

# Government-to-Person (G2P) Payments

Increasingly, government-to-person (G2P) payment transfers are being linked to financial inclusion strategies and outcomes. In 2011 Fiji's Department of Social Welfare (DSW) launched the transfer of approximately 22,000 welfare recipients to a savings-linked electronic payment system. The transition was the first large scale transfer of G2P welfare payments of its kind in the Pacific.

With the financial support from AusAID, PFIIP assisted the DSW to develop the initial background studies, cost benefit analysis, tender process, selection of a Financial Services provider and the national rollout.

One of the main objectives of the project was to promote financial inclusion and access to financial services to those who are most vulnerable. Prior to the transition, 94% of those receiving payments were unbanked and 62% of all recipients were women. Welfare recipients now have access to a basic transaction account including access to an ATM debit card. There are no maintenance fees on the account, no minimum balance and 10 free monthly transactions from ATM's or EFTPOS merchants.

The project also delivered financial savings and efficiency gains for the DSW. The transition freed up 4 months of staff time associated with processing the old vouchers. This equated to a saving of \$158,000 in direct costs. The transition also removed approximately 2,000 deceased, duplicate and fraudulent clients from the system.

Transferring un-banked social welfare recipients into the formal financial system is seen as a positive step towards greater financial inclusion in Fiji and building the financial capability of those on no/low incomes.

## At a Glance

### Key Findings (of the post implementation evaluation)

- Since the transition, recipients can now access their welfare payments from over 3,000 electronic cash out points across the country (includes branches, ATM's and EFTPOS) compared to having only 120 fixed points previously. There is also an indication that recipients are using the accounts for a range of purposes and not just to access their allowance.
- Respondents reported saving on average 1 hour and 30 minutes per withdrawal using the new system. For the average recipient it represents a time saving of up to 18 hours per year.
- 73% of respondents indicated the new system makes them feel "safe and secure" and 58% responded with "easy to use" as reasons why they liked the new system.
- 55% of respondents said that they felt there was a significant improvement in their household status indicating that they now feel privileged, proud and equal with other people making withdrawals at the bank.

**Below: Westpac staff teaching DSW recipients about the new method of payment**



PFIIP is a Pacific-wide programme helping to provide sustainable financial services to low income households. It is a joint project of the UN Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) and has received support from AusAID and the European Union. The programme is based at the UNDP Pacific Centre in Suva, Fiji.

#### For more information, contact:

Jeff Liew, PFIIP Regional Financial Capacity Advisor, Jeff Liew on **email** [jeff.liew@uncdf.org](mailto:jeff.liew@uncdf.org) or **visit** [www.pfiip.org](http://www.pfiip.org)