

Capacity Building for Government-to-Person Payments

A Path to Women's Economic Empowerment

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Women's World Banking designs and invests in the financial solutions, institutions and policy environments in emerging markets to create greater economic stability and prosperity for women, their families, and their communities. With a global reach of 53 partners in 32 countries serving more than 30 million women clients, Women's World Banking drives impact through its scalable, market-driven solutions; gender-lens private equity fund; and leadership and diversity programs.



Fundación Capital works in partnership with governments and financial institutions to improve the lives of millions of people living in poverty around the world. Designing and delivering solutions that increase economic opportunities and make people more resilient to economic stress, to date it has enhanced the prospects of more than six million people, primarily women and youth living in poverty, across 18 countries and on three continents.

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Executive Summary

Government-to-person (G2P) transfer payments can be a powerful onramp to financial inclusion, overcoming the significant barriers women face and enabling account ownership and usage for millions of women recipients. Yet, more deliberate efforts are needed to close the gender gap and realize the potential gains of financial inclusion.

The Bill & Melinda Gates Foundation (BMGF) has been exploring this issue through extensive research. Their hypothesis is that digitizing a predictable income stream for women is a way to increase the value of digital financial services (DFS), and ultimately, become a platform to catalyze economic empowerment of women. As a first pathway, they are exploring digitizing G2P social safety net cash transfer programs. BMGF has pulled together global evidence and the latest insights from across the social protection and financial inclusion fields to develop three core principles for advancing women's financial inclusion and economic empowerment: digitize, direct, design. By digitizing priority income streams, directing the payments into women's accounts, and designing the program so that they expand women's opportunities, G2P social protection payments can be leveraged to close the financial inclusion and DFS gender gap and drive greater women's economic empowerment (WEE) outcomes.

In order to further understand what skills and capabilities low-income women need to have in order to successfully participate in the digital financial ecosystem of such programs, BMGF supported Women's World Banking and Fundación Capital to investigate whether capacity building is required to achieve the knowledge, skills, attitudes and behavior change envisioned through the D3 approach, and if so, what program elements would be most effective. The research led to the conclusion that women recipients of G2P cash transfers do require capacity building to support their active participation in digital financial services and informed financial decision-making, which would ultimately drive greater economic empowerment. Capacity building efforts are needed to help women overcome the challenges of knowledge gaps, misinformation, digital illiteracy and scams that hinder active and informed use of DFS, all of which were evidenced in industry expert interviews and field research.

The term "capacity building" is used to more accurately reflect the principles identified through this research. Capacity building is defined here as any act or process of imparting knowledge and skills, which includes a range of content and formats, from customer orientation information and product awareness, to skill-building and formal instruction around financial management.

The capacity building initiatives proposed, and their underlying principles, are fundamentally different from traditional financial education interventions, which tend to cover a wide range of financial concepts and are typically delivered through traditional channels (such as classroom settings). Indeed, rigorous evaluations of these programs indicate that they have limited impact, especially in developing countries and with low-income populations, both in terms of effectively increasing financial knowledge and ultimately changing financial behavior. In many cases, that training focused on abstract financial concepts, but the empirical evidence and field research indicate a need to focus on clear learning objectives that address the pain points women face in their G2P user journey. They also benefit from simplified and dosed content that prioritizes the knowledge and skills women need to build trust and be functional within the G2P program and DFS ecosystem. Given this reframing and nuanced approach to capacity building, new efforts that incorporate this approach may go far beyond the limited achievements associated with traditional financial education.

Based on the extensive research, which included an empirical literature review, industry expert interviews, field research and case studies, five key principles on capacity building have emerged:

- 1 Create an enabling environment through committed stakeholders.** The government's support and coordination, together with key implementing stakeholders, is critical to ensuring that capacity building becomes an integral part of G2P programs, and increases the likelihood of reaching scale and sustainability. Beyond a commitment to capacity building, the government and key stakeholders also play an important role in ensuring a broader enabling G2P environment that can optimize the outcomes of the capacity building efforts, such as ensuring multiple choices of payment providers and high-quality product offerings.
- 2 Prioritize three essential components of capacity building.** Capacity building initiatives require a clear and focused objective. Content should be prioritized and sequenced to achieve learning and behavioral outcomes, and contribute to the progressive creation of financial capabilities. To that end, there are three essential components of capacity building for G2P payments: the provision of information on payment features (such as account features), technical capacity (such as how to use an ATM), and basic financial management (such as awareness of the range of savings options).

- 3 Embed capacity building into the G2P program delivery model.** In order to ensure effectiveness, efficiency and scale, capacity building should be embedded in the existing G2P program delivery model and provided by people who are most trusted by the participants, such as community leaders or G2P program local officers. By leveraging trusted networks and existing institutional scaffolding, capacity building efforts can be scaled at a lower cost and achieve local buy-in more effectively. Further, stakeholder alignment through a “train the chain” approach builds capacity along the delivery model, aligns institutional messaging, and can help reinforce financial capability and women’s economic empowerment concepts.
- 4 Engage recipients through teachable moments along the user journey.** Capacity building should be continuously delivered in an engaging format along key touch points in the G2P program user journey, which includes program enrollment, account opening, payment cycles, and queries and complaints. The three essential content areas proposed should be sequenced to leverage teachable moments throughout that user journey, which may be repeated and involve multiple stakeholders (government, payment service provider (PSP), and other relevant actors such as community leaders). Recipients should be engaged through a “tech-touch” combination that leverages in-person interactions and digital tools, in order to maximize effectiveness in terms of outcomes and cost.
- 5 Monitor and iterate with women.** While monitoring is an important component of any intervention, it is especially important to an effective capacity building initiative as it promotes innovation and improvement through an iterative design process, and ensures that women’s voices are an integral part of the process. Monitoring can leverage existing data sources, specifically from PSPs, or collect new data in a cost-effective manner through existing touch points with women along the user journey.

Empowerment lies in a woman’s ability to make decisions, based on her own judgement and preferences. However, in order to do that, she needs the tools (knowledge, skills and attitudes) to make more informed financial decisions. If capacity building initiatives encompass all these elements, it is hypothesized that they will contribute to the economic empowerment of women recipients. When a woman has access to, and responsibly uses, a range of financial services and products that meet her needs, and when she is respected and valued as an economic actor and financial decision-maker within her household and community, she has a greater chance of becoming economically empowered.

The principles in this report have been developed based on a comprehensive body of evidence and aim to provide universal applicability in order to inform and benefit as many programs as possible. Successful capacity building will depend on the extent to which its design and implementation is coherent within the complexities of the G2P program structure, as well as the contextualization of the local culture and their norms. Women’s needs (cultural contexts, individual preferences), program features (operational capabilities, budget constraints), country contexts (financial sector development, infrastructure and/or regulatory constraints), and other stakeholder features (PSP products, channels, incentives) constitute a constellation of variables that need to be addressed in order to construct a viable capacity building strategy for each specific country context. The five principles outlined here and the accompanying research and analysis seek to serve as a compass to help navigate through that complexity.

Introduction

Government-to-person (G2P) transfer payments can be a powerful onramp to financial inclusion, overcoming the significant barriers women face and enabling account ownership and usage for millions of women recipients. Yet, more deliberate efforts are needed to close the gender gap and realize the potential gains of financial inclusion.

The Bill & Melinda Gates Foundation (BMGF) has been exploring this issue through extensive research. Their hypothesis is that digitizing a predictable income stream for women is a way to increase the value of digital financial services (DFS), and ultimately, become a platform to catalyze economic empowerment of women. As a first pathway, they are exploring digitizing G2P social safety net cash transfer programs. BMGF has pulled together global evidence and the latest insights from across the social protection and financial inclusion fields to develop three core principles for advancing women's financial inclusion and economic empowerment: digitize, direct, design: by digitizing priority income streams, directing the payments into women's accounts, and designing the program so that they expand women's opportunities, G2P social protection payments can be leveraged to close the financial inclusion and DFS gender gap and drive greater women's economic empowerment (WEE) outcomes.

In order to realize the potential of G2P programs, there is a set of knowledge and skills women must have in order to manage the accounts through which they receive their transfer, and to make more informed financial decisions. Only then will women have the confidence and capability to control the resources they are given, leading to greater economic empowerment.¹

However, there is mixed evidence on the efficacy of financial literacy training, financial education and financial capability initiatives. A review of the existing evidence found that most interventions focused on "traditional" financial education which tend to cover a wide range of financial concepts and are typically delivered through more traditional channels (such as classroom settings). Rigorous evaluations of these programs indicate that they have limited impact, especially in developing countries and with low-income populations, both in terms of effectively increasing financial knowledge and ultimately changing financial behavior. Cost is another important consideration, together with effectiveness. However, studies include limited cost data, which -when available- are not directly comparable among programs, given differences in the duration of programs, number of participants, and whether programs were embedded within existing infrastructures or implemented in parallel. Indeed, there exists no clear

set of learning outcomes and methodologies built on a solid evidence base from which to provide recommendations on effective and efficient capacity building initiatives that could be applied to G2P programs.

Women's World Banking and Fundación Capital were thus engaged by BMGF to investigate what kinds of capacity building were needed to support, and if so, what types of programs would be most effective, considering the broader context, content, delivery methods, and cost. The research approach included mapping the landscape of global G2P capacity building programs, interviewing global experts, analyzing the evidence base on financial education and capability programs, and conducting on-the-ground research in seven countries.

Why Capacity Building for G2P Payments?

Through this research, we have concluded that capacity building is critical to support the active participation of women recipients of G2P cash transfers in digital financial ecosystems and ultimately increase their economic empowerment. Capacity building programs are required to help overcome the challenges of knowledge gaps, misinformation, digital illiteracy and scams, all of which were evidenced in the countries where field research was conducted. The term "capacity building" is defined here as any act or process of imparting knowledge and skills, which can include a range of content and formats, from customer orientation information and product awareness, to skill-building and formal instruction around financial management.

Capacity building is fundamentally different from traditional financial education interventions, which have shown only modest impact at best. Instead of training on abstract financial concepts, capacity building would focus on learning objectives that address the pain points women face in using digital financial services, and simplified content that prioritizes the knowledge and skills women need to build trust and be functional within the G2P program. It is also ideally disseminated using trusted sources of information. This new approach to capacity building for G2P payments is conceived with the objective of helping women make more informed financial decisions in order for them to be functional participants in the financial ecosystem.

Capacity Building and Women's Economic Empowerment

Social protection systems have an important role to play in accelerating economic empowerment, particularly for low-income women. They not only reduce women's vulnerabilities but also provide opportunities for women to enhance their employment status, control over their incomes, own productive assets, increase social networks, and increase awareness of their rights.²

Targeting women as recipients is an important first step. However, it should not be assumed that simply receiving a transfer empowers female recipients. Even if women are the recipients, gender-based power dynamics in the household may determine who decides how to spend it or increase the likelihood that she will transfer control over those resources to her spouse. Social norms should be taken into consideration when contextualizing efforts to increase women's economic participation.

Empowerment lies in a woman's ability to make decisions, based on her own judgement and preferences. Capacity building for G2P payments is intended to provide women with the tools (knowledge, skills and attitudes) they need to make informed financial decisions. Capacity building initiatives can contribute to WEE, but they must meet certain criteria:³

- **Choice:** Women must be given the knowledge and skills to navigate new opportunities (digital payment means, channels and financial products) safely and confidently, including identifying risks that emerge from this expansion of choices.
- **Voice:** Women must be given knowledge—and encouragement—to ask questions and submit complaints. These queries and grievances must be effectively addressed by either the G2P program or the payment service provider (PSP).
- **Power:** Women must be given the knowledge to make informed financial decisions, enabling them to control financial resources and achieve greater financial health.

If capacity building programs encompass all these elements, we believe they will contribute to the economic empowerment of women recipients. When a woman has access to and uses responsibly a range of financial services and products, and is respected and valued as an economic actor and financial decision-maker within her household, she has a greater chance of becoming economically empowered.

Research Approach

Identifying strategies to help low-income women fully participate in G2P programs and achieve positive outcomes, while remaining cost-effective and scalable for program providers, requires a multi-faceted approach. In order to ensure that capacity building initiatives meet these criteria, we applied an analytical framework to our research consisting of four dimensions.

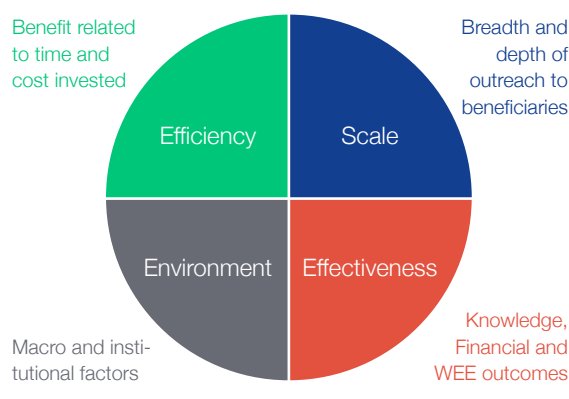


Figure 1. Analytical Framework

- **Effectiveness** assessed the extent to which the capacity building initiative achieved its stated outcomes, including financial outcomes (women are able to actively manage their own account, contributing to quality financial inclusion and enhanced financial health) and women's economic empowerment (women have the ability to make informed financial decisions, leading to greater bargaining power and control over resources).
- **Efficiency** assessed the initiatives' results, while also considering estimates of the resources invested (time, cost, effort, etc.) to achieve them.
- **Scale** assessed the breadth and depth of outreach, including the number of recipients engaged, the way in which they were engaged, and whether key segments were targeted.
- **Environment** assessed market and institutional factors that affected the capacity building initiative, such as macro-level factors, G2P program-specific characteristics, and D3 elements (digitize, direct and design).

Research was conducted to understand what elements of capacity building initiatives work (and what elements do not work) in a G2P context. The inquiry further analyzed how capacity building is implemented, given the complexities and structures of G2P ecosystems. We considered that what effectively works for women recipients must also be viable in terms of fi-

nancial and operational efficiency if it is to reach any magnitude of scale. It must also take into account the context of a multiplicity of stakeholders, policy priorities, and factors such as geography, connectivity and financial sector development, among other variables, which affect the environment in which G2P programs operate.

The approach included mapping the landscape of global G2P capacity building efforts, interviewing indus-

try experts, analyzing the evidence base on financial education and capability programs, and conducting on-the-ground research in seven countries (Colombia, Dominican Republic, Madagascar, Mexico, Pakistan, Peru, and Rwanda). The findings from these research activities enabled us to analyze capacity building programs across the four dimensions of the analytical framework and to develop the resulting principles.

Research Findings

The findings from the research activities enabled us to analyze capacity building programs across the four dimensions of the analytical framework. In particular, we relied on an in-depth empirical evidence review, which provided quantitative evidence of the effectiveness of capacity building programs, and complemented that analysis with external research and qualitative findings from industry expert interviews, grey literature review, landscape mapping, field research, in-depth case studies, and cost analysis. These provided insights that complemented the other three dimensions of the analytical framework (efficiency, scale and the environment).

Evidence Review

An independent researcher was hired to conduct a comprehensive evidence review⁴ in order to analyze the evidence base on financial education and capability programs. The review included existing meta-analyses of these programs, which found limited impact on financial behavior, particularly in developing country contexts and with low-income populations, with small effect sizes. In addition to the meta-analyses, the researcher performed an exhaustive search of relevant literature, and those studies provided a more nuanced picture of initiatives focusing on financial education, capability and literacy, as well as business training and financial health. From the 94 relevant studies identified, only 19 met the specific criteria for selection for an in-depth analysis.⁵ Those criteria included developing country contexts, adult participants, rigorous empirical research, published or peer reviewed work, and studies that were able to isolate and estimate the impact of a program.

The three key outcomes that the evidence review focused on were financial knowledge, financial behavior and women's status. Over half of the studies detected impact on financial knowledge, and three quarters reported effects in at least one measure of financial behavior; however, the magnitude of impacts was

modest (ranging from a five to ten percent change in financial literacy and behavior indicators). Few studies (3) considered women's status, and only two showed some significant (if small) effects.

Twelve key lessons were extracted:

- 1 Financial capability programs can improve women's status.
- 2 Impact can be limited if a woman has low status and low control of resources.
- 3 The combination of access to and control of resources in an account, accompanied by a simple and intuitive training, may be highly effective.
- 4 A short training can be as effective as a longer one, particularly if implemented at a critical time, known as "teachable moments."
- 5 Scalability of financial education programs will likely necessitate a digital component to training.
- 6 An "edutainment" approach may be more effective than standard classroom training.
- 7 Programs with easy to understand materials, including "rules of thumb," may be effective.
- 8 Who delivers the training is important, as trust in the trainer appears to be key.
- 9 Personalizing training appears to be effective.
- 10 Savings reminders linked to training may not improve impact.
- 11 There is mixed evidence of whether training impacts spill over to other household or community members.
- 12 Significant heterogeneity of impact exists within training.

Ultimately, the evidence review found limited evidence on the effectiveness of traditional financial education initiatives, which may have had to do with the heterogeneity of the programs that have undergone rigorous evaluation, as well as the way in which those were designed and implemented. Emerging evidence of initiatives that have taken a more experimental and iterative

approach, have incorporated a behavioral economics lens and integrated some of the key elements highlighted above, provide more reason for optimism.

Industry Interviews

In order to understand the landscape of capacity building for G2P payments, we interviewed 25 experts from a wide variety of organizations,⁶ which allowed us to identify notable programs and gather insights about the key ingredients for successful capacity building. Key insights include:

- **Clearly define the scope and objectives**

Traditional approaches to financial training have failed to center on the needs of participants, instead relying on standard financial curricula. Interviewees stressed the need for a few, well-defined capacity building goals. They also indicated that content should be based on context and segment-specific needs. For example, adolescents may require materials oriented towards basic numeracy skills and savings, while mothers and women starting small businesses may require materials focused on household budgeting and credit management.

- **Incorporate behavioral nudges**

Interviewees underlined the power of simple yet powerful behavioral interventions. This means that the design of programs should consider the environmental determinants of financial behaviors, such as access to financial products and channels, as well as constraints for their use.⁷

- **Link programs with products**

Connecting G2P programs to an easy-to-use product with a strong value proposition also emerged as a critical factor for success, as this enables women to put their knowledge into practice. This implies the provision of comprehensive, accessible information about financial product features, using sound marketing strategies.⁸

- **Incorporate in-person components to generate trust**

Interviewees viewed generating trust with the end user as essential, particularly in order to reverse negative or incorrect perceptions. One avenue for gaining this trust is partnering with local leaders and training them as facilitators for capacity building programs.⁹

- **Leverage group-based interventions**

Group-based programs, such as savings groups, often utilize a learning-by-doing approach, which allows participants to practice newly acquired skills and build up confidence over time. Moreover, the peer-to-peer model makes the benefits of capacity building programs more tangible; if participants see their peers achieving their savings goals, for instance, they are more likely to believe they can do it too.

- **Choose channels that reflect the target audience**

People respond better to different channels and messaging strategies depending on a number of factors, including age and community context.¹⁰ Further, content should be administered sequentially and gradually, as women may need different types of information at different times.¹¹

- **Leverage digital and mobile technologies**

Digital tools need to be accompanied with training, to build capacity to use those digital tools and increase their digital literacy more generally. Mobile devices must be seen as a complement – not as a substitute – to face-to-face interaction.

- **Be aware of gender-specific barriers**

Capacity building programs must take into account the challenges specific to women. Practitioners should consider the following constraints when designing interventions: time, mobility, literacy, cell phone access, and the ability to act on a decision. Capacity building programs conceived without considering women's needs¹² will fail to gain the target population's trust, and subsequently limit the program's traction among community members.¹³

- **Make a functional payment ecosystem a priority**

Interviewees stressed the importance of establishing an environment in which there are distribution mechanisms that make the payment process functional. Digitizing G2P payments is a worthy endeavor, but if there are no access points in the community, high fees and transaction costs, or limited mandate accounts, then users won't be able to reap the benefits and will bear the brunt of the costs.¹⁴

- **Promote relevant policies at the national and local level**

Having a policy framework conducive to promoting capacity building is crucial. The framework would ideally be supported by policymakers at the national level (e.g. national financial inclusion or financial education strategies) and localized in the specific regions, villages, and wards of interest.

- **Establish strong partnerships**

Interviewees mentioned the importance of collaborations between the public, private and social sectors, and between national and local leaders, in order for programs to achieve sustainable scale. Specifically, generating long-term buy-in from the government was seen as key for scaling up interventions.

Cost Analysis

Cost information was collected and analyzed for seven capacity building programs, to add an additional dimension to the research. However, the quality of cost data obtained across programs varied significantly, given the extent of information governments and practitioners were willing or able to share, and differences in actual costs included and cost calculations. In addition, variations in the level of institutional scaffolding leveraged for program implementation and in-kind contributions (both of which are difficult to estimate), as well as the level of internal and external financing for each program, affect our ability to estimate and compare cost figures.

In order to control for differences in the number and length of sessions, as well as participants per program, we calculated cost per person trained and cost per person trained per session. The cost per person trained ranged from \$4 to \$30 in the programs analyzed. Differences in macroeconomic factors that affect market prices and cost levels, rural and urban differences in each country context, and attrition rates, were not taken into account. Additionally, hidden or indirect costs for volunteers, community leaders, and the women themselves to participate in the programs (including opportunity costs) were not considered in this analysis.

When reviewing the cost data, it is also important to note that digital interventions had high upfront fixed cost, but can achieve economies of scale as the cost per person decreases over time as the solution reaches more people. For example, LISTA, an initiative to increase the financial health of G2P recipients using a tablet-based app distributed by local community leaders, was estimated to cost \$8 per person trained, but those costs decrease over time as it is scaled, given

that the tablet devices are shared and can reach hundreds of users.¹⁵ In-person interventions also typically have high upfront costs associated with curriculum design and training, but variable costs, particularly staff salaries, remain fixed and don't decrease at scale, as is the case with digital approaches.

In the evidence review, three studies included cost information for in-person trainings, which ranged from \$17 to \$25 per person trained, however for one study, costs went as high as \$126 per person, though this did include the costs of developing the training materials.¹⁶

Cost is not the only factor to consider when designing a capacity building program, as effectiveness is equally important. For example, cost considerations suggest that capacity building initiatives should leverage digital technologies in order to be scalable. This is further supported by the meta analyses highlighted in the evidence review, which included examples of online trainings that were equally effective as classroom trainings, despite the training being virtual. However, digital interventions may not inherently be effective and may also require in-person touch points, with their accompanying costs. These considerations of costs, scalability and effectiveness should, therefore, not be made in isolation of each other.

Five Principles for Capacity Building for G2P Payments

From the research efforts outlined above, five principles on capacity building for G2P payments have emerged, and they are the following:

- 1 Create an enabling environment through committed stakeholders
- 2 Prioritize three essential components of capacity building
- 3 Embed capacity building into the G2P program delivery model
- 4 Engage recipients through teachable moments along the user journey
- 5 Monitor and iterate with women

Principle 1 Create an enabling environment through committed stakeholders

When developing capacity building for G2P payments, a critical first step is to ensure an enabling environment through the commitment of government and other key stakeholders, such as International Financial Institutions (IFIs), like the World Bank.

Digitizing G2P payments clearly makes sense for governments, given reduced distribution costs, fewer leakages, and more transparency. However, giving access to digitized, formal financial services is not sufficient. It is in governments' interest to include capacity building within the G2P program in order to ensure women can effectively use the transfers. By enabling women to fully realize the benefits of these programs, through increased capacity to access and control the transfers, the G2P program can achieve more positive outcomes that are aligned to policies to promote gender equality and broader economic development. In Madagascar, for example, the government noted that “nudges” to promote plan-making and self-affirmation also had positive outcomes on nutrition and education indicators, which were key objectives for the overall social welfare program.

Including capacity building within the G2P program can also reinforce and advance broader national financial inclusion and financial education objectives in the country. In Mexico, the Prospera CCT program had long been committed to capacity building in areas of health, education and other topics, with a dedicated department responsible for developing the bimonthly training curriculum. In early 2017, Prospera decided to include financial content in the training curriculum as a

key financial inclusion strategy, recognizing the importance for both the G2P program and the PSP (Bansefi) to financially prepare and protect its recipients.

However, it is important to note that including financial inclusion as an objective of the G2P program does not necessarily ensure a focus on capacity building. In the case of Pakistan, despite having a National Financial Inclusion Strategy, a Nationwide Financial Literacy Program, and financial inclusion as a stated objective of the Benazir Income Support Programme (BISP), capacity building has not been a priority for the G2P program. The only significant attempt to implement capacity building for the recipients was through a pilot project in 2012, called “Zeba ke Kahani”. Due to the lack of government support for capacity building, however, the pilot was never rolled out.

Government and key stakeholder commitment to capacity building must be accompanied by the right support structures and funding in place. In some cases, getting government buy-in can be an even greater challenge than getting the design right.¹⁷ Stakeholders should also be accountable for securing a funding strategy, either through external or internal financing, that will allow them to pilot and test hypotheses around capacity-building and build the evidence in their markets, as well as scale, if effective. In Pakistan, the fact that the pilot training program was financed by external organizations meant that there was no long-term strategy for capacity building as part of the G2P program, so the program could not be scaled up.

Governments and key stakeholders should also have a stake in the program by co-creating content and participating in piloting and monitoring activities. Researchers, financial institutions, or civil society actors may design and/or deliver the capacity building programs, however the government's support and coordination efforts are critical to ensure that capacity building becomes an integral part of G2P programs. In Brazil, where these initiatives were led by third parties, the government provided close oversight by awarding “seals of approval” for programs that met certain benchmarks and quality standards as part of their National Strategy for Financial Education. Governments can also ensure successful pilots are implemented at scale and resourced with the necessary funding.

Furthermore, governments should build and sustain an enabling environment and infrastructure that can optimize the outcomes of the capacity building initiatives. In particular, the D3 criteria indicate “pro-financial inclusion policy and regulation that enables choice and accessibility”, and specifically that “multiple modalities for account ownership and access should

be possible.” Government support can help expand choice, given that many G2P programs limit the options to one payment provider for receiving their transfer, though the quality of the provider or the offered accounts may be low.

Capacity building can help women acquire skills to use the digital accounts through which they receive the transfer, the knowledge to make informed financial decisions, and the confidence to control the resources they are given. However, if they only have one account option, and if it is of low quality, then their ability to exercise their informed decision-making and increased capability becomes limited. In Pakistan, for example, payments are made through a Limited Mandate Account, allowing only withdrawals and no long-term store of value, which does not promote the financial inclusion of transfer recipients. In Mexico, the CCT payments were made to an account at one financial institution that had, according to customer feedback, subpar customer service and a lengthy, complicated customer complaint resolution process. In Honduras, the government was in the nascent phase of digitizing their cash transfers, and they are thus piloting an approach where G2P participants receive transfers into an account of their choice. The end result is that this is likely to be more empowering as women exercise their choice, but no outcome results from this experiment were available at the time of publication.

Even in cases where governments were committed to capacity building in their G2P programs, there is still a risk that shifting policy priorities or changing administrations could change the focus. In Peru, for example, the Juntos program had a financial inclusion objective and provided financial training that was delivered by local staff. As the changing political environment has shifted social policy priorities, this may affect the focus on financial inclusion in the future. In the Dominican Republic, despite government buy-in and commitment to roll-out the LISTA initiative, progress stalled because of other government priorities and shifts in political power at various levels in the government. Without clear commitment and leadership, the program simply tapered off. On the other hand, when the outgoing government of Mexico committed to scale up LISTA, they reached 40,000 people in the span of just a few months using their own resources.

Overall, commitment and accountability of the government and key stakeholders played a significant role in the longevity and reach of the respective capacity building programs.

Principle 2

Prioritize three essential components of capacity building

As the evidence review suggests, traditional financial education has had limited impact on changing financial behavior. This is partly due to the fact that many financial education programs tackle a wide variety of sometimes complex topics, without paying sufficient attention to simplifying, prioritizing, and sequencing content. Thus, it is necessary to emphasize a few design principles, when developing content for an effective capacity building program.

Define a clear and focused objective. Traditional financial education programs have relied on standardized training content, which covers topics ranging from budgeting and savings to debt and insurance.¹⁸ Some more ambitious programs went even further, teaching complex calculations of fixed and variable costs, and even the Internal Rate of Return.¹⁹ The tendency was to focus more on content and less on clear learning outcomes.

In Peru, the objective of the first financial education program launched by the Juntos program in 2009 was focused on encouraging formal savings. Gradually, the objective changed and the content and materials were simplified to focus on matters that are essential to women receiving the transfer, such as the use of ATMs, POS or mobile banking channels. Currently, the most important indicator for measuring the program’s success is the reduction in waiting time for participating mothers to withdraw their money in bank agencies, which reflects the focus on teaching women how to use alternative channels. This does not mean that G2P programs should not have more aspirational objectives; rather, it indicates that the more ambitious the objective, the greater the need to break it down into concrete outcomes.

Prioritize and sequence content. Once the capacity building objective is defined, it is crucial to prioritize content and sequence delivery. This is not only in recognition of the diversity of training recipients (age, literacy and education levels, ease of understanding financial concepts), but also because learning requires time, practice and repetition to internalize the information and change behavior.

Research in Peru indicated that only 3.9% of CCT recipients knew that they had a savings account in their name, so the Innovations for Scaling Financial Education training program prioritized content to ensure that women understood this feature. In Madagascar, “nudge sessions” were implemented to increase the plan-making or self-affirmation capacity of recipients, in further support of the cash transfer objectives. The

sessions aimed to provide accountability (by publicly stating goals) and personal agency (by seeing how others were saving and investing), and were 15 minutes long, while the recipients wait for their payments. Three types of sessions were conducted, for each goal, each given in succession.²⁰ By prioritizing and sequencing the content, the program was much more effective in achieving learning retention and changing attitudes and practices.

Another important aspect to bear in mind when developing capacity building efforts is the length of the training and the ambitiousness of the expected outcomes. Evidence shows that a short intervention can be as effective as a longer one, both in terms of outcomes and cost, particularly if implemented at a critical time. In Colombia, when the government first introduced a mobile wallet as a channel for distributing cash transfers, the financial institution led training sessions on its product (DaviPlata) during recipient registration events, which resulted in a substantial increase in transactions (which quadrupled). They limited the content only to product use and features, and excluded all other content in order to focus on the prioritized objective.

Simplify content. G2P recipients not only have limited time and high opportunity costs for attending capacity building sessions (time poverty), but they also face literacy, numeracy, visual, and cognitive barriers, which makes it necessary to simplify the content, material, and messages. The “less is more” design principle is particularly relevant for this target population. As one trainer of trainers stated in Peru: “the savings account seems to be a simple concept, but it really is an abstract one for a person who has never participated in the financial system, so we have to find a way to explain this abstract concept in a concrete and simple way.”

Further evidence of the effectiveness of simplification is found in the Dominican Republic, where the use of short and easy-to-remember messages (rules of thumb) had statistically positive effects compared to a standard accounting training.²¹ In Mexico, Prospera successfully tested the delivery of a simple “leave a little” message for encouraging formal savings, which proved to be effective with transfer recipients making the decision not to withdraw the full amount of their transfer, but to leave a little behind as savings.

These design principles have led us to recommend that capacity building focus on three core components: **1) payment features, 2) technical capacity, and 3) basic financial management**, which should be delivered sequentially to achieve clear learning and behavioral outcomes, and contribute to the progressive creation of financial capabilities and women’s economic empowerment.

This approach involves first defining what the most

pressing needs for women are in terms of knowledge, skills and attitudes, for effective adoption of new digital payment mechanisms. Second, the content must build their technical capacities, such as the use of an ATM, point-of-sale (POS) device, and mobile phones to perform transactions. Once women have understood the payment features and have developed technical capacities to use their accounts, then efforts can be made to support the development of basic financial management capacities, which will help them make informed decisions about key issues such as expenditures, saving goals, and avoiding over-indebtedness. This reframing is important because it focuses first on actionable behavior associated with accessing the G2P payments, and makes it easier for people to internalize those new skills. It is also unique in that most financial training programs make the third component the priority, while assuming that governments and financial institutions will cover the first two on their own. The research has shown that there are deficiencies of knowledge and awareness among G2P recipients, even in the areas of payment features and technical capacity, which is why they are highlighted and prioritized.

Our research indicates that these three core components should be provided as standardized content. Where there are opportunities and it is relevant for participants, advanced financial topics such as debt reduction strategies, insurance and investment can also be covered, but this should be personalized according to household needs and preferences, and can be added based on availability of resources.

	Payment Features	Technical Capacity	Basic Financial Management
Learning Outcome	Women understand how to access their payment and start increasing trust in the payment mechanism.	Women are effective and confident in using the payment channels.	Women are able to make informed financial decisions.
Knowledge	<ul style="list-style-type: none"> Account features Account is in her name, belongs to her, and she controls the account Payment information Access points Who to contact in case of queries/ complaints 	<ul style="list-style-type: none"> How to make relevant transactions How to use digital devices How and where to ask a question / make a complaint. Debit card management 	<ul style="list-style-type: none"> Range of savings options Setting savings goals Managing expenses Preventing over-indebtedness
Attitude	<ul style="list-style-type: none"> Trust in formal financial services Power to submit a complaint 	<ul style="list-style-type: none"> Confidence in using digital channels 	<ul style="list-style-type: none"> Confidence in making informed financial decisions
Skills/ Behavior Change	<ul style="list-style-type: none"> Use the payment mechanism to receive the transfer (withdraw) Makes decisions about the funds 	<ul style="list-style-type: none"> Use the payment mechanism independently and effectively, and engage in transactions beyond withdrawals 	<ul style="list-style-type: none"> Plans and prioritizes Uses an effective range of financial tools Builds and maintains reserves
Cross-Cutting	<ul style="list-style-type: none"> Myth-busting about the G2P and PSP programs and features Problem-solving (ability to assess risks and tradeoffs) Customer protection, including access to query and complaints systems Communications with family members around financial decisions 		

Principle 3 Embed capacity building into the G2P delivery model

Capacity building should be embedded in the G2P delivery model, in order to build trust, leverage scaffolding, and align stakeholders.

Build trust. Both the evidence review and the in-country research identified that who delivers capacity building is key to success. Research shows that training is more effective when delivered by people who are trusted, so involving field workers hired by the G2P program to deliver services on the ground (referred to here as local officers) or G2P “mother leaders” (referred to here as community leaders) are examples of ways to build trust. Local G2P program representatives (typically one per municipality) and PSP-linked personnel (e.g. those at the bank branch, credit officers in the field, and banking agents) can further help reinforce messages and prevent misinformation from circulating.

In many cases, G2P programs (and particularly CCT programs) already provide some form of capacity building to their recipients. In Mexico, MAPOs were designed as mandatory bi-monthly sessions facilitated by local officers for small groups of about 50 women in the Prospera program.²² When the local officers were tasked with providing financial training to G2P recipients, participants transacted a bit more and left some money in their savings accounts. However, this approach was not always successful, as when local officers in the Dominican Republic were tasked with setting up savings groups and only met their target halfway because they faced competing priorities that affected their quality and level of effort. The key difference was that in Mexico, delivery of capacity building was actually a contractual obligation for the local officers, rather than an add-on that was asked of them. Local officers already face heavy workloads, so if they are to provide capacity building for G2P payments, it should be made part of their work plan and deliverables, which will likely require some trade-offs or efforts to increase efficiency.

Community leaders and other influential individ-

uals can also be leveraged to build capacity or reinforce messages as a complement to local officers. In the Philippines, “parent leaders” were trained to deliver financial management modules within Family Development Sessions. In Madagascar, there is a plan to have mother leaders take over the training from local NGO staff. Savings groups have also been used to build capacity, and in the case of Tanzania’s G2P program, they are being seen as an important channel for community connection. While community leaders may lack the training skills or technical knowledge of local officers, and there is some risk around maintaining quality of capacity building initiatives, they are trusted individuals and have an extensive knowledge of the local context, which adds value.

In Peru, the Juntos CCT program tried both of these strategies, at first only leveraging community leaders for training delivery and later relying more heavily on the local officers. Senior policymakers noted that they should have involved the local officers earlier, as they have the direct connection with the women.

There is an inherent risk in leveraging trusted networks of community leaders. As more G2P programs and other stakeholders (such as INGOs) begin to rely on community leaders, there is a risk of overburdening them, as they tend to be volunteers. In the delivery of training or follow-up, they face real costs (transportation, communication, and opportunity costs) that require reimbursement, and ideally remuneration for their services. Furthermore, if they are tasked with delivering additional services (e.g. providing nutrition information or selling products) then this increases their workload significantly. If requests of their time are being made by many different organizations, policymakers may not be aware of how much time is required. Ultimately, if not managed correctly, this could present a burden to the community leaders, as well as degrade the channel and trust.

Leverage Scaffolding. If capacity building is embedded into the G2P delivery model and governments commit to it, then such initiatives can leverage existing scaffolding and tap into institutional resources, which creates operational and cost efficiencies. For example, cost per person trained was much higher in Madagascar (approximately \$15) where the training was implemented by a local NGO than in Peru (approximately \$4), where training was shorter and implemented by the government.

Capacity building should not be seen as a disruptive add-on to other G2P program interactions. On the contrary, it should be seen as an embedded part of the program, a service that recipients need in order to properly navigate the program, both from the perspective of financial functionality (e.g. using an ATM to cash out) as well as overall program functionality (e.g.

protocols to comply with identification procedures or conditionalities).

Align stakeholders. Key stakeholders that recipients interact with along the user journey not only support the delivery process, but also help align messages and provide institutional validation that can counteract myths about the program or financial products.²³ Achieving WEE within the context of G2P programs requires building trust in the system (meaning the G2P program, PSP, and the financial system more broadly), so having consistent messaging is important.

Aligning stakeholders also helps ensure effective service delivery. To build capacity along the delivery process and align institutional messaging, capacity building initiatives should “train the chain” of key stakeholders. This can help reinforce financial capability and women’s economic empowerment concepts, and increase the likelihood of improved service provision.

PSPs can also play an important role in supporting and even delivering capacity building programs. Service Level Agreements meant to guarantee quality benchmarks can be used to align messages and make client touch-points accountable for the provision of quality customer service toward achieving WEE outcomes, which is key to the “train the chain” approach.

When capacity building is embedded and delivered through G2P programs, when trusted networks are leveraged effectively, and when the delivery chain is motivated and aligned, then it is more likely that G2P recipients will effectively put their knowledge to use and that the G2P programs will efficiently facilitate capacity building at scale.

Principle 4

Engage recipients through teachable moments along the user journey

Capacity building efforts should take into account the fact that women recipients have started a user journey with the G2P program, which encompasses a variety of different experiences and services received at different moments and through a variety of touch points. These are often experienced through repeated cycles of interaction with multiple service providers, including the government, the PSP, and other relevant actors (such as local officers, community leaders, or voluntary program peers). These touch points are an opportunity for direct contact with women recipients. They can “make or break” a women’s experience, by increasing trust and building capabilities, or by degrading that trust and excluding women from participation. It is important to recognize that these touch points can be leveraged to layer on capacity building efforts without

disrupting functional program processes.

While the relevant touch points may vary depending on the program and specific context, some common touch points between program recipients and providers that emerged from our research were the following: 1) enrollment notification; 2) account opening; 3) community leader notification; 4) pre-payment notification; 5) regular recipient meetings; 6) early payment cycles; 7) complaints and queries, and 8) ongoing payments & recipient meetings. These key moments in the G2P program cycle tend to repeat themselves as long as the recipient is in the program (or re-enrolled) and are core to the program's operational procedures.

The touch points described are also potential teachable moments to trigger specific behaviors, capabilities, or attitude changes among recipients. As the most appropriate moments to learn are chosen along the user journey, the effectiveness of capacity building efforts can be maximized. This also allows for sequencing the relevant content according to incremental complexity customized to recipient needs. While initial efforts may prioritize face-to-face interaction to help build trust, deliver basic information and build simple transactional capabilities, subsequent steps along the user journey may rely more on social capital at the community level (through get-togethers organized by mother leaders) and/or digital tools (such as mobile phone messaging) to reinforce practices and concepts delivered previously.

A simplified example of how engagement along the user journey can build capacity with specific knowledge, skills, attitudes and behavioral outcomes (as represented by the colored strips outside the circle depicting the user journey), is provided in Figure 2 below. For the purposes of simplicity, comprehensive descriptions are only provided for the relevant teachable moments deemed as an opportunity for capacity building.²⁴

The capacity building approach is designed to be sequential so that it triggers incremental skills. These evolve from basic information (such as product and channel features at the moment when the account is opened) to technical skills allowing simple transactions (at early payment cycles and in recipient meetings), and ultimately to financial management practices in later payment cycles.

Embedding Along the User Journey. Capacity building should be provided along the user journey and intertwined with other activities because recipients may have difficulties in differentiating the sources of the services provided to them.²⁵ In their eyes, everything is being provided by 'the program' without a full understanding of the different service providers involved. Their expectation is that one single counter should solve any query, regardless of whether the problem originates with the G2P program and its rep-

resentatives, the PSP and its local service providers, or capacity building providers. The lack of a clear accountability framework between the stakeholders providing the services has often decreased the quality of the overall user experience with the program and, ultimately, diminished the trust of recipients in both the G2P program and the PSP. This is particularly important as trust from women is a crucial determinant of capacity building effectiveness. Indeed, the effort and desire to learn may be hindered by the frustration and pain points triggered from the poor provision of other services.²⁶

“Tech-Touch”. Given the importance of building trust, evidence on effectiveness, and considerations of cost and scale, capacity building efforts will need a “tech-touch” combination: a higher-touch approach early in the user journey, which gradually moves to a higher-tech approach. For example, user registration and enrollment processes can leverage technology but require human presence to build trust with women recipients. This may include local officers, community leaders, or even support from prior G2P recipients who are being re-enrolled and can provide reinforcement.

Further along the user journey, technology can be used to help reduce costs. While digital solutions are attractive for their potential for scale and cost-effectiveness, they should not be stand-alone, given the evidence in the literature. For example, LISTA, a high-tech approach that resulted in increased financial knowledge, skills and even performance (savings behavior, avoiding over-indebtedness) over time, was also effective because it combined “tech and touch.” Researchers found that this was a key success factor because it was delivered through a trusted channel (community leaders) and involved peer learning (through embedded motivational videos of local women, themselves G2P recipients, who had succeeded in improving their financial situation).

Capacity building will thus likely become more digital further along the women's journeys and where users have greater connectivity, access to devices and literacy (digital and functional). SMS, WhatsApp messaging, and chatbots can also be effective if implemented correctly and in a coordinated manner. Studies of SMS interventions have shown positive results, but when the channel is saturated it loses power, as noted in the evidence review. WhatsApp messaging systems tested in Colombia showed that when created by a trusted figure and used for a specific objective (financial training) the channel can be effective.²⁷ If the sender is unfamiliar or the group is flooded with unrelated topics, then those messages and the channel lose power. While chatbots are still nascent tools, they can provide real-time information and spark a conversation, similar to how the Juntos Finanzas two-way messaging system engages bank users.

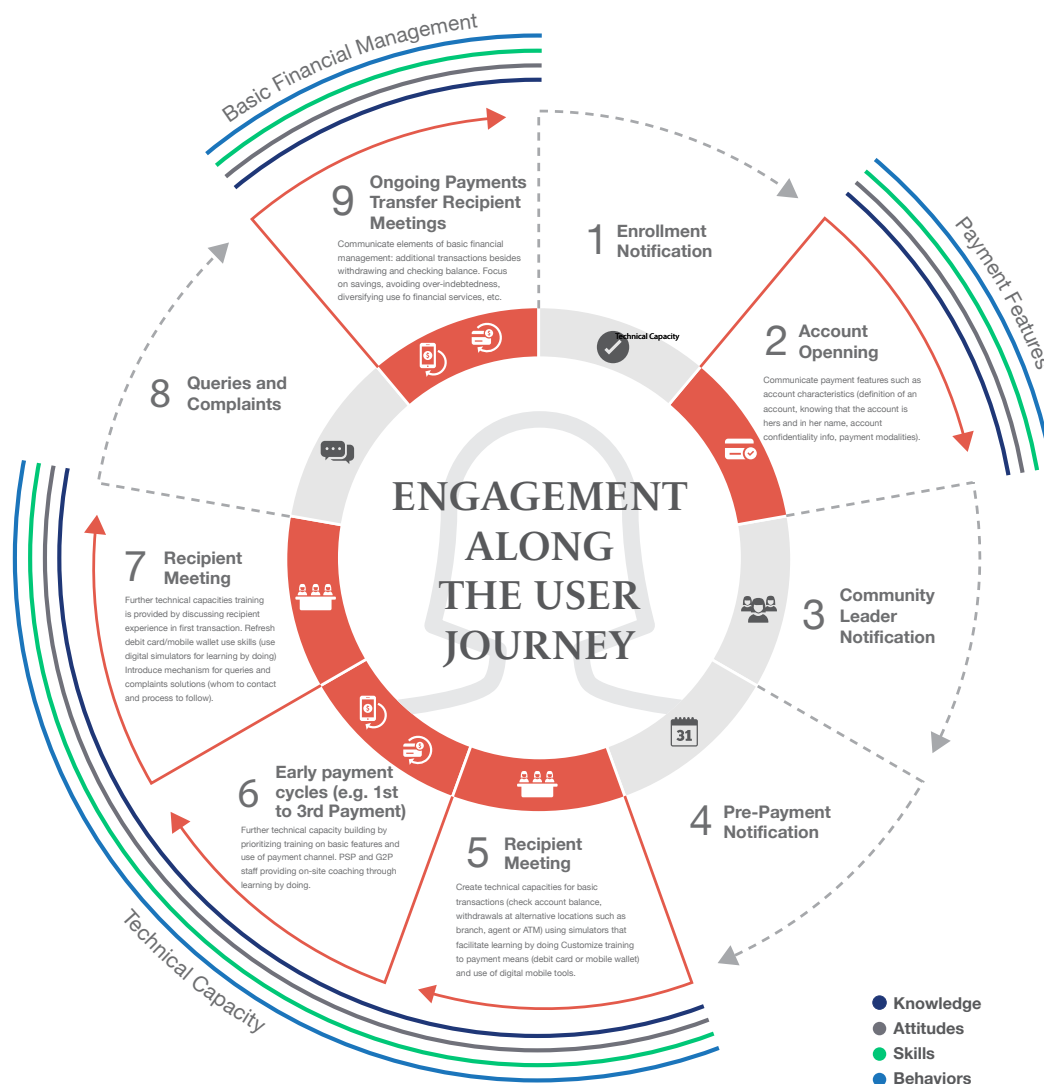


Figure 2.

Capacity Building Along the User Journey

The appropriate mixture of touch and tech will have context-specific determinants. The features of each user journey (the number of touch points and the most suitable teachable moments; the potential for standardized capacity building interventions), technological constraints and budget available, are all conditions that will determine the ultimate tech-touch combination for a particular initiative. Both components constitute mutually reinforcing mechanisms that, when combined properly, can help promote capacity building for G2P payments in a cost-effective way.

Engagement along the user journey thus implies that the woman recipient receives consistent, optimal service throughout a continuum of touch points. She should thus be recognized as a client in a way that builds her capacity, maintains her trust and loyalty, maximizes her engagement, and ultimately empowers her as an individual.

Principle 5 Monitor and iterate with women

While monitoring is an important component of any intervention, it is especially critical for an effective capacity building program as it promotes innovation through an iterative design process, and ensures women's voices are an integral part of the design.

Capacity building initiatives are not static. While this report has defined principles associated with the content, format and delivery of capacity building interventions, programs must be tailored to the local context. Therefore, it is critical to not only pilot before rollout, but also to ensure that monitoring and feedback mech-

anisms are built into the capacity building model itself to allow for continuous learning and improvement in a time-sensitive and agile manner.

It is critical that this iterative design process include the women who will benefit from the intervention - designing with her, not just for her. Many of the touch points in the user journey include not only capacity building opportunities, but also a chance to collect feedback from women. The only way to ensure that the capacity building efforts, and the G2P program, are achieving the targeted outcomes is to seek validation and input from the participants themselves. This has the added benefit of empowering women, by giving them a voice and treating them as respected and valued customers, rather than simply as passive beneficiaries.

The research supports the case for investing in monitoring. In Rwanda, for example, the government developed a core curriculum that was standardized and “open source,”²⁸ but did not allow for iterations or improvements as it was being implemented. As a result, the content was not able to benefit from feedback in the field for further improvements or customization. Stakeholders interviewed saw the limitations of the curriculum (particularly the lack of relevance in an evolving market) as a key barrier to the success and subsequent scale-up of the program. On the other hand, in Colombia, feedback was collected throughout the implementation of LISTA, and improvements were made both to content and field implementation methodology. For example, the content was expanded to include a module on the G2P program, as women asked for further information on the program. Additionally, community leaders developed four different rotation approaches that aligned with their own schedules and local context, adjusting implementation in real time.

There are a variety of quantitative and qualitative mechanisms through which monitoring can be performed. While there is a risk that the key stakeholders will not have the capacity or resource to collect and analyze the data, it is important to note that monitoring activities do not have to be stand-alone, which can be costly, but instead can be integrated into existing touch points with women transfer recipients.

For example, existing data sources can be leveraged, including those from the G2P programs’ own databases, to understand the characteristics of the participants. PSP data can also be collected to study behavior and performance. If the capacity building initiative is seeking to change withdrawal behavior, transactional data from the payment service providers can be used to monitor how well the lessons are being applied and how it is actually changing financial behavior. In Peru, the training program’s key performance indicator is the number of people who withdraw their

money from channels (ATM and agents) that are not bank branches, and this data is provided by the PSP. Further, many PSPs have mechanisms to track inquiries and complaints, which can also be leveraged to understand whether women understand their rights. Colombia’s G2P program has created a call center to track this type of information, which helps streamline data collection efforts. When it comes to G2P programs supporting data collection efforts, an important consideration is to build in access to these data into Service-Level Agreements with PSPs.

Where data do not already exist, digital tools can be leveraged to support monitoring. For example, if capacity building is offered through a digital device (such as a smartphone or tablet), back-end data capture can be used to monitor engagement through telemetry (time spent in each module, multiple entries in modules) and responses to embedded questionnaires. Radio soap operas can include questions at the end of the program that offer prizes as incentives to participants if they call in with an answer or send it via SMS. Even in cases where capacity building is delivered in person, low fidelity digital tools (such as RapidPro or Google Survey) can be used to track participation and deliver quick and simple surveys.

In many cases, quantitative data does not tell the full story, and qualitative tools can be used for feedback and monitoring. For example, in the Dominican Republic, the rules of thumb training approach went through “user testing” with women beneficiaries in an iterative manner, in order to determine the best language and timing of the messages, before they underwent a rigorous evaluation process. Similarly, LISTA underwent three years of iteration before impact was measured via a randomized control trial.

Overall, data from monitoring activities is crucial to both promoting innovation and ensuring that the design and implementation of capacity building programs is gender intentional. Table 2 below includes illustrative indicators for monitoring outputs, outcomes and impact of the core components, toward the ultimate objective of increasing women’s economic empowerment.

Table 2.
Illustrative Indicators for Monitoring

	Description	Area	Indicator	Data collection
Outputs	Women understand how to access their payment and start increasing trust in the payment mechanism.	Women are effective and confident in using the payment channels.	Women are able to make informed financial decisions.	Each touch point collects the relevant information, and backend data collection is used if digital tools are available.
Core Components 1 and 2: Payment Features and Technical Capacity				
Outcomes	Expansion of choice: Women have been given the knowledge and skills to navigate the new digital payment means safely and confidently	Knowledge	% women that know that the accounts belong to them and are in their name % women that understand basic account features: confidentiality and store of value	Survey or a questionnaire at the end of the capacity building session, or applied in the future to measure knowledge retention.
	Strengthening of voice: Knowledge and encouragement to ask questions and file complaints	Attitudes	# inquiries received by the G2P program and/or the PSP # complaints received by the G2P program and/or the PSP	Administrative data from call centers (if available) The G2P grievance redress touch point or local municipal representative
	Power: Women have the ability to make informed financial decisions, enabling them to control financial resources	Attitudes	% women using digital channels to transact % women that conduct transactions beyond withdrawals	Administrative data from PSP and self-reported data from surveys
Core Component 3: Basic Financial Management				
	Expansion of choice: Women understand basic financial management choices Agency: By taking purposeful action and pursue goals	Knowledge Behavior change	% women who understand what their savings options are % women who understand their household level of indebtedness % women who prioritize their expenses % women who build and maintain reserves (formal or informal savings) % women who set a savings goal % women who meet their savings goal	Survey or a questionnaire at the end of the capacity building session. Survey Administrative data from PSP and self-reported data from surveys
Impact	Transformation of power relations: Women have the knowledge, skills and attitudes to make informed financial decisions, enabling them to control financial resources and achieve greater financial health	Behavior change	% increase in expenditure on children's nutrition, health and education Improved financial health (measured, for example, by the ability to balance income and expenses) % women who participate in making household financial decisions	Survey

Conclusion

In order to realize the potential of G2P programs, there is a set of knowledge and skills women must have in order to manage the accounts through which they receive the transfer, and to make informed financial decisions. Only then will women have the confidence and capability to control the resources they are given, leading to greater economic empowerment.

Research was conducted to understand what elements of capacity building work (and don't work) in a G2P context, in addition to analyzing how capacity building can be achieved given the complexities of G2P ecosystems. Indeed, what effectively works, must also be viable, meaning financially and operationally efficient, if it is going to reach scale. Capacity building efforts must also take into account the context of a multiplicity of stakeholders challenged by factors such as geography, connectivity and financial sector development, among other variables that add to the environment in which G2P programs operate.

Challenged by the limited availability of empirical evidence and rigorous research on G2P training, the findings here consider various sources of information on capacity building initiatives to provide a more nuanced and balanced analysis. While quantitative empirical evidence was our priority, the limited number of studies made it difficult to provide definitive conclusions on the effectiveness of capacity building programs on a global scale. An initial conclusion from the evidence review is that while an important share of studies reports statistically significant effects from financial education and similar training, the magnitude of the impact is modest. On the other hand, qualitative findings from field research and industry expert interviews gave voice to a wide spectrum of actors (G2P program coordinators, G2P training units, program field staff, women recipients, training designer agencies, industry experts, etc.) who provided insights from experience that complemented the other three dimensions of the analytical framework (efficiency, scale, and the environment).

This research converged on the idea that there is no silver bullet for successful capacity building for G2P payments. While none of the sources questioned current best practices³⁰ and new approaches,³¹ the contextual features (institutional, cultural, technological, etc.) under which capacity building efforts are done were highlighted as being equally important. Future successful capacity building efforts will depend on the extent to which its design and implementation is coherent within the complexities of the G2P program. Women's needs (e.g. cultural contexts, social norms, individual preferences), program features (e.g. operational capabilities and budget constraints), country

contexts (e.g. financial sector development and infrastructure constraints), and other stakeholder features (e.g. PSP's products, channels, incentives) constitute a complex constellation of variables that need to be navigated to construct a viable capacity building strategy for each context.

If done effectively, capacity building efforts may not only show positive impact on the use of digital financial services, but could potentially go far beyond the modest effects found in the financial training evidence review. Furthermore, to the extent that future efforts are embedded within pre-existing G2P programmatic structures, their feasibility in terms of cost-effectiveness and potential for scale is increased.

This report aimed to synthesize all the available evidence and resources, and to complement those with field research and a diversity of insights. What emerged was a series of principles, which serve as a compass to navigate the complexity of G2P ecosystems, in a way that can inform and benefit as many programs as possible. The challenge will be to put these principles into practice, in order to better understand how to effectively leverage G2P programs for women's economic empowerment.

Annex 1: List of Evidence Review Studies

- 1 Attanasio, O., Bird, M., Cardona, L., and Lavado, P. 2019. Freeing Financial Education via Tablets: Experimental Evidence from Colombia. NBER Working Paper
- 2 Field, E., Pande, R., Rigol, N., Schaner, S. and Moore, C.T. 2016. On Her Account: Can Strengthening Women's Financial Control Boost Female Labor Supply? Mimeo.
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- 16 Hakizimfura, R. and Zia, B. 2018. Decentralized Delivery of Financial Education: Evidence from a Country Wide Field Experiment. Policy Research Working Paper. 8521.
- 17 Sayinzoga, A., Bulte, E. H., and Lensink, R. 2016. Financial literacy and financial behaviour: Experimental evidence from rural Rwanda. Economic Journal, 126(594): 1571–1599.
- 18 Bruhn, M., Ibarra, G.L., and McKenzie, D. 2014. The minimal impact of a large-scale financial education program in Mexico City. Journal of Development Economics, 108: 184–189.
- 19 Ganesh S. and Yang, D. 2014. Motivating Migrants: A field experiment on financial decision-making in translational households. Journal of Development Economics.

Annex 2: List of Industry Interviews

Beatriz Rhyne, Accion / Center for Financial Inclusion
Alex Fiorillo, GRID Impact
Amina Tirana, Visa
Beatriz Marulanda, Marulanda Consultores
Christian Pennotti, CARE
Desarrollo de América Latina
Development (OECD)
Diana Mejia, Corporación Andina de Fomento (CAF) – Banco de
Flora Myamba, Repoa
Flore Anne Messy, Organisation for Economic Co-operation and
Gabriela Zapata, Independent Consultant
Jaime Ramos, Instituto de Estudios Peruanos
Jamie Zimmerman, Bill and Melinda Gates Foundation
Jennifer Matafu, UNICEF
Jessica Massie, Independent Consultant

Josh Martin, ideas42
Laura Rawlings, World Bank
Leora Klapper, World Bank
Liz Kellison, Bill & Melinda Gates Foundation
Luis Tejerina, Inter-American Development Bank
Luz Rodrigues, World Bank
Marie-Claude Guay and Khaylani Sankar, Next 3B
Marina Dimova, Women's World Banking
Mitul Thappiyal, MicroSave
Rajesh Bansal, Bankable Frontier Associates
Rebecca Rouse, Innovations for Poverty Action
Sarah Hewitt, Open Society Foundation
Syed Hashemi, BRAC: Targeting the Ultra Poor

Annex 3: Table of capacity building touch points along the user journey (associated with Figure 2).

Touch Point	Capacity Building	Knowledge, Attitudes, Skills & Behaviors
Enrollment Notification	<ul style="list-style-type: none"> Communicate her essential responsibilities and rights as a transfer recipient. Communicate payment info (frequency, amount and payment channel). 	<ul style="list-style-type: none"> Knowledge: She knows the key features of the program, including when and where to receive the transfer and how much to expect. Attitudes: She is willing to comply with program conditionalities.
Account Opening	<ul style="list-style-type: none"> Communicate payment features such as account characteristics (definition of an account, knowing that the account is hers and in her name, account confidentiality info, payment modalities). 	<ul style="list-style-type: none"> Knowledge: She knows the account characteristics. Attitudes: She has a positive attitude toward her account / the PSP Skills: She chooses which payment modality to use (assuming there is more than one)
Community Leader Notification	<ul style="list-style-type: none"> Communicate program's logistical protocols for regular get-togethers (conditionality checks, periodic program gatherings, trainings) 	<ul style="list-style-type: none"> Attitudes: Community leaders wish to lead these, and women decide to participate in regular get-togethers (both for conditionality checks and trainings)
Pre-Payment Notification	<ul style="list-style-type: none"> Communicate date and ideally transfer amount, as well as procedures to cash out at specific locations and institutions (PSPs, agents, ATMs) 	<ul style="list-style-type: none"> Knowledge/Skills: She knows where and when to cash out, and how much should be in her account. Behaviors: She decides how to cash out herself (agent, ATM, branch)
Recipient Meeting	<ul style="list-style-type: none"> Create technical capacities for basic transactions (check account balance, withdrawals at alternative locations such as branch, agent or ATM) using simulators that facilitate learning by doing Customize technical training to payment means (debit card or mobile wallet) and use of digital / mobile tools. 	<ul style="list-style-type: none"> Attitudes: She is not intimidated by digital tools and is confident enough to independently engage with the PSP Skills: She has practiced with the simulators how to check her balance and how to withdraw.
Early payment cycles (e.g. First to Third Payment)	<ul style="list-style-type: none"> Further technical capacity building by prioritizing training on basic features and use of payment channel. PSP and G2P staff providing on-site coaching through learning by doing 	<ul style="list-style-type: none"> Knowledge: She differentiates between program personnel and PSP personnel (such as the employee or coach). Attitudes: She is confident in transacting on her own. She trusts the PSP. Behaviors: She can check her balance or withdraw with little help from a coach or anyone else.
Recipient Meeting	<ul style="list-style-type: none"> Further technical capacities training is provided by discussing recipient experience in first transaction. Refresh debit card / mobile wallet use skills (use digital simulators for learning by doing). Introduce mechanism for queries and complaints solutions (whom to contact and process to follow). 	<ul style="list-style-type: none"> Knowledge: She is aware of redress mechanisms and resources from which to access additional information. Attitudes: She is willing to share her experience from the first withdrawal and listen to her peers; She feels empowered by her success in transacting with her account or mobile wallet. Skills: She is able to perform basic financial transactions and can reach out to express queries or complaints
Queries and Complaints	<ul style="list-style-type: none"> Respond to queries patiently and ensuring that the women have understood. Listen respectfully to complaints and provide assurances that these will be addressed. If complaints are frequently repeated, implement focus groups to better understand the user experience and improve service. If someone mentions having faced a particular challenge multiple times, provide information or resources to address that. 	<ul style="list-style-type: none"> Attitudes: She is willing to provide information and feedback (positive and negative) about the service she has received so far. Behaviors: She is empowered to express her complaints and address specific issues in her community.
Ongoing Payments / Transfer Recipient Meetings	<ul style="list-style-type: none"> Communicate elements of basic financial management: additional transactions besides withdrawing and checking balance. Focus on savings, avoiding over-indebtedness, diversifying use of financial services, etc. 	<ul style="list-style-type: none"> Knowledge: She understands the value of formal savings, and is aware of her options. She knows what questions to ask herself and the FSP when considering taking out a loan. Attitudes: She trusts the formal financial system. Behaviors: She defines a savings goal and starts to save towards it. She decides how to allocate her resources and ideally starts to save (formally and informally). She avoids over-indebtedness. She is more involved in managing household finances. She voices her opinion on household expenditures and is seen as an important decision-maker in the home.

Notes

- 1 The BMGF Gender Equality Strategy cites three main outcomes that are being driven towards: 1) Access to Income and Assets, 2) Control and Benefit from Economic Gains and 3) Power to Make Decisions. In particular, the Digital Financial Inclusion Lever aims to address Access to Income and Assets through direct social protection payments, and address Control and Benefit from Economic Gains through women actively using their own bank accounts to save money and make payments, and women having greater bargaining power over household resources.
- 2 Campos (2015). See also Hagen-Zanker et al., 2016, at <http://www.cashlearning.org/downloads/11374-odi.pdf>.
- 3 Bill & Melinda Gates Foundation, "A Conceptual Model of Women and Girls' Empowerment": https://docs.gatesfoundation.org/Documents/BMGF_EmpowermentModel.pdf
- 4 The evidence review was conducted by Susan W. Parker, from the University of Maryland.
- 5 A list of the studies included in the evidence review is included in Annex 1. A full annotated bibliography is included in the full evidence review document.
- 6 List of interviewees is included in Annex 2.
- 7 According to interviewee Gabriela Zapata, this might be even more important than increasing financial abilities: "We may not even need a specific financial capability but a choice architecture that makes it possible to carry out certain actions." Three respondents specifically cited default options for savings, such as Bank of America's "Keep the Change" program, given their potential to stimulate changes in financial practices. Similar to just-in-time interventions, a well-designed choice architecture may enable responsible decision-making by the end user.
- 8 Amina Tirana, Senior Director of Government Partnerships at VISA, cited M-Pesa's rollout slogan "Send money home" as an example of straightforward product marketing.
- 9 Programs such as the LISTA Initiative in Colombia have successfully leveraged existing networks of trust (mother leaders of the Más Familias en Acción CCT program) to disseminate digital tools to build financial capabilities.
- 10 Mitu Thapliyal, the Government and Social Impact Leader at financial inclusion consulting firm MicroSave, mentioned the importance of tailoring messaging strategies to the specific region(s) of interest, as methods of communicating can greatly vary by area. Additionally, different age groups use different media channels. Soap operas, for instance, may be an effective way of reaching the broader population or elderly populations, but they will have less traction among younger individuals who spend more time on social media.
- 11 According to Jamie Zimmerman, a Senior Program Officer at the Gates Foundation, if training is linked to a G2P program that is in the process of going digital, content can become "convoluted" due to distinctive objectives. Traditional trainings tend to focus on improving financial capabilities, while the population in this context (G2P program recipients) needs information about the G2P program and how to engage with the new payment medium. If training does not address the latter, it can create confusion among participants and provides them with little information they can immediately put into practice. Zimmerman observed this dynamic at play during a joint Equity Bank and World Food Programme initiative in Kenya: participants were attending workshops focused on budgeting, but received relatively little information on the basics of receiving digital payments, their associated fees, etc. They did not understand how the workshops were related to the G2P program, which made the trainings less relevant for them.
- 12 Elisabeth Rhyne, Managing Director of ACCION's Center for Financial Inclusion, stated that bank-sponsored programs can be vulnerable to this top-down approach. In certain programs in Malaysia, Mexico, and Peru, for instance, the Central Bank establishes the training curriculum and incorporates civic education material. While civic education is certainly important, it can distract from the goal of G2P programs, which in her view, is personal financial management.
- 13 According to Syed Hashemi, a Senior Adviser on graduation programs at BRAC, training materials need to be designed from the bottom up, not dictated by program coordinators: "The main challenge that training faces is that it has to reflect the position/needs of poor women... Urban women need to learn from rural women. It is not about sending Harvard people to teach poor women."
- 14 Beatriz Marulanda of Marulanda Consultores, found it important to allocate more resources to the payment ecosystem rather than the trainings themselves: "Do not spend too much on training (I would say no more than five percent). Spend most of your resources to make sure that the payment ecosystem works well."
- 15 Disclaimer: The LISTA Initiative was created by Fundación Capital, but given that it is a rare case of digital training within G2P programs and that it has undergone rigorous impact evaluations that have informed the conclusions and evidence presented here, it was included in this paper both as a reference and as a case study.
- 16 When Can Financial Education Affect Savings Behavior? Evidence From A Randomized Experiment Among Low Income Clients of Branchless Banking in India
- 17 Prices or Knowledge? What Drives Demand for Financial Services in Emerging Markets?
- 18 Money or Ideas? A Field Experiment on Constraints to Entrepreneurship in Rural Pakistan
- 19 This was an issue also highlighted in the industry expert interviews by Jessica Massie, a financial capability program designer.
- 20 Content designed by Microfinance Opportunities and Freedom from Hunger was commonly used in the Latin American region.
- 21 For example, the "Mujeres Ahorradoras en Acción" (Women Savers in Action) program implemented by Colombia's CCT program.
- 22 The self-affirmation training included three activities: 1) Drawing: Participants draw the things they bought with the last transfer, and then the consequences of those purchases back at home. The exercise aims to help women understand how their purchases influence the well-being of their family. 2) Card Game: Participants rank their role in society/family and then discuss. These conversations help them identify uses of money and take a more proactive role. 3) Stone Game: This is a probability game that predicts child illness, and leads to a discussion of strategies to adopt at home when facing unexpected events and financial expenditures, like a child getting sick.
- 23 Drexler, A., Fischer, G. and A. Schoar. 2014. "Keeping It Simple: Financial Literacy and Rules of Thumb." *American Economic Journal: Applied Economics*, 6(2):1-31.
- 24 This stands for "Modelo de Atención Personalizado para la Operación" or "Personalized Operational Service Model." Further information can be found in the accompanying case study.
- 25 Some examples of these common myths are that the government monitors savings balances in G2P recipients' accounts, and will take the money back if they don't spend it, or that the savings balances will indicate that the recipient is no longer eligible for cash transfers, as they are "too wealthy" or not spending the funds in accordance with the stated conditions.
- 26 A full description of each touch point, the services provided, as well as the outcomes for capability-building related efforts is outlined in Annex 3.
- 27 This is also a reason for embedding the training services (see previous recommendation).
- 28 In Mexico, some recipients that had contracted commitment savings accounts with Bansefi (Prospera's public bank managing the transfers) were having automatic deductions from their transfers but had commitment savings balances of zero, as a result of problems in the financial institution's management information system. Queries made to Prospera staff during participant meetings were rightly channeled towards the bank officers, but the latter had no knowledge of the technical problems occurring, and thus preferred to send recipients back to Prospera for troubleshooting. The result was an immediate loss of trust in both Bansefi and Prospera, which grew larger

Notes (continued)

through word of mouth and took months to resolve. An ambitious training strategy, meant to cover as many as two million women, had to be paused, and efforts to rebuild trust were put in place instead.

- 29 This experimental research was performed by Fundación Capital, and the evidence was both qualitative and quantitative, but not implemented at a large enough scale to indicate impact.
- 30 Open source typically refers to software, but is used to refer to situations when original content is made freely available and may be redistributed and modified.
- 31 For further information, see Beyond Financial Inclusion: Financial Health as a Global Framework (CFSI, 2017)

