

Welcome to the webinar

G2P Payments in COVID-19 context:
Key areas of action and experiences from country emergency actions



Task Force COVID-19:



Social protection responses to #COVID19

This joint effort is inspired by colleagues and organisations working to **disseminate and discuss the most recent content on social protection responses to COVID-19.**

The initiative has three major components:

1. A weekly special edition of a dedicated newsletter, featuring a compilation of relevant information from all over the world on social protection initiatives dealing with COVID-19;
2. Weekly webinars to foster discussions and exchanges;
3. An Online Community to systematise the information gathered on the topic and foster discussion.

Task Force COVID-19:



Photo by Zhang Kenny on Unsplash

#SPcovid19 #COVID19 #SPresponses



Next webinars

Thursday, 16 April, at 8:00 am EDT/GMT-4

Lessons learned and Opportunities:

Linking social protection systems to humanitarian cash in a pandemic

Tuesday, 21 April, at 3 pm CEST/GMT+2

Impacts of the COVID-19 crisis on employment:
(potential) solutions for informal/ self-employed workers

socialprotection.org presents:

G2P Payments in COVID-19 context: Key areas of action and experiences from country emergency actions

Panellists:

Douglas Randall, Financial Sector Specialist, World Bank

Veronica Trujillo, Financial Inclusion Expert, World Bank

Fiorella Risso, Financial Inclusion Analyst, World Bank

Guillermo Galicia, Consultant, World Bank

Silvia Baur-Yazbeck, Financial Sector Analyst, CGAP

Moderator:

Luz Stella Rodriguez, Social Protection Specialist, World Bank

G2P Payments in COVID-19 context: Key areas of action and experiences from country emergency actions

Panellist

Douglas Randall

World Bank

Douglas Randall is a financial sector specialist in the World Bank's Finance, Competitive & Innovation Global Practice. In his current role, Douglas works with financial sector authorities in Latin American and the Caribbean to improve financial sector development and financial inclusion through policy advice, lending operations, diagnostic assessments and capacity-building. Douglas also contributes to the global knowledge agenda for financial inclusion; recent publications include a global survey and report on regulatory approaches to alternative finance, a toolkit on national financial inclusion strategies, a discussion note on supotech, and a report on the fintech revolution in China.



G2P Payments in COVID-19 context: Key areas of action and experiences from country emergency actions

Panellist

Veronica Trujillo

World Bank

Verónica is a specialist in Digital Financial Services (DFS) and Financial Inclusion. She works as consultant for the World Bank analyzing policies and regulations to favor DFS development around the world. Her analysis includes financial system infrastructure, DFS specific products (e-money, alternative finance, crowdfunding, among others) and the use of technologies for compliance (RegTech/SupTech). Previously she worked as a consultant for the Multilateral Investment Fund (MIF, Inter- American Development Bank), leading or participating in many regional projects to support financial inclusion across Latin –America and Caribbean countries. During her work there, she was part of the Global Microscope of Financial Inclusion Team publication and leads a project to build a regional database on financial institutions' sustainability and outreach indicators. Verónica is PhD by Salamanca University and holds a Master in International Relations and Diplomacy, and another in Law and Economics.



G2P Payments in COVID-19 context: Key areas of action and experiences from country emergency actions

Panellist

Fiorella Risso

World Bank

Fiorella Risso is Professional Financial Inclusion Consultant at the World Bank. She has experience in public policy and economic research on issues related to financial inclusion, poverty and inequality of opportunities; as well as experience in management and evaluation of projects in Peru and abroad, as well as regulatory proposals around financial inclusion. PhD candidate in Economics, she holds a master's degree in International Economics and Development, and a degree in Applied Economics by the Paris Dauphine University.



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Panellist

Guillermo Galicia

World Bank

Guillermo is an Extended-Term Consultant at the Financial Inclusion, Infrastructure & Access Global Practice of the World Bank, based in Washington DC. Previously, he was a Consultant at the Inter-American Development Bank in Washington DC, where he developed research for digital payments and where he was seconded by the Central Bank of Mexico (Banxico). Guillermo worked for 8 years at Banxico where he oversaw the design and implementation of regulation for digital payments, retail payment systems, financial market infrastructures, fintech, prudential requirements and derivatives and capital markets. He has also conducted research at the Columbia Center on Sustainable Investment and headed product design functions at FINCA Impact Finance. He has an MPA from Columbia University and a Master of Finance from ITESM.



G2P Payments in COVID-19 context: Key areas of action and experiences from country emergency actions

Panellist

Silvia Baur-Yazbeck

CGAP

Silvia Baur-Yazbeck is a development economist working on financial sector policy and consumer protection issues at CGAP. Her work focuses on the risks and opportunities emerging from the digitization of financial services and the growing interconnectedness of financial systems. Silvia has been leading CGAP work on government-to-person payment systems that are designed to empower recipients through customer choice and convenience.



G2P Payments in COVID-19 context: Key areas of action and experiences from country emergency actions

Moderator

Luz Rodriguez

World Bank

Luz Stella Rodriguez is a Social Protection Specialist in the World Bank Social Protection and Jobs Global Practice. In her current role, Luz works with Latin American governments to strength the design and delivery of social protection systems. In addition, Luz contributes to the global knowledge agenda to improve G2P payments from a human centered design perspective. Prior to the WBG, Luz was a government official at the Ministry of Finance, the National Planning Department (DNP) and the President's Office for Social Policy in Colombia, where she was actively involved in the design, implementation and evaluation of signature social protection programs. Luz also has worked with other international organizations, including the IDB, IOM and UNDP. Luz holds a MSc. in Planning from the University of Toronto and a M.A. in Political Economy from Essex University.



Share your questions to the speakers!

type them in the chat bar ✈️



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Outline

1. Introduction
2. Framework for immediate, short-term and medium term objectives and measures for emergency payments
3. What are countries doing on emergency payments?
4. Success factors that enable emergency response

Introduction

Main considerations when designing or implementing emergency G2Ps

The optimal design of the payment mechanism in the context of COVID-19 must take into account:

- Minimize crowding at payment points to reduce the risk of transmission
- Minimize the costs (direct and indirect) for beneficiaries
- Effectively manage operational risks, including the issue of liquidity, security at payment points, and make sure there are enough cash out points
- Ensure clear communication with beneficiaries and adequate protections for the use of financial services
- Guarantee the viability of the model over a long period of time



Framework

I. A framework for scaling-up G2P payments

- Consider key aspects of a G2P system, including:



- Need to segment by:
 - Immediate actions:** Adapt existing system within 0-1 weeks to (i) quickly increase beneficiary pool; and (ii) facilitate social distancing, sanitation, and security at access points
 - Short-term actions:** Upgrade existing systems within 1-6 weeks to (i) increase share of beneficiaries receiving account-based transfers; (ii) systemize health measures
 - Medium-term actions:** Overhaul existing system within 1-6 months to (i) migrate most payments to account-based transfers; and (ii) strengthen digital payments ecosystem

Providers

Immediate actions	Short-term actions	Medium-term actions
<ul style="list-style-type: none">➤ Expand to include largest financial service providers (FSPs);➤ Design incentives to incentivize scale-up and ensure liquidity;➤ Begin to address operational and legal barriers to further inclusion of FSPs;	<ul style="list-style-type: none">➤ Further expand set of FSPs to include all licensed FSPs (e.g., banks, cooperatives, mobile money providers) with significant branch/ATM/agent network;	<ul style="list-style-type: none">➤ Implement emergency regulatory measures to enable additional providers (e.g. mobile network operators, social network or e-commerce platforms) to disburse into e-wallets;➤ Expand consumer choice and enable provider switching;



Access Points & Cash Availability

Immediate actions	Short-term actions	Medium-term actions
<ul style="list-style-type: none">➤ Classify financial access points as essential services to ensure they remain open to public;➤ Leverage full range of financial access points➤ Expand universe of agents to include other essential business (e.g. pharmacies) and government offices	<ul style="list-style-type: none">➤ Distribute mPOS and mobile hotspots;➤ Build data infrastructure to monitor access points➤ Extend no-interest credit lines to agents to ensure liquidity;➤ Leverage agent network managers to address liquidity issues;	<ul style="list-style-type: none">➤ Ensure adequate licensing and supervision of agent network managers;➤ Implement regulatory measures to expand permitted activities of agents;

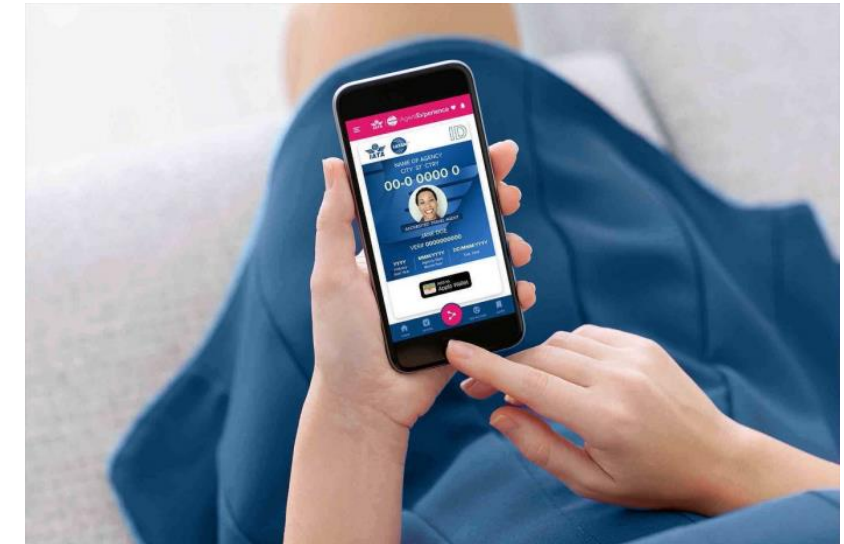


Account-based payments

Immediate actions	Short-term actions	Medium-term actions
<ul style="list-style-type: none">➤ Require beneficiaries with existing accounts to register accounts with the government and shift to account-based transfers;➤ Require FSPs to waive key fees (e.g., account re-activation fees, third-party ATM withdrawal fees);➤ Waive clawback provisions;	<ul style="list-style-type: none">➤ Enable and promote remote account opening, including via USSD platforms;➤ Implement a contingency basic account, with transaction limits, no fees, and simplified due diligence.➤ Leverage enrollment platform to enable remote account opening and authentication;➤ Provide 'virtual cards' using one-time-passwords (OTPs)	<ul style="list-style-type: none">➤ Assess implementing semi closed USSD mechanism for mobile payments, with access to cash outs in branches and ATMs with one-time-password (OTP) requests;➤ Foster interoperability for G2P linked accounts between e-wallets and accounts with other FSPs;

Authentication & Identification

Immediate actions	Short-term actions
<ul style="list-style-type: none">➤ Defer KYC/CDD on new basic account opening (ID + signature only) and/or enable agents to perform KYC/CDD;➤ Defer KYC/CDD for new agents/merchants;➤ Extend validity of expiring IDs;➤ Use one-time-passwords (OTP) to validate identity for OTC transactions;	<ul style="list-style-type: none">➤ Facilitate eKYC and online authentication➤ Coordinate across authorities (e.g., telco authority, ID authority, social security authority) to validate beneficiary identity and link to mobile numbers➤ Allow for alternative forms of identification for vulnerable groups (e.g. refugees);➤ Inform beneficiaries of the importance of maintaining same mobile number;





Country Examples

Three models

- I. Use of existing – predominantly manual – channels and systems
- II. Tweaks and additions to existing channels and systems
- III. Introduction of new digital channels and systems

Ecuador



Three key stakeholders

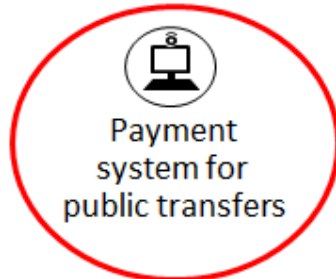
1. USERS



2. GOVERNMENTS



Ministries and
other public
sector agencies

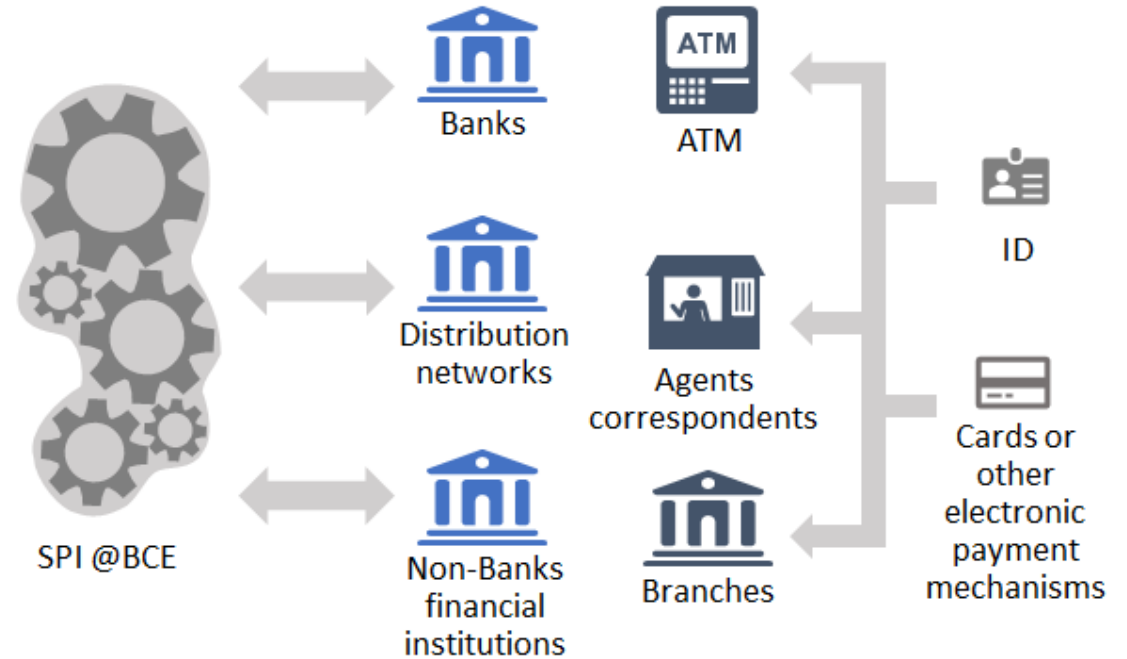


Payment
system for
public transfers



Payment
system for
subsidy
transfers

3. FINANCIAL SYSTEM



Ecuador's payments ecosystem

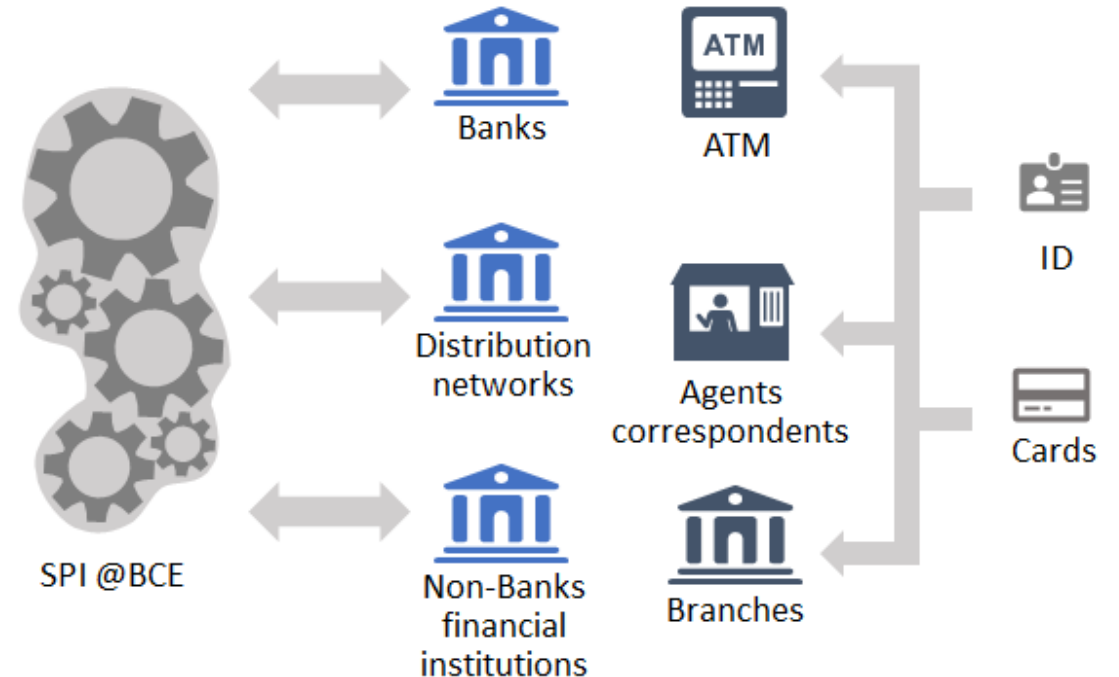
1. USERS



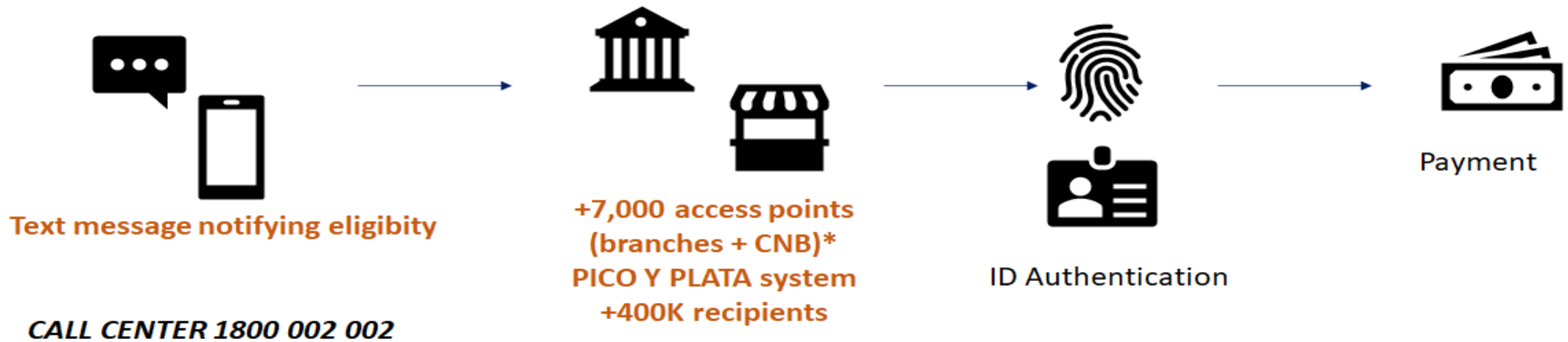
2. GOVERNMENTS



3. FINANCIAL SYSTEM



Emergency payments in Ecuador



- Cash is handed to the beneficiary and signature or fingerprint is collected on a transaction receipt.
- Beneficiaries are previously identified by the government through the Social Registry.
- Relax criteria to select agents that can pay subsidies and increase the amount of cash-out points available to beneficiaries
- Spaced out payments by establishing payment dates for beneficiaries based on the last digit of their national ID number
add text

Opportunities and challenges

- Improving coordination
- Including more access points
- Improving communication channels



Peru



Picture by: World Bank (2013)

Country examples - Peru

#Yomequedoencasa

Bono “*Yo me quedo en casa*”, implemented by the Ministry of Development and Social Inclusion and deliver to 2.7 million households in poverty and extreme poverty (PEN 380, around USD110)
2 payments will be disbursed.

Main process

- Target population established through the National Household Targeting System (SISFOH) and other administrative databases such as from de ministry of health.
- An internet platform was adapted to review eligibility for the subsidy (*yomequedoencasa*)
- The platform provides information about date, time and place (bank branch) to collect the bono.
- Beneficiaries without an account receive cash in hand in bank branches showing their ID.
- Beneficiaries with an account in Banco de la Nacion (the state bank) received the transfer on their accounts. Cash-out allow from existing ATM or from Banco de la Nacion agent banking.

The screenshot displays the 'SUBSIDIO MONETARIO' portal for the 'Gobierno del Perú'. It shows a user's login status with a masked DNI and name. Key information includes a subsidy amount of S/ 380.00, a payment date of 28/03/2020, and a payment time of MAÑANA. The payment location is listed as BANCO DE CREDITO, and the payment address is also masked. A reminder to bring the DNI for payment is shown. At the bottom, there are links to 'Imprimir' and 'Regresar'.

SUBSIDIO MONETARIO		Gobierno del Perú
BIENVENIDO(A)	DNI: [REDACTED]	Tienes un abono de: S/ 380.00
Nombres: [REDACTED]		Día de cobro: 28/03/2020
No olvides llevar tu DNI para cobrar		Turno: MAÑANA
		Lugar de Abono: BANCO DE CREDITO [REDACTED]
		Dirección de Abono: [REDACTED]
		[REDACTED]
		[REDACTED]
		[REDACTED]
		Imprimir Regresar

#Yomequedoencasa

Key considerations

- Internet platform adapted.
- Government assigns beneficiaries to specific banks branches based on their localization.
- State bank provided grant loans to agent banking in order to assure liquidity.
- No fees for ATM withdrawals.

Key opportunities

- Improving databases and their validation.
- Encouraging connection with the National ID Registry.
- Considering flexibility in assignation of household member beneficiary.
- Expanding financial services providers and limited access points.
- Enabling customer choice.



#BonoIndependiente

Bono Independiente (780,000 families will receive PEN 380, approximately USD 110) implemented by the Ministry of Labor

Main process

- An internet platform was implemented to review eligibility for the subsidy.
- Beneficiaries with an account in Banco de la Nación received the transfer on the account.
- Beneficiaries without an account on Banco de la Nación will receive, through SMS, a code and link to access Banco de la Nación mobile banking.
- Banco de la Nación is providing a simplified mobile banking service that works as follows:
 - Beneficiaries dial 551# from cellphone ➔ They will access an interface where they will input the code they received and select the withdrawal option ➔ They key the amount to withdraw and will receive an OTP valid for 10 minutes ➔ They can use the OTP at BN agents and BN ATMs.



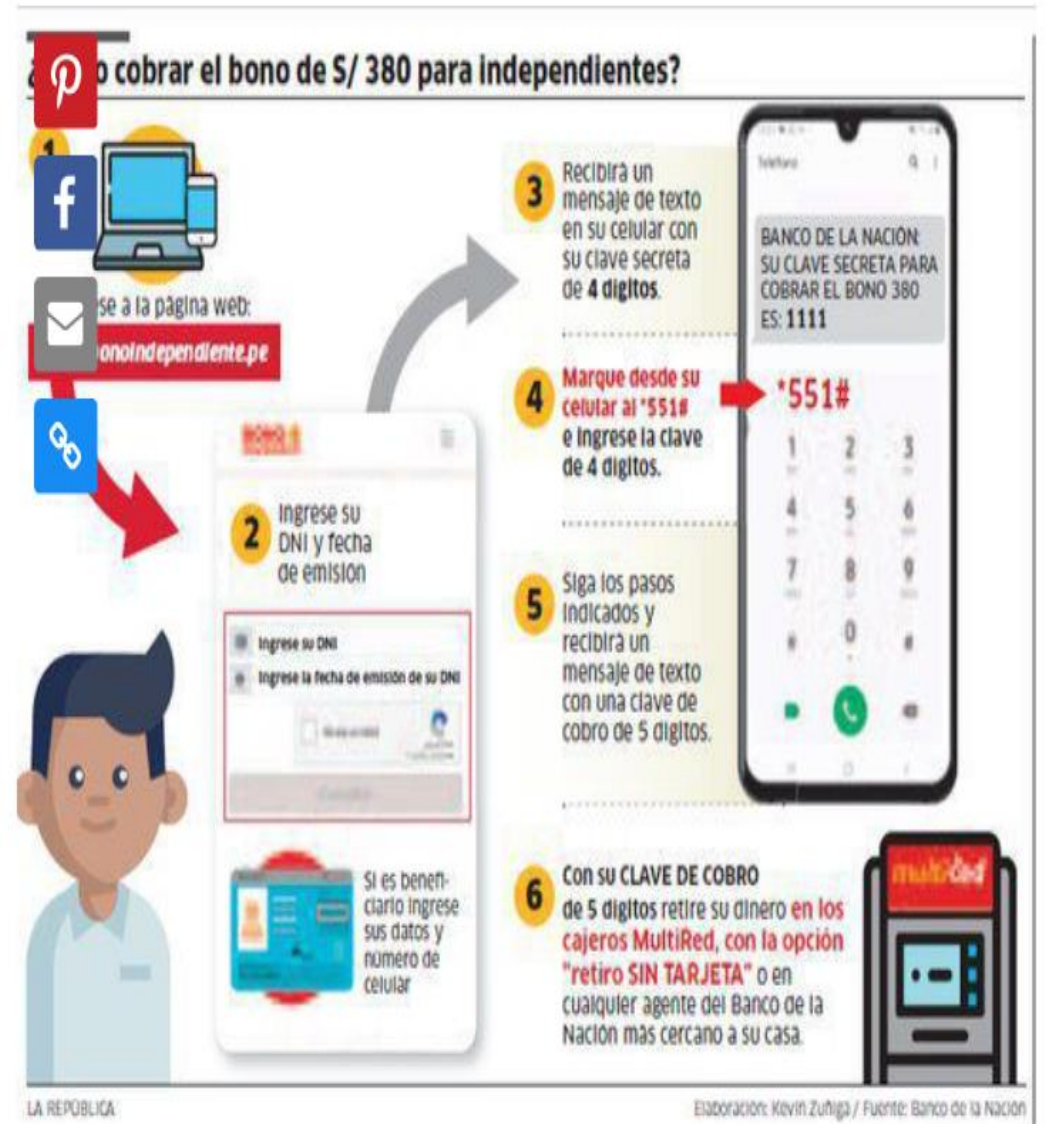
#BonoIndependiente

Key considerations

- The database is connected to the National ID Registry.
- Information on cellphone number (and email) gathered.
- Not necessary to go to the bank branch.
- USSD technology incorporate.

Key challenges and opportunities

- Reinforcing public and private coordination
- Expanding financial services providers and limited access points.
- Enabling customer choice.
- Ensuring technological capacity (*Multired celular*).



Bono 380 soles independiente

Colombia



Picture by: Dominik Chavez (2016)

Country examples - Colombia

Ingreso Solidario, implemented by the National Planning Department (DNP) and the Financial Regulatory Unit (URF). A first payment of COP 160, 000 (Approximately USD 40) and a second of COP 80,000 (USD 20) to 3 million families (who had not received social payments before).



Source: Alternativa Caribe. April 7, 2020

Main process

- Create a database of potential beneficiaries using the social registry (SISBEN), together with Ministries of Finance, Health and Labor databases.
- Cross check the information with financial institutions to search potential beneficiaries that have active accounts in the financial system.
- Work with Mobile Network Operators (MNO) to associate potential beneficiaries' with mobile phone numbers and identify the type of connectivity on the device that beneficiaries have (4G, 3G, 2G).
- If beneficiaries have an active account: They are notified through a SMS that they will receive transfer on active account.
- If beneficiaries don't have an active account:
 - 4G and 3G: They are notified through an SMS and a link is provided to download app and open an account on a mobile wallet (OTP can be obtained to cash-out at ATMs and agents).
 - 2G: They are notified through an SMS and must open an account using USSD technology (OTP also available).

Country examples - Colombia

Key considerations:

- Beneficiaries are previously identified by the government
- Government assigns beneficiaries to specific banks based on the infrastructure of each bank to spread out payment points and avoid agglomerations.
- Prioritizing basic accounts (Cuentas de Ahorro Simplificado, CATS) which can be opened remotely using Simplified Customer Due Dilligence

Opportunities:

- Improve social registry database

Ingreso Solidario

¿Qué es?
Es una transferencia que tiene como fin mitigar los impactos derivados de la emergencia del COVID-19

¿A quién va dirigido?
A 3 millones de hogares colombianos que no están en ningún programa social y se encuentran en situación de pobreza y vulnerabilidad

Los pagos se realizarán de dos formas

- Personas bancarizadas a través de su entidad financiera que realizará el abono a su cuenta
- Personas NO bancarizadas a quienes se les realizará apertura de cuenta a través de las diferentes entidades financieras por medio del celular, mediante un proceso simplificado y digital

Los recursos NO los recibirán quienes hacen parte de los siguientes programas

- Familias en Acción
- Jóvenes en Acción
- Colombia Mayor
- Devolución del IVA

Etapas de entrega

- 1 A partir del 6 de abril
- 2 9 - 13 de abril
- 3 20 - 25 de abril

¿Y cómo sé que soy beneficiario?
Accediendo al link: ingresosolidario.dnp.gov.co único canal autorizado para verificar si se es beneficiario.

Fuente: <https://www.trendsmat.com/twitter/tweet/1247577855518793733>

Jordan



Picture by: World Bank (2014)

Picture by: Dominik Chavez (2016)

National Aid Fund (NAF) will deliver to 200,000 families an estimated 136 JOD -192 USD - per month for households with 4 or more members, and JOD 34 – USD 48 - times the number of members for households with 3 members or less. This emergency program is expected to continue for six months.

Main process

- The beneficiaries are selected from the NAF database, which includes up-to-date socio-economic data for almost one million households that applied to the Takaful Cash Transfer program and, more recently, to the Bread Subsidy Compensation program.
- The NAF MIS updates the administrative information on households and individual members automatically using the National Unified Registry (NUR), which includes data from multiple government entities.
- NAF will send text messages to eligible beneficiaries requesting them to select their preferred PSP wallet provider to receive the support.
- Beneficiaries without e-wallets are also requested to choose one among the provide list of PSPs.
- NAF will send each PSPs a list for their respective beneficiaries for PSP to follow up and assist in opening a wallet.
- NAF will send transfers for each PSP accordingly for crediting beneficiaries' wallets.
- Beneficiaries can cash out from nearby agents as well as few bank's ATMs that offer e-wallet cash out service.

Key considerations:

- The Central Bank of Jordan (CBJ) relaxed its current regulations to the six licensed Payment Service Provers (PSPs) by providing an online wallet opening process with basic and simplified KYC requirement, and instructed them to provide full interoperability through the central JoMoPay switch. CBJ has also issued the 7th license to a new PSP expediting the normal process.
- CBJ has also dropped the interchange fee structure the wallet transactions and increased the allowable limits to 5000 JD per wallet.

Success Factors

Key factors that have proven key for successful payments delivery in emergencies



**Public private
cooperation**



**Wide reaching
distribution networks**



**Customer
choice**



**Robust customer
authentication**



**Connected public
systems and registries**



**Effective
communication and
recourse channels**

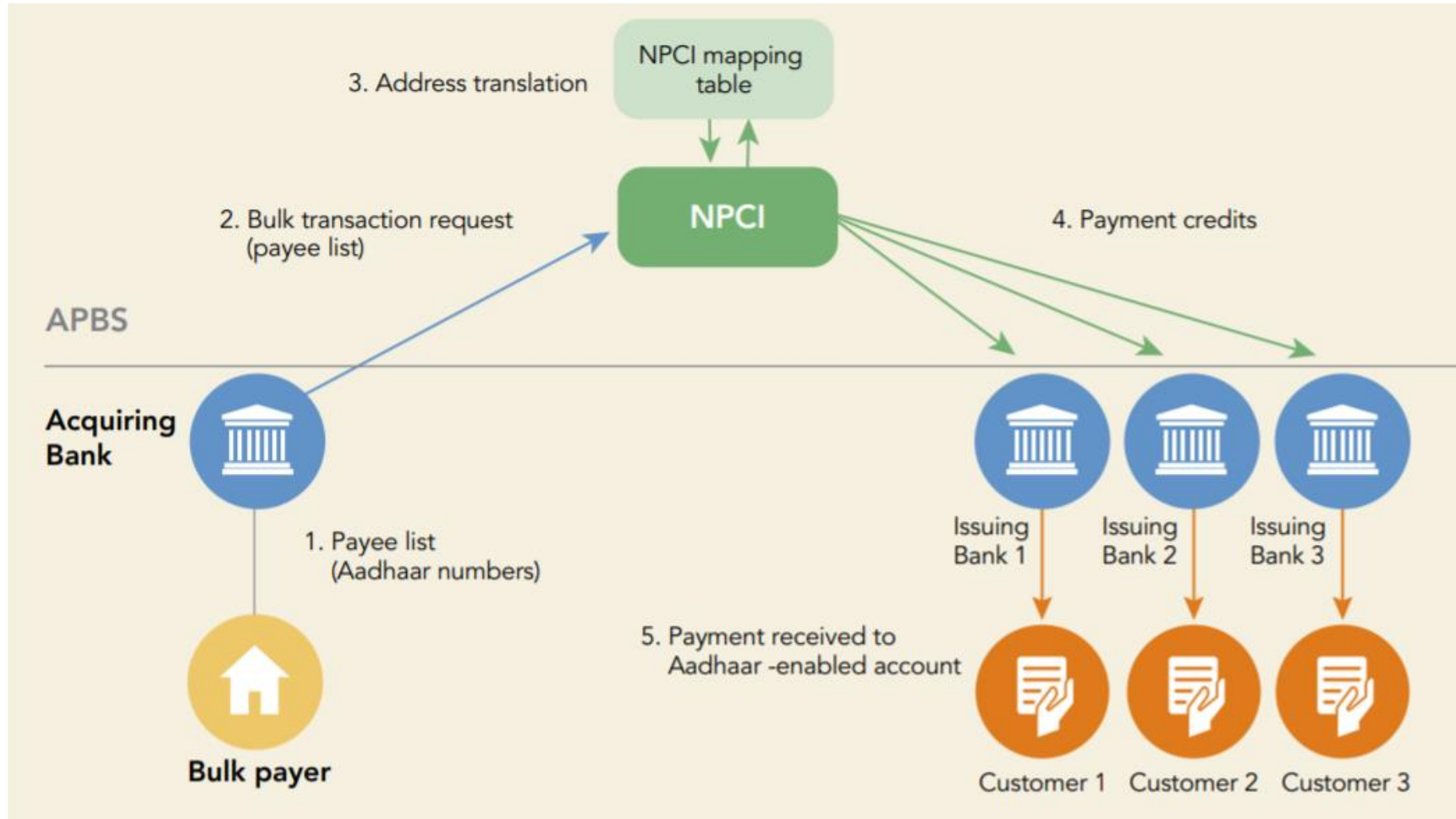


**Use of mobile
technology**



**Supported
cash-out
operations**

Success Factor Example: ID-account directories



Examples: India's Aadhaar Payments Bridge System, Thailand's PromptPay

Requirement: unique digital ID system, interoperability between public registries

Result: Easier enrollment, customer choice

From "[National Payments Corporation of India and the Remaking of Payments in India](#)" on [cgap.org](#)

Work towards a more connected, multi-program and multi-provider payments architecture

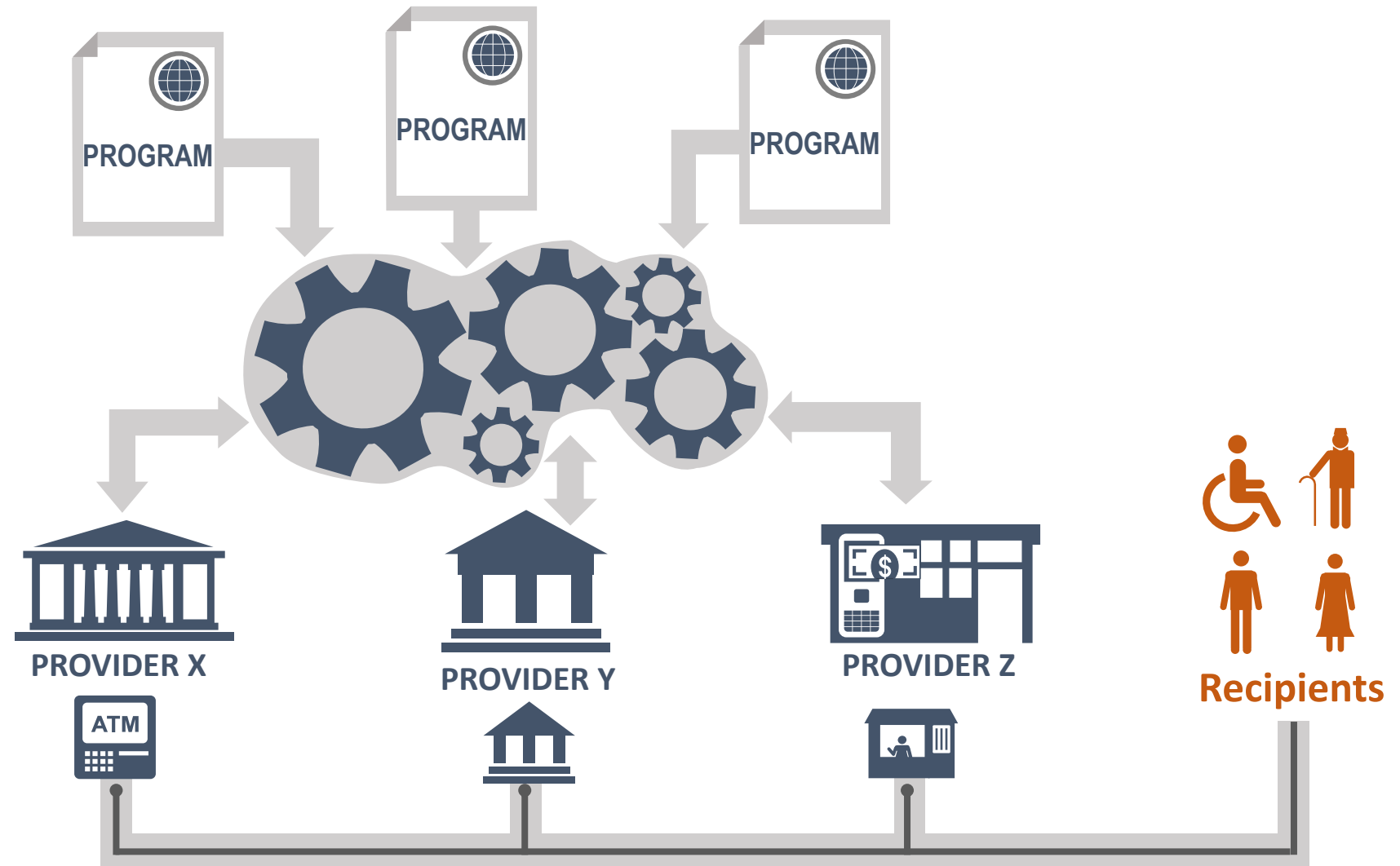
Multiple programs and payers plug into shared infrastructure

Shared infrastructure, including payment schemes, ID system, ID-account directory/mapper

Multiple account issuers and payment providers

Numerous and widely accessible access points

Variety of suitable payment instruments



Learn more about [“The Future of G2P Payments”](https://cgap.org/en/publications-and-reports/the-future-of-g2p-payments) on cgap.org

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Q&A Session





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Thank you for joining

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