by the trainings. This is the case for instance, of the overall system preference by the beneficiaries, since the percentage of those who prefer the old voucher system is higher among trained individuals (21.6% against 16.6%).

Overall system perceptions from beneficiaries

- A vast majority of respondents (88.6%) expressed their content with the system. User friendliness of the system (particularly in rural areas), together with reliability and efficiency are the most valued aspects of the banking based service. However, the promotion of savings has been reported as the advantage only by a minority of respondents.
- Individuals who did not perceive the banking system to be convenient pointed to the difficulty accessing the money as the main issue, followed by the longer waits than in the voucher system.
- Results show that, despite reported difficulties and lack of confidence in using financial services, a vast majority of beneficiaries (82.3%) prefers the banking system over the voucher system.
- Regarding possible improvements in the future, the most frequent suggestion by the consulted beneficiaries was the provision of more access points (18.8 of respondents) followed by the need to improve the timing of the money transfers (11.6%) and the provision of further trainings (7.8%) which seems to be in line with the modest results of the trainings performed so far, as mentioned above.



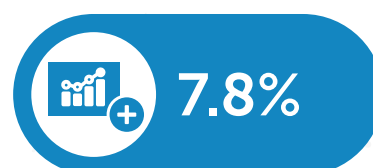
Top most frequent suggestion for possible improvements



more access points



improve timing of transfers



more trainings



1 efficiently disburse monthly payments to a large number of recipients



2 cope with new additional Social Protection Schemes



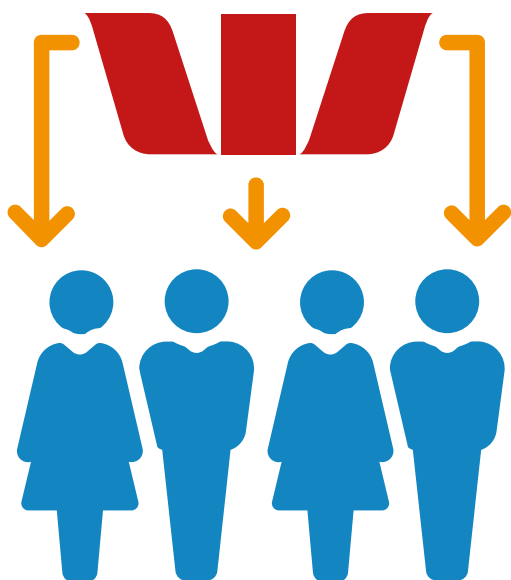
3 simultaneously process other targeted benefits like disaster relief benefits

Results for the Department of Social Welfare

- The introduction of the new system has enabled the DSW to efficiently disburse monthly payments to large number of recipients, cope with new additional Social Protection Schemes and simultaneously process other targeted benefits like the disaster relief benefits.
- However, the increase in the number of recipients and the introduction of new targeted schemes, has implied an important challenge as the requirements evolved to address the complex needs of the beneficiary. The growing numbers also placed the need to increase, and improve the accessibility to banking services.
- The new system has also served as a platform for different targeting strategies, for example, by dispensing cash benefits to beneficiaries who were affected by natural disasters.
- Regarding the implementation of the system, no substantial changes were needed to put in place other than some additional adjustment of duties from the Field Services to Accounts and IT added the Westpac Banking Corporation to the existing Mode of Payment.
- Substantial gains in terms of the organization of human resources and administrative cost savings have been reported as some of the positive consequences of the implementation of the bank based system.
- The new system has been also proved to be more reliable as a means to reduce incidences of fraud or illegitimate benefits.

Results for service provider

- The most immediate and straightforward effect of Westpac's involvement in the project is the adding of 69,550 new customers who are recipients of some form of benefits provided by the DSW.
- Operational costs have noticeably increased as a consequence of the increased number of Handycards issued free of charge, but also in terms of branch over-the-counter teller services and paper withdrawals offered for free. This is also causing the saturation of branches across the country, mainly due to the fact that new customers require face to face assistance for services that could be normally performed through ATMs and EFTPOS.
- The proliferation of Westpac in-store merchants for the purpose of providing the service to DSW beneficiaries, has not happened as initially portrayed by the Bank.
- Westpac branch personnel were not aware of where their in-store merchants are and as a result are unable to onsend beneficiaries to other points of access closer to their homes. At the same time, the number of these in-stores are very small and these are often located close enough to urban centres, thus not presenting a viable option for beneficiaries.
- Given the proliferation of EFTPOS machines and connectivity of banking networks in Fiji, distance and cost travelled could be further reduced if beneficiaries were aware of this option.
- Beneficiaries reported to be fond of accessing the branch to access their funds on a monthly basis. Given the disruption to the branch normal operations (some of which are quite small branches), WBC management is currently focused on pushing beneficiaries out of branches, but without a clear redress strategy.



69,550
new Westpac
customers who are
recipients of some
form of benefits
provided by the DSW







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Inclusion Programme



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