

# DPI Use Case: Digital **G2P Payments** to Accelerate Development Outcomes

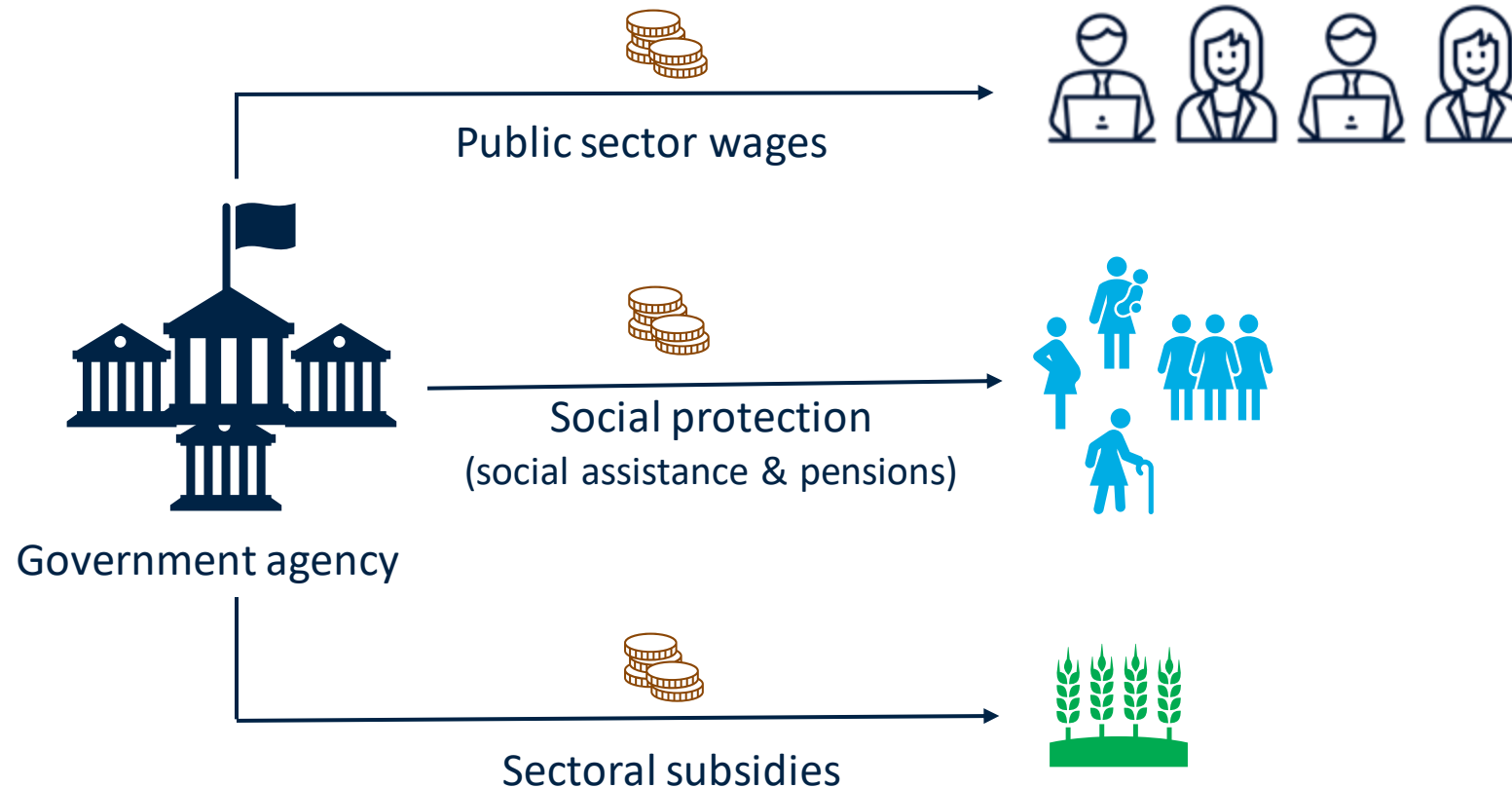
Day 1 | 16:00 – 17:00



THE WORLD BANK

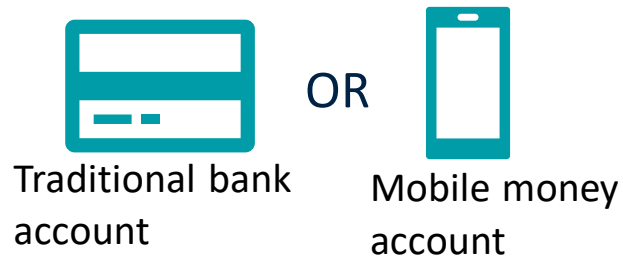
# What are G2P payments?

They are **payments** or cash transfers that various **government agencies** make to **individuals**



# What does it mean to digitize G2P payments?

Making payments **digitally** instead of cash



Using **digital systems** to support the **end-to-end** G2P payment process

Identify who needs to be paid

Open an account for the beneficiary

Map beneficiary to account

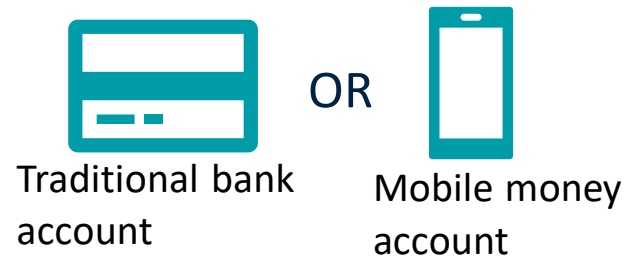
Executing payment delivery

M&E and reconciliation

Grievance redressal


# What does it mean to digitize G2P payments?

Making payments **digitally** instead of cash



Using **digital systems** to support the **end-to-end** G2P payment process





Travel 2  
hours to  
payment  
point

Where do  
I leave my  
children?

+

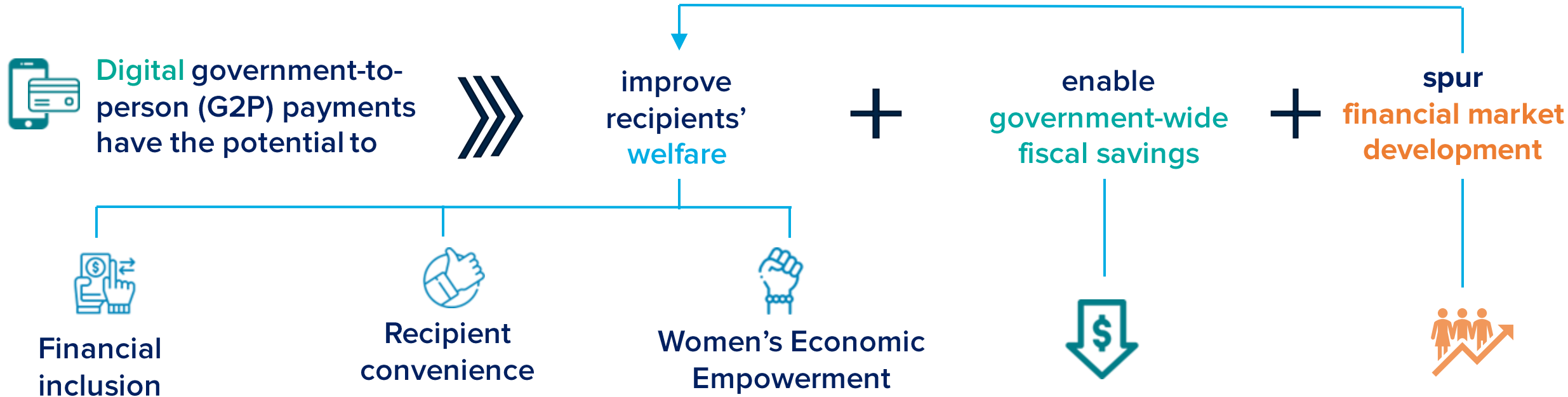
=

I can't  
work  
today...  
**Will lose  
income**

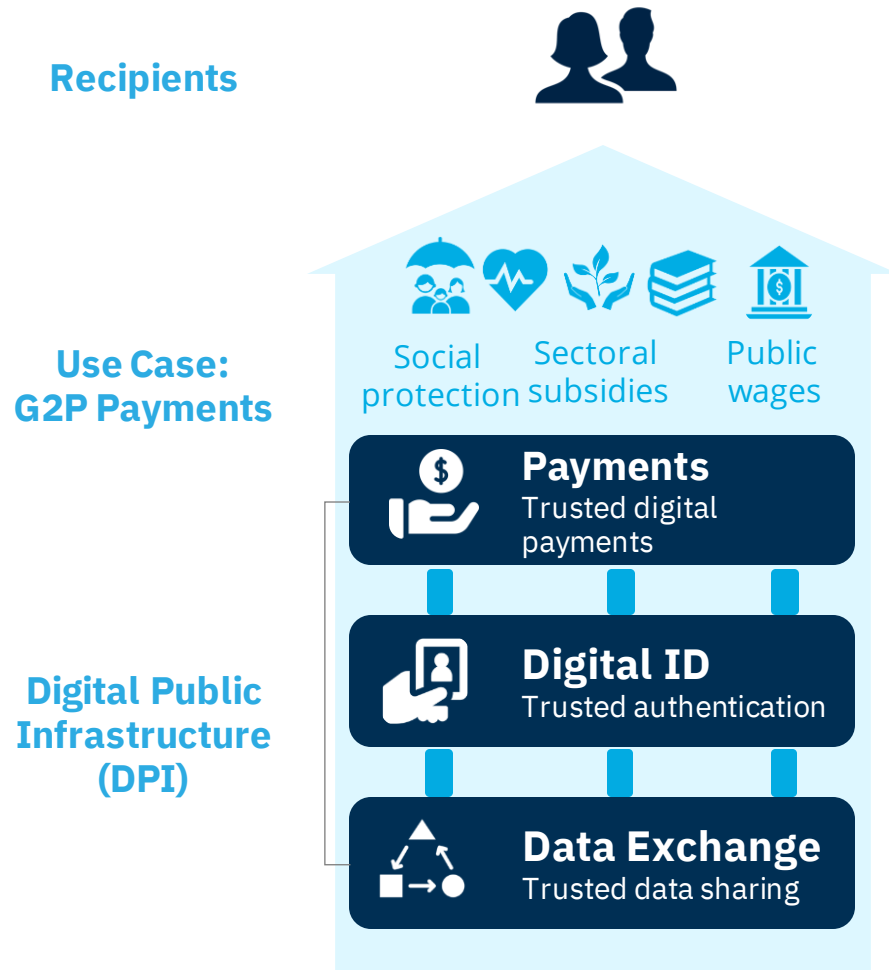
Wait all  
day in line

I need to  
walk back  
with cash..  
**Someone  
can take it**

# Why digitize G2P payments?



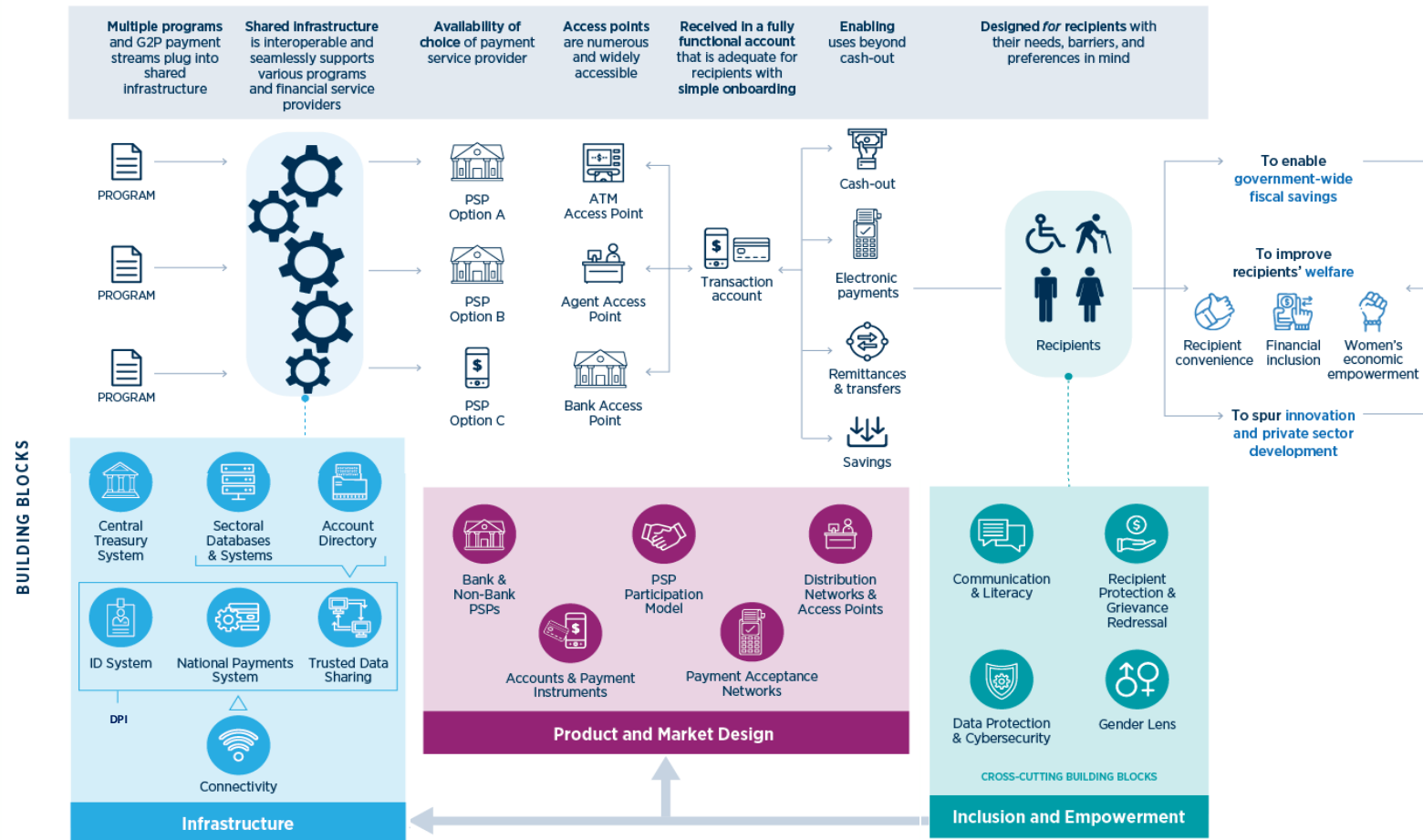
# DPI can play an important role in digitalizing G2P payments



To be able to deliver G2P payments digitally countries need the infrastructure to:

1. **Identify** and **authenticate** recipients,
2. Transfer the **payment** to the recipient's account, and
3. **Exchange** the necessary information across the different systems needed for the above

# DPI is critical to a Modern G2P Architecture



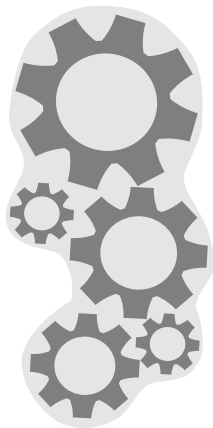


# Pillar 1: Infrastructure

Multiple programs and payment streams plug into shared infrastructure.



Shared infrastructure is interoperable and seamlessly supports various programs and financial service providers.



## Building Blocks



## Proven Impact

**Example:** Turkiye's Integrated Social Assistance Registry



**Beneficiary only needs their ID**



**# documents decreased from 17 to one**



**Time to apply reduced from days to minutes**



**Time for payment delivery decreased from months to a few days**

# Pillar 2: Product and Market Design

Multiple programs and payment streams plug into shared infrastructure.

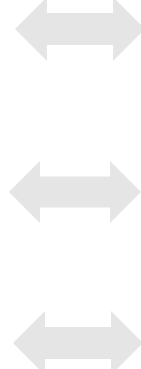
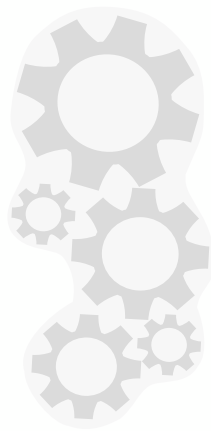
Shared infrastructure is interoperable and seamlessly supports various programs and financial service providers.

Availability of choice of payment service provider

Access points are numerous and widely accessible

Received in a fully functional account that is adequate for recipients with simple onboarding

Enabling uses beyond cash-out



PSP Option A



PSP Option B



PSP Option C



ATM Access Point



Agent Access Point



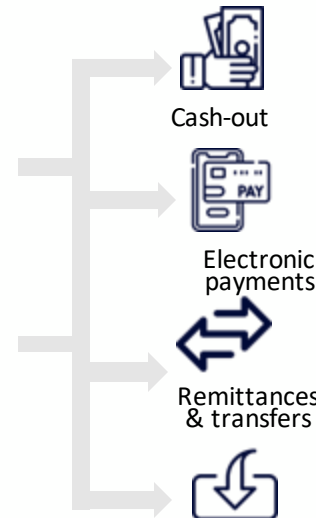
Bank Access Point



Traditional bank account



Mobile Money Account



Cash-out



Electronic payments



Remittances & transfers



Savings

## Building Blocks

### Product and Market Design



Bank & Non-Bank PSPs



PSP Participation Model



Distribution Networks & Access Points



Accounts & Payment Instruments



Payment Acceptance Networks

# Pillar 2: Product and Market Design

## Building Blocks

### Product and Market Design



Bank &  
Non-Bank  
PSPs



PSP  
Participation  
Model



Distribution  
Networks &  
Access Points



Accounts &  
Payment  
Instruments



Payment  
Acceptance  
Networks

## Key Design Principles

- Using transaction accounts
- Avoiding clawback clauses
- Sustainable business case & facilitating PSP competition
- Recipients have choice

## Proven Impact

**Example:** Zambia's choice-based G2P payments 🇿🇲



Average travel time decreased from 6 to 2 hrs



Cost of travel from around \$3.35 to \$1.74



Cash-out fee (transaction cost) dropped from \$3.35 to \$2.34 due to higher usage

# Pillar 3: Inclusion and Empowerment

Availability of choice of payment service provider



PSP Option A



PSP Option B



PSP Option C

Access points are numerous and widely accessible



ATM Access Point



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Bank Access Point

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Electronic payments



Remittances & transfers



Savings

Designed for recipients with their needs, barriers and preferences in mind



Recipients

## Building Blocks

### Inclusion and Empowerment



Communication & Literacy



Recipient Protection & Grievance Redressal



Data Protection & Cybersecurity



Gender Lens

CROSS-CUTTING BUILDING BLOCKS

# Pillar 3: Inclusion and Empowerment

## Building Blocks

### Inclusion and Empowerment



Communication  
& Literacy



Recipient  
Protection &  
Grievance  
Redressal



Data Protection  
& Cybersecurity



Gender Lens

CROSS-CUTTING BUILDING BLOCKS

## Key Design Principles

- Policies on data collection and registries ensure **sex-disaggregated data**
- G2P architecture is designed for individuals and **prioritizes women**
- Recipients are **well-informed, protected,** and have access to **redressal**

## Proven Impact

### **Convenience**

In Niger, mobile money recipients, saved ~4.5 hrs in travel and waiting time

### **Better nutrition**

In Niger, Food Household diet diversity was 9%–16% higher among households who received mobile transfers

### **Improved mobility**

In Jordan women who were paid into a bank account or e-wallets were more likely to withdraw themselves compared to prepaid card

# Each country will have a different starting point

## G2P 1.0 Single program to single provider (in person)



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## G2P 2.0 Single program to single provider (virtual provision)



### G2P 1.0 Single program to single provider (in person)

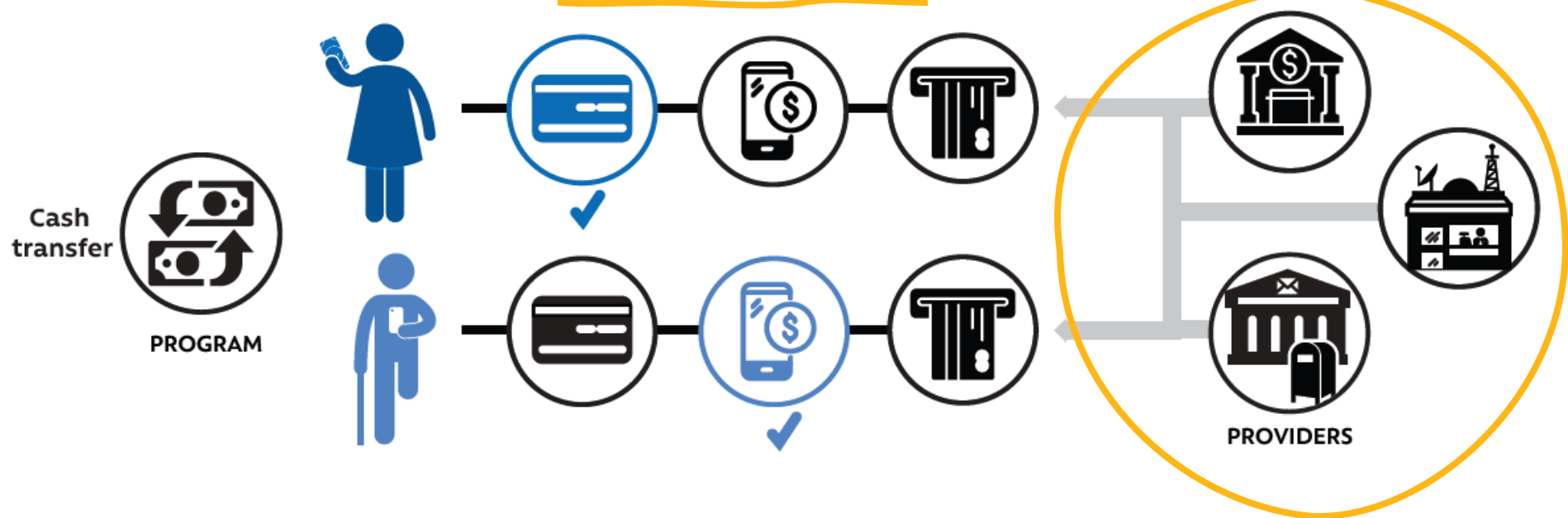


### G2P 2.0 Single program to single provider (virtual provision)



### With Choice

### G2P 3.0 Single program to many providers (virtual provision)





## G2P 1.0 Single program to single provider (in person)

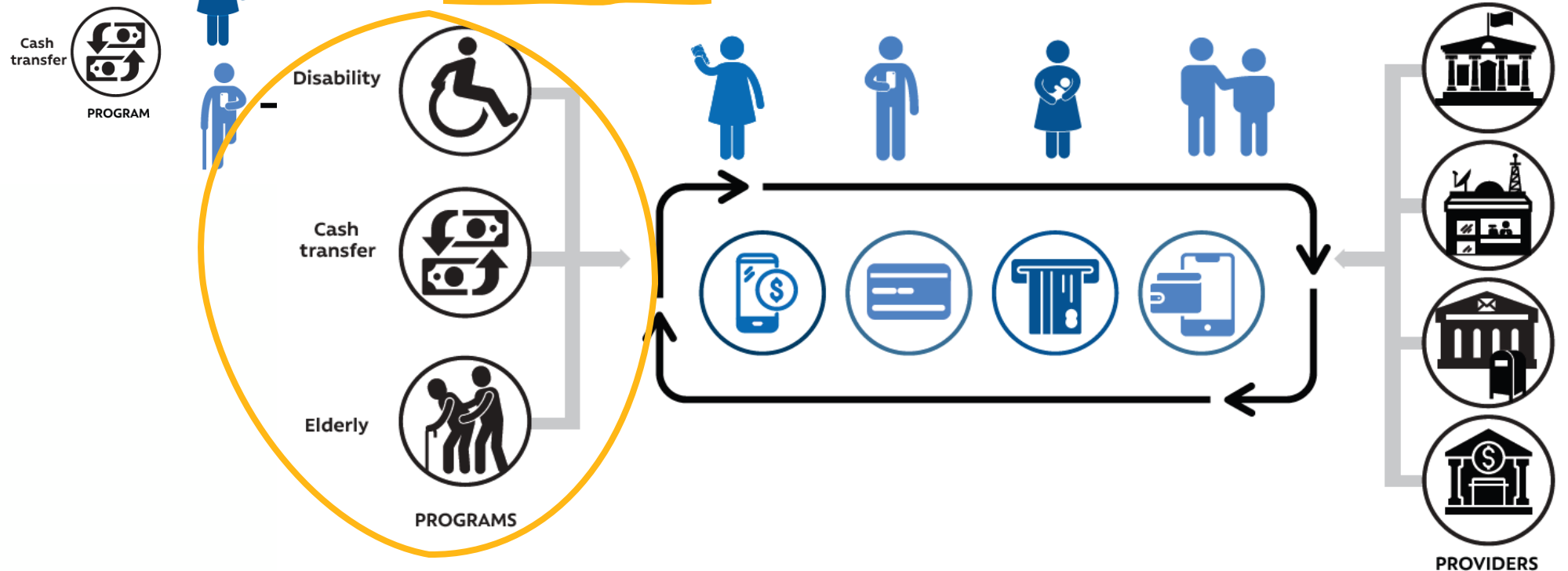


## G2P 2.0 Single program to single provider (virtual provision)



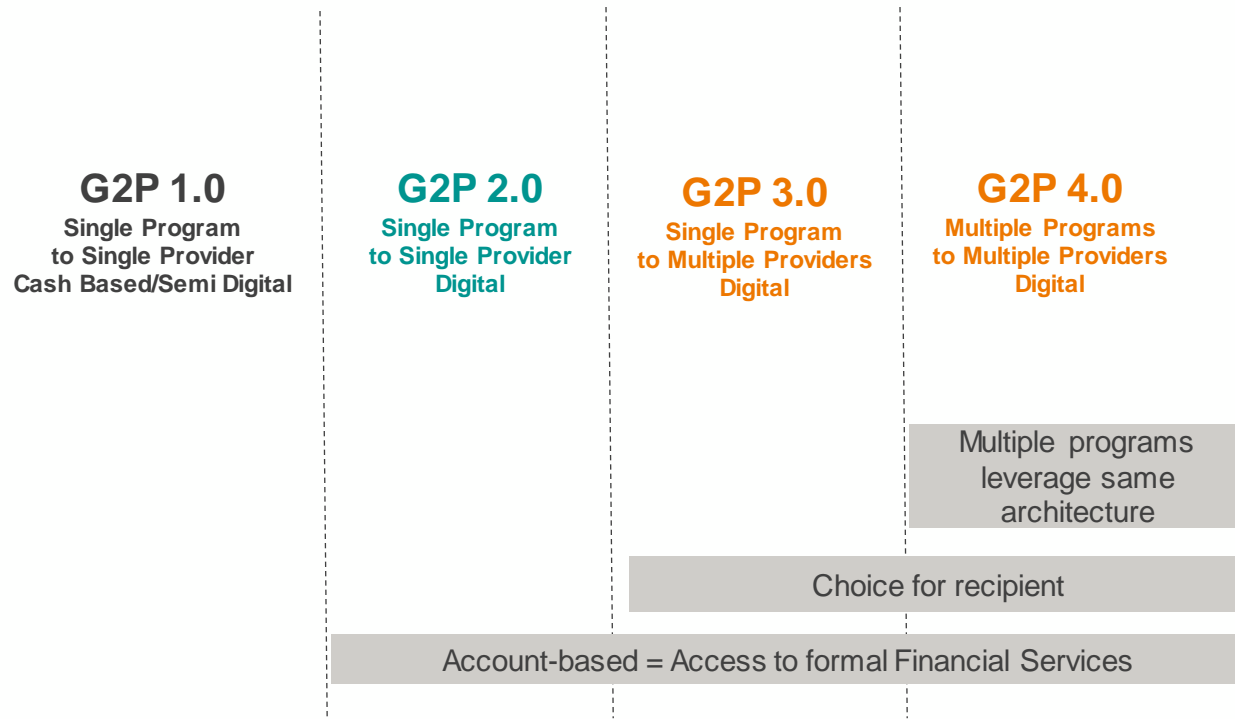
## G2P 3.0 Single program to many providers (virtual provision)

## G2P 4.0 Many programs to many providers (virtual provision)



# Each country's journey will look different

Different starting point, ideal scenario and journey...



At **which stage** do you believe your country currently stands?



**Anir Chowdhury**

Policy Advisor  
Aspire to Innovate (a2i) Project  
Bangladesh



**Julius Gorospe**

Assistant Secretary &  
Chief Information Officer  
Department of Social Welfare and Development  
Philippines