

THE EVOLUTION OF BENAZIR INCOME SUPPORT PROGRAMME'S DELIVERY SYSTEMS

Leveraging Digital Technology for
Adaptive Social Protection in Pakistan

Melis Guven, Zaineb Majoka, and Gul Najam Jamy



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CONTENTS

Acknowledgements	1
Acronyms	2
Executive summary	3
1. Introduction	7
2. The socioeconomic context of Pakistan	11
3. Social protection in Pakistan: from the past to the present	14
3.1 The launch and expansion of the Benazir Income Support Programme	16
3.2 The launch and expansion of the National Socio-Economic Registry	23
3.3 Provinces roll out social protection programs aimed at adaptive social protection	33
4. The Social Protection Delivery Chain for BISP	36
4.1 ASSESS	37
4.1.1 Outreach and communications	37
4.1.2 Intake and registration and assessment of needs and conditions	43
4.2 ENROLL	45
4.3 PROVIDE	52
4.4 MANAGE	59
4.4.1 Case management and grievance redress mechanism	59
4.4.2 Monitoring conditionalities for the Benazir Taleemi Wazaif and Nashonuma CCTS	64
4.4.3 Monitoring of payments	67
4.4.4 Exit decisions	68
5. Monitoring and evaluation	70
6. Conclusions and recommendations	73
References	78

FIGURES

Figure 1: Social protection delivery chain	9
Figure 2: Persistent human capital index gap between the richest and poorest group over decades	13
Figure 3: The BISP's budget allocation and number of beneficiaries	17
Figure 4: BISP's annual budget allocation	17
Figure 5A: Poverty rates by district	18
Figure 5B: BISP beneficiaries by district	18
Figure 6: Percentage of total population covered by social assistance	20
Figure 7: Change in real value of benefit level	21
Figure 8: Change in adequacy of BISP transfer	22
Figure 9: NSER-NADRA Workflow	24
Figure 10: Process cycle of dynamic registry	28
Figure 11: NSER Data-Sharing process with other institutions	30
Figure 12A-12B: Population affected by floods	32
Figure 13: The outreach phase of the social protection delivery chain	38
Figure 14: Modes of communication about the WeT sub-program	40
Figure 15: Intake and registration and assessment of needs and conditions	44
Figure 16: The enrollment stage of the social protection delivery chain	45
Figure 17: BTW admission process flow	47
Figure 18: Flow of BTW android application	49
Figure 19: Process flow for enrollment of PLW & children	50
Figure 20: Process flow for the nutrition CCT	51
Figure 21: Provision of payments	52
Figure 22: Evolution of BISP payment system	53
Figure 23: BISP payment workflow	55
Figure 24: Kafaalat case management (GRM)	60
Figure 25: BISP payments complaints management system	61
Figure 26: Assessment of delivery systems	74
Figure 27: Proposed expanded data integration between NADRA and the NSER	75
Figure 28: Depiction of a knowledge discovery platform	76

TABLES

Table 1: Human capital indicators by region	12
Table 2: Separation criteria for Benazir Taleemi Wazaif	69

BOXES

Box 1: The impact of the Benazir Income Support Programme on poverty and household welfare	21
Box 2: Poverty score card based on poverty means test	23
Box 3: An exemplary partnership: the collaboration between BISP and NADRA	24
Box 4: Moving toward a dynamic social registry: lessons from other countries	26
Box 5: Using the NSER in emergency response situations	31
Box 6: Provincial social protection programs	33
Box 7: Local governments participate in social protection delivery systems	34
Box 8: Enhancing women's empowerment through identity cards	38
Box 9: BISP beneficiary committees	41
Box 10: Raising awareness of disaster preparedness using social protection schemes	42
Box 11: Using the BISP payment systems in shock response	57
Box 12: Kenya's Inua Jamii payment system	58
Box 13: The Grievance Redress mechanism in Turkiye	63
Box 14: Jordan's National Aid Fund	64
Box 15: Roles in the verification compliance with CCT co-responsibilities: country examples	65
Box 16: Leveraging savings and financial inclusion to support beneficiaries beyond cash transfers	69
Box 17: Management tools to promote quality in delivery system: lessons from Brazil	72

ACKNOWLEDGEMENTS

"The Evolution of Benazir Income Support Programme's Delivery Systems: leveraging digital technology for Adaptive Social Protection in Pakistan" was prepared by a team led by Melis Guven and Zaineb Majoka. The core team from the World Bank Group's Social Protection and Jobs Global Practice consisted of Gul Najam Jamy, Polly Jones, and Murium Hadi. Syed Muzaffar Ali's technical background paper on information systems was instrumental in shaping the report's relevant sections. William Cook provided valuable feedback on payment systems. Surat Nsour provided references on outreach and communications. The team also received support on visuals from Fahad Mirza and Atsuhiro Oguri, and on graphic design from Laura Restrepo and Andres de la Roche. Deepika Davidar edited the final report.

We are grateful for the guidance and feedback received from Cem Mete, Stefano Paternostro and Amjad Zafar Khan. Phillippe Leite, Sohail Abbasi, and Amna Khan provided valuable inputs on social protection initiatives implemented by provincial governments. We also appreciate the guidance and strategic direction received from Najy Benhassine (Country Director for Pakistan) and Nicole Klingen (Human Development Regional Director, South Asia Region).

We acknowledge the helpful comments received from peer reviewers: Junko Onishi, Yoonyoung Cho, and Kenichi Chavez (at the concept note stage) and Iftikhar Malik, Sarah Coll-Black, and Ubah Thomas Ubah (at the decision review stage). Waleed Anwar and Syed Farrukh Ansar helped to organize the concept note and decision review meetings.

We would like to extend our special appreciation to Shazia Marri, the Chairperson of the BISP and Federal Minister for the Ministry of Poverty Alleviation and Social Safety (2022-2023), Secretary Yusuf Khan, Additional Secretary Tahir Noor, and NSER Wing Director General Naveed Akbar for their guidance and support. We are also thankful for our informative technical discussions with a number of BISP staff including Ahmer Athar, Hamid Ali Khan, Khurram Shehzad, Hazoor Bakhsh Mehar, Saqib Mumtaz, Nouman Ali, Farhan Abbasi, and Nadia Fakhar. Our discussions with Arshad Liaquat Chaudhry, Director General of the BISP Punjab Central Zone, during a field visit to Lahore were extremely helpful in expanding our understanding of how the BISP's delivery systems function on the ground.

We would also like to thank Dr. Mukhtar Ahmad and Sumaira Sagheer for their valuable time and insights.

The report also benefitted from discussions with Sir Michael Baber and Muqueet Shahzad.



ACRONYMS

4Ps	Pantawid Pamilyang Pilipino Program	NDEP	National Data Exchange Platform
APBS	Aadhaar Payment Bridge System	NDMA	National Disaster Management Authority
API	Application Programming Interface	NGO	Non-Governmental Organization
ASP	Adaptive Social Protection	NICOP	National Identity Card for Overseas Pakistani
BBC	BISP Beneficiary Committee	NOC	No objection certificate
BDC	BISP Debit Card	NPGP	National Poverty Graduation Program
BI	Business intelligence	NSER	National Socio-economic Registry
BISP	Benazir Income Support Programme	NSPS	National Social Protection Strategy
BTW	Benazir Taleemi Wazaif (Education CCT)	OPM	Oxford Policy Management
BVS	Biometric Verification System	PAPI	Pencil and Paper based personal interviewing
CAPI	Computer Assisted Personal Interviewing	PASS	(Ministry of) Poverty Alleviation and Social Safety
CHM	Complaints and Handling Mechanism	PBM	Pakistan Bait-ul-Mal
CT	Cash transfer	PCMS	Payments Case Management System
CCT	Conditional Cash Transfer	PDMA	Provincial Disaster Management Authority
CMS	Case Management System	PIN	Personal Identification Number
CNIC	Computerized National Identity Card	PKLI	Pakistan Kidney and Liver Institute and Research Center
DG	Director General	PKR	Pakistan Rupee
EPI	Expanded Programme on Immunization	POS	Point-of-sale
ETL	Extract, transform and load	PLW	Pregnant and Lactating Woman
EWS	Early Warning System	PMT	Proxy Means Test
FCDO	Foreign Commonwealth and Development Office	PPAF	Pakistan Poverty Alleviation Fund
FSP	Food Support Program	PPP	Purchasing Power Parity
GDP	Gross Domestic Product	PSA	Public service announcement
GEWEL	Girl's Education and Women's Empowerment and Livelihood	PSP	Payment Service Provider
G2P	Government-to-person	PSPA	Punjab Social Protection Authority
GPS	Global Positioning System	QR	Quick Response
GRM	Grievance redress mechanism	RAAST	Roshan Digital Account Asaan (easy) and Swift Transactions
HCI	Human Capital Index	SAM	Severe Acute Malnutrition
HIES	Household Integrated Economic Survey	SM	Social mobilization
ID4D	Identification for Development	SNF	Specialized Nutritious Food
IPF	Implementing partner firm	SPJ	Social Protection and Jobs
ISAS	Integrated Social Assistance System	TAT	Turnaround time
KP	Khyber Pakhtunkhwa	UCMS	Unified Case Management System
KPI	Key Performance Indicator	UCT	Unconditional Cash Transfer
LMA	Limited Mandate Account	UNITAR	United Nations Institute for Training and Research
MAM	Moderate Acute Malnutrition	USP	Universal Social Protection
MIS	Management information system	WeT	Waseela-e-Taleem
MPI	Multi-dimensional Poverty Index		
NADRA	National Database and Registration Authority		
NAF	National Aid Fund		
NARC	National Agricultural Research Center		



EXECUTIVE SUMMARY

Pakistan, the world's fifth-most populous country, is a lower-middle-income state with a per capita GDP of US\$1,505 (2021) ("GDP per Capita-Pakistan" n.d.). While poverty has decreased significantly over the past two decades, one-quarter of the population still lives below the poverty line, and these people are disproportionately located in rural areas. The COVID-19 pandemic worsened the situation for poor and vulnerable households, and the floods in 2022 further pushed millions of people below the poverty line. Human capital accumulation is sluggish in Pakistan, with the country's low education and health indicators leading to low labor productivity. Stark inequalities in human capital accumulation between wealth quintiles and gender disparities exacerbate poverty and low human development indicators. Pakistan is also among the countries that are most vulnerable to climate change-related disasters which pose a continuous threat to lives and livelihoods.

Over the past 15 years, Pakistan has made significant strides in establishing and strengthening its social protection system. Prior to the 2008 global financial crisis, social safety net initiatives in Pakistan were ineffective because of their non-objective targeting and limited coverage. In response to rising food and

fuel costs, the government launched the Benazir Income Support Programme (BISP) in 2008. BISP began as an unconditional cash transfer (UCT) program (now known as Kafaalat) and has since become the country's flagship social safety net to support the poorest families in the country. In 2010, BISP was established as an autonomous institution, with fiscal autonomy and support from all political parties, which made its expansion possible. Its coverage has significantly expanded over time, and two conditional cash transfers (CCTs) have been added with the aim of encouraging families to invest in the human capital of their children. BISP now covers between 26 percent to 30 percent of the population in each province.

The program has been successful in mitigating the negative impact of poverty on households as well as protecting them against shocks. BISP has had significant positive impacts on consumption expenditure, food consumption, child nutrition security, asset retention, the mobility of women, investments in health and education, and savings. To date, BISP has provided USD 1 billion in regular and reliable support (World Bank n.d.). Between 2011 and 2019, the percent of BISP beneficiaries below the poverty line fell from 90 percent to 72 percent;

however, its impact on poverty diminished by 2019, primarily because of eroding value of benefit level. Investments in building systems over the years were realized when the government was able to rapidly expand BISP, both vertically and horizontally, to respond to the COVID-19 pandemic and the floods in 2022. It is essential to continue investing in such programs to reduce poverty and inequality in the country.

The BISP benefit level has been increased to improve its adequacy, but it still accounts for only 10 percent of average household consumption. The value of BISP's cash transfer was not increased until 2017, causing a steady reduction in the adequacy of benefits. Although the benefit level has been increased on an ad hoc basis in the last few years, it is still inadequate, especially given the recent drastic increase in fuel and food prices and the highest ever recorded inflation rate in March 2023. A recent mechanism to review the transfer value resulted in a 25 percent increase in the UCT amount, effective January 2023. The current value accounts for almost 10 percent of the average consumption; however, for BISP to have any impact on poverty, the benefit level must at least be 15 percent of the average household consumption.

The Government of Pakistan introduced two CCTs programs—Waseela-e-Taleem (WeT) and Nashonuma—to enhance investments in human capital. Launched in 2012, WeT aimed to increase primary school enrollment rates and human capital accumulation among poor children, especially girls. WeT has now been renamed the Benazir Taleemi Wazaif (BTW) program and has been expanded to cover primary, secondary, and higher secondary education for children aged between 4 and 22 years who come from families that receive the BISP UCT. Impact evaluations conducted in 2016 show significant positive impacts in terms of increasing school enrollment and reducing grade repetition, with a higher impact on girls than on boys. The program has promoted school enrollment, attendance, and graduation, with female students receiving stronger incentives than males. Subsequently in 2020, the government introduced Nashonuma, a health and nutrition CCT that targets pregnant and lactating mothers and children aged between 0 and 24 months old from families that receive the BISP UCT.

With data and technology, BISP has constantly improved its delivery systems to be more accessible and responsive to the needs of its target population. BISP relies on the National Socio-Economic Registry (NSER) to identify and enroll eligible families. The NSER was updated in 2021 with majority of data collected through a door-to-door survey.¹ BISP uses a biometric verification system (BVS) when making payments. Beneficiaries receive their payments after being biometrically verified by their thumbprint through ATMs or at point-of-sale (POS) agents. BVS is linked with the database of the National Database and Registration Authority (NADRA), which enables real-time verification at every step.

The strength of the NSER is largely due to its operating ecosystem. Its collaboration with NADRA has been crucial to its progress. Both databases were major technological and capacity investments to benefit the poor and vulnerable. This ecosystem also supported BISP's efforts to enhance its payments system by transitioning from cash to digital payments using BVS to ensure that identity is verified at every stage. As the ecosystem in the country continues to evolve, BISP can enhance the way in which it assesses the welfare status of households by complementing the NSER data with information from administrative databases of other institutions such as vehicle administration, tax administration, and land records administration especially in the provinces.

Prior investments in technology enhanced the ability of BISP's delivery systems to respond to shocks. BISP was globally recognized for its rapid response to the pandemic using cash transfers. Further, in the aftermath of the 2022 floods, BISP provided one-time emergency transfers to 1.76 million families. To identify beneficiaries, BISP used both NSER and big data analysis. By triangulating NSER data with other sources—for example, using GPS data from the NSER in combination with flood exposure data from the United Nations Institute for Training and Research (UNITAR—BISP) was able to precisely target those areas where families were most vulnerable to floods.

Efforts to further improve BISP's delivery systems are ongoing, with a focus on making them dynamic and even more responsive to shocks. To make the NSER more dynamic, BISP has established registration desks at the tehsil (subdistrict) level where households can register to be covered by the program and existing beneficiary households

¹ The door-to-door survey was complemented with temporary desk-based data collection kiosks in 2020 and 2021.

can update their information. Through a structured process which involves interim periodic steps, the entire NSER database will be completely updated every four years, thereby eliminating the need for complicated and costly door-to-door surveys in the future. However, the NSER will conduct regular surveys in disaster-prone areas identified by the National Disaster Management Authority (NDMA) and the Provincial Disaster Management Agencies (PDMAs). In case of a disaster, the registry desks will serve as a platform for processing new registrations, recording losses, and re-evaluating the proxy means test (PMT) used to establish eligibility for emergency cash assistance offered by social safety nets or other public/private institutions. This approach was successfully implemented during the 2022 floods. However, the success of this approach depends on the proximity of these data collection centers to people, especially those living in remote areas. Here, provincial local governance structures can be leveraged to ensure that alternative measures can be put in place in areas where mobility and distance can limit access to these data collection sites.

Despite making progress in outreach and communication, BISP has faced capacity challenges that have hindered the development of an effective communication strategy. Effective communication is critical for social protection systems and could be used at every stage of delivery. Several draft strategies produced by BISP have recognized communication as the institution's weakest link. The communications unit is understaffed and, as a result, community mobilization efforts such as BISP beneficiary committees (community-level groups of female beneficiaries) have not been sustainable because of a lack of capacity, purpose, and protocols. As BISP moves toward on-demand data updates and registration through the dynamic registry, outreach will become even more critical, particularly to marginalized and remote populations. While mobile registration vehicles are currently being used to actively search for potential beneficiaries, more planning and resources are required to scale up this effort. BISP could leverage BTW's compliance monitors to conduct outreach and community activities on its behalf. It could also explore involving local notables to increase awareness of BISP's programs. Communication efforts could also focus on informing beneficiaries of the program's grievance mechanism as there is currently limited awareness of this among beneficiaries.

There are challenges to making the NSER more dynamic and increasing its role in other social programs. To make the NSER more dynamic, BISP must actively seek out potential beneficiaries who may have been excluded. Also, program managers could use human-centered design techniques to understand how people interact with the system and to identify ways to improve the client experience. Streamlining and automating how BISP exchanges data with partner organizations could make the process more efficient and enable the NSER to be a dynamic registry. To ensure that both the NSER and NADRA stay current, policy makers could extend the integration of the NSER with NADRA to facilitate automated updates of beneficiaries' changed attributes, such as marital status or disability. Because the NSER is a valuable national asset, policy makers could develop a comprehensive national vision for the registry so that it can increasingly deliver benefits for programs other than BISP.

Further, using business intelligence (BI) software with data visualization and data analytics features could unleash the potential of the data held by NADRA and the NSER and make them available through a knowledge discovery platform. BI software can be designed to collect and process large amounts of unstructured data and prepare it for analysis with the aim of improving decision-making and increasing operational efficiency. Provincial social protection programs and disaster relief management authorities could be given access to the knowledge discovery platform to drill down into specific geographic areas and apply filters to socioeconomic attributes to analyze their impact. After thorough analysis, finalized criteria could be used to extract data to be verified by a cloud-based management information system (MIS). BISP is developing a prototype for a cloud-based MIS for users of NSER data, which is expected to be piloted in collaboration with the provinces to assess its effectiveness before a potential scale up.

BISP's shift to a new payment system is expected to improve beneficiaries' experience and to support financial inclusion but needs to include a more comprehensive grievance redress mechanism. With BISP's transition to a new payment system, the number of participating financial institutions is expected to increase. Consequently, procedures related to grievance redress, funds reconciliation, and other administrative activities may become more complicated, necessitating careful management

by BISP. Introducing a unified grievance redress mechanism for all of its sub-programs will significantly improve its grievance redress management. At present, each cash transfer program has its own MIS for receiving complaints, which is integrated with the complaints systems in each participating bank. The new mechanism is anticipated to streamline the entire grievance redress process. Recognizing that an increase in the number of participating financial institutions may increase challenges with how grievances are handled would help in the design of BISP's unified case management system (UCMS).

As Pakistan's social protection system expands, coordination between provincial and federal agencies will prevent fragmentation and duplication and ensure more effective management of BISP local offices. Provincial governments are in the process of establishing social protection programs and delivery systems. Seeking additional opportunities to collaborate with provinces at multiple stages of the delivery chain will help BISP ensure the efficient delivery of social protection across the country. Effective collaboration will be particularly vital in the context of the BWT (education) and Nashonuma (health) CCTs because the provinces are responsible for providing services that are critical to the more dynamic NSER becoming a reality. To address the need for more on-the-ground presence to implement the CCTs and ensure a more dynamic NSER, BISP has increased its field staff (which has presented a management challenge for BISP headquarters in Islamabad).

A series of process evaluations and spot checks has helped BISP improve its operations. Since its inception in 2008, BISP has monitored the implementation of its sub-programs through regular external operational reviews, impact assessments, beneficiary feedback surveys and various other third-party evaluations². These evaluations have helped

the organization to: (a) identify weaknesses in its program implementation and to make the necessary improvements. For example, if an evaluation revealed that payment disbursements were being delayed in a certain area, BISP could take corrective action to speed up the delivery of the payments; (b) increase transparency, foster citizen engagement, and ensure that the program is publicly accountable; and (c) build trust in the program among its beneficiaries and stakeholders. Process evaluations and spot checks are best practices in program management, as they help to ensure that programs are being implemented as intended and that program resources are being used efficiently and effectively.

BISP's commitment to monitoring and evaluation (M&E) includes impact evaluations. These evaluations are conducted by external firms, under the guidance and supervision of BISP's M&E Wing and are focused on assessing the program's effectiveness in achieving its intended outcomes. Four rounds of such evaluations have been conducted since BISP's inception, and an impact evaluation firm is presently being hired to conduct additional rounds. As with the process evaluations, the impact evaluations are conducted using a collaborative approach, with BISP and its key stakeholders identifying the indicators to be measured. The evaluations measure the program's impact on beneficiaries' well-being in both the short and long run as well as outputs and outcomes against defined benchmarks using the theory of change. These impact evaluations have enabled BISP to gather valuable insights into its effectiveness in supporting vulnerable populations. This information has helped BISP identify areas for improvement and make necessary adjustments to the program. In addition, like the process evaluations and spot checks, the impact evaluations have helped to build confidence and trust in BISP among beneficiaries and stakeholders by providing transparent and objective assessments of the program's performance.

² These included: (i) the NSER survey 2010-11 with regular process evaluation and spot checks conducted throughout the survey; (ii) the NSER update 2016-21 with regular process evaluation and spot checks conducted throughout the survey; (iii) an operational review of the education CCT and continuous beneficiary feedback since inception in 2012; (iv) an ongoing operational review of the health CCT; (v) four rounds of impact evaluations of the BISP UCT using the same panel of households between 2010 and 2019; and (vi) several years of external reviews and beneficiary surveys funded by the UK Foreign, Commonwealth, and Development Office (FCDO). All of the above produced quarterly and annual reports and even weekly reports when needed.



INTRODUCTION

KEY MESSAGES

The need for effective and timely social protection to protect the well-being of households before, during, and after the shock has been underscored by the COVID-19 pandemic and subsequent global crises.

Countries with dynamic social protection delivery systems can quickly adapt and respond to the changing needs of population, thus enabling Adaptive Social Protection (ASP). Transitioning to ASP requires effective delivery systems which are also key to achieving universal social protection.

The Government of Pakistan launched the Benazir Income Support Programme (BISP) in 2008 as an autonomous institution to deliver the government's pro-poor social policy initiatives.

Over the past 15 years, the government has made significant investments in its social protection system and has built strong legal and institutional arrangements, leveraged technology, and developed dynamic delivery systems that have collectively improved the effectiveness and efficiency of its programs.

Compounding global crises have highlighted the importance of providing effective social protection. Social protection can be defined as policies and programs that help individuals and societies to manage risk and volatility, protect them from poverty and inequality, and help them access economic opportunities. Social protection aims to achieve this by increasing people's resilience, equity, and opportunity, the three goals of social protection, through a range of instruments in the domains of social insurance, labor and economic inclusion, and social assistance and care. The unprecedented crisis caused by the COVID-19 pandemic, which was immediately followed by the global shocks of the war in Ukraine and climate emergencies, has reinforced the need for responsive social protection initiatives. It has also highlighted new and rapidly evolving possibilities for designing and delivering social protection that are more suited to responding to crises (World Bank 2022c).

The COVID-19 shutdowns across the world created an urgent imperative to respond to the needs of the poor and vulnerable, and many countries had to rely on existing social protection systems to do this. Across the world, countries introduced more than 200 social protection measures (Gentilini et al. 2022), most of which leveraged existing systems but some of which used technology to rapidly launch, scale up, and deliver new programs. Since then, governments have responded to other socioeconomic shocks (such as food price hikes, climate shocks, and fuel shortages) by providing cash transfers to millions of people, including informal sector workers who are not the traditional beneficiaries of safety nets. According to the World Bank tracker of social protection and jobs responses to COVID-19, 223 economies introduced social protection measures that compensated around 1.3 billion people for income lost because of lockdowns and the economic downturn (Gentilini et al. 2022).

It became evident that countries that had invested in their social protection systems were able to respond to the pandemic crisis more quickly and effectively. Examples include Jordan, Pakistan, and Türkiye, countries that had made prior investments in their delivery systems. Since the frequency with which crises occur is accelerating, investing in strengthening and building systems is more important than ever to increase countries' preparedness to face various shocks. While countries are still recovering from COVID-19, the impact of the global inflation crisis highlights the continued importance of efficient social protection delivery systems to protect vulnerable groups.

Effective delivery systems will be essential to achieve universal social protection and ensure shock-responsive social protection systems. Achieving universal social protection (USP), which provides access to social protection for all whenever and however they need it, will be critical for effectively reducing poverty and boosting shared prosperity. Delivery systems constitute the operating environment for implementing social protection benefits and services. In recent years, delivery systems have improved significantly because of the rapid development and deployment of: (i) identification systems, (ii) social registries, and (iii) payment systems. All three are complementary and used beyond social protection. Each has proven critical for improving the quality of delivery of social protection programs. In many countries, social protection programs are not only the biggest users of these systems but have also contributed to their widespread adoption (World Bank 2022c). How countries make progress toward achieving USP will depend on political and economic factors along with the available fiscal space but, in all cases, building effective delivery systems is a prerequisite. For example, whether delivery systems are static or dynamic has implications for how inclusive and responsive social protection programs can be. The pandemic highlighted the importance of dynamism to enable adaptive social protection (ASP) systems, which will become increasingly necessary as countries try to support households in the face of threats from climate change and other crises. A timely and adequate response is critical to protecting human capital before, during, and after a shock hits.

The Government of Pakistan has made significant investments in its social protection system over the past 15 years. The Benazir Income Support Programme (BISP) was launched in 2008 as an autonomous institution to deliver the government's pro-poor social policy initiatives. A key motivation for its creation was the recognition that publicly funded social protection programs were limited in terms of adequacy, targeting efficiency, and their ability to respond to shocks. Complementary legal and institutional arrangements, openness to leveraging technology, and the development of dynamic delivery systems have led to significant improvements in the effectiveness and efficiency of its programs. BISP launched its first unconditional cash transfer (UCT) program, which was also called BISP at that time but is now referred to as Kafaalat, to mitigate the adverse impact of food, fuel, and financial crises on the poor. Over the years, the number of beneficiaries has increased from 1.7 million families to 9 million families. BISP has also introduced two conditional cash transfers (CCTs)— Waseela-e-

Taleem for education and Nashonuma for health—that prioritize human capital accumulation.

BISP has expanded its coverage and improved its delivery systems, making it more accessible and responsive to the needs of its target population.

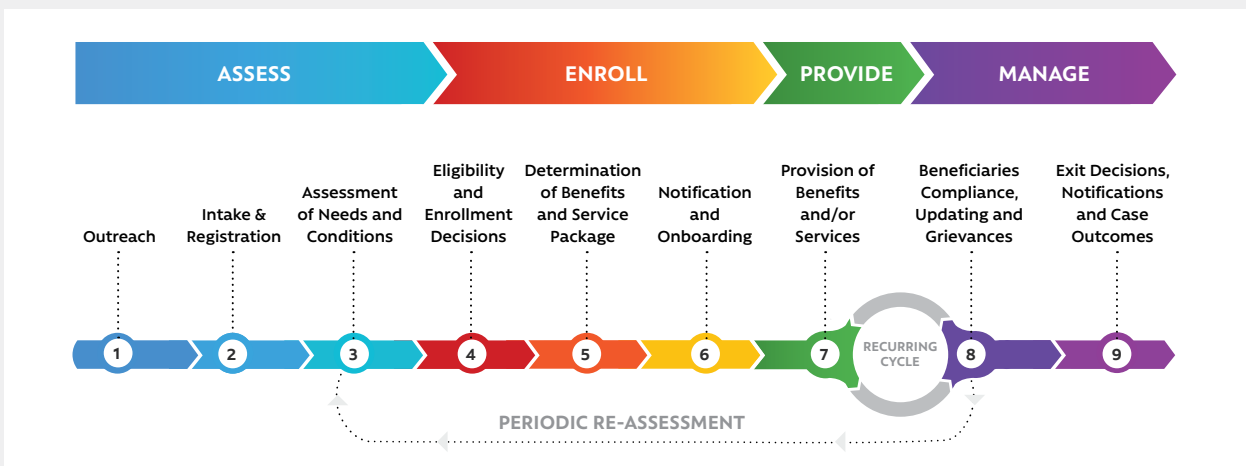
Delivery systems are a prerequisite for providing social protection benefits and services and include identification systems, social registries, payment systems, and management information systems. The government has increasingly used data and technology to improve the efficiency and effectiveness of delivery systems, mainly through leveraging the Computerized National Identity Cards (CNICs) system and linking it with the NSER and payment systems. The NSER currently covers over 35 million families and has data on household demographics and other socioeconomic indicators that are used to determine eligibility for benefits. The government has also started using BISP's delivery systems to respond to economic and climate shocks, which has improved the pace of response.

How countries deliver social protection has implications for outcomes. Analyzing different social protection delivery systems around the world can provide answers to crucial questions such as how various elements of delivery systems come together to ensure that programs function as intended, how they provide beneficiaries with easy access to

programs, how they can be leveraged to promote better coordination and integration, and how social protection programs can provide a better client experience for their intended populations.

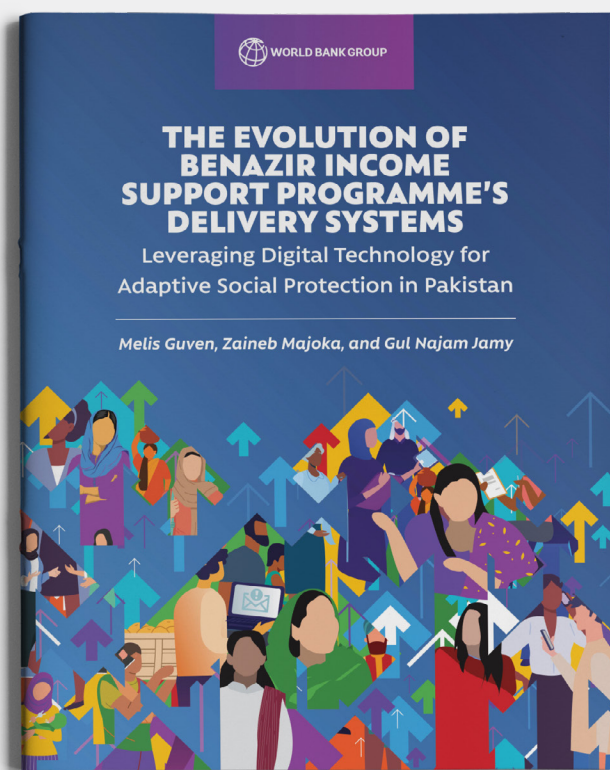
This report documents the progress that Pakistan has made so far in improving its systems for delivering social protection to its people. The government has increasingly relied on data and technology to increase the efficiency and effectiveness of the program. BISP UCT (Kafaalat), the country's largest social assistance program in terms of both budget allocation and number of beneficiaries, has been responsible for the most innovative developments in the delivery of benefits. Its delivery systems have evolved significantly over time expanding in scope from simply delivering the UCT to becoming a system that other programs can leverage to identify beneficiaries and deliver benefits. It has flexibility to be scaled up, both horizontally and vertically, in times of shock. This did not happen overnight: the government has consistently invested time and resources over the past decade and a half to improve how it functions. By documenting that journey, using the Social Protection Delivery Chain Framework developed by the World Bank in the "Sourcebook on the Foundations of Social Protection Delivery Systems," (Lindert et al. 2020), this report can be a resource for domestic and international stakeholders (Figure 1).

FIGURE 1 SOCIAL PROTECTION DELIVERY CHAIN



Source: Lindert et al. 2020
 Note: The stages that are common to most programs include outreach, intake and registration, assessment of needs and conditions, eligibility and enrollment, payment of benefits and provision of services, and monitoring and management, including how beneficiaries exit the program. People and institutions interact all along the delivery chain. Those interactions are facilitated by several factors including communications, information systems, and technology.

The report contains an end-to-end review of the social assistance delivery chain including outreach, intake and registration, assessment of needs and conditions, eligibility and enrollment, payment of benefits, provision of services, and program monitoring and management, including how beneficiaries exit the program, since the inception of BISP to June 2023.



THE REPORT HAS SIX SECTIONS INCLUDING THE INTRODUCTION.

- **SECTION 2**
describes the socioeconomic context.

- **SECTION 3**
outlines the history of social protection in Pakistan focusing on BISP (coverage, spending, results, institutional arrangements and role in adaptive social protection).

- **SECTION 4**
assesses the BISP's delivery chain.

- **SECTION 5**
discusses its monitoring and evaluation practices.

- **SECTION 6**
concludes and provides recommendations to the Government of Pakistan on how to further improve the delivery of benefits to those most in need.



THE SOCIOECONOMIC CONTEXT OF PAKISTAN

KEY MESSAGES

Pakistan had made significant gains in poverty reduction; however, recent shocks, including the COVID-19 pandemic and the floods of 2022, have significantly reversed those gains.

Pakistan is behind its regional counterparts in human capital accumulation and has huge gender disparities. This, combined with an increasing incidence of climate shocks, poses a continuous threat to the lives and livelihoods of the poor and vulnerable.

Over the past two decades, poverty rates declined in Pakistan; however, the impact of the COVID-19 pandemic reversed that trend and inconsistent economic growth, recent natural disasters and surging inflation pose obstacles to future progress. Pakistan, the world's fifth-most populous country, is a lower middle-income country with a per capita GDP of US\$1,505 in 2021. While the promise of rapid sustained economic growth has always existed, Pakistan has exhibited a cyclical boom-and-bust pattern.

A narrow export base coupled with weak production has prevented the country from capitalizing on rich resources. Nevertheless, between 2001 and 2018, over 47 million people rose out of poverty (World Bank n.d.). However, the pandemic pushed two million people below the poverty line (World Bank 2021a) and the floods in 2022 pushed an estimated 8.4 million to 9.1 million people into poverty (World Bank 2022b). The current surge in food and transport prices brought the annual rate of consumer price inflation in March 2023 to 35.37 percent, the highest ever in

Pakistan (Asif 2023), making even basic necessities unaffordable for millions of people. This situation will be exacerbated by the country's ongoing balance of payments crisis.

Pakistan lags its regional counterparts on human capital accumulation. In 2021, a child born in Pakistan was forecast to be only 41 percent as productive when she grew up as she could have been if she had had a complete education and enjoyed full health (World Bank 2020a). This rate is lower than the South

Asia average of 48 percent and comparable to Sub-Saharan Africa with an average of 40 percent (Table 1) The country has the second highest number of out-of-school children in the world (UNICEF 2019). A consequence of such low human capital is that Pakistan's labor productivity lags that of its peers in South Asia (Pakistan Bureau of Statistics 2019). National education and health indicators, including school enrollment, adult literacy, and child mortality, are worse than in other countries with similar levels of economic development.

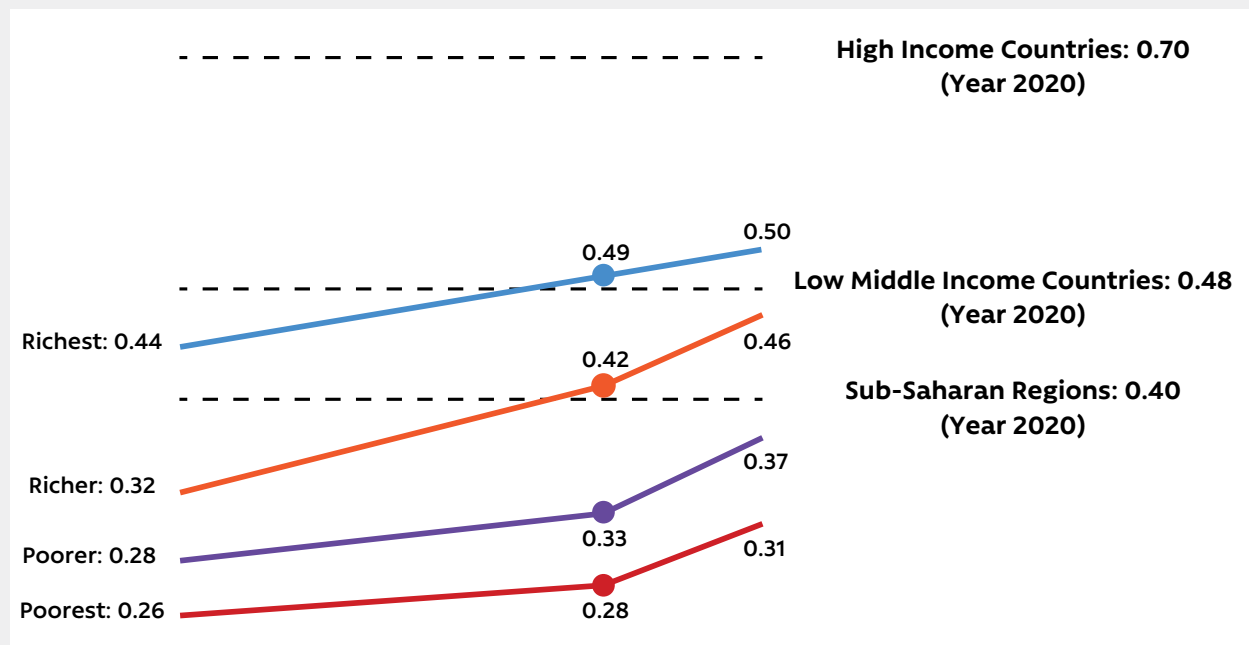
TABLE 1 HUMAN CAPITAL INDICATORS BY REGION

INDICATOR	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & North Africa	North America	South Asia	Sub-Saharan Africa	Pakistan
HCI Component 1: Survival								
Probability of survival to age 5	0.98	0.99	0.98	0.98	0.99	0.96	0.93	0.93
HCI Component 2: Education								
Expected Years of School	11.9	13.1	12.1	11.6	13.3	10.8	8.2	9.4
Harmonized test scores	432	479	405	407	523	374	374	339
HCI Component 2: Health								
Survival rate, from age 15 to 60	0.86	0.9	0.86	0.91	0.92	0.84	0.74	0.85
Fraction of children under 5 not stunted	0.76	0.9	0.85	0.82	-	0.69	0.69	0.62
Human Capital Index (HCI)	0.59	0.69	0.56	0.57	0.75	0.48	0.4	0.41

Source: Ersado et al. 2023

There are stark inequalities in human capital accumulation with long-term negative consequences for poor households. Figure 2 on the following page shows that the gap in human capital outcomes between households in the richest two quintiles and households in the poorest two quintiles has grown in the past 30 years. For example, research shows that Pakistan has raised its overall Human Capital Index (HCI) level by investing more in richer rather than

in the poorest households (Agha and Sohail 2016). Among those in the richest two quintiles, Pakistan's level on the HCI is around the low-middle-income country average of 0.48. However, the HCI level among households in the poorest two quintiles is well below the Sub-Saharan African average. With low levels of productivity and lifelong earnings, poor households can remain stuck in intergenerational poverty.

FIGURE 2**PERSISTENT HUMAN CAPITAL INDEX GAP BETWEEN THE RICHEST AND POOREST GROUP OVER DECADES**

Source: Ersado et al. 2023

Note: Calculations are based on Demographic and Health Surveys (1990-2017)

Gender disparities reinforce poverty and low human development indicators. Pakistan ranked third-from-last on the World Economic Forum's 2020 Global Gender Gap Index. Lower levels of female education and literacy, poor access to health services, and social and cultural practices that limit female labor force participation (FLFP) leave female-headed households particularly at risk. Pakistan's FLFP rate of 21 percent is less than half the average of 46 percent for the rest of the world ("Labor Force Participation Rate Female-Pakistan" n.d.). The COVID-19 pandemic compounded these disparities by limiting the fiscal space available to close the infrastructure and social sector deficits that inherently affect women and girls more than men.

Besides the lingering impacts of COVID-19 and the intensifying impacts of higher prices, climatic shocks pose a continuous threat to lives and livelihoods. Pakistan is among the top 10 countries most vulnerable to climate change including floods, droughts, and heatwaves which endanger the lives and livelihoods of millions of people each year. These crises necessitate continued investments in expanding social protection systems and reducing inefficiencies and fragmentation. Strong social protection delivery systems such as IDs, social registries, payment systems, and management information systems (MIS) can enhance the effectiveness and efficiency of social protection programs in responding to shocks both ex post and ex ante.



SOCIAL PROTECTION IN PAKISTAN: FROM THE PAST TO THE PRESENT

KEY MESSAGES

Pakistan's early social safety nets schemes (Pakistan Bait-ul-Mal and Zakat) were weakly targeted, had limited coverage, and were mired in bureaucratic and administrative inefficiencies.

In response to the global financial crisis in 2008, the government launched the Benazir Income Support Programme (BISP) and, in 2010, the government established BISP as an autonomous national institution responsible for delivering its pro-poor social policy.

Financial autonomy, administrative flexibility, and transparent accountability mechanisms have enabled BISP to make large investments in its programs as well as its delivery systems.

Coverage of BISP Kafaalat has expanded from 1.76 million families to 9.2 million families while budget allocation to BISP increased from PKR 34 billion in 2008 to PKR 360 billion in 2022.

BISP's delivery systems rely on the National Socio-Economic Registry (NSER), Computerized National Identity Cards, and Biometric Verification System-based payments.

Launched in 2010, the NSER has become the backbone of Pakistan's social protection delivery systems and is currently used by more than 30 programs and agencies.

The NSER collects demographic and socioeconomic information on each household which is used to calculate a poverty score based on a Proxy Means Test (PMT). The poverty score serves as an objective criterion to identify beneficiaries.

The NSER is moving toward an on-demand registration system, which will ensure a complete update every four years.

BISP recently established a steering committee for the NSER with representation from all provinces, which will strengthen data-sharing among entities while also improving data quality and use.

Historically, social protection programs in Pakistan focused on social security in the formal sector.

Social security schemes were first introduced in the 1950s and included the Government Servants' Pensions-cum-Gratuity Scheme (1954), the Public Sector Benevolent Fund and Group Insurance Scheme (1969), the Employees' Social Security Scheme (1970), Workers' Welfare Funds (1971), and the Employees' Old Age Benefits Institution (1976). These programs are limited to employees in the formal sector, even though the informal sector represents 81 percent of total employment in Pakistan, including most workers from the bottom quintiles. As a result, majority of workers, especially those who are poor and vulnerable, are excluded from such protection.

With the Development Policy Framework (DPF) 2005–2010, social protection for the poor became a policy objective for the government.

The DPF included provision of cash and non-cash support, protection from shocks, and investment in human capital as key tools to support the poor and vulnerable. In 2007, the government adopted the National Social Protection Strategy (NSPS) to develop the foundations of an integrated and comprehensive social protection system that would: (i) cover everyone in need, especially the poorest and the most vulnerable; (ii) promote household investments in human and physical assets, including health, nutrition, and education; and (iii) protect them from shocks by increasing their resilience and breaking the intergenerational cycle of poverty ("Government of Pakistan Planning Commission Annual Plan 2007-08" 2007). The strategy also reviewed existing social protection initiatives concluding that they were largely ad hoc with multiple duplicate and overlapping programs (Government of Pakistan, 2007). The strategy prioritized households with female heads as well as those with many children and recognized the needs of marginalized populations.

Early social safety net programs in Pakistan had limited reach and effectiveness.

Still in operation, Zakat & Ushr, established in 1980, and Pakistan Bait-U-Mal (PBM), established in 1991, are the earliest social protection programs in the country. Zakat is financed by voluntary deductions from the commercial bank accounts of citizens and corporations. Local Zakat committees, established under the umbrella of the Ministry of Religious Affairs, identify the most needy and marginalized Muslims through informal mechanisms such as consultations with community leaders. In 2007, it supported around 1.6 million families (World Bank 2007). The Food Support Program (FSP) run by PBM used to be the main government-run cash transfer program. Implemented by the Ministry of Social Welfare and Special Education, it provides a fixed amount to poor families to support their basic needs. District-level committees comprised of governmental and non-governmental representatives identify and select PBM participants using informal and community-based targeting methods. The welfare status of the beneficiaries is not independently verified.

The financial crisis of 2008 revealed the limitations of Zakat & Ushr and PBM.

Both programs were weakly targeted, lacked transparency and accountability, had limited coverage, and were mired in bureaucratic and administrative inefficiencies. Both programs delivered cash manually, which was slow, inefficient, and lacked transparency. Since most benefits were one-off transfers, they did not provide recipients with regular, consistent support.

3.1 THE LAUNCH AND EXPANSION OF THE BENAZIR INCOME SUPPORT PROGRAMME

In 2008, following a sharp rise in fuel and food prices, the government launched BISP as its flagship social safety net program to respond to the shrinking purchasing power of poor households with a UCT of PKR 1,000 per month.³ BISP showed that the government was committed to designing a safety nets program based on international best practices and leveraging technology for increased efficiency, transparency, and accountability. The program fell short of its initial plan to reach 3 million of the poorest families in Pakistan but was able to reach 1.74 million families.

In 2010, the government established BISP as an autonomous institution to serve as a vehicle to deliver its pro-poor social policy through redistribution and targeted support to the poor.

The BISP Act 2010 established BISP as an institution responsible to “enhance financial capacity of the poor; formulate and implement comprehensive policies and targeted programs for the uplift of underprivileged and vulnerable people; and reduce poverty and promote equitable redistribution of wealth” (Ministry of Law and Justice, n.d.). The Act created an enabling environment through a unique governance structure that provided BISP with: the freedom to hire from the private sector wherever specialized skills were needed; a budget line item in the national budget that provided it with financial autonomy and sustainability; an independent Management Board with 50 percent members from the non-government sector to guide the strategic direction; and transparent accountability arrangements where the internal audit function reports directly to the Board. In 2019, the government established the Poverty Alleviation and Social Safety (PASS) Division and brought all federal and provincial social protection programs, including the BISP, under its authority.

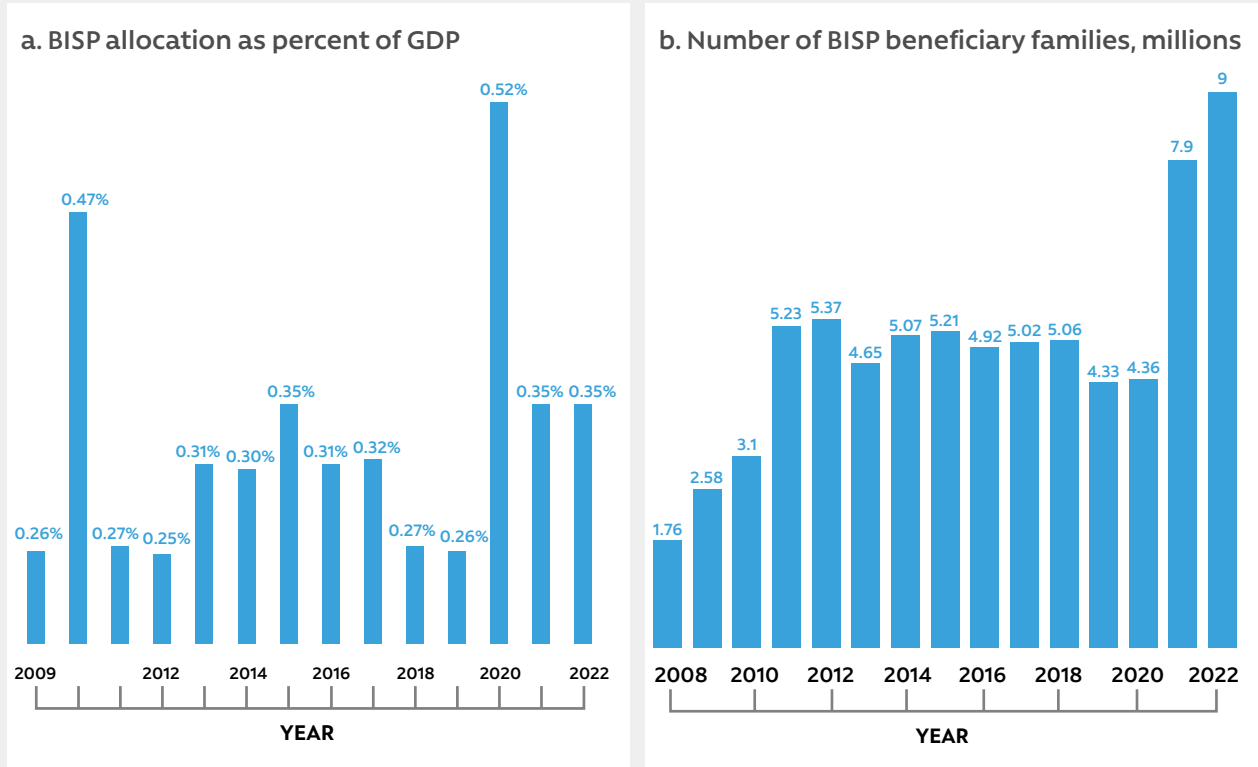
BISP⁴ has always been led by a chairperson, usually a federal or state minister, who provides strategic direction. As a minister, BISP’s Chairperson is part of the federal Cabinet, which keeps social protection firmly on the agenda of the highest policymaking forum in the country and in national discourse. The main functions of the Board are: (i) approving the eligibility criteria for receiving financial assistance; (ii) approving BISP policies, regulations, and budget; and (iii) ensuring transparency by monitoring the program. The Chairperson heads the Board and is expected to provide strategic guidance and ensure the implementation of the program in accordance with the Board’s decisions. The BISP Secretary heads the management team, which includes several Director Generals (DGs) at the national headquarters as well as in the provinces and is the principal accounting officer of the program. Both the Chairperson and Secretary are appointed by the federal government with the approval of the Prime Minister.

Over time, the budget and coverage of BISP Kafaalat expanded reflecting a policy shift away from reactive measures and toward providing long-term safety nets. Providing small, frequent, and reliable cash transfers to poor households not only mitigates their current poverty but also leads them to make more investments in their human capital (such as health and education), which can help them to reduce poverty in the future (Loeser et al. 2021). In line with the NSPS, the government significantly expanded the budget and coverage of the BISP (Figure 3). By 2022, the budget allocation had increased to PKR 360 billion or 0.58 percent of GDP. BISP coverage increased from 1.74 million families in 2008 to 9 million families in 2023.

³ At the time of its launch, the UCT was referred to as BISP but is now called Kafaalat

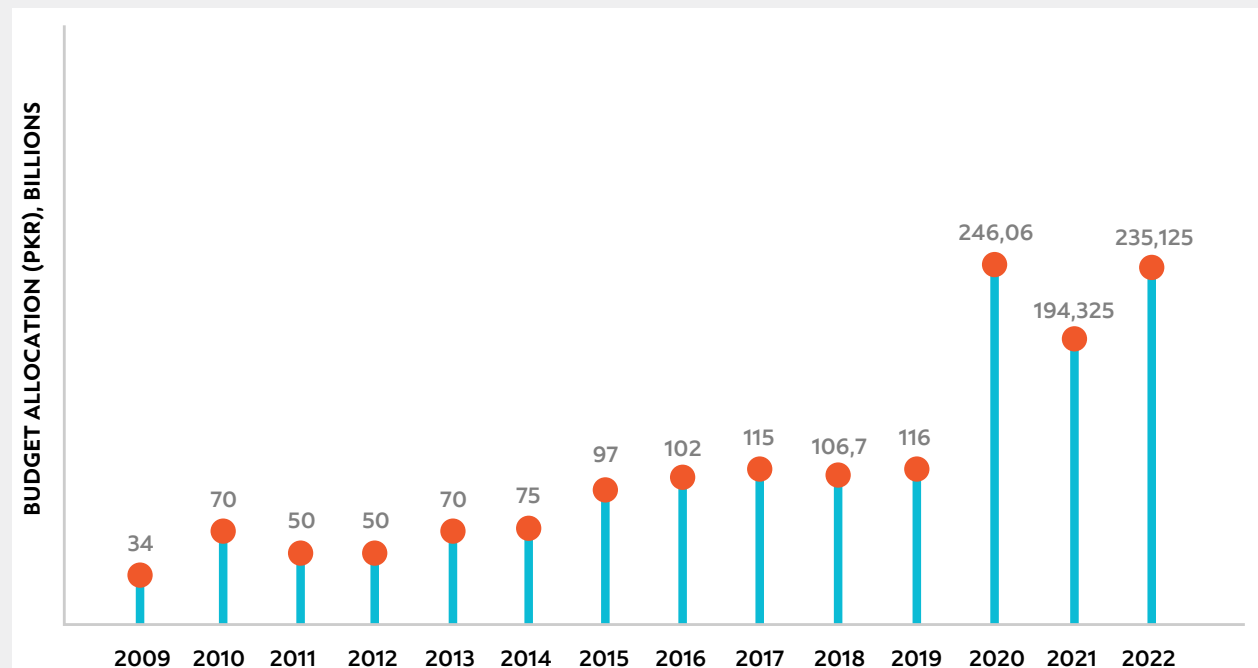
⁴ From here on, ‘BISP’ will refer to the institution.

FIGURE 3 THE BISP'S BUDGET ALLOCATION AND NUMBER OF BENEFICIARIES



Source: BISP Administrative Data
 Note: 2022 GDP projected numbers from IMF Pakistan Staff Report

FIGURE 4 BISP'S ANNUAL BUDGET ALLOCATION (PKR BILLIONS)

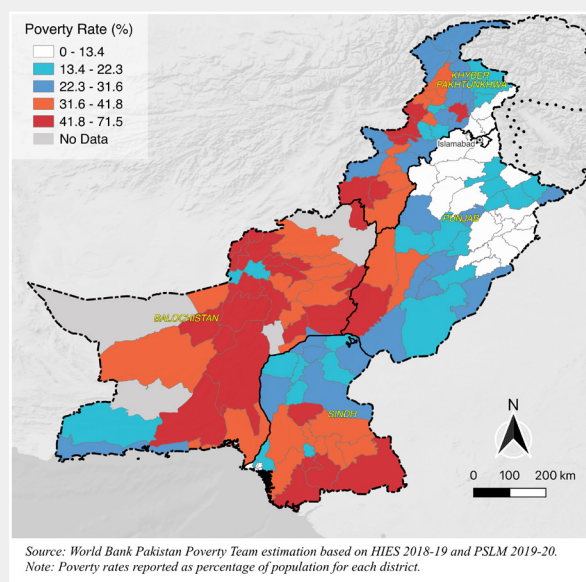


Source: BISP Administrative Data

Currently, the beneficiaries of the BISP's unconditional transfer are spread across all provinces and regions of Pakistan, but there are considerable geographical variations in coverage, which indicate potential exclusion errors. A closer look at the distribution of beneficiaries (Figure 5B) and the prevalence of poverty across districts (Figure 5A) reveals that coverage in Balochistan; however, other provinces with districts

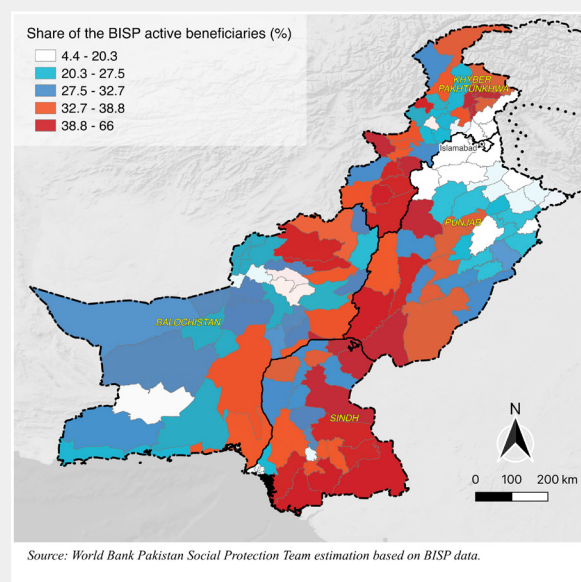
with higher levels of poverty have a higher proportion of BISP beneficiaries. This indicates that potential beneficiaries in remote areas of the country are being missed by the program. An ongoing assessment of the NSER focuses on finding systematic patterns in exclusion of population from the registry, which will help reduce these coverage gaps.

FIGURE 5A
POVERTY RATES BY DISTRICT



Source: Authors' calculations based on HIES 2018-19 and NSER data

FIGURE 5B
BISP BENEFICIARIES BY DISTRICT



In 2012, BISP introduced WeT, a CCT program designed to encourage beneficiaries of BISP Kafaalat to invest in their own human capital. Initially, WeT covered primary education for children, from BISP Kafaalat beneficiary families, between ages 4-12 years. It now covers primary, secondary, and higher education for children and young people between the ages of 4-22 years in 159 of Pakistan's 170 districts. WeT was renamed the Benazir Taleemi Wazaif (BTW) program after it expanded beyond the primary level. An impact evaluation of WeT (2016) found that it had raised school enrollment and attendance with a 10-percentage point increase in enrolment rates for both girls and boys (Oxford Policy Management 2016).

BTW is designed to give households an incentive to ensure school enrollment, attendance, and graduation of their children, especially girls. Since more girls (48 percent) are out of school than boys (35 percent), the BTW incentive for sending girls to school is higher than that for sending boys. For boys who are enrolled and have 70 percent school attendance each quarter, the program pays the household PKR 1,500, while for girls who achieve the same goals, the program pays PKR 2,000 ("Benazir Taleemi Wazaif" n.d.). Families are provided with a one-time bonus of PKR 3,000 when girls complete primary education and transition to secondary school. The number of enrolled children since the inception of the program



is 10 million, including 8.4 million primary school students. In 2023, there were 7.8 million actively enrolled children (World Bank 2021c and BISP Administrative Data). However, nearly 21.5 million children (between the ages of 4 and 18) remain out-of-school children, contributing to low human capital accumulation, particularly among the poor, girls, and the rural population.

In 2020, the government introduced Nashonuma, a health and nutrition CCT, in 14 districts. The stunting rate in Pakistan is 37.6 percent among children under 5 years of age; this is higher than the stunting rate of neighboring countries, Bangladesh (28 percent), and India (35.5 percent) (World Bank, "Prevalence of Stunting"). Since the first 1,000 days are the most important developmental phase in a person's life, Nashonuma targets pregnant and lactating mothers and children aged 0 to 24 months among beneficiary families receiving the BISP UCT. Every enrolled beneficiary mother and/or child can receive a maximum of 11 quarterly payments. The quarterly benefit amount is PKR 2,000 for pregnant and lactating mothers and mothers of male children in the target age group and PKR 2,500 for mothers of female children in that age group ("Benazir Nashonuma" n.d.). Beneficiaries also receive specialized nutritious food. At each visit to one of the program's facilitation centers located in tehsil-level health facilities, the child's

growth is monitored while the mother participates in awareness sessions covering topics like hygiene, breast-feeding, dietary diversity, immunizations, and antenatal and postnatal care. By making cash transfers conditional upon participation in these awareness campaigns, it is expected that the women's increased knowledge of nutrition will influence the quality and quantity of the foods that their families consume, leading to lower stunting rates among their children (Field and Maffioli 2021).

The proven positive impact that the BISP Kafaalat and CCTs have had on improving household welfare and other indicators of well-being provides a solid foundation for further expansion of these programs, but coverage remains limited. Although there is a common belief that when people receive cash support, they stop working and become dependent on welfare, Ambler and de Brauw (2019) found that receiving the BISP transfers had no aggregate impact on household labor supply. In fact, they found an increase in labor force participation among men in beneficiary households. Other studies have shown that while the transfers have had a limited impact on reducing poverty, they have had a significant impact on reducing inequality and increasing food security and women's empowerment (Box 1). While the government has increased the coverage of the BISP Kafaalat and CCTs, it stands at 19.8 percent of

the population,⁵ much lower than other countries in the region such as Bangladesh and Nepal where social assistance covers around 40 percent of the population (Figure 6).

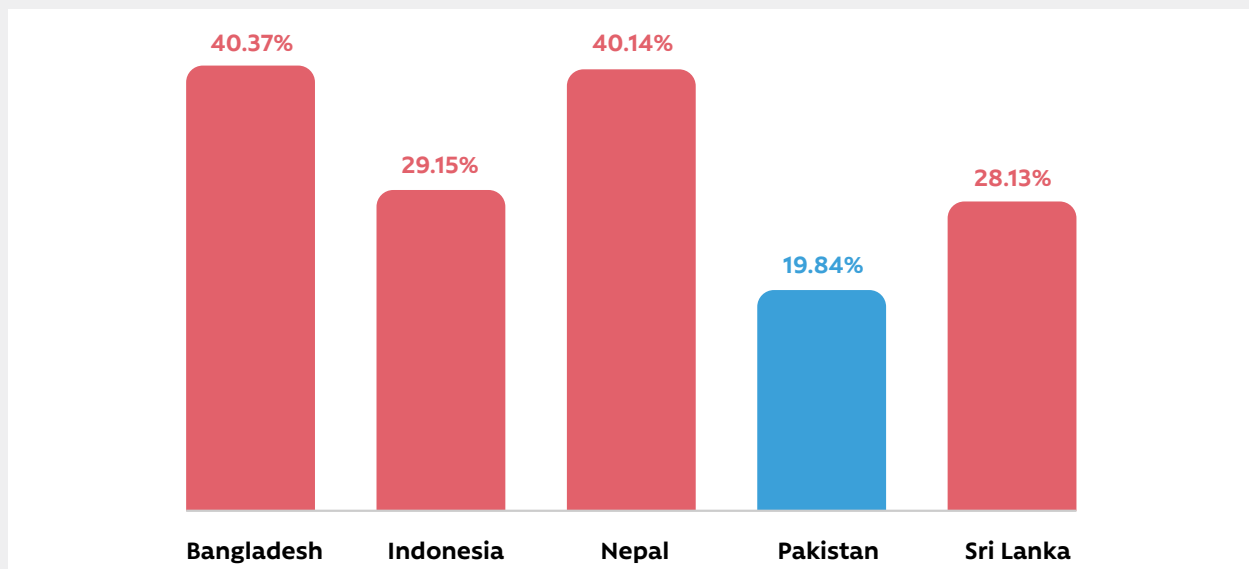
BISP's delivery systems have improved over time, making it more accessible and responsive to the needs of its target population. Delivery systems are the prerequisite for providing social protection benefits and services. To identify and enroll eligible families, BISP relies heavily on the NSER. After remaining static for five years, the NSER started its update in 2016 but due to multiple delays, was

only able to complete it in 2021. More recently, BISP has established 647 facilitation centers across Pakistan where people can register and update their information in NSER. Both the NSER and the BVS-based payments system are linked with the NADRA database to ensure that individuals are verified at every step, from registration and enrollment to the delivery of the payments.

⁵ Calculated using the total number of BISP beneficiaries (9 million families, with the average family size in the NSER being 5.2) and Pakistan's total population (235 million people)

FIGURE 6

PERCENTAGE OF TOTAL POPULATION COVERED BY SOCIAL ASSISTANCE



Source: ASPIRE, World Bank

Note: Numbers for all countries except Pakistan are from World Bank's ASPIRE database using data from the latest year available. Coverage in Pakistan is calculated using BISP's current number of beneficiaries (9 million)

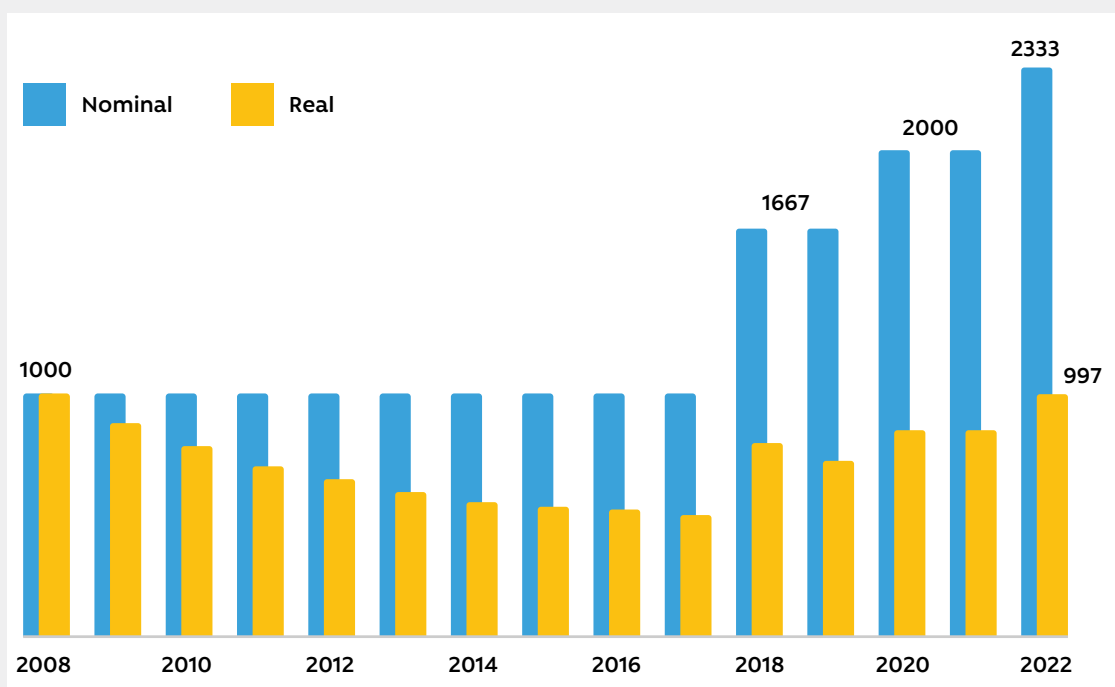
BOX 1

THE IMPACT OF THE BENAZIR INCOME SUPPORT PROGRAMME ON POVERTY AND HOUSEHOLD WELFARE

A 2016 impact evaluation of BISP concluded that it had had a significant impact on increasing consumption expenditure, food consumption, child nutrition security, asset retention, mobility of women, investments in health and education, and savings among its beneficiary households. The evaluation also found that it did not have a significant impact on poverty rate but reduced the poverty gap by 3 percentage points (Cheema et al, 2016). These results are consistent with a more recent study from 2020 that used panel data from 2013, 2014, 2016, and 2019. This study found that BISP beneficiaries experienced a reduction in poverty only during the first three years of intervention (2011-2014) when around 25 percent of households graduated from “ultra-poor” to “poor” and “vulnerable” categories. After that, their poverty rates remained more or less consistent. The analysis also looked at the multidimensional poverty index (MPI) and found that the proportion of MPI poor decreased in every round. Of the sample, 91 percent were MPI poor in 2011 but by 2019, this had decreased to 73 percent. However, when using a regression discontinuity model on 2019 data, no significant impact was found on headcount poverty or MPI.

A possible reason for this limited impact on poverty is the declining real value of the benefit over time. At the time of BISP's launch in 2008, the monthly transfer value was PKR 1,000 (PKR 3,000 per quarter), which, despite inflation and other changes in the economy, remained unchanged until 2018. In that year, the BISP

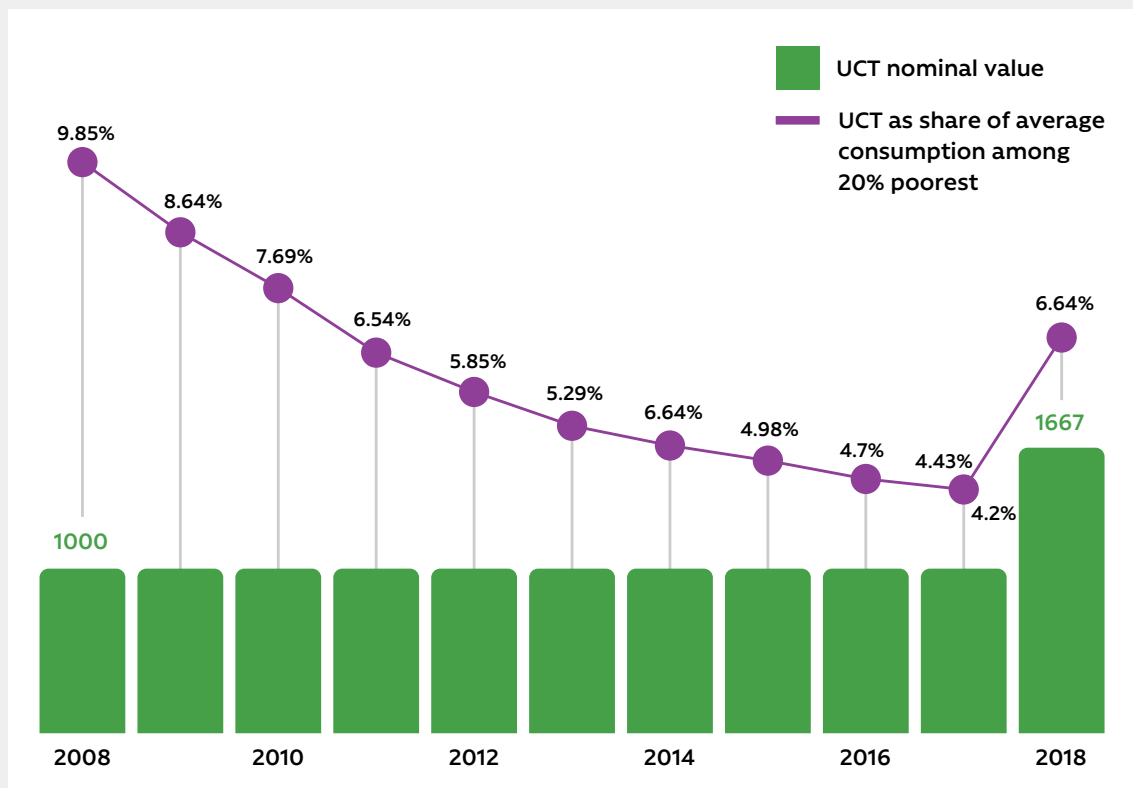
FIGURE 7 CHANGE IN REAL VALUE OF BENEFIT LEVEL



Source: Authors' calculations based on BISP administrative data

benefit level was increased by 66 percent, bringing it up to PKR 5,000 per quarter (PKR 1,667 per month). At the same time, the adequacy of the benefit (defined as its share of the average monthly consumption of households in the lowest quintile) had also steadily gone down from 9.8 percent in 2008 to 4.2 percent in 2017, though it was increased by 6.6 percent by the increase in 2018. However, Nayab and Farooq (2020) concluded that this raise was not sufficient and for the BISP UCT to have any impact on poverty reduction, the benefit value should cover at least 15 percent of the total consumption of these households.

FIGURE 8 CHANGE IN ADEQUACY OF BISP TRANSFER



Source: Authors' calculations based on HIES 2011, 2014, and 2019.

Note: Adequacy is defined as the total transfer amount received by all beneficiaries in a quintile as a share of the total welfare of beneficiaries in that quintile.

The government has subsequently increased the benefit level, and it currently stands at PKR 8,750 per quarter. This brings the real value to the same level as it was in 2008. The increases have been ad hoc given that the BISP has no indexation policy in place. With the drastic increase in fuel and food prices since 2022 and the highest ever recorded inflation in March 2023 (35.37 percent), there is a need to adjust the benefit level so that households can maintain their levels of consumption. However, it should be also noted that almost 40 percent of Kafaalat beneficiaries receive either BTW or Nashonuma transfer, where a family on average receives around PKR 5,000, with significant variation depending on the number of eligible children.

3.2 THE LAUNCH AND EXPANSION OF THE NATIONAL SOCIO-ECONOMIC REGISTRY

Launched in 2010, the NSER started as a targeting tool for BISP Kafaalat but is now the backbone of Pakistan's social protection delivery system with multiple other programs and institutions, including disaster response initiatives, leveraging this data for targeting. It is a comprehensive database designed to capture and consolidate information on the socio-economic status of individuals and households and covers around 87 percent of the country's population. Using these indicators, it calculates a poverty score

(Box 2), which is then used as a proxy for a household's socioeconomic status. Over time, with investments in human resource and technology and innovation, the NSER's utility has increased significantly and, currently, more than 30 programs and institutions rely on this data for identification and targeting. It has also been used to respond to disasters such as COVID-19 and the floods of 2022.

BOX 2

POVERTY SCORE CARD BASED ON POVERTY MEANS TEST

The compilation of a poverty score card relies on the use of a proxy means test (PMT), which measures a small set of variables that capture those individual and household characteristics that are comparatively easy to verify. Collectively, these variables can proxy for household welfare. Although a PMT is not as accurate as a full consumption aggregate in measuring poverty, it requires considerably less information, which makes it easy to collect and verify. It is also less susceptible to short-term fluctuations as it relies on asset and household information, such as household size and house or land ownership, which tend to be fairly static. In Pakistan, household PMT scores were calculated using variables that had been used in the questionnaire for the 2007-2008 Household Integrated Economic Survey (HIES) collected by the Pakistan Bureau of Statistics. A questionnaire was designed in Urdu for the door-to-door survey in 2010, which collected household data on 23 selected variables in the following broad categories: (i) household and individual characteristics; (ii) ownership of durable goods and housing characteristics; and (iii) ownership of productive assets, especially land holding, livestock, and farm equipment. The PMT formula was then applied to new data on these variables to devise a poverty score for each household.

BISP first collaborated with NADRA in 2010-2011 to collect household data through a door-to-door survey that was called the Poverty Scorecard Targeting Survey. BISP's partnership with NADRA was critical for the intake and registration process during 2010-2011. The Poverty Scorecard Targeting Survey was launched in mid-2010 in all districts of the country and took slightly over a year to complete. Data were collected using pencil and paper-based personal interviewing (PAPI). The collected data were passed on to NADRA, which was responsible for data entry and verification, and calculation of poverty scores. Approximately 27 million households were surveyed, out of which 25.5 million went on to be registered in the database, constituting around 87 percent of the population (Box 3). Each household was assigned a poverty score based on the PMT formula.

Besides offering information on their various demographic and social indicators, individuals must have a CNIC to register with the NSER (see Annex 1 for database design). The first time these data were collected, they were to be used only for the BISP Kafaalat, so each household was registered with the ever-married female as the contact person. To register, the ever-married female had to have a CNIC, and she was encouraged to enter at least one additional CNIC from her family, in most cases, her husband's. Each ever-married female represents one family within a household, so a household can have more than one registered family. Each entry is linked to a cell phone number used by BISP to communicate with the household. Recently, BISP has required beneficiaries to give their bank account information for payment purposes.

BOX 3

AN EXEMPLARY PARTNERSHIP: THE COLLABORATION BETWEEN BISP AND NADRA

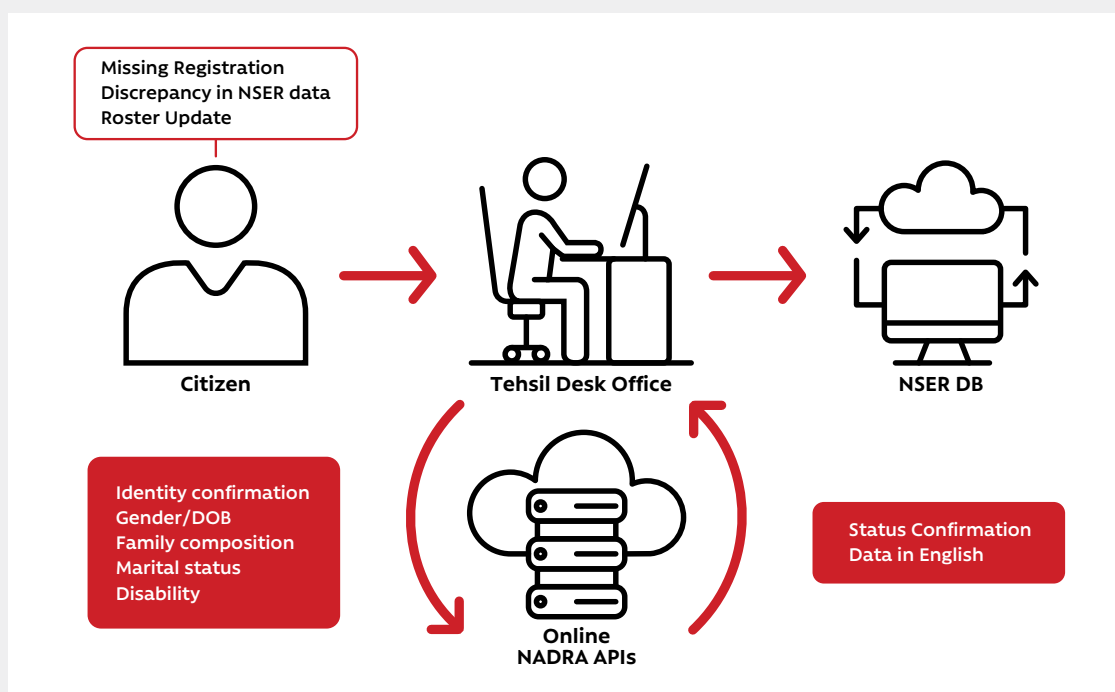
The collaboration between BISP and NADRA has been crucial for the effective implementation of the program since 2008. In the initial stages, NADRA's database helped BISP to verify the identities of potential beneficiaries. This helped to ensure that the program was effectively targeted toward the intended beneficiaries and reduced the potential for fraud or mismanagement of funds.

NADRA also provided crucial technical assistance by supporting the development of the program's MIS, which was instrumental in managing and monitoring data related to BISP beneficiaries, payments, and other program activities. This collaboration enabled the BISP to effectively manage program data, resulting in increased transparency and accountability in its operations.

The two organizations closely collaborate to ensure that NSER is dynamic. They recently launched a desk-based data collection approach to register households that were not included in the 2018-19 NSER survey and updated household roster information, and corrected information discrepancies in households such as missing CNICs. The collaboration with NADRA has made BISP's database more accurate and complete, ensuring that eligible households are not left out of the program.

The collaboration between BISP and NADRA has been mutually beneficial. NADRA had struggled to increase the number of registered women because of social and cultural barriers and a lack of awareness of the benefits of registering with the database. **(CONTINUED ON NEXT PAGE)**

FIGURE 9 NSER-NADRA WORKFLOW



BOX 3 (Continued)

However, BISP required beneficiaries who did not have CNICs to obtain them within a specified period to continue receiving payments. This incentivized millions of women to acquire CNICs, which, in turn, helped NADRA to expand its database.

Overall, the partnership between BISP and NADRA is an excellent example of how collaboration between government agencies can have a significant positive impact on society. It has proved to be beneficial for both organizations as it has helped BISP to be transparent and accountable in its operations and enabled NADRA to expand its database to include millions of women who previously did not have a legal identity. Having a legal identity is crucial for women's empowerment and inclusion in society as it allows them to access various services and opportunities.

Even though the survey suffered from a few initial design and implementation challenges, spot checks found it to be robust.

Challenges included: (i) a disproportionately higher representation of the rural poor; (ii) outdated "weights"⁶ since the PMT formula was based on HIES 2007-08, and conditions had changed; (iii) variations in the distribution of poverty across regions compared to HIES poverty estimates; and (iv) the need for more quality control questions to reduce the incidence of misreporting and fraud. To ensure that the data collected by each firm was high quality, BISP hired a firm to conduct spot checks to verify the data on a sample of over 67,000 households. The spot checks confirmed that the data collection methods used by the contracted firms were robust and estimated the accuracy of the poverty scorecard survey to be 95 percent.⁷

Since proxies for poverty and their relative weights change over time, the PMT formula was revised in 2015 (using variables from HIES 2013-14) to improve targeting.

The proxy indicators and weights were updated based on the correlation between the indicators and household consumption. This step was aimed at increasing the coverage of poor in urban areas, as the poverty rates based on PMT scores had underestimated poverty in urban areas and over-represented those in rural areas. Another indicator was added to capture location effects based on the taxonomy of the National Agricultural Research Center (NARC), which classified districts into seven agroclimatic zones based on their geographical proximity and similarities in climate.

Concerned that the NSER data were outdated, BISP initiated a second national door-to-door survey in 2016.

While the second survey benefited from

technology which made the process more efficient, BISP faced significant challenges in completing the survey. Computer-assisted personal interviewing (CAPI) was used to collect data which significantly reduced the data processing time. However, there were multiple setbacks with the data collection process. Besides the COVID-19 pandemic, a key challenge was that to collect data in districts with security concerns, BISP was required to obtain a No-Objection-Certificate for their private contractors. This process took a long time. BISP devised an alternative strategy: data were collected in those districts by government schoolteachers who were trained, monitored, and supervised by BISP staff. Census sweep surveys are time-consuming particularly in highly populated countries like Pakistan with hard-to-reach regions. It took until 2021 to complete the survey and about six months to clean the data before they were available to be used. The updated NSER, covering 35 million households or 87 percent of the population, was formally launched in January 2022.

In parallel, a desk-based data collection approach was launched in collaboration with NADRA to register households that had been missed in the door-to-door sweep of the NSER update.

Centers catered for: (i) registration of households missed in the door-to-door survey, (ii) update of household roster information; and (iii) update of information of households marked with discrepant information, such as missing CNICs. These centers operated for five months (120 working days) after which one or two centers per tehsil remained functional for a year to continue the update process. Most of them have now become permanent. Around 11 percent of total families in the NSER registered via desk-based data collection centers.

⁶ These weights quantify the impact of each variable on household welfare

⁷ International Development Strategies, n.d.

The 2016-2021 survey was the last nationwide door-to-door survey as the BISP is gradually moving to an on-demand registration system which will ensure dynamic updates of the NSER and will significantly reduce the cost of data collection. Currently, there are 647 dynamic registration centers – at least one in each tehsil – where people can register in the NSER if they were left out during the door-to-door survey. However, already registered households will also be allowed to update their information if their data was last updated more than three years ago or if there is any significant change in their household

composition. The shift toward having a dynamic NSER is expected to: (i) reduce inclusion and exclusion errors more efficiently, by enabling households to regularly update their information and (ii) save time and financial resources.⁸ However, success depends on accessibility of these centers as people living in remote areas as well as the poorest of the poor have significant mobility constraints. As the BISP phases in the dynamic update of the NSER, it can learn valuable lessons from countries like Brazil, Türkiye, and Chile that have already established more dynamic social registries (Box 4).

⁸ The cost per survey in 2011 was around US\$2.7 whereas during the update, it was around US\$1.7.

BOX 4

MOVING TOWARD A DYNAMIC SOCIAL REGISTRY: LESSONS FROM OTHER COUNTRIES

Social registries like the NSER can be powerful tools for improving the targeting, coverage, integration, and operations of social programs. However, these improvements depend on the quality of the data, which is a function not only of the validation and verification procedures when data are first collected but also of how current the data are. Static data does not allow for good management of beneficiaries over time, whereas a dynamic registry can offer up-to-date information to enable timely decision-making, ensure that programs remain relevant to households' current situations, and avoid faulty targeting, among other problems.

Brazil, Türkiye, and Chile use two types of information to update the data in their social registries: self-reporting by registered families and administrative databases. In all three countries, registered households are obligated to report specific changes in their circumstances. Some of the self-reported changes require accompanying documentation, and officials make random home visits to verify the information provided by the households. In Brazil and Chile, households must confirm their information in the social registry once every two years even if there are no changes to be reported, otherwise they may not be eligible to apply for a new program or may stop receiving their current payments.

NSER has also started using multiple administrative databases (such as travel history, bank statements, and public employment records) to verify and validate the information in the registry; this can be further enhanced by leveraging other databases with large coverage like land records and other employment databases. NSER requires households to bring supporting documents if there is any change in family size or composition, but these changes must first be updated with NADRA. The downside is that people often forego a day's work to visit these offices and the financial implication can prevent them from registering in the first place. NSER has opened a few registration centers where NADRA services are also available onsite, but it has not been scaled up. Moreover, there are currently no random home visits, which if incorporated, can improve data accuracy.

A key requirement for making a social registry more dynamic is the existence of a wide network of service points to which people can come to register or change their information. NSER currently has 164 centers, but given mobility constraints, more are needed. **(CONTINUED ON NEXT PAGE)**

BOX 4 (Continued)

Some services are available online but unlike Brazil, Türkiye, and Chile where access points are supplemented with online service windows, Pakistan will have to use other innovative solutions to improve access as literacy rates are low and access to the internet is limited in Pakistan.

Experience suggests the important role of institutional arrangements, procedures, and incentives (for both households and administrative staff) in supporting the implementation of a dynamic social registry. These include the authorizing framework for the social registry; inter-governmental agreements for information sharing as well as other areas; well-defined technical protocols; and monitoring, oversight and controls.

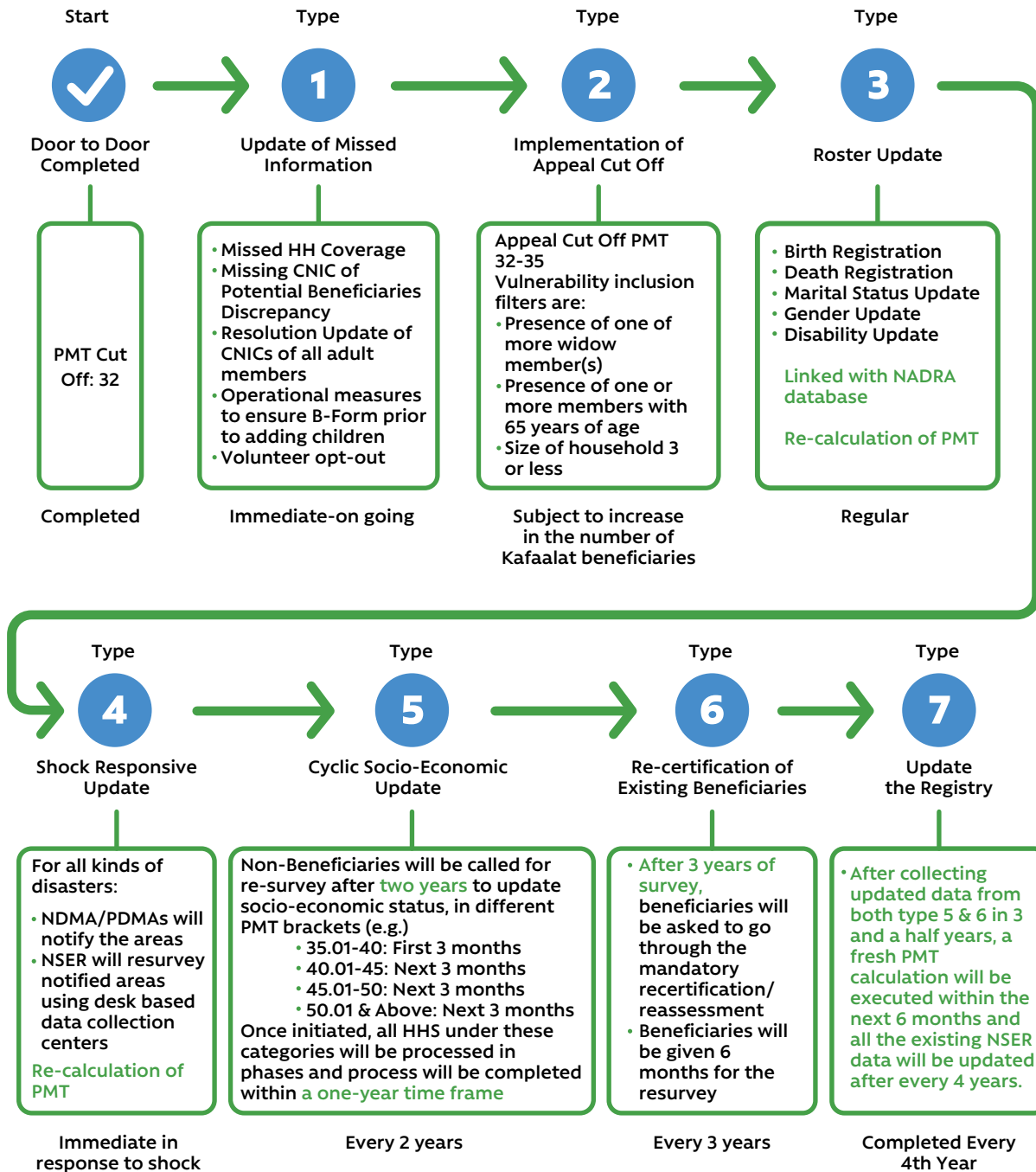
To make the NSER a more dynamic registry, BISP has established registration desks at the tehsil level.

Census-type surveys can omit eligible households for multiple reasons, and households' demographic and socioeconomic characteristics also change over time, thus affecting their eligibility for benefits. BISP desks were set up in tehsils to address these issues. In some cases (for example, after the floods in 2022), BISP set up additional temporary desks to widen access for people affected by shocks. Households can use these registration desks to: (i) register if they were omitted during the door-to-door survey; (ii) update information if their household characteristics qualify them to file an appeal (iii) update beneficiary roster

information if any update in the NADRA database has already been made, including supplying missing CNICs or replacing invalid ones; (iv) update information on their changed circumstances after experiencing a shock; (v) update data on their socioeconomic status every two years; and (vi) recertify themselves as existing beneficiaries every three years. There will be an update of the entire registry every four years by executing a PMT calculation within six months of collecting updated data from types (v) and (vi) in three and a half years (Figure 10). So far, 2 million families have either registered or updated their information through the desk-based data collection centers.



FIGURE 10 PROCESS CYCLE OF DYNAMIC REGISTRY



Source: BISP NSER Wing

These continuous updates mean that the NSER database will be fully updated every four years through desk-based data collection, eliminating the need for massive door-to-door surveys in the future. A door-to-door survey will be carried out on a small sample to cross-check the accuracy of data collected at desks and to discourage CNIC. In addition, the NSER will conduct surveys in areas specified by the National Disaster Management Authority (NDMA) and the Provincial Disaster Management Agencies (PDMAs) in case of a disaster. Also, in the event of a disaster, the registry desks in the tehsils will be used to process new registrations, record losses, and reassess the PMT for emergency cash assistance provided by social safety nets or other public or private institutions. This system was used during the 2022 floods.

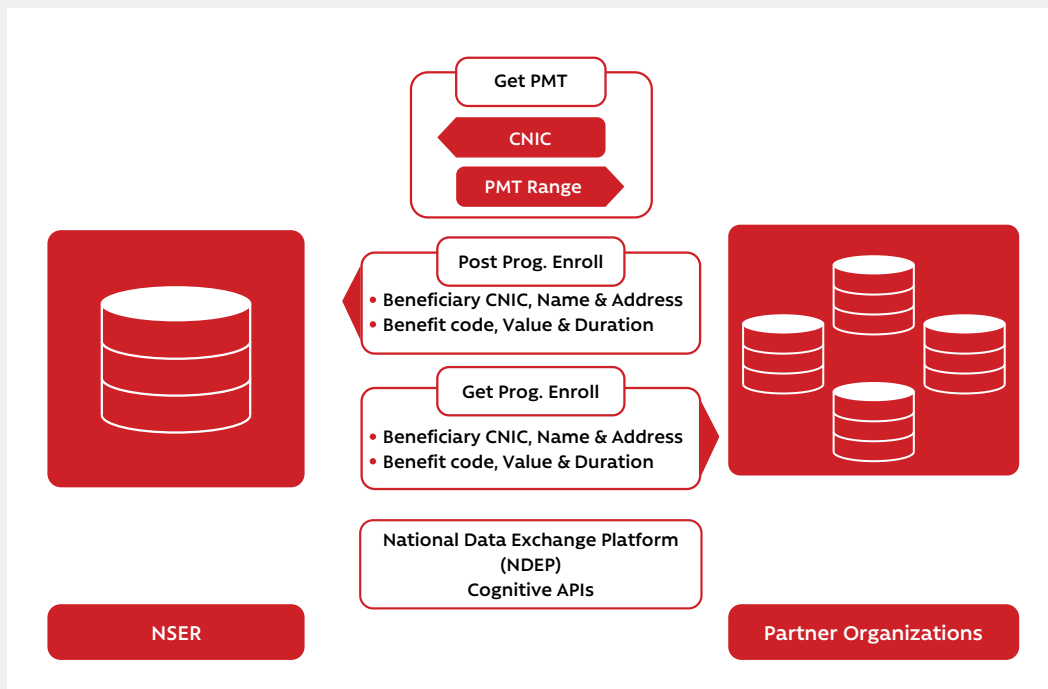
In the absence of recent household survey or census data, it is hard to conduct external validity checks on the accuracy of NSER data. The current estimates of coverage are based on 2017 census population numbers which, given Pakistan's annual population growth rate of 1.8 percent, may overstate NSER coverage. Moreover, while the latest HIES Survey was conducted in 2018-19, Pakistan has since experienced the COVID-19 pandemic, the 2022 floods, and record-breaking high inflation. Multiple studies have posited a substantial increase in poverty. However, in the absence of recent household survey data, it is impossible to make any accurate calculations of poverty rates. Available estimates of coverage and of exclusion and inclusion errors are based on simulations rather than on concrete evidence. To address this problem, the World Bank is currently fielding a survey to collect household data that can be used to assess the quality of NSER data.

Previously, the NSER database was a collection of multiple datasets, but it is now one consolidated database. Each phase of data collection used to be stored separately in the NSER database, which, though convenient during project implementation, created multiple hurdles to effectively using the full dataset. Data are now entered and retrieved from the consolidated NSER database, which allows for better data quality checks and data security. The consolidated database enables BISP to provide reliable and consistent reports to both internal and external stakeholders.

BISP, as the keeper of NSER, is trying to make this data available to other public and private sector organizations through semi-automatic systems. Over 30 organizations including provincial social safety net programs, federal and provincial government ministries, NGOs, health institutes, national poverty alleviation programs, disaster relief management authorities, and research and policy institutes have accessed data from the NSER on a need-to-know basis. Given the breadth and sensitivity of the NSER's data, only the specific information needed by the user for planning or implementation purposes is shared after sensitive information is removed and the data are anonymized. Data sharing can be done using an API that ensures the automated two-way flow of information by secure means, which in some cases can be bi-directional, for example, the Punjab Social Protection Authority (PSPA) (Figure 11). Here bi-directional means that while the recipient entity can use NSER data, it can also contribute to the database. PSPA uses the National Data Exchange Platform (NDEP) to retrieve and upload data to and from the BISP. This is an automated process with no human intervention required and hence requires technological capacity.

The use of APIs for data sharing is a crucial step in the automation of the process, but it is just the beginning. Multiple APIs could be incorporated to standardize asset information and geo-location. The NDEP could act as a consolidated platform for registering and retrieving data on the beneficiaries of various social protection programs. However, the use of APIs has its limitations because they rely on the CNIC as input for data retrieval. Partner organizations will have to conduct their own registration process first to be able to collect other information from the NSER against the provided CNICs. This could make information-sharing a tedious and ineffective exercise since the organization that collects the CNIC can also gather the rest of the information with minimal extra effort. Additionally, the NSER cannot provide a poverty score for a specific household, as BISP has decided to provide only the PMT ranges. This could restrict the efficacy of partner organizations.

FIGURE 11 NSER DATA-SHARING PROCESS WITH OTHER INSTITUTIONS



Source: Ali 2023

While the NSER can provide partner organizations with a wealth of valuable data, it could benefit from receiving additional information from partner organizations. The NSER does not synchronize any information received from partner organizations. By setting up mechanisms for two-way data exchange, the NSER could become a more dynamic and useful resource. By incorporating updated information from other federal and provincial agencies such as death and birth records, marriage and divorce documents, disability status, and land records, the NSER would become a more dynamic registry. This would make the NSER a more comprehensive and up-to-date repository of information and enhance its value as a resource for partner organizations and other stakeholders.

Given all of the current advances in technology, interoperability between platforms is no longer a significant challenge. Most reputable databases, including open-source databases, use industry-standard data encoding mechanisms, making it

possible to export data from one database and import it into another, regardless of the underlying technology. Similarly, web services at extract transform and load (ETL) and presentation layers⁹ are compatible with most database management systems. However, data-sharing between platforms will not work if databases have incompatible designs and have to follow the program-specific requirements and operational decisions of their respective organizations. For instance, a database may have separate columns for "first name" and "last name," while another database may have the full name in a single column. Even this complexity can be overcome if the organization carries out a well-planned data transformation exercise.

The absence of harmonized data security protocols and the lack of technical capacity are also obstacles to optimizing data sharing between organizations. Feeder agencies such as NADRA and NSER that contain sensitive information require that the recipient agencies mitigate any data security risks before any data is shared. The receiving agencies can do this by adopting

⁹ The presentation layer ensures the information that the application layer of one system sends out is readable by the application layer of another system.

international security standards and taking proactive measures to ensure data privacy and confidentiality. Many organizations also lack adequately trained IT staff and often require external organizations to go through long unautomated processes to access their data, creating a bottleneck in the data-sharing process. Since the process is manual, it requires human intervention

each time data is shared. A streamlined data-sharing policy and automated processes would improve the situation. This is especially important for disaster risk management where response time is short and absence of data sharing and data security protocols, limited technical capacity, and lack of organizational links can exacerbate the situation (Box 5).

BOX 5

USING THE NSER IN EMERGENCY RESPONSE SITUATIONS

When Pakistan went through COVID-19-related lockdowns, the NSER update was still incomplete. The government recognized that mounting an effective emergency response would require finding a way to include all vulnerable populations in the registry. NSER data were mainly being collected via door-to-door surveys, but desk-based data collection—in which where people visited temporary data collection kiosks to share their data—had been piloted in a few districts. Since the pilot results did not show any significant quality difference between the desk-based and door-to-door data, the government quickly scaled up its desk-based data collection effort. Only those households that had not previously been included in the NSER were allowed to register while households already registered were not allowed to update their data.

The wealth of information in the NSER makes it ideal not only for planning social protection initiatives but also for responding to shocks. Since COVID-19, it has been used to respond to multiple shocks as programs can be rapidly expanded either vertically or horizontally. Given that it contains the CNIC numbers and cell phone numbers of all individuals in the database, it can also be used to collect additional data from these people for decision-making and planning purposes.

The extent of NSER's coverage enabled the government's COVID-19 response to identify 11.9 million vulnerable families and provide them with a one-time emergency cash transfer of PKR 12,000. In addition, the existing 4.3 million BISP Kafaalat beneficiaries also received emergency transfers of the same value. The updated NSER meant that it was possible to expand the program horizontally as well as vertically extremely rapidly, with the emergency transfers being announced only eight days after the March 2020 lockdowns began. It is worth noting that these emergency transfers were the largest in Pakistan's history and were made possible only because of nationwide cash transfer delivery system developed under BISP.

The government leveraged NSER again in 2022 after the country was hit by floods that directly affected around 33 million people. This unprecedented level of devastation required an efficient response. NSER enabled the government to identify all the families that were in flood-affected districts by triangulating information with other databases. For example, by using GPS data from NSER and flood exposure data from the United Nations Institute for Training and Research (UNITAR), it was possible to identify areas where families most vulnerable to floods were concentrated. The maps (Figure 12) show that majority of those affected by floods were in the province of Sindh where, in most areas, more than 80 percent of the population falls in the bottom 60 percent of welfare distribution. The data provided powerful insights into where the scarce resources should be channeled. As a result, one-time emergency payments of PKR 12,000 each were made to 1.76 million families.

POPULATION AFFECTED BY FLOODS

FIGURE 12A

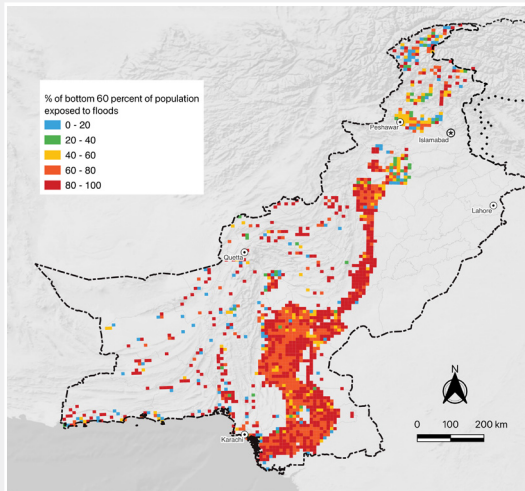
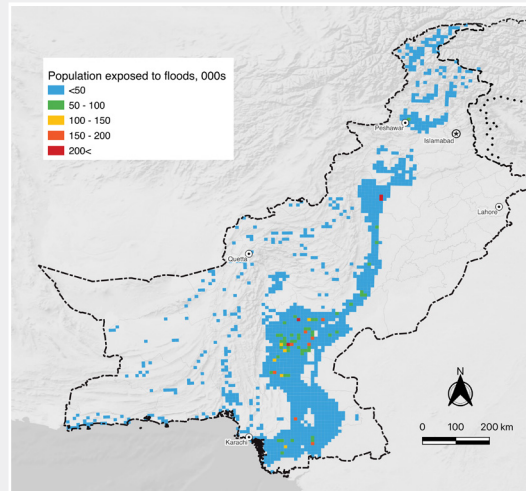


FIGURE 12B



Source: Estimates based on NSER and UNITAR data

Note: Bottom 60 percent of the welfare distribution is based on Proxy Means Test score that is calculated using data on demographic and socioeconomic indicators.



3.3 PROVINCES ROLL OUT SOCIAL PROTECTION PROGRAMS AIMED AT ADAPTIVE SOCIAL PROTECTION

Pakistan's social protection system is further developing as the provinces introduce and scale up their programs. The Eighteenth Amendment to the Constitution of Pakistan in 2010 gave the provinces self-governing, legislative, and financial autonomy. All social sector programs and policies fell under provincial jurisdiction. There has been considerable

progress in building provincial institutional capacity, with both Punjab and Sindh having set up social protection authorities with independent boards. On the programming side, Punjab has rolled out multiple programs, while Sindh is preparing to roll out a CCT (Box 6). Currently, provincial programs have low coverage, but they are expanding.

BOX 6

PROVINCIAL SOCIAL PROTECTION PROGRAMS

The Punjab Social Protection Authority (PSPA) provides its beneficiaries with a range of benefits, including a universal health and nutrition CCT program in 11 districts of South Punjab aimed at improving health and nutrition outcomes among the target population. Other cash transfer programs include various subsidies targeted to families in the two lowest income quintiles in Punjab. The ration subsidy program aims to provide subsidies to about a million families on the purchase of selected items. The cash assistance to the transgender community and senior citizens' social insurance programs also come under the jurisdiction of the PSPA. The PSPA is also planning to introduce a labor market program that will provide employability and poverty graduation services to migrant workers, women, and young people.

The Sindh Social Protection Authority has also launched initiatives aimed at improving health, reducing malnutrition, improving women's well-being, and fostering youth employment. The precursor of the Sindh Social Protection Authority had been running food security programs that focused on reducing acute malnutrition in children and mothers. The other initiatives of Sindh's social protection system include efforts to improve women's well-being and internship programs for young people focused on increasing their employability and promoting their graduation from poverty.

Coordination and collaboration between provincial and federal agencies will avoid fragmentation and duplication. The expansion of the social protection system presents opportunities as well as challenges. Better coordination could help to expand coverage, avoid leakages, and prevent double dipping. Provincial governments depend on the NSER data to plan and roll out their programs, but they were not able to access this data until recently. Now, the federal government has a data-sharing agreement with the provinces to give them access to NSER data as well as access to information on whether specific households receive BISP transfers. Further, rather than investing scarce resources to create parallel systems and structures, provincial governments could benefit from BISP's well-functioning and well-established delivery systems.

At the policy and programmatic level, a partnership between federal and provincial agencies with clear roles and responsibilities and based on their respective technical and operational advantages can further enhance the efficiency and effectiveness of the country's social protection system. While BISP has been expanding its coverage continuously, it will have to coordinate closely with the provincial governments before expanding existing programs or introducing new ones. Provinces can leverage the advantage of local presence by increasing the coverage of both the population and specific vulnerabilities and also by strengthening links with NSER data systems. Moreover, provincial programs are integrated with local health and education governance structures which can promote improvements in addition to incentivizing service

utilization. Establishing institutional arrangements to support social protection delivery systems can be complex, and there is no one-size-fits-all solution. The partnership between BISP and the Khyber Pakhtunkhwa (KPK) provincial government is still in the early stages, but it can provide a blueprint for other provinces. The provincial health CCT is a universal program implemented in 11 districts, where health and other services (such as birth registration and CNICs) are provided through Citizen Facilitation Centers (CFCs) which serve as one-stop shops. In

these 11 districts, the KPK government will provide the CCT benefit to those not eligible for BISP (i.e., their PMT score is above the BISP cut-off) and those below the eligibility cut-off will be referred to BISP. To ensure seamless coordination with BISP, each CFC has BISP staff on-site who will register potential beneficiaries. The BISP management could benefit from the experience of other countries on the respective roles and responsibilities of federal and local governments in social protection (Box 7).

BOX 7

LOCAL GOVERNMENTS PARTICIPATE IN SOCIAL PROTECTION DELIVERY SYSTEMS

There is no blueprint for the best institutional arrangements to support social protection delivery systems. Roles and responsibilities vary from country to country. In addition, these arrangements are dynamic and tend to evolve over time. In all countries, including Pakistan, the overall context including the level of decentralization, the capacity of local governments, and political dynamics influence what institutional options are available to deliver social protection benefits and services.

The BISP delivery chain is fully centralized with its deconcentrated local offices reporting directly to the central program agency, like the arrangements that applied for the Prospera program in Mexico. At the same time in Pakistan, there are important areas of the delivery chain where the central agency collaborates with the provinces. For example, when the PMT used for targeting the BISP was updated in 2021, the provinces formally participated in the technical discussions and influenced the process. BISP obtains information from provincial education departments to assess the supply needs of public schools participating in the BTW education CCT. BISP shares data from NSER with provinces to use to target their own programs.

In countries that are more decentralized than either Mexico or Pakistan, local governments often participate in specific activities along the delivery chain, generally using information systems, rules, and guidelines developed at the national level within the framework of bilateral agreements between the national and local levels. In these countries, the national level has fewer client-facing responsibilities, as in these examples.

Chile: Most social protection interventions are designed and financed at the national level and are implemented by municipal authorities. Registrations and updates for the social registry are handled by municipal staff, who are trained and certified by the Ministry of Social Development and the Family.

Colombia: For the CCT, municipal authorities appoint a liaison and provide supporting infrastructure. They are responsible for outreach, enrolling participants, handling grievances, transmitting data on beneficiaries' compliance with conditions, and supporting groups of mother volunteers who help to communicate with participants. Municipal authorities register households with the social registry supervised by a specialized division in the Ministry of Planning.

Brazil: Municipalities are responsible for outreach, enrolling participants, and following up on cases of non-compliance for the CCT and for registering people in and updating the social registry. State governments provide technical assistance and other support to the municipalities. The national government covers some administrative costs for municipalities through performance-based financing.

BISP relies heavily on its field offices for the implementation of its program activities, which could provide an entry point for better coordination and integration with provincial programs. BISP established a network of local field offices to increase access to the program for its beneficiaries and the public. There are 16 zonal offices (including a central zone in the capital of each province and region), 160 district offices, and over 400 tehsil offices. This structure facilitates the implementation of the program at the local level. While the zonal offices supervise the network of district and tehsil offices, the tehsil offices are responsible for recording and addressing any complaints from BISP beneficiaries through a complaint management system, monitoring payments to beneficiaries, carrying out field visits,¹⁰ and educating beneficiaries about the program. However, these structures can be integrated with the provincial administrative structures which are at the Union Council level. This can further improve the quality of services by enhancing the monitoring function.

Monitoring how well the various steps along the delivery chain are implemented is critical to any program's effectiveness. The performance of staff working directly with potential or actual beneficiaries is critical in this regard. In some countries (such as Brazil and Chile), these individuals work for local governments. In Pakistan, they work in BISP's decentralized local offices and report to the central agency. In either situation, it is important to monitor the activities of these staff, and to ensure that they are performing their jobs well.

To improve coordination with the provinces and to ensure a consultative decision-making process, BISP recently established a steering committee for the NSER and organized the first National Social Protection Conference. The steering committee has representation from all provinces and regions as well as technical experts. The objective is to ensure that BISP delivery systems generally, and specifically the NSER, can be leveraged by social protection programs in the country. It aims to create a sense of ownership among the federating units so that the NSER is not seen as a BISP specific registry but as a public good that can be used for planning and implementation. The committee will provide guidance and technical advice on key activities such as revision of the PMT formula, data collection process, etc., where provinces can play a significant role given their local presence.

The first National Social Protection Conference in May 2023 was attended by stakeholders at the federal and provincial levels. The government could consider establishing a committee for more general consultation and collaboration in developing a social protection strategy for the country. This will help in identifying roles and responsibilities for each entity.

BISP and its delivery systems are critical to ensure the adaptiveness of Pakistan's social protection system. UCTs can be an appropriate tool for shock response for two reasons: (i) if the UCT is linked to robust and adaptive systems, its coverage or benefit level can be rapidly scaled up or down in response to changing needs, thus avoiding the need to spend time and resources on developing a response from scratch and (ii) there is evidence that cash transfer recipients are likely to recover more quickly from shocks and hence are more resilient to shocks (Loeser et al. 2021; Ivaschenko et al. 2019). BISP was instrumental in Pakistan's response to the COVID-19 and vertically and horizontally expanded with the existing beneficiaries receiving a top-up transfer and an additional 10.5 million vulnerable families being given emergency transfers. It took eight days to make the first transfers. Similarly, after the 2022 floods, BISP provided one-time emergency transfers to 2.78 million families.

Better coordination with both disaster management authorities as well as provincial social protection agencies is required to improve the effectiveness and timeliness of shock response. In 2012, the government developed a national strategy for managing catastrophic events. The Federal Disaster Response Action Plan (FDRAP) outlines contingency plans, minimum resources and approval processes that can ensure a swift response to shocks. It recommends cash transfers as the preferred shock response modality and specifies roles and responsibilities of partner agencies, including national and provincial disaster management authorities, BISP, NADRA, the Ministry of Finance, and commercial banks. This model was deployed to respond to floods in Sindh in 2012 and later parts of it were adapted to respond to temporarily displaced persons (TDPs) of the conflict affected Federally Administered Tribal Area (FATA) in 2015 (Smith and Bowen 2020). BISP has taken a lead role in planning and implementation but there is a need to mainstream the FDRAP and to build on it by including provincial governments in planning, resource mobilization, and delivery of shock responses.

¹⁰ Field visits are conducted to: (i) check POS agents during disbursement of cash transfers, to ensure no fraud or lack of service takes place; (ii) to visit CCT locations (schools and health facilities) to meet beneficiaries and observe ongoing operations; and (iii) to create awareness about any new activity or initiative.



THE SOCIAL PROTECTION DELIVERY CHAIN FOR BISP

KEY MESSAGES

The four main phases of the delivery system are: assess, enroll, provide, and manage. Each phase encompasses a series of activities that promote, communicate, identify, locate, register, pay out, monitor and streamline the delivery of the cash transfer to its beneficiaries.

As BISP's role in disaster response increases, intended beneficiaries, particularly those in remote areas, need to be made aware of their eligibility, the registration processes, and available benefits.

In 2010, BISP conducted a nationwide door-to-door survey to compile a database, now known as National Socio-Economic Registry (NSER), which assigned each household a PMT score, which was used as a proxy for measuring poverty.

Eligible families receive a letter which contains information on frequency and number of payments, delivery mechanism of payments, expected date of first payment, address of BISP office, duration of eligibility, and details of how to update their data.

BISP currently makes all its payments digitally to ensure safe, secure, swift, and convenient delivery and tracks payments flow through its MIS wing, which enables it to monitor frequency of withdrawals as well as dormant accounts.

BISP is working on integrating its grievance redressal mechanism with the development of a UCMS, which will allow complaints data to be stored in one single place.

Institutional coordination, both horizontal and vertical, is critically important for monitoring beneficiaries' compliance with conditionalities. BISP has a team of 900 field officers who regularly carry out monitoring and compliance verification.

As with most benefits and services, BISP cash transfers follow a well-organized delivery chain with four main phases:

ASSESS—through outreach and communication, the government lets potential beneficiaries know about proposed social protection initiatives; conducts intake and registration to ensure that the intended population is registered efficiently, and their information is recorded accurately at points of contact such as local offices, mobile teams, social workers; and phones. The needs and conditions of registered applicants are assessed using pre-determined criteria that can be based on different factors such as socioeconomic welfare, risk profiles, or labor profiles to determine their eligibility for specific programs or a mix of benefits and services.

ENROLL—the target population (individuals, families, or households) enter this stage as registrants and become beneficiaries if they are deemed eligible and are

enrolled and onboarded. Once the eligibility decision has been made, the registrant becomes a beneficiary.

PROVIDE—the payment of benefits is a key stage of the delivery chain. This is a recurring action and one of the main points of contact between a program and its beneficiaries. For cash transfers, there is a move to digitizing payments to ensure their safe, secure, swift, and convenient delivery.

MANAGE—a case management system and efficient grievance redressal mechanism of BISP gives beneficiaries a voice in the process. Monitoring will reveal if beneficiaries are receiving timely payments in full while an exit strategy presents an effective way to exit recipients who are no longer eligible for the program.

In the following sub-sections, each phase and what it entails will be presented and explored.

4.1 ASSESS

This sub-section presents the first phase in the delivery chain, which consists of outreach, intake and registration, and assessment of needs and conditions. Social registries play a critical role in supporting the assess phase of the delivery chain. Social registries are information systems that allow for flows of information on registrants (individuals, households) and their socioeconomic conditions that inform decisions on enrolment, policy coordination, and monitoring. As information systems, their basic architecture includes data intake and exchange,

software applications to support both front-office and back-office functions, database management and interoperability. Social registries don't operate in isolation and are usually part of broader information systems supporting social programs, including beneficiary registries and administration systems, payments administration, and case management systems. Since NSER, Pakistan's social registry, has already been discussed in section 3.2 above, this section will not delve further into the details of NSER.

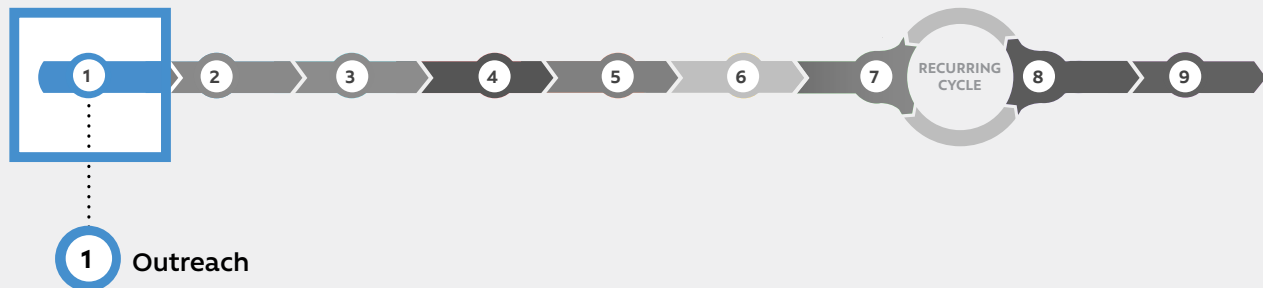
4.1.1 Outreach and Communications

Outreach relies on effective communication to raise awareness among potential beneficiaries about the existence of social protection programs. The delivery of most social protection programs starts with outreach. This stage typically involves communication and interactions to build awareness of the program among the population, inform the target population about the program, and encourage them to come forward and provide information for their eligibility

to be assessed. The key goal is to ensure that the target population has the relevant information and understanding of the planned interventions and is willing and able to access the program. It is important that vulnerable groups, such as women and girls, people with disabilities, senior citizens, indigenous populations, people in remote areas, people more exposed to climate shocks, and gender and sexual minorities receive information about benefits.

FIGURE 13

THE OUTREACH PHASE OF THE SOCIAL PROTECTION DELIVERY CHAIN



When BISP's unconditional transfer subprogram (now called Kafaalat) was launched, the choice to name it after the late Prime Minister Benazir Bhutto made it recognizable to the population and ensured the political buy-in of both the ruling and opposition parties. One of the most popular leaders of Pakistan, Benazir Bhutto, was assassinated in 2007 during her election campaign. In 2008, her party won the elections. BISP was launched the same year and all political parties supported the decision to name the program after Benazir Bhutto. To announce the program and attract the attention of the public, the government invested heavily in print and media campaigns that featured pictures of

her. The TV commercials, newspaper, and radio ads, banners, and brochures explained the aims of the program as well as its intended beneficiaries. They also referred to the religious duty of helping the poor and needy, and focused on family welfare. As an indirect way to promote female empowerment in a highly conservative society, the UCT was provided to ever-married women whether they were married, divorced, separated, or widowed, lived alone and had no family (defined as a spouse and children). The emphasis on marital status presented the program as family oriented. Having a CNIC was also a requirement for registration (Box 8).

BOX 8

ENHANCING WOMEN'S EMPOWERMENT THROUGH IDENTITY CARDS

According to the results of the 2018 ID4D-Findex survey, one in every two women in low-income countries lacked an identification document or its equivalent, preventing them from participating in public life and claiming their rights as full citizens and restricting their autonomy both inside and outside the household. In Pakistan, an identity card allows citizens to vote, own property and other assets, seek membership of political parties, and gain access to government welfare schemes and services, including hospitals and schools. In this way, identification facilitates an individual's participation in economic, social, and political activities.

The Government of Pakistan deliberately made the CNIC a pre-requisite for women who wanted to register for BISP. Within four years of the program's launch, there was a 72 percent increase in the number of CNICs issued, with a 94 percent increase among women. By 2012, 40 million Pakistani women possessed CNICs. The impact of this on women's empowerment was unprecedented. The BISP impact evaluations found that women with CNICs reported having a stronger sense of identity than they ever had before. They were also more aware of their rights and were eager to vote and share their opinions.

Source: World Bank 2016

Initially, responsibility for outreach and identifying beneficiaries was delegated to members of the Parliament. The 442 members of both houses of Parliament were responsible for raising awareness of the UCT program and for outreach in their respective constituencies (USAID 2012). Each member was also asked to identify 8,000 potential beneficiaries who were considered the most deserving and needy in their constituency. This approach was adopted because at that time there was no credible database with high coverage rates. The assumption was that parliamentary representatives were close to their constituencies and best placed to identify the poorest households. They were expected to encourage those households to step forward and volunteer the information needed to register them for the program. However, in a country of 180 million people, members of Parliament did not have close contact with everyone in their constituencies.

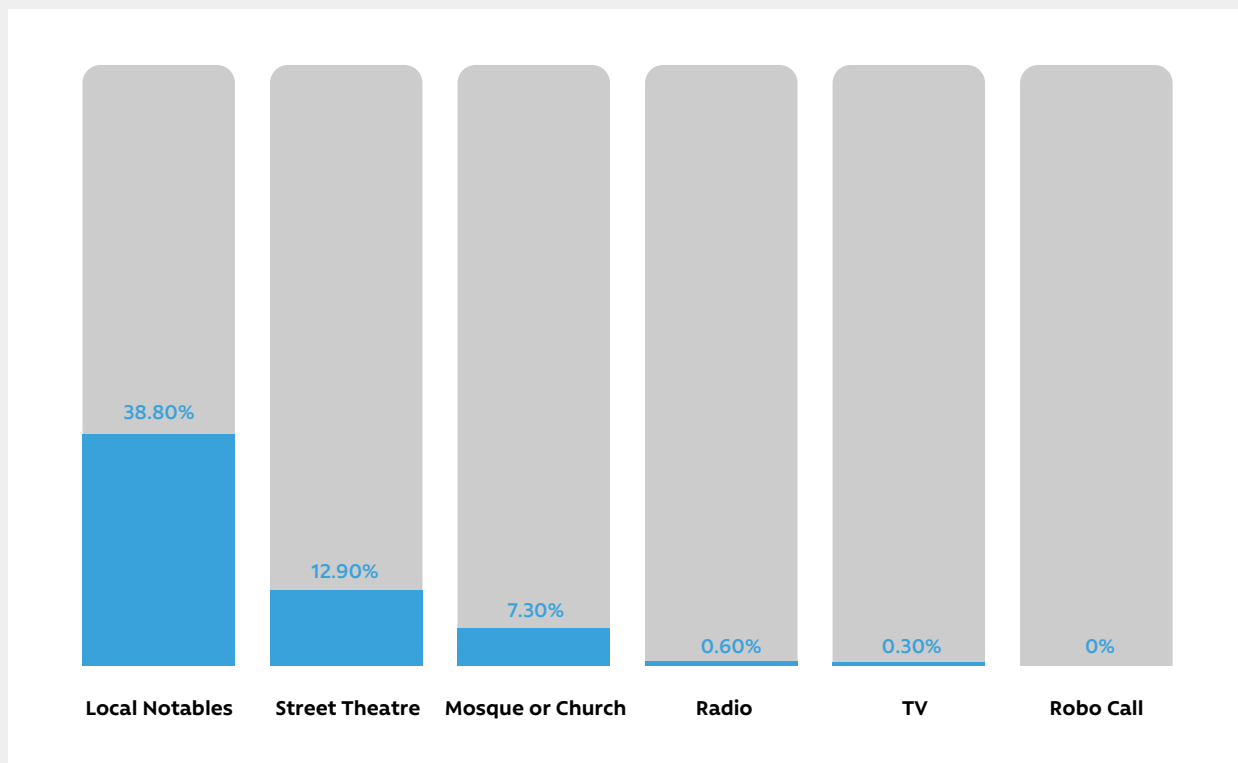
When the poverty scorecard was introduced to determine eligibility for the Kafaalat UCT program in 2009, BISP had no comprehensive formal communications strategy. Given that BISP was the largest national safety net program in the country, a well-thought-out communications approach was needed not only to inform the broader population about the program and build its credibility but also to inform potential beneficiaries about its objectives and rationale, its intended target groups, benefits, and payment and grievance redress mechanisms. This would have helped to create transparency and accountability. However, communications took place via the first door-to-door survey that collected data for the NSER. Communications teams deployed a few days before data collection started to hold community meetings, meet community leaders, make announcements through mosques, and distribute flyers, posters, and brochures to inform communities about survey dates and processes. Third party spot checks on a sample of locations assessed the performance of the communications firm. However, given the size of the country and the remoteness of locations, the survey could not cover the entire country.

There was a stronger focus on communications and outreach when the WeT program was introduced in 2012, but again, no formal communications strategy was ever approved. Communications and outreach were critical for the success of WeT

as beneficiary families were required to send their children to school on a regular basis in a country with many out-of-school children. It was only through communication that issues that keep children out of school, such as child labor and social norms, could be addressed. Having developed a draft communications strategy for WeT, BISP and rolled it out in five pilot districts. The strategy used street theater, television, radio, and announcements in mosques to communicate key messages to BISP beneficiaries to encourage them to enroll their children in school and thus become eligible for WeT. An evaluation assessed the reach and effectiveness of the strategy and found that most respondents received information through local notables (Figure 14). Focus group discussions revealed that no women reported receiving messages through TV, radio, mosques, texts, or robo-calls. Based on the responses from beneficiaries, the most effective means of communication was announcements from local notables, with 40 percent of beneficiaries having received information on the WeT this way. This was followed by street theater (13 percent) and mosque or church announcements (7 percent). Among those who received information from mosque or church announcements, 71 percent understood the message completely (Mott MacDonald 2014). These results indicate that the communications strategy in the five districts was not necessarily effective and point to the need to develop tailored modes of communication that can be easily accessed and understood by potential beneficiaries.

Although the 2016 draft communications strategy acknowledged that communications had been the BISP's weakest link, no strategy was officially adopted, and communications and outreach continued to appear in operations manuals under "social mobilization." BISP has drafted several communications strategies since 2012. Some have been comprehensive, covering a range of areas from consensus-building activities to promoting dialogue on and increasing public awareness of social safety nets. The strategies recommended using information material that highlighted stories of success not only in improving the socioeconomic status of poor families but also empowering them to provide a better future for their children. The materials would also show how program activities had the potential to reduce poverty at the grassroots level, focusing on program implementation, beneficiary

FIGURE 14 MODES OF COMMUNICATION ABOUT THE WET SUB-PROGRAM



Source: Mott MacDonald Limited (2014)

participation and responsibilities, the payment cycle, and grievance and accountability mechanisms (Government of Pakistan, 2016.).

BISP set up BISP beneficiary committees (BBCs) to aid outreach and communication, but this proved to be unsustainable. BBCs were local groups of beneficiary women, set up by third parties, and led by a volunteer, an uncompensated “mother leader”. By 2018, more than 100,000 committees had been formed throughout Pakistan. However, their efficacy was questionable as an increasing number of them became dormant or were abandoned by BISP. Possible reasons for this were: (i) the lack of remuneration for the mother leaders, which discouraged them from leading the groups

continuously for long periods of time; (ii) a lack of clarity regarding the role and purpose of the BBCs; (iii) the absence of adequate capacity-building for the BBCs; (iv) the absence of any protocols defining the BBCs’ structure, functioning, or processes (including communication protocols); and (v) a lack of capacity and resources within the BISP to manage and monitor the committees (Box 9 on the following page).

BOX 9

BISP BENEFICIARY COMMITTEES

A BISP beneficiary committee (BBC) was a group of 5 to 40 beneficiaries, led by a woman or mother leader who was elected or nominated by the group. The composition of these groups was based on women's availability and geographical context. The BBC model was adopted under BTW and was implemented through implementing partner firms (IPFs). The IPFs were tasked with establishing, organizing, mobilizing, sensitizing, educating, and guiding these beneficiary committees.

The main task of each BBC was to increase the enrollment of primary school aged children in BISP beneficiary households through regular follow up with beneficiaries and by raising awareness among BISP beneficiary families regarding the importance of education. The secondary objectives of BBCs included raising awareness among poor women about BISP and its processes, increasing enrollment of primary school aged children, ensuring retention of already enrolled children, and reducing the drop-out rate through behavior change campaigns and regular follow up with the mothers of children enrolled in BTW. The BBC meetings also provided a platform for beneficiaries to raise concerns with the program and seek resolution.

BBCs were formed at the community level as a local information sharing and facilitation forum for BTW beneficiaries. BISP field offices, with the support of dedicated BTW staff, were mandated to oversee the social mobilization activities carried out by the IPF in their respective geographical areas. IPFs were responsible for conducting frequent meetings of the BBCs and facilitating mobilization of beneficiary mothers to complete the registration, compliance monitoring, and case management. IPFs also acted as the intermediary communication and coordination channel between BISP and its beneficiaries. The BBC model was piloted in a few districts in 2015-16 and gradually expanded to the remaining BTW districts. As of August 2019, there were 98,724 BBCs present at different administrative levels in 50 BTW districts across Pakistan.

However, the BBCs have been defunct since 2018 due to the closure of IPFs contracts. IN 2019, the BISP Board decided to exclude the social mobilization activity under BTW. The decision was based on the Oxford Policy Management's (OPM) evaluation report which found a mixed response from beneficiaries in terms of performance, effectiveness, efficiency, and usefulness of BBCs and mother leaders.

Although the BBCs were an effective platform for social mobilization, they faced serious challenges with implementation and management. Analysis showed that the intended objectives of the social mobilization activity executed via the BBC model were not achieved and had high-cost implications. Therefore, BISP explored and employed other cost-effective avenues for social mobilization.

In 2020, BISP hired about 900 compliance monitoring officers for the BTW program and also gave them some outreach and communication functions.

The main job of these officers is to visit schools to verify attendance by children from beneficiary families; however, they are also responsible for communicating with the community about BTW-related activities. However, it is not clear how much time they have available for communications and outreach after performing their compliance monitoring tasks.

BISP has integrated communications and outreach into its various functions but has not developed its capacity to implement comprehensive and frequent communications and outreach campaigns.

BISP's outreach and communication efforts have been ad hoc and often take a backseat to other aspects of program implementation. The BISP headquarters has hired only one to two people for communications whereas a program of this size requires more human resources and technical support. Currently, BISP's

communications and outreach is mainly conducted through press releases issued regularly to the print media and through BISP's senior management on social media channels.

As many countries are increasingly working toward making their social protection systems more adaptive, some are holding beneficiary education sessions to provide relevant information to the most vulnerable households. Several countries have integrated disaster preparedness and resilience

training for beneficiaries of government-led social protection programs (Box 10). Sessions include targeted messaging on disaster preparedness, resilience, and adaptation to those households that are most vulnerable to shocks and most likely to engage in negative coping mechanisms when shocks occur. However, the formal integration of shock preparedness and tailored disaster management training into social protection beneficiary education appears to be limited (World Bank 2022d).

BOX 10

RAISING AWARENESS OF DISASTER PREPAREDNESS USING SOCIAL PROTECTION SCHEMES

In the **Philippines**, the country's flagship CCT Pantawid Pamilyang Pilipino Program (4Ps) requires beneficiary households to attend monthly family development sessions (FDS). One of the topics covered at these sessions is 'Towards a Safe and Prepared Community' and it includes basic concepts such as hazard, disaster, capacity, vulnerability and risk, community and family preparedness, and the need to prepare an emergency kit and a disaster checklist. Trained city/municipal facilitators run the sessions which include group exercises and discussions. The modules are available in Tagalog, Ilocano, and Bisaya. Information materials are produced by the facilitators and serve as social marketing materials. Evaluations have shown that the sessions have had a notable impact on disaster awareness and protection, with over 60 percent of beneficiaries claiming that their preparedness for disasters is very high.

In **Mexico**, the former CCT program Prospera (presently discontinued but previously known as Oportunidades and Progresá before that) collaborated with Mexico's Civil Defense to provide disaster preparedness training for social protection beneficiaries. The cash transfers provided under this program were conditional on a set of co-responsibilities including participation in health and self-care workshops. Prospera contributed to disaster risk management through the deployment of field workers and beneficiaries to communicate and educate the community about possible hazards and risk mitigation strategies. An assessment, based on discussions with operational personnel of the states with recurring disaster events, suggested there was room for improvement, including a need to strengthen training on the following aspects: prevention and protection actions to be taken in the event of disasters, modifications that may occur in the operation of the program during the contingency (replenishment of documents, advance of support, exemption from co-responsibilities) and how to contact staff operational during an emergency.

Jamaica, unlike the Philippines and Mexico, aims to increase disaster preparedness and protect livelihoods by disseminating information tailored to poor households. In 2017, the Ministry of Labor and Social Security and Office of Disaster Preparedness and Emergency Management produced printed and audiovisual information to inform poor and vulnerable households about disaster preparedness and recovery. These materials included two public service announcement (PSA) videos as well as posters, booklets, and brochures. All of the materials stressed the need to secure important identification documents and to contact key officials during emergencies. The materials were also disability sensitive, using sign language interpretation in the PSA videos and giving specific attention to the needs of visually impaired persons in the brochure and factsheets.

Source: World Bank (2022d)

Communications and outreach are becoming even more important as BISP evolves. With the move to make the NSER more dynamic, beneficiaries will be able to go to local BISP offices to register or update their information instead of BISP having to conduct a door-to-door survey to gather information. This will require more outreach and communication to inform beneficiaries about the programs, their eligibility conditions and how and when they can update their information. BISP has adjusted its benefit levels and has expanded its program both horizontally and vertically in response to shocks such as the COVID-19 pandemic. When this happens, the expansion of eligibility needs to be communicated effectively to ensure high uptake rates from the target population. Anecdotal evidence and some evaluations suggest the efficiency of communication through word-of-mouth, but such communication is often limited to timing of payments. An evaluation of BISP programs in 2020 found that poor communication to its beneficiaries regarding when payments would be released led them to make multiple trips to their point of sale or ATM, incurring

high transportation costs (Cheema et al. 2020).

Other than frequent outreach to the public, BISP will need to ensure that people in remote areas, persons with disabilities, women with limited mobility, and other marginalized groups are not left out of and are able to access the new registry centers. There has been some promising use of “active search” methods in some countries, whereby program administrators or local officials proactively reach out to people living in remote areas or vulnerable populations who may otherwise be overlooked. Brazil has a dynamic registry (Cadastro Unico) that has operated on an on-demand basis since 2007, and an active outreach strategy (busca ativa) was developed under its Brasil Sem Miséria (Brazil Without Poverty) initiative to find and register all extremely poor families not in the social registry (WWP n.d.). In Pakistan, BISP made a similar arrangement by using mobile registration vehicles to reach hard-to-reach groups, especially in remote areas with difficult terrain as in Balochistan. More planning and resources will be needed to scale this up.

4.1.2 Intake and Registration and Assessment of Needs and Conditions

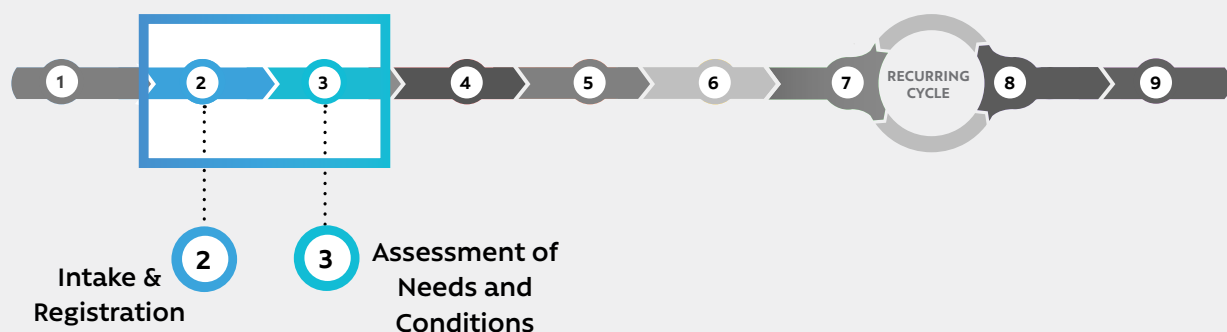
The objective of intake and registration is that the intended population is registered efficiently, and their information is recorded accurately. Intake is the process of initiating contact with clients and gathering their information, while registration consists of recording and verifying their information. In some cases, the information reported by registrants is complemented by data from other administrative systems. Following outreach efforts, the people (individuals, families, or households) who want to apply for assistance engage with the relevant agency and provide their information and documentation. The information on the applicant is then verified and used to assess their needs and conditions.

Intake and registration require structures and processes that provide registrants and applicants with a point of contact. These points of contact can be: (i) a local office, service window, or kiosk; (ii) a mobile team; (iii) social workers, frontline staff, or enumerators; or (iv) phones and other digital service windows. They can be managed by central agencies (through staff or contractors) or by local governments. It is important whether the client interface is temporary or permanent. It matters who initiates the “contact”: is it the applicant (demand-based) or the administrator (en masse data collection)? Finally, the

client's interaction with the point of contact can be either person-centered or service oriented.

A key feature of intake and registration is whether it allows anyone to apply for social programs at any time. This is known as dynamic inclusion which means that access to intake and registration is open and continuous, usually using an on-demand application window as the point of contact. The accessibility of the point of contact enables individuals to register to have their potential eligibility for social programs assessed when in need or for current beneficiaries to update their information when their circumstances change. These points of contact are particularly important when developing “adaptive social protection systems (Leite et al. 2017).”

The needs and conditions of registered applicants are assessed using pre-determined criteria that can be based on different factors such as socioeconomic welfare, risk profiles, or labor profiles. The data collected on the individuals, families, or households during the intake and registration phase are used to assess their needs and to determine their eligibility for specific programs or a mix of benefits and services. The choice of instruments and techniques used to assess applicants' needs and conditions depends

FIGURE 15**INTAKE AND REGISTRATION & ASSESSMENT OF NEEDS AND CONDITIONS**

on the characteristics of those being targeted. One method of classifying applicants is based on demographic characteristics, such as gender or age (in the case of demographic categorical programs) while another relies on caseworker assessments (common in employment and social service assessments). A third method uses automated tools to aggregate key assessment indicators (typically used for aggregating socioeconomic welfare measures). Finally, statistical tools, such as predictive analytics and data integration and analytics, can be used to generate profiles of individuals or families especially in situations when limited data are available (these methods are sometimes used for labor profiling or for predicting social risks). Often, agencies use a combination of instruments and techniques. Since intake and registration and the assessment of needs and conditions are typically carried out together (Figure 15), this sub-section discusses the BISP's experience with both stages.

Within the first five years of BISP, there were major changes in how intake and registration and the assessment of needs and conditions were conducted. There were two phases and each used a different methodology to assess needs and conditions.

During Phase 1 (2008-2009) of BISP, intake and registration depended on Members of Parliament which had its drawbacks. Each Member of Parliament, based on their knowledge of local communities, had to identify the poorest households in their constituency and submit a form for each identified household. The level of participation and enthusiasm among parliamentarians for the exercise was mixed as there were concerns about a lack of transparency. The parliamentary system had two main drawbacks. First, it caused the program to have credibility problems with the public because it had the potential to promote clientelism (Pakistan Today 2011). Second,

the targeting efficiency was rather mixed; an analysis based on household survey found that 16 percent of BISP households possessed more than three acres of land, even though this was an exclusionary criterion (Nayab and Farooq 2020).

In Phase 2 (2010-2023), a new intake and registration questionnaire was designed around variables to be used to calculate a proxy means test (PMT). Before the full roll out, the government decided to conduct a pilot test of the efficacy of using poverty scorecards to identify the most vulnerable. A rapid evaluation of the pilot test in 16 districts found that, while most of the households selected by Members of Parliament were poor, targeting based on poverty score cards yielded even poorer households. There was only a 15 percent overlap of potential beneficiaries between the two methods among households that had a PMT score of less than 15. The overlap increased as the poverty score cut-off increased. BISP wanted to prioritize targeting the very poorest households, for which the poverty score card was found to be a more efficient method (Nikitin et al. n.d.).

Once the survey was completed, each household was assigned a poverty score, which determined its eligibility for BISP's unconditional cash transfer, now known as Kafaalat. The range for the poverty scores was between 0 and 100 with the poverty line corresponding to 28 on the PMT measure. BISP established 16.17 as the cut-off score, meaning that all households below this score would be eligible to receive the transfer. The cut-off score was determined based on BISP's available financial resources and, hence, did not imply that the households with scores higher than 16.17 were not poor. Within its limited budget, BISP prioritized targeting the poorest and the most vulnerable. About 7.7 million households were found to be eligible for BISP's unconditional transfer based on the cut-off score.

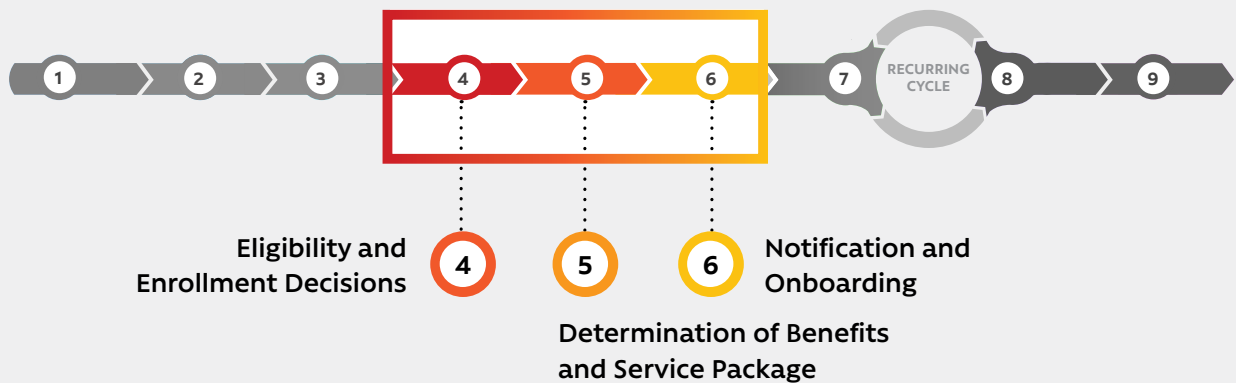
4.2 ENROLL

The enrollment stage in the delivery chain involves determining which registrants qualify for which benefits and services. The objective is that eligibility is effectively determined according to pre-determined criteria, that the right benefit and service packages are provided to meet the needs of the target population, and that eligible registrants are enrolled and onboarded efficiently with minimal leakage to ineligible populations. This stage of the delivery chain involves several phases: (i) determining eligibility and making enrollment decisions; (ii) establishing each beneficiary's package of benefits and services; (iii) notifying all registrants

of their eligibility and enrollment status; and (iv) onboarding beneficiaries by introducing them to program(s) and gathering additional information, if necessary (Figure 16). The inputs to this stage are the results of the assessment of the applicant's needs and conditions, the program's eligibility criteria, and the available budget. At this stage of the delivery chain, the target population can be individuals, families, or households. They enter this stage as registrants and become beneficiaries if they are deemed eligible and are enrolled and onboarded. Once the eligibility decision has been made, the registrant becomes a beneficiary.

FIGURE 16

THE ENROLLMENT STAGE OF THE SOCIAL PROTECTION DELIVERY CHAIN



When the BISP's Kafaalat UCT program started in 2008, the eligibility of potential beneficiaries was determined first by Members of Parliament and then by applying exclusion filters. After each Member of Parliament selected 8,000 eligible families in their districts, the data were verified by NADRA using multiple verification and selection filters. For families to be eligible, their monthly income had to be less than Rs. 6,000, and the female applicant had to have a CNIC. Furthermore, several specific categories of vulnerable groups were identified, including widowed or divorced women with no adult male members in the family, families with physically or mentally challenged members, and families with members suffering from a chronic disease, all of whom still had to meet the income cutoff and possess a CNIC. Moreover, several exclusion filters were used on the basis of which families could be deemed ineligible.¹¹

In 2010, the BISP started using the poverty scorecard to determine eligibility for Kafaalat. The government decides the eligibility cut-off point based on expected number of families,¹² availability of funds, and the value of benefit (BISP 2019). BISP continues to use filters to exclude households based on their apparent relative wealth, although the exclusion filters list no longer includes 'receiving income support from other government programs'. With the data from the intake and registration phase of the Kafaalat program, a beneficiary list is created and subsequently an enrollment plan is prepared in collaboration with the payment agency.

Beneficiaries are then contacted and informed of their eligibility for benefits. The main way of communicating eligibility to households is through a letter. Any undelivered letters are returned to the BISP tehsil office. If these letters cannot be delivered after the second attempt, these lists are displayed at the tehsil office. The NSER survey recorded both landline and cell phone numbers for households so that those with functioning numbers could be contacted by phone calls or secure texts or both.

Data on any households who could not be contacted are handed over to the NSER Wing of BISP.

When beneficiaries are informed about their eligibility, they are advised on how the payments will be made. Each ever-married woman within the household will receive her own cash benefits independently and each will have to use their own CNIC to withdraw payments. The letter sent to beneficiaries includes the following information: (i) the frequency (quarterly) and amount of benefit and the fact that the government may change it in the future; (ii) how the payments will be delivered; (iii) the expected date of the first payment; (iv) the address of the closest BISP tehsil office where the recipient women or household can obtain additional information or file a complaint; (v) the duration of eligibility (three years), after which the household's eligibility will be re-evaluated; and (vi) details of how and where the household will need to submit its data again (if they fail to update their information, the household will be declared ineligible).

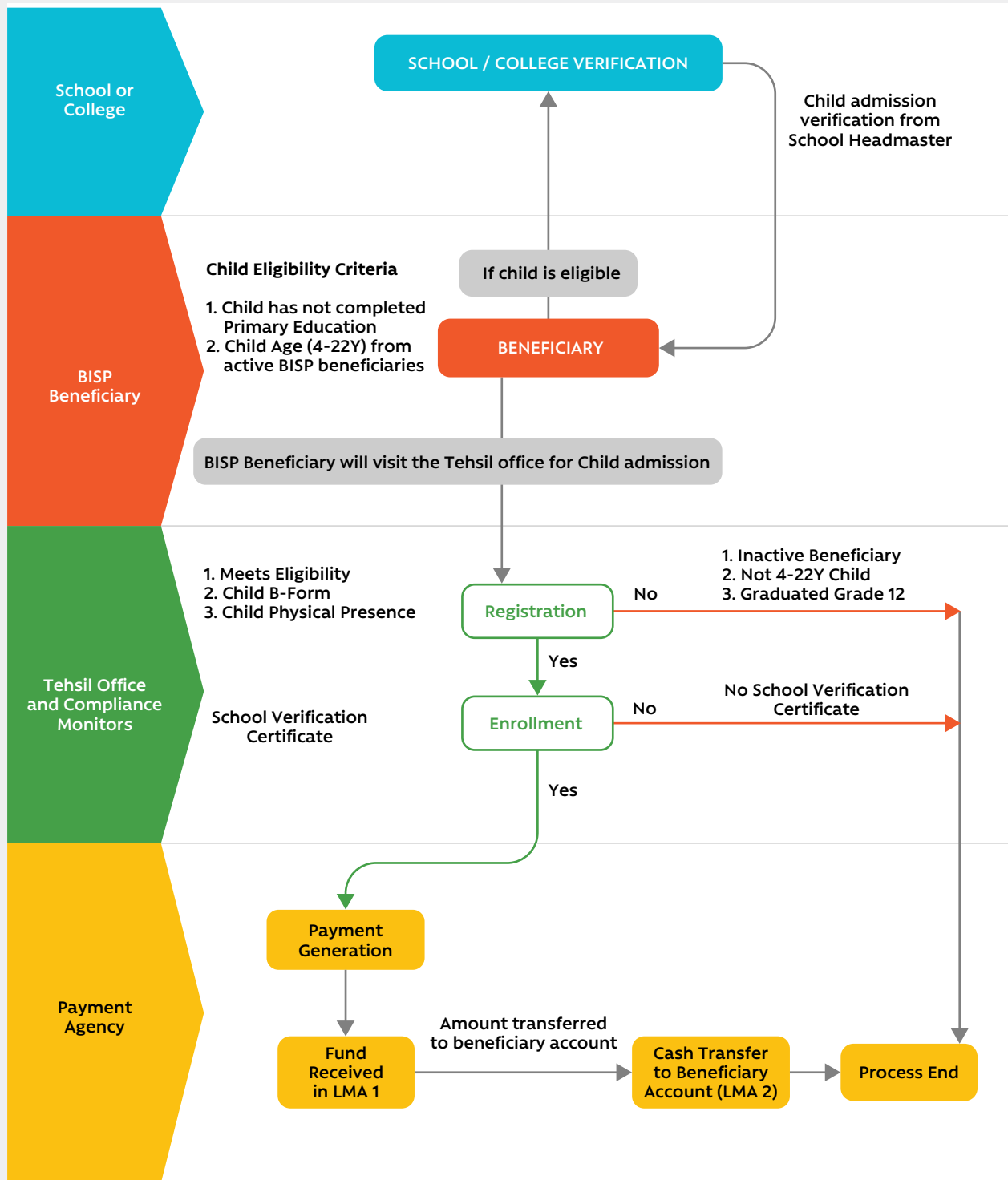
Benazir Taleemi Wazaif (Education CCT)

Before the roll-out of the BWT program (then known as WeT) in 2012, BISP gathered data on public and private schools to determine their available enrollment capacity, infrastructure, accessibility, and location. This information helped BISP to understand if schools in a specific location would be able to absorb the increased demand after the BTW rollout. BISP obtained this information mainly from provincial education departments for public schools since they collected such data. Now compliance monitors for the BTW conduct supply capacity assessments when needed for all public and private schools identified as having enrolled children of BISP beneficiary families (See 4.4.2).

¹¹ This required NADRA to triangulate the applicants' CNICs with other databases to identify if any family member: (i) was in government or semi-government employment including authorities, departments, and armed forces of Pakistan; (ii) received a pension exceeding PKR 6,000 from any government or semi-governmental agency; (iii) received any post-retirement benefits from any government department or agency; (iv) owned more than three acres of agricultural land or more than 80 square yards (three marla) of a residential house or plot; (v) received income support from any other government programs such as Pakistan Bait-ul-Mal (PBM) Food Support Scheme; (vi) had a machine-readable passport; (vii) had a National Identity Card for Overseas Pakistanis (NICOP) holder; or (viii) was an account holder at a bank other than the National Bank of Pakistan, Habib Bank Limited, United Bank Limited, Muslim Commercial Bank, Allied Bank Limited, Bank of Punjab, Bolan Bank, Khyber Bank, First Women Bank, Zarai Taraqiati Bank, Khushhali Bank and all microfinance banks (Khan and Qutub 2010).

¹² BISP programs are targeting families instead of households where a family is defined by the presence of an "ever married" woman, irrespective of whether she is living with her husband or whether she has children.

FIGURE 17 BTW ADMISSION PROCESS FLOW





BISP has improved the eligibility determination and enrollment process for the BTW using digital technology.

In the past, the program faced several challenges, including high administrative costs, and a high error and fraud rate due to the paper-based approach. However, digitalization, initiated in 2020, has resulted in significant improvements in program intake, registration, and compliance monitoring (the latter is discussed in the monitoring section). BISP developed Android-based applications that are now used by compliance monitors in field offices to determine eligibility, enroll beneficiaries, and monitor compliance. Since BTW targets only the children of active beneficiaries of Kafaalat, BISP verifies the status of Kafaalat beneficiaries in real time from the NSER to avoid inclusion errors. To enroll in the BTW, beneficiaries must bring a copy of their children's B-forms¹³ and a school admission slip with information on the child's class and school name verified by the teacher. The verification process includes checking the data on the B-forms against the NADRA database in real-time so that no "ghost" child is enrolled. Information on the enrolled students, such as pictures, admission slips, and other documentation, is archived to create a roster of eligible BTW families based on their existing Kafaalat household information. If the Kafaalat beneficiary family meets all requirements, the enrollment process is completed during their first visit to the tehsil office (Figure 17).

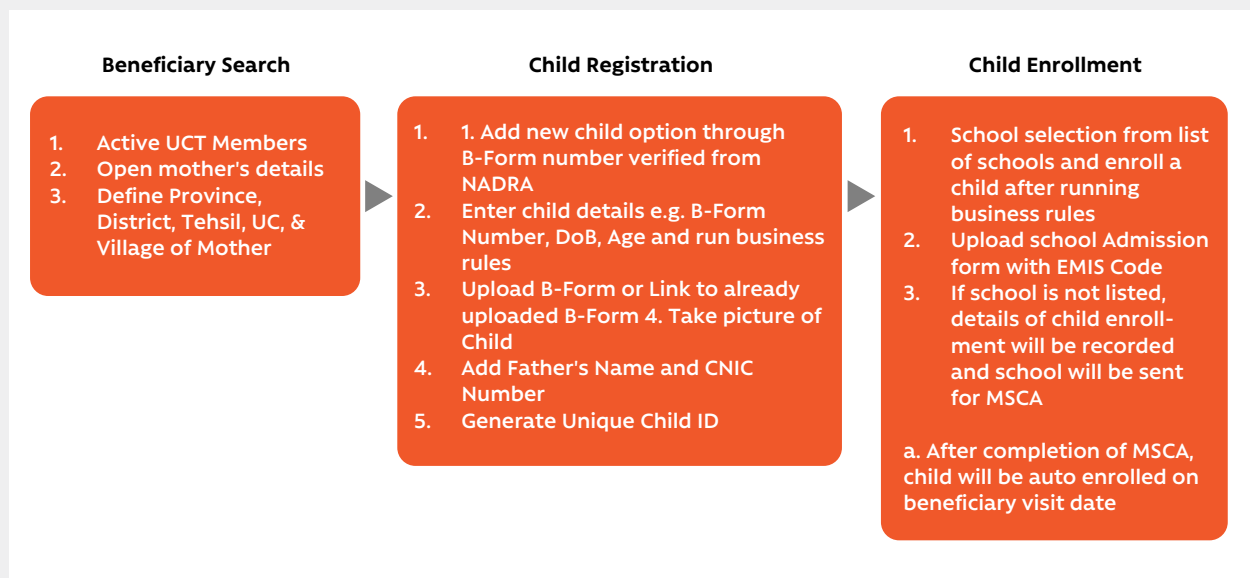
Digitalization has also facilitated beneficiaries' interaction with the program's administrative systems. The launch of the BISP's online application

process resulted in an upsurge in applications and enrollments in the BWT in 2021-2022. An Android-based online application made it possible to apply using a mobile device such as a cell phone (Figure 18). Not only did this make the application process easier, it reduced the number of visits a beneficiary had to make to the tehsil office. For example, through the online app, potential beneficiaries can check: (i) their children's eligibility by entering their CNIC number instead of visiting the tehsil office and (ii) whether the NSER has a complete roster of their children. If the roster is incomplete, beneficiaries will first have to update their family data on the NADRA database.

After the enrollment stage is completed, an educational information session is organized to give the women of beneficiary families an overview of their co-responsibilities and to underscore the importance of education. Sessions last between 10 to 15 minutes and are held for groups of 15 to 20 women. The focus of the sessions is the importance of education and the need to ensure that their children maintain regular school attendance so that the family can continue to receive the cash benefit. Beneficiaries are also informed about the potential consequences of non-compliance and the value of the cash transfers. The sessions also explain the program's grievance redress process and encourage them to take an active role in their children's education and future success.

¹³ A birth certificate in Pakistan is known as a Child Registration Certificate (CRC) or B-form. The document is used to register minors under the age of 18 years.

FIGURE 18 FLOW OF BTW ANDROID APPLICATION

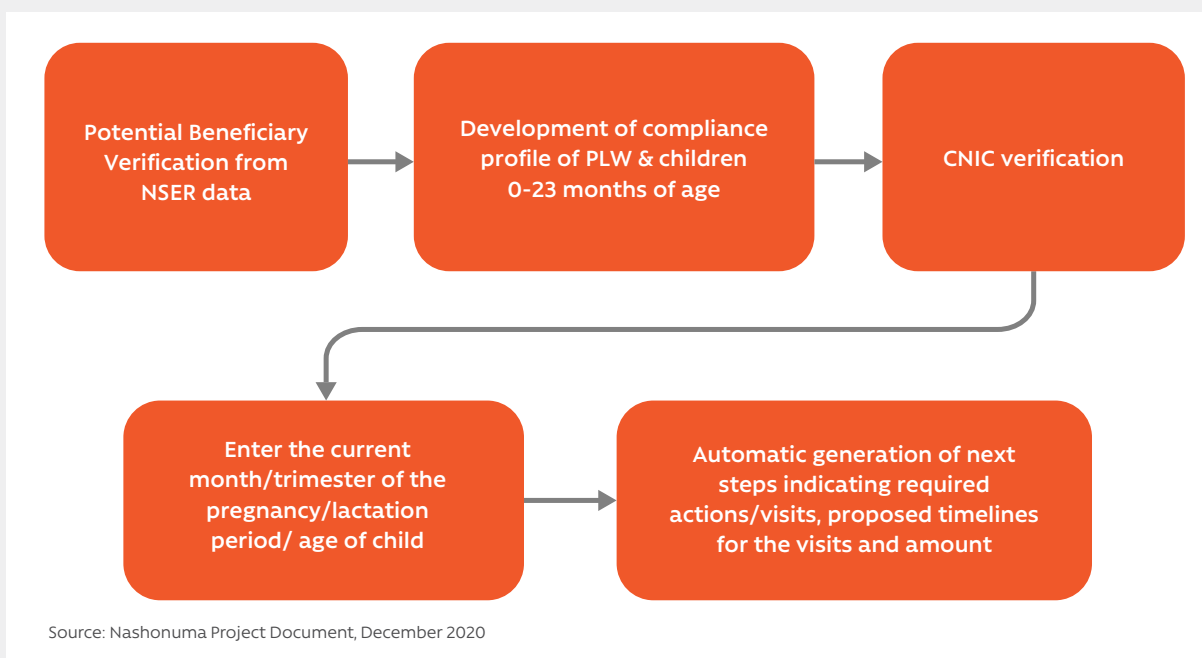


The Nashonuma program is only open to active Kafaalat beneficiaries who are pregnant or lactating mothers with at least one child between the age of 0 and 23 months. The program is only available to residents of districts with a high prevalence of stunting based on the latest National Nutrition Survey data and where no similar program is offered by the provincial government. To be eligible, households must have at least one pregnant or lactating woman member or a child aged between 0 and 23 months. The program has a maximum age limit of 18 months for a child to be eligible at entry and a maximum of two children who can be enrolled per family. By setting these criteria, the Nashonuma program aims to provide targeted support to those who are most in need to improve the health and nutrition of mothers and young children in the selected program areas.

All beneficiaries of the Kafaalat program who might qualify for the Nashonuma CCT are required to visit a nearby Nashonuma facilitation center to have their eligibility determined and to enroll in the program.

Facilitation centers have been set up in tehsil health facilities. Eligible candidates use their CNICs to cross-check their status with the NSER database. If they are active Kafaalat beneficiaries, they need to present these documents at the facilitation center: (i) a pregnancy test result or a confirmation report and an EPI vaccination card if they are pregnant (or a tetanus vaccination card if in the mother is in her second trimester); (ii) a B-form for the child and an EPI card for proof of the mother's vaccination if she is lactating; and (iii) a B-form and an EPI card for proof of the child's vaccination if he or she is between the ages of 6 and 23 months old. For a child to be eligible for the Nashonuma program, their birth must be recorded in NADRA's family database, which requires a birth certificate to verify that the child is part of the applicant family. By ensuring that all necessary documents are brought to the doctor's office at the facilitation center, the Nashonuma program can accurately track and monitor the progress of eligible beneficiaries and provide them with the necessary support to improve their health and well-being (Figure 19).

FIGURE 19 PROCESS FLOW FOR ENROLMENT OF PLW AND CHILDREN TO NASHONUMA



Nashonuma beneficiary families are divided into three groups: (i) those who are not malnourished (ii) those with moderate acute malnutrition (MAM) and (iii) those with severe acute malnutrition (SAM).

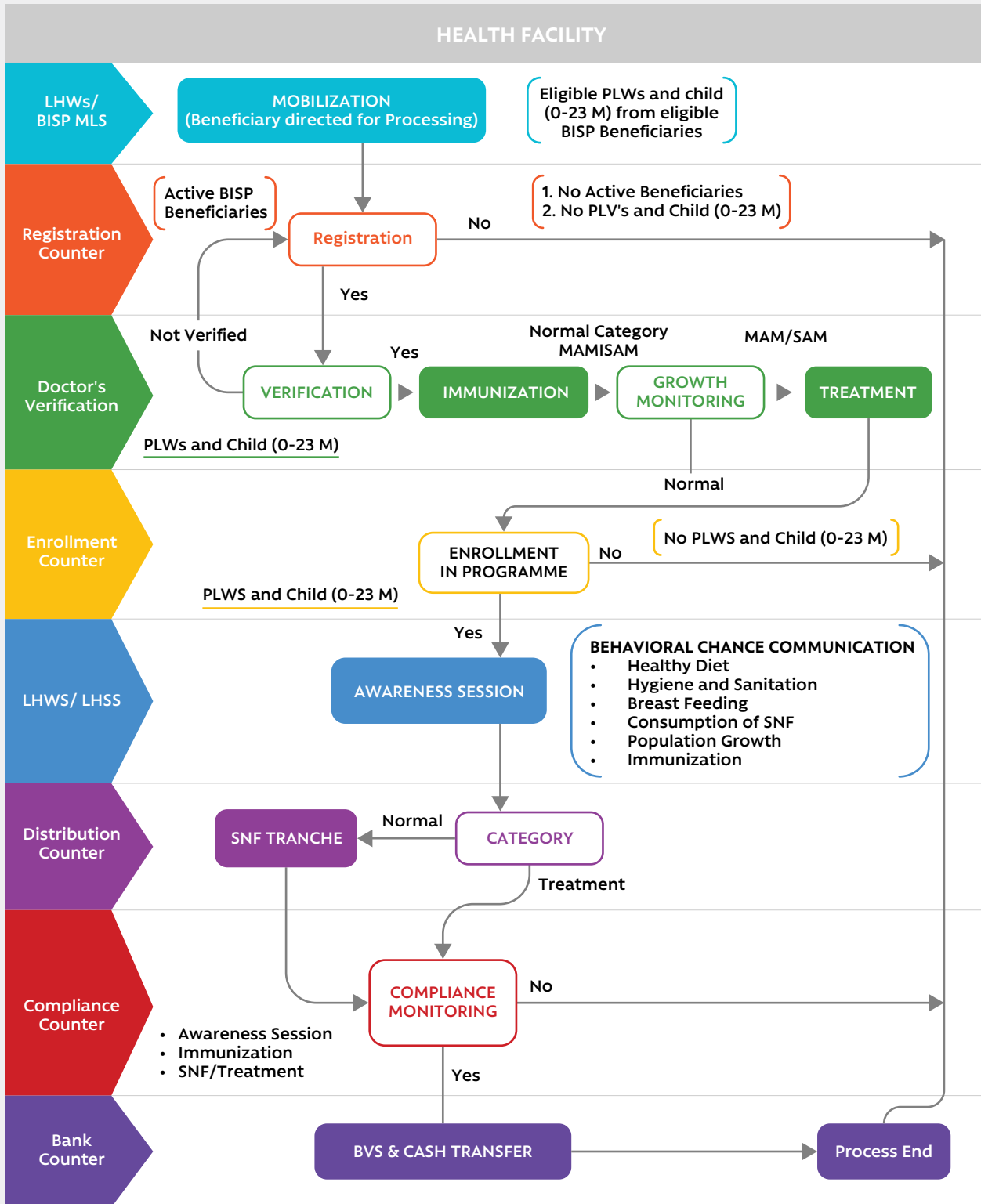
All groups receive immunizations at the tehsil health facility where the Nashonuma facilitation center is located. If a family is in the MAM or SAM category, they are referred to a health facility for treatment and are helped to apply for benefits related to antenatal and post-natal care and safe delivery under the Sehat Insaf Program. All beneficiaries must visit the compliance counter at the facilitation

center to verify their required immunization, attend a nutrition awareness session, receive specialized nutritious food (SNF), and record their child's growth. From the second visit onwards, they have to bring empty packs of SNF to prove that they consumed the contents, and the packs are refilled for them. Once all these activities are completed, they are referred to the BVS counter to have their identity verified through their thumb print before receiving the cash transfer, which is available immediately after their first visit to the facilitation center (Figure 20).



FIGURE 20

PROCESS FLOW FOR NASHONUMA



Source: Nashonuma Project Document, December 2020

4.3 PROVIDE

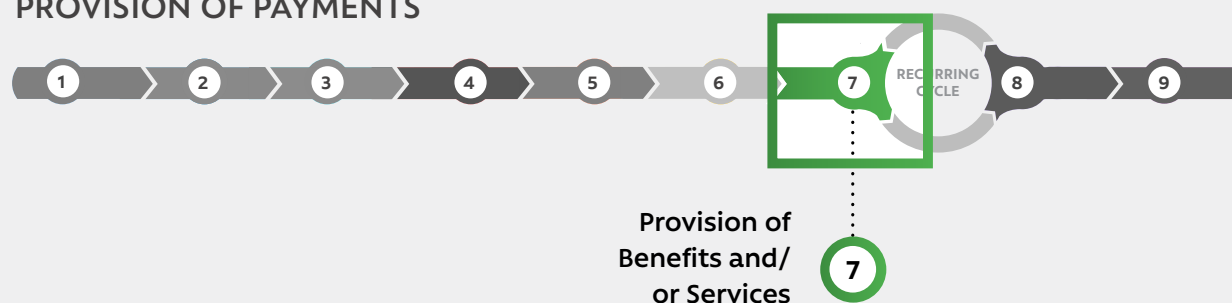
This sub-section will outline the progression of payment provision by BISP, highlighting improvements over time. Emphasizing efficiency and transparency, BISP has successfully transitioned to digital methods. Plans to further enhance payment provision, empowering beneficiaries with expanded choices, are also discussed.

The provision of benefits and services is a key stage of the delivery chain, and there has been a shift toward digitizing this process (Figure 21). The payment of benefits is a core phase in the recurring implementation cycle and, often, is one of the main points of contact between a program and

its beneficiaries. Cash benefits are widely used in social protection, and since the COVID-19 pandemic, there has been an emphasis on digitizing payments to ensure their safe, secure, swift, and convenient delivery. A substantial amount of money is channeled from governments to their people in the form of social protection cash benefits; globally, nearly a quarter of all adults receive payments, whether as public sector wages, public sector pensions, or social benefits such as subsidies, unemployment benefits, or payments for educational or medical expenses according to the World Bank's 2017 Global Findex surveys (Lindert et al. 2020).

FIGURE 21

PROVISION OF PAYMENTS



BISP has improved its payment mechanism over time, moving toward using digital methods to increase efficiency and transparency. BISP uses the same system for its UCT and CCT payments. In the quest to better its payment process, BISP has cycled through five different payment mechanisms over the years. These mechanisms include Pakistan Post Money Orders, the Smart Card payment system, the Mobile Banking system, the Debit Card

system, and the BVS. BISP is currently developing a payment mechanism that will allow beneficiaries to pick payment service providers¹⁴ BISP has been a leader in experimenting with advanced technology solutions designed to tackle the diverse and complex challenges related to a population with different cultural backgrounds and geographic locations.

¹⁴ <https://bisp.gov.pk/ProjectDetail/ZDZjYzY3ZDATZTQ2OS00NGRhlTiiNmtMzJmMzdiYTY3ZDE0>

PAKISTAN POST

The first payment modality was money orders.¹⁵

Money orders were mailed through the Pakistan Postal network to the beneficiaries' doorsteps.¹⁶ However, relying on a manual delivery system invited corruption and leakages. Women also felt obliged to pay a financial bribe (baksheesh) to the postmen for delivering the cash grant. Additionally, in areas lacking house-to-house postal delivery (such as the province of Balochistan and some parts of Khyber Pakhtunkhwa), recipients had to travel long distances to reach the nearest post office.

TECHNOLOGY-BASED SOLUTIONS

BISP piloted two technologies to assess their viability before scaling them up.

The BISP Smart Card based on QR technology was piloted in 2010 with support from NADRA. BISP beneficiaries collected their cash benefit from various franchises operated

or managed by a partner financial institution (such as UBL Bank or telecom operators). The QR code on the Smart Card could be copied, making it vulnerable to fraud. The second pilot used a branchless banking model. Beneficiaries received free mobile phones, SIM cards, and a personal identification number (PIN) code that could be used to withdraw their cash transfers from designated franchises after showing a valid CNIC. However, the beneficiaries often handed over their PIN codes to family members or franchises, which led to fraud. There were also incidents of loss, damage, theft, and even the sale of the BISP-provided mobile phones.

These pilots failed mainly because of low levels of financial literacy among the beneficiaries and low cell phone penetration rates.

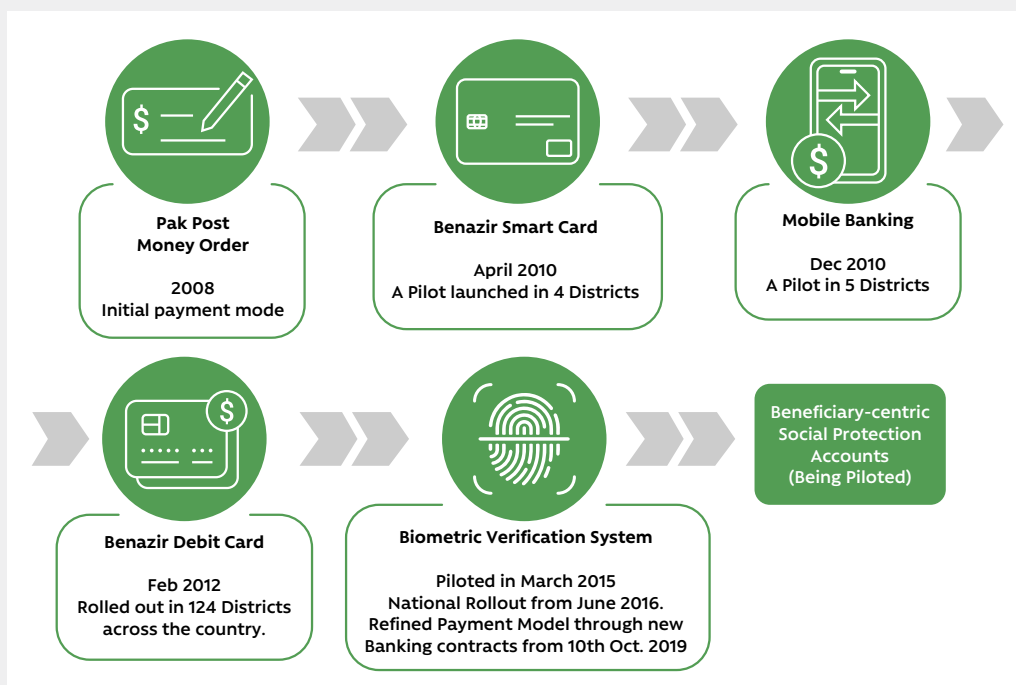
The lack of familiarity with digital technology in the early 2010s, especially among those in the bottom two quintiles of Pakistani households, translated into an increasing number of beneficiaries being defrauded out of their cash grants. These mechanisms had to be abandoned.

¹⁵ A certificate (directive to pay) issued by the Government of Pakistan for a specified sum of money, to be paid upon demand to the intended recipient. It is a pre-funded instrument generally preferred by recipients without a formal bank account who can withdraw cash upon presentation of any government-issued document verifying their identity (CNIC).

¹⁶ Pakistan Post is a state enterprise that is Pakistan's largest postal operator, with over 13,419 post offices across the country, servicing at least 50 million people each year.

FIGURE 22

EVOLUTION OF BISP PAYMENT SYSTEM



Source: BISP

Generic ATM cards and the Benazir Debit Card (BDC) were employed from 2012 onwards but, again, challenges arose due to beneficiaries' low levels of literacy and unfamiliarity with digital technology.

Beneficiaries could use these cards to withdraw cash from any ATM in Pakistan or from designated point-of-sale (POS) terminals of BISP's partner banks across the country. While the BDC was convenient for beneficiaries, it was not without its challenges. Most partner banks issued generic debit cards (i.e., an ATM card without the name and/or picture of the beneficiary) with a generic passcode of 1234, with instructions to change the passcode before using it. However, most women never changed the password and/or gave their card to "middlemen" to withdraw cash on their behalf in exchange for a small "commission." The generic nature of the BDCs also led to a mix-up of BDCs and passwords, making the transaction impossible. Women routinely misplaced their BDCs, requiring them to apply for replacements which was a lengthy process. While the system continued to operate in some parts of the country till recently, it was an expensive undertaking.

BIOMETRIC VERIFICATION SYSTEM (BVS)

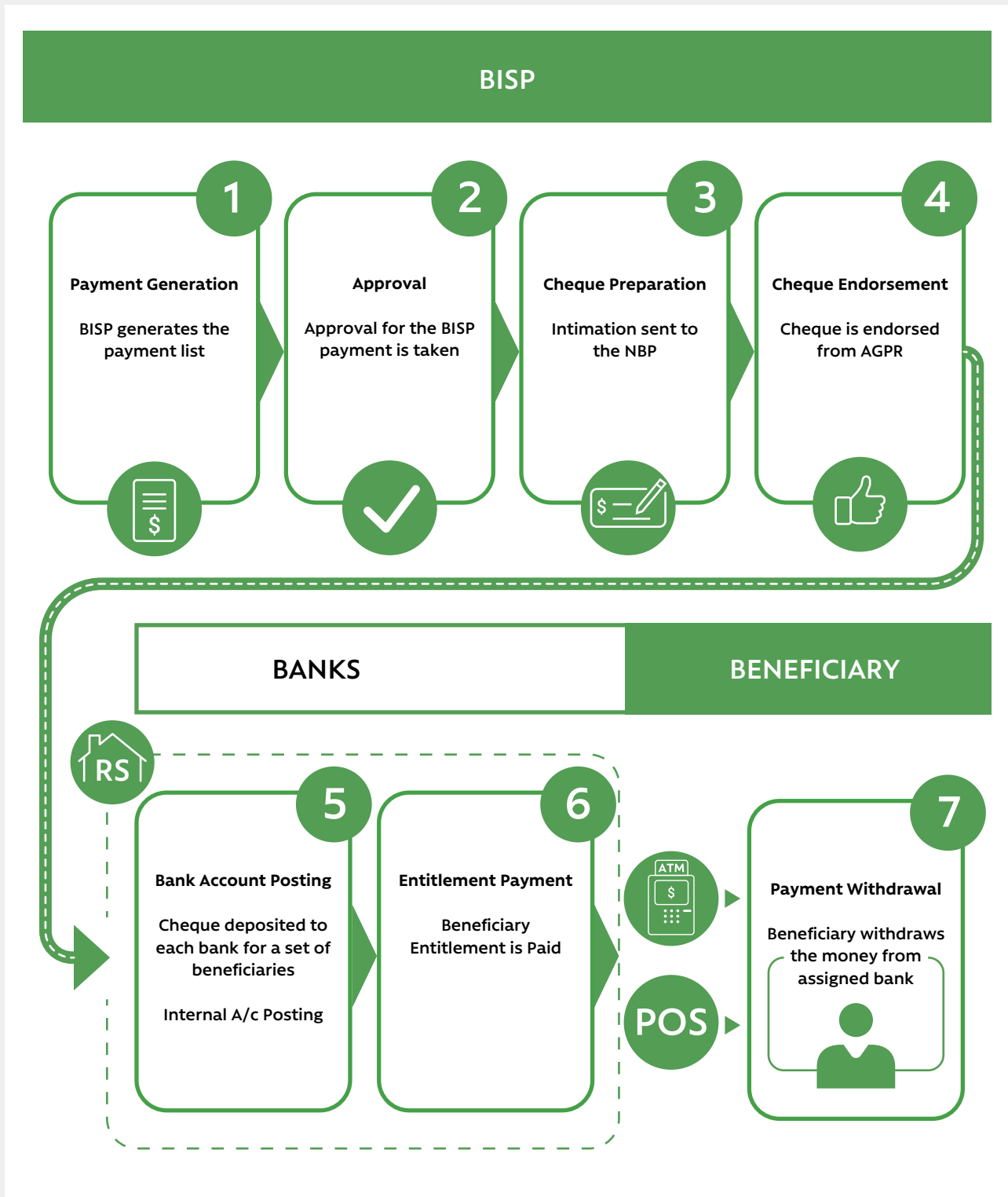
BISP currently uses biometric information from beneficiaries collected by NADRA via a thumb impression when the CNIC is issued. Beneficiaries are notified by text as soon as their cash transfer funds are credited into their accounts. To collect their money, a beneficiary presents her CNIC at a designated BVS-enabled POS terminal at a BISP partner bank. After the beneficiary's thumb print is verified by the BVS system in real time, the payment is released. This system is easy to use and ensures that the cash transfer is withdrawn and retained by the beneficiary herself. It requires the beneficiary to be physically present at the POS terminal, although this condition may be difficult for some women given household responsibilities and social norms. Despite these concerns, the BVS payment system has more than 90 percent withdrawal rates.

BISP has made significant changes to the BVS payment system design to further reduce inefficiencies and leakages. In 2019, BISP took a series of actions to increase accessibility and financial inclusion and improve administration. First, BISP divided the county into three clusters, instead of the previous six or seven clusters, to streamline system administration. Second, BISP launched

the One Woman One Account initiative, which offered beneficiaries an optional savings account to encourage them to save; however, this initiative failed. Third, the program made agent networks (POS) BVS enabled in addition to ATMs. At the same time, all BVS devices were geo-tagged and equipped with live fingerprint detection (LFD) technology and electronic payment devices. NADRA specified standard protocols for using such devices to ensure that payments were being made to beneficiaries. To make the system more responsive, BISP's payment complaint management system was integrated with the complaints management systems of all partner banks so that BISP could track all payment-related queries and complaints (see Section 4.4.1.). Finally, BISP specified minimum quality control measures and reporting standards for banks, one of which was API integration to enable real-time reporting.

Nevertheless, the current BISP payment process has several limitations. First, the current disbursement process allows only one financial institution to operate in a particular area (with a limited option for beneficiaries to receive their payments through telecommunication companies and POS agents). This limits interoperability as well as the ability of beneficiaries to choose to withdraw their money from the most convenient or preferred financial institution. Second, the limited availability of withdrawal platforms provides more opportunities for disbursement agents to indulge in exploitation and rent seeking, compromising the delivery of the cash transfer to the targeted beneficiaries. Third, since there is no automated reconciliation system and each disbursement region is handled by a single financial institute, BISP must do separate reconciliations for each payment partner. This results in delays in the posting of accounts, the payment of refunds, and the settlement of complaints. Also, the current disbursement mechanism is based on BISP paying its payment partner banks up front, which creates challenges of liquidity and funds management as well as scheduling issues for BISP.

FIGURE 23 BISP PAYMENT WORKFLOW



Source: Background Paper on IT System of NSER

Both UCT and CCT disbursements are made via the same payment mechanism. While the Kafaalat UCT has no precondition other than the verification of identity, both CCT programs have attached preconditions, as discussed in the previous section. Nevertheless, the cash transfers under these programs are disbursed at the same time as the UCT,¹⁷ despite following different processes of verification and compliance. During each payment cycle, the Cash Transfer (CT) Wing of BISP follows these steps: (i) funds planning; (ii) setting UCT payment parameters; (iii) calculating payment amounts; (iv) generating the UCT payment list; (v) submitting the UCT payment list to the CT Wing for pre-audit and approval by the Finance and Accounts Wing and the BISP Secretary; (vi) disbursing the funds; (vii) notifying the beneficiaries, and (viii) reconciling funds.

BISP has developed payment software for the smooth processing of payments, but it is housed under the MIS Wing, which often creates inefficiencies. The MIS Wing maintains the master list of beneficiaries, but it can only pay them once it receives detailed instructions from the CT Wing before each quarterly disbursement. CT Wing sets parameters such as the amount to be paid to each beneficiary as well as the date from which it must be paid, and the MIS Wing then transfers the specified amounts. After the disbursement, the MIS Wing shares a report with the CT Wing. BISP follows a standardized sequence for generating and disbursing payments as follows: (i) it pays all beneficiaries within each selected geographical area (province or district); (ii) it pays all beneficiaries using either electronic or manual payment modalities; (iii) it prepares the quarterly UCT payment list; and (iv) it maintains a historic record. The finalized UCT payment list is sent to the CT Wing. However, it would be better and more efficient if the CT Wing could create these lists without having to rely on the Technology Wing.

Banks disburse the cash transfers through special virtual accounts created specifically for BISP beneficiaries. Accounts are called Limited Mandate Accounts (LMA) and beneficiaries can use this account only for withdrawing their BISP cash

transfers. They cannot make deposits or use this account for any other purpose. Moreover, they must withdraw their cash transfer in full. These accounts were approved by the State Bank of Pakistan only for BISP transactions. This payment system allows beneficiaries to withdraw their cash transfer only through the LMAs, which limits their choices. Another negative is that this system exacerbates the existing low level of financial literacy among BISP beneficiaries, which could be mitigated if they were allowed to become more familiar with the formal financial system by using other outlets. Beneficiaries now have the choice to withdraw their money from their LMA account or to transfer it to a savings account at the same bank that was provided by the BISP program as part of its payment mechanism. As soon as the funds are credited to the beneficiaries' accounts, they are notified by text.

Funds reconciliation refers to the process of assessing how much money has been disbursed to whom and when. For this purpose, the MISs of the banks and BISP are integrated so that BISP can monitor the withdrawal of each disbursement in real time. BISP carries out a final reconciliation with each payment agency at the end of each quarter. This allows the BISP to identify areas where withdrawal rates are less than 100 percent, so that it can take proactive measures at the local level to ensure that beneficiaries withdraw their funds. When funds are not withdrawn, they remain in the beneficiary's LMA for nine months before getting credited back to BISP. Moreover, if a beneficiary wants to withdraw a payment from a district where she does not live, she first has to go the BISP tehsil office to inform them. This rule applies only to those BISP beneficiaries who are being served by the Habib Bank, which enacted this rule to prevent fraud at the POS.

¹⁷ The UCT used to be provided on a quarterly basis, but this was amended to semi-annual pay-outs during the pandemic but has since reverted to being paid quarterly.

BOX 11

USING THE BISP PAYMENT SYSTEMS IN SHOCK RESPONSE

Once a target population has been identified for a shock response, BISP uses the BVS and digital payment systems to make cash transfers directly to those households. However, in the context of climate shocks, such as the most recent floods, these systems can break down because of telecommunication problems or the inability of the recipients to physically access these payment points. Since BISP has access to real-time information on when and where cash withdrawals are made, it is possible to plan alternatives in a timely manner. After the flood response, although payments were disbursed quickly, cash withdrawal rates remained low in areas that were inaccessible and/or where the local infrastructure had been badly damaged. By triangulating data on payment withdrawals with location data in NSER, it was possible to quickly identify areas where withdrawal rates were low even weeks after disbursement. Based on reports from BISP field offices on accessibility, boats were arranged for the payment service providers, who set up temporary camps in the relevant areas until all beneficiaries were paid, thus improving the efficiency and effectiveness of the crisis response.

The disbursement of the BTW and Nashonuma cash transfers are reliant on a detailed compliance mechanism. The quarterly verification of children's school enrollment and attendance records is a massive undertaking (See 4.4.2). Verification often takes a long time, which means that the payment of the BWT transfer is not perfectly aligned with the timing of the UCT disbursements. This can lead to CCT payments being pushed into the next payment cycle. Often, an amount accumulated over several quarters is paid out to the beneficiary in a lump sum, creating an information asymmetry where beneficiaries are not always aware of the total amount that they are due. This can be exploited by payment agents who may withhold a percentage or charge the beneficiary a fee when they withdraw their cash. In contrast to the BTW, the Nashonuma payments are processed immediately as a beneficiary can fulfill all the co-responsibilities during her visit to the program's facilitation center. (See 4.4.2)

Overall, the evolution of BISP's payment system was driven by its commitment to transparency and better management and administration rather than ensuring that beneficiaries have a good experience with the system. Digitalization has been instrumental in ensuring transparency and compliance as manifested by a reduction in the number of complaints and of the incidence of fraud. However, it has also highlighted the low financial and technological literacy of the target population. Most women beneficiaries are illiterate and rely on their children to read texts and other communications

from the BISP. Their awareness of potential scams and fraud—such as texts that claim to be from the BISP and that ask for personal information—is also limited. BISP has tried to address these issues by constantly communicating with beneficiaries about how they can identify scammers and protect themselves from such fraud. It is also in the process of designing a financial literacy curriculum for beneficiaries.

The experience of BISP's multiple payment mechanisms has invariably pointed toward one common factor, which is the preference of beneficiaries for human contact whether with BISP officials, bank POS agents, or the unlawful ATM middlemen. Despite a strong effort by the BISP to educate beneficiaries about their rights regarding cash grants, cases of unlawful agents charging commissions or fees (sometimes referred to as the "social tax") are rampant. Anecdotal evidence suggests that women often pay 10 to 20 percent of their benefit to the payment agents to access their cash transfer because of the inherent power imbalance in which they are completely dependent on the payment agent to give them their cash. In some cases, if women refuse to pay this commission, they are asked to come again the next day, thus incurring more travel and opportunity costs. A pending task is for BISP to delve deeper into the problem and assess how a human-centered approach could be used to improve the situation. When such complaints are filed through official channels, they are resolved on a case-by-case basis, but BISP has not been able to adopt a systemic approach that penalizes POS agents for exploiting and harassing beneficiaries.

Aware of these shortcomings, BISP is piloting a new payment system with the aim of creating a more open beneficiary-centric environment. BISP is testing the concept of providing beneficiaries with fully mandated bank account, in contrast to limited mandate account, which will offer multiple options for withdrawing cash, including bank branches, ATMs, and mobile money or POS agents. The payments will be eventually facilitated by RAAST, an instant payment system owned and operated by the State Bank of Pakistan. RAAST is a payment gateway, which enables end-to-end digital payments among individuals, businesses, and government entities, offering the potential to reduce delays in payment, while reaching a wider range of financial institutions. As the number of participating financial institutions grows, BISP's grievance redress mechanism, funds reconciliation, and other administrative activities may become more complex and will require careful management.

This new disbursement system is being introduced in the context of a broader global trend toward beneficiary choice and modern digital infrastructure for social protection payments. Countries as diverse as India, Zambia, and Colombia are moving toward giving beneficiaries more choices of financial accounts. Combined with the use of shared digital infrastructure like RAAST in Pakistan, APBS in India, or GEWEL in Zambia, these changes represent a global trend toward a more modern government-to-person (G2P) infrastructure (Hobson et al. 2022). Increasing beneficiaries' choices has the potential to increase competition, reduce costs, and improve the customer experience. More important, it recognizes beneficiaries as customers with complex financial lives, rather than as passive recipients. Kenya's experience in moving toward the electronic payment of social benefits and enhancing access to financial services provides valuable insights for BISP's efforts to improve its payment system (Box 12).

BOX 12

KENYA'S INUA JAMII PAYMENT SYSTEM

Despite being a lower-middle-income country, Kenya has, for many years, been recognized as a pioneer in digital financial inclusion. In 2013, the Kenyan government initiated the electronic payment of social benefits in a move toward establishing a more modern and efficient payment system. In 2018, the Inua Jamii social protection program restructured its payment system to offer beneficiaries a choice of payment service providers (PSPs), which were all commercial banks. This move was intended to promote competition among providers and increase convenience for beneficiaries.

A study was conducted to evaluate the effectiveness of the payment system from the perspective of beneficiaries, including their opinions on its convenience and competition. Additionally, the study examined whether these digital government-to-person (G2P) payment programs had increased financial inclusion in Kenya, recognizing that Kenya already had high financial inclusion rates due to the widespread use of M-Pesa digital wallets.

The study found that recipients strongly supported making payments through financial accounts. Most respondents considered this to be a good system, with some preferring the commercial bank channel and others expressing a preference for direct payments through wallets. The study also found strong support among beneficiaries for being given a choice of PSP where feasible. However, the single payer G2P model was also found to be effective, depending on local conditions.

From a gender perspective, the study found a high level of gender parity in the Inua Jamii program, with 90 percent of women claiming it was no more difficult for them than for men to open or operate an account. However, women were less likely than men to report knowing that they were able to change PSPs and were less likely to take advantage of the limited added functions offered by their accounts. Despite this, both men and women were equally likely to claim that the new choice-based payment model was superior, and women across all cohorts were no more likely than men to dislike the system.

Source: Gleb et al 2023



4.4 MANAGE

This sub-section discusses the case management and grievance redressal mechanism of BISP, monitoring of conditionalities for the CCTs, monitoring of payments,

and exit decisions focusing on its evolution and continuous improvement.

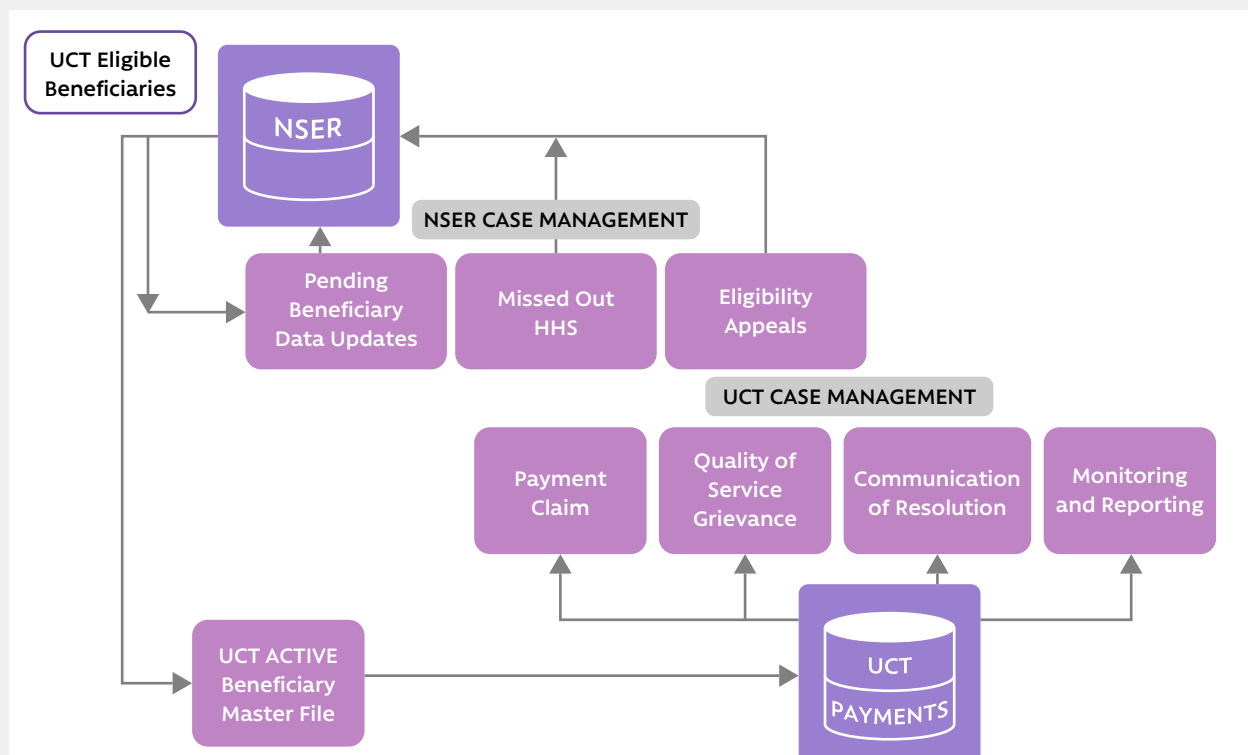
4.4.1 Case Management and Grievance Redress Mechanism

Grievance redress mechanisms (GRMs) are an important component of the delivery of social protection as it gives the public a voice and can create an effective feedback loop. A GRM provides beneficiaries and the public with a voice in the administration and performance management of a social protection program. Ideally, the GRM could provide more than one channel to ensure that the maximum number of people can provide feedback to program administrators and seek resolution of their complaints. Common grievances can involve unclear program guidelines, a lack of awareness of the program because of insufficient outreach, possible inclusion and exclusion errors, an unsatisfactory package of benefits, problems with the payment of benefits or the provision of services, mistreatment by frontline staff, or the inefficacy of the GRM itself. When aggregated, grievance data help program administrators and decision-makers judge the efficiency and effectiveness of the GRM based on the experiences of beneficiaries and other citizens. It is essential that all stakeholders understand how grievances will be collected and resolved (Lindert et al. 2020).

BISP has a comprehensive case management system (CMS) that is available to existing beneficiaries, those who have exited the program, and potential applicants as well as to community members. In 2012, BISP launched its original case management system (CMS) (Figure 24). On receiving a complaint, the CMS created a computer-generated complaint ID to track it. The system only dealt with complaints related to CNIC updates, duplicate CNIC clearance, address updates, and eligibility-related appeals. The CMS was developed by NADRA and remained operational till 2017. The CMS paved the way for 1.8 million females to become BISP beneficiaries to date. In 2015, when BISP payments were being made through debit cards, the program's MIS developed a second version of the CMS, the Payment Complaints Management System (PCMS), to handle payment-related complaints. Whereas the original CMS operated through the exchange of emails and excel sheets between the field offices, headquarters, and banks, the PCMS desktop application is now being used at the BISP headquarters and in all tehsil and district offices. Initially, it handled only complaints related to the debit card and the loss and replacement of PIN numbers. Later, more types of complaints were added after the debit cards were discarded and biometric verification became the mode of payment.¹⁸

¹⁸ BISP Presentation, January 2023.

FIGURE 24 KAFALAT CASE MANAGEMENT (GRM)



There are various ways to register complaints and a wide range of communication channels. These options include: (i) mailing complaints to the BISP headquarters located in Islamabad; (ii) calling the national toll-free hotline;¹⁹ (iii) submitting an online complaint through the BISP website, which is exclusively available to vendors and contractors; (iv) making an in-person visit to the BISP headquarters or any of the 16 zonal offices (located throughout the provinces/regions), 140 district offices, or over 400 tehsil offices across the country, and (v) submitting a complaint through BISP social media accounts such as X (formerly known as Twitter). Most beneficiaries prefer to visit an office to lodge their complaints instead of calling the helpline, even if they are aware of the helpline number and how to use it because they feel more comfortable expressing their concerns in person to another human being.

In 2022, BISP strengthened its PCMS by integrating it with partner banks. All complaints are monitored at BISP's headquarters. Complaints are categorized as high, medium, and low in severity and are assigned expected turn-around times (TATs) accordingly. According to BISP's contracts with the banks, the TATs for each type of complaint range from 24 hours to four days. BISP could impose penalties on banks for TAT breaches since October 2022.²⁰ BISP has adopted an exceptions policy²¹ for those beneficiaries who cannot be verified biometrically (such as older women whose thumb lines have faded or amputees with both thumbs gone). These people will now be provided with debit cards with their name, CNIC number, and photograph on the card to enable them to withdraw their payments transparently.²² Broadly speaking, the PCMS handles complaints related to the BVS, payments, and the quality of service. Most of the complaints received are related to the BVS. In

19 The toll-free number is 0800-26477, which is extensively advertised by the BISP.

20 BISP Presentation, January 2023.

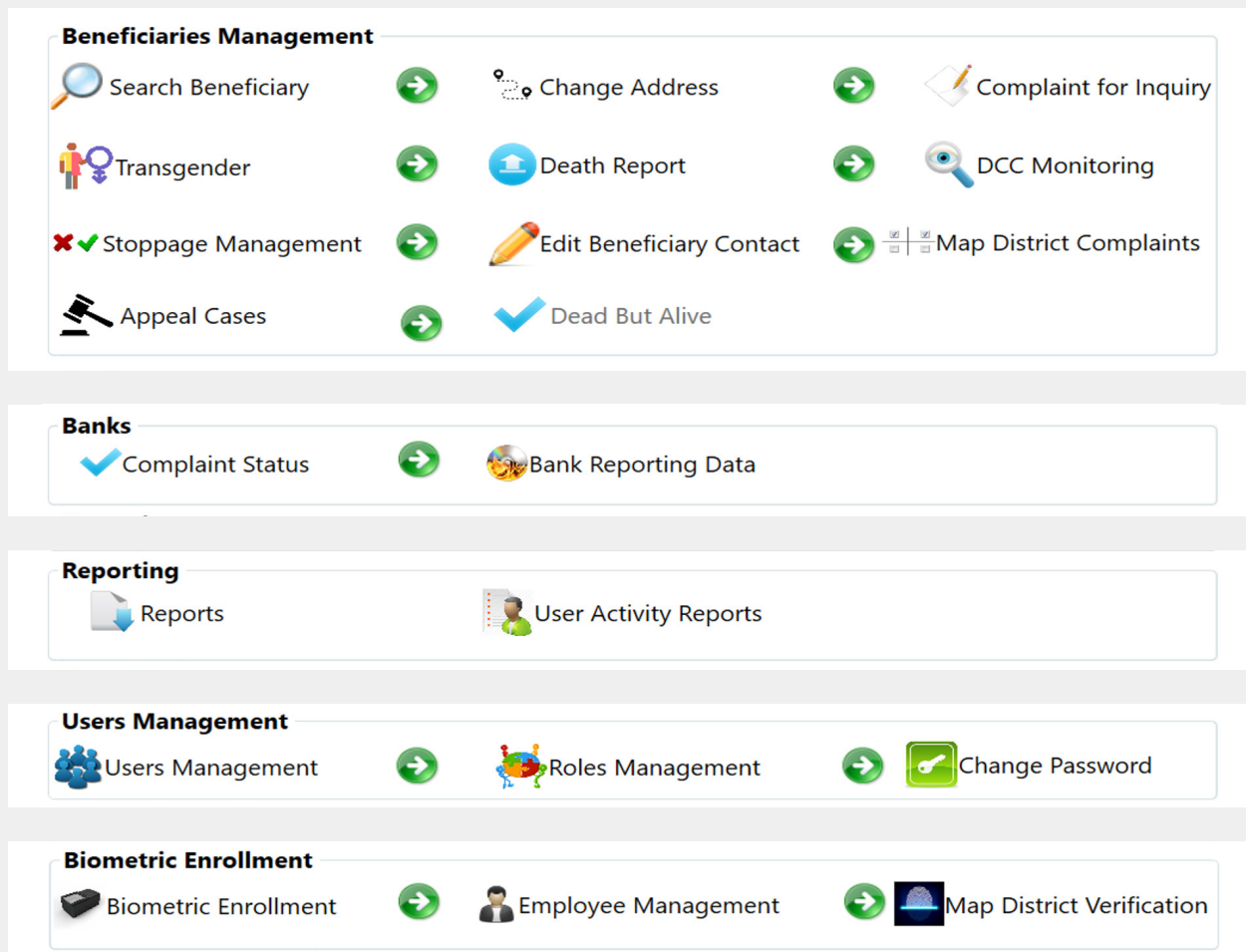
21 Barring these exceptions, BISP has discontinued using debit cards and replaced it with the BVS.

22 CRISP Stakeholder Engagement Plan, January 2021.

In addition, there are various subtypes of complaints within these three categories, resulting in over 30 different types of complaints that can be processed through the PCMS. The PCMS also offers beneficiaries various other services such as the ability to review their transaction history, dispute a blocked status, update next of kin and contact information, submit appeals for transgender beneficiaries, report the death of a beneficiary, and generate reports for BISP headquarters and field staff (Figure 25).

The grievance resolution authority has been decentralized to improve the GRM. The grievance/complaint resolution authority has been devolved from the Head Office to the tehsil offices to accelerate resolution time and to provide beneficiaries with a more familiar and accessible environment. Beneficiaries already visit tehsil offices to determine their eligibility and to enroll themselves in the BISP program, and now they can also lodge grievances related to targeting, enrollments, or payments, or make a general complaint.

FIGURE 25 BISP PAYMENTS COMPLAINTS MANAGEMENT SYSTEM



Note: User interface from BISP's Complaint Management System

All BISP offices are connected online with the CMS system to be able to process these complaints. The BISP operates three complaints systems: (i) the case management system (CMS) for enrollment in the Kafaalat UCT; (ii) the BTW CMS introduced specifically for BTW enrollment complaints; and (iii) the PCMS introduced for complaints related to payments of the UCT and CCTs. All BISP staff can access all three complaints systems online. The websites for the three systems enable BISP operational teams to receive and address beneficiaries' complaints and enable existing and potential beneficiaries to understand the procedures involved in lodging appeals and complaints, including appeals by households who have either not been surveyed or whose poverty score is above the eligibility cut-off score, but they consider themselves to be "poor" and eligible for BISP benefits.

The CMS/GRM system has been designed to be inclusive. Anyone can check their eligibility status, report an exclusion error, lodge a complaint or appeal, and seek other information. For this purpose, BISP has set up a centralized call center that is available across Pakistan from 8.00 am to 5.00 pm. The staff provides information about new initiatives, registers complaints, and resolves some complaints on the spot such as those regarding CNIC updates and appeals on eligibility. The status of all pending complaints is available on BISP's internal website with case IDs for tracking purposes. Active complaints remain on the website until they are resolved. Between mid-April 2012 when the CMS became fully functional and October 31, 2020, BISP received almost three million complaints, out of which 98 percent were processed within 72 hours of receipt.

However, not all beneficiaries know about the GRM. According to a third-party beneficiary feedback operational review carried out by the OPM in 2020, only 14-37 percent of beneficiaries had any knowledge of BISP's grievance redress system. Only 3-5 percent of beneficiaries were aware of BISP's helpline, even though beneficiaries have access to mobile phones. The percentage of beneficiaries who had ever had a grievance ranged from 10-27 percent. It is also important to note that the number of grievances also increased after the

BISP discontinued cash transfers for those that had exited the programs because beneficiaries were questioning why they were no longer eligible for benefits.²³

Action needs to be taken to increase awareness of the GRM. This applies to all beneficiaries but is particularly important for vulnerable groups. The GRM needs to be known and accessible to less well-educated people and persons with disabilities. Information about the GRM needs to be widely circulated in dedicated media campaigns using print, electronic, and social media, so that citizens and organizations in all project areas are aware of its existence and can use it to report their issues and complaints.

Moreover, several aspects of BISP's grievance redress system are fragmented, and coordination among staff working across the system is limited. Different databases exist for each initiative although BISP keeps a master database of beneficiaries. However, when it comes to complaints, each BISP wing has a separate database that is maintained by the MIS Wing. There are no rules that standardize responses to grievances or advise program officials on how to tackle different kinds of complaints and appeals. Timelines have been set for resolving some but not all types of complaints. The resolution of complaints is often neither timely nor transparent, which has led to low confidence in the process (ADB 2021). Moreover, tehsil offices are manned by only three people on average who attend to multiple tasks including complaints (ADB 2021).

To address these issues, BISP is enhancing its GRM by integrating the separate MISs. BISP is developing a UCMS with a single log in for users who can then select the avenue to submit their complaint. With the development of the UCMS, all complaints data will be stored in one grievance redress database. BISP can learn lessons from the experiences of countries with advanced GRM systems such as Türkiye (Box 13) and Jordan (Box 14). As the UCMS is developed, it will need to be integrated with the banks and aligned with the new payment model.

²³ Out of the current 9 million beneficiaries, slightly over 2 million are considered to be continuing beneficiaries as they were also captured in the previous survey. The remaining beneficiaries are new and were not previously included in the program.

BOX 13

THE GRIEVANCE REDRESS MECHANISM IN TÜRKIYE

The grievance redress mechanism in Türkiye uses a combined centralized and decentralized model to deliver social assistance. It includes a range of channels to ensure that all recipients can submit grievances at their convenience. These channels are:

- **An integrated GRM module in the Integrated Social Assistance System (ISAS)** can be used for any type of grievance related to social assistance programs. Recipients can submit an appeal at the Social Assistance and Solidarity Foundation (SASF) in their district using a standard form provided by SASF. These appeals are then sent to ISAS for evaluation during the District Board of Trustees' weekly decision meetings. The Board is required to resolve the matter and notify the recipient by text within a month in accordance with a regulation issued by the General Directorate of Social Assistance (GDSA).
- **The Alo 144 hotline** is a call center that provides information and support to recipients, including information on the status of applications and payments. It is one of the main information channels used by all social assistance programs. It can be used to coordinate between SASFs about grievances and to direct citizens to a particular SASF. Pre-COVID-19, the hotline received over one million calls on average per year.
- **The CIMER (Presidency Communication Center)** is an online portal for all demands, appeals, proposals, or complaints from citizens. Recipients can use this channel to direct grievances to the Ministry of Family and Social Services (MFSS) or to the GDSA. The law on information (Law no. 4982) and the law on petition (Law no. 3071) require that these grievances should be resolved within 30 business days by the relevant public authority.
- **The Ombudsman' Institution** is an independent complaint mechanism that accepts appeals through an online portal or in paper form, but it takes much longer than other channels for complaints to be resolved.
- **The E-Government (e-GOVT) portal** is linked with the ISAS and enables recipients to check for updates on their application or to submit queries. In 2016, 9,000 service queries per day were submitted through the e-GOVT portal.

Source: World Bank (2022)

It is critical to monitor the effectiveness of the GRM.

The KPIs include monthly reporting on the number of grievances received, the number that have been resolved, and the number that remain outstanding. The trends and time taken for grievances to be

resolved could be analyzed as part of a review of the efficacy of the GRM. Soliciting the views of the stakeholders for whom the GRM was designed would increase the credibility of the mechanism and the program itself.

BOX 14

JORDAN'S NATIONAL AID FUND

The National Aid Fund (NAF) is the cornerstone of Jordan's social protection system, providing assistance to vulnerable Jordanian families (excluding refugees) and facilitating their access to other resources in the social support network. As the primary safety net provider for the Government of Jordan, NAF implements various poverty reduction programs, providing cash transfers to 29 percent of the population. NAF has a widespread network of 42 branch offices and 16 sub-branch offices in remote areas.

Previously, NAF relied on a manual Complaints and Handling Mechanism (CHM) that could be accessed at public service desks at its headquarters and branches located throughout Jordan. The responsibility of these desks was to receive paper documents containing complaints and grievance applications, process the referrals to relevant units, and provide feedback from NAF staff who worked on the cases. The complaints mainly consisted of grievances about being excluded from a particular program and requests to be included in NAF's assistance programs. However, these complaints and applications were not documented or saved for reporting and tracking purposes. NAF has made substantial changes to its CHM to improve communication with its beneficiaries and provide a centralized system to receive queries and feedback through multiple channels. Currently, the CHM includes a Call Center, an online feedback form on the NAF website, and social media platforms, all of which are linked to NAF's broader MIS database.

To enhance the performance of its call center, NAF conducted an evaluation to identify areas for improvement. The evaluation found that the NAF call center is effective in assisting beneficiaries, but there are challenges in terms of its accessibility, awareness of its existence, and its responsiveness and cohesion in resolving complaints. Beneficiaries who reach the call center are highly satisfied, but many are unaware of its existence and purpose. The call center's effectiveness is due to the digitization of NAF systems, which enables it to respond more swiftly. However, there is a need for improved workflows and institutional sustainability through links to the larger national social protection framework.

Source: World Food Program (2022). External Evaluation: Complaints Handling Mechanism (CHM) Evaluation at the National Aid Fund (NAF)/ Jordan. February 2022

4.4.2 Monitoring Conditionalities for the Benazir Taleemi Wazaif and Nashonuma CCTs

Institutional coordination—both vertical and horizontal—is critically important for monitoring beneficiaries' compliance with conditionalities.

One of the factors that makes compliance monitoring complex is the number and diversity of actors involved, including frontline program personnel, teachers, health care workers, subnational agencies, and central agencies, including the social, education, and health ministries. Monitoring CCTs requires considerable vertical collaboration between the central ministries, subnational agencies, and local

actors. The central ministries typically oversee CCTs, manage their information systems, including the compliance verification modules, decide on any consequences for non-compliance, and feed compliance information back to the payments department for payroll processing. Subnational (regional or local) agencies typically serve as conduits for transmitting information, overseeing the monitoring process, and interacting with the service providers. Various approaches govern these vertical collaboration arrangements (Lindert et al. 2020).

BENAZIR TALEEMI WAZAIF EDUCATION CCT

Collecting school data to monitor compliance with the conditions of the CCT is a time-consuming task, and BISP's experience has been mixed. BISP tried to coordinate with provincial education departments, but even so, obtaining regular data on student admission and attendance has been challenging.

Most schools maintain manual records, which can sometimes be incomplete. The provincial education departments have hesitated to make teachers responsible for sharing the attendance data, despite BISP offering to compensate the efforts. Facing similar issues, other countries implementing CCTs have distributed responsibilities between education authorities and program staff in a variety of arrangements (Box 15).

BOX 15

ROLES IN THE VERIFICATION COMPLIANCE WITH CCT CO-RESPONSIBILITIES: COUNTRY EXAMPLES

Countries that operate CCTs are aware that the monitoring of conditions is information intensive and time sensitive. In the case of education, knowing how information flows from schools to program managers is key so that the data can be used to determine payment, need for follow-up, and penalties. Worldwide, the distribution of operational roles and responsibilities among various actors (particularly the workload of teachers vs. program staff) differs depending on the country context. These arrangements have evolved in some countries, particularly with advances in the use of information technology by schools.

At the start of **Colombia's Familias en Accion** CCT, beneficiary mothers received forms from the municipal program liaison, had the forms completed by the teacher, and returned the forms to the liaison who input the data into the MIS. The information was consolidated by program staff (at the regional and national level) and used to generate payment lists. Now, teachers input attendance data for beneficiary children directly into a module of the program MIS, based on parameters supplied by program managers. Program staff verify and consolidate the information as before.

Bolsa Familia in Brazil has always checked compliance on school attendance conditions through consolidated computerized data provided by the Ministry of Education to the Ministry of Social Development.

The process used by the previous **CCT in Mexico** and the **PATH CCT in Jamaica** are similar. In Mexico, state-level program staff prepared the required forms, which were distributed to schools by state education authorities. Teachers filled out the forms and returned them for certification to the state education authorities. CCT program staff at the state level input the data into the MIS to be consolidated and used to generate payment lists by national level program staff. In Jamaica, the national program staff generate the required forms and program staff at the parish level distribute to schools and collect the completed forms. Parish level program staff then input the data into the MIS for consolidation and generation of payment lists at the national program level.

In **Chile**, verification of compliance with the education condition for the **Single Family Allowance (Subsidio Unico Familiar – SUF)** is done by municipal staff who check school enrollment documentation provided by beneficiaries once a year (the Single Family Allowance-SUF in Chile) and digitally record and upload documentation.

Compliance monitoring for the education CCT has undergone significant changes since its inception.

Given the less than satisfactory performance of the agencies initially recruited to monitor compliance, the BISP currently employs a team of 900 field officers to carry out monitoring and compliance verification.

The NSER Wing is responsible for monitoring compliance with the BTW conditionalities.

The BISP sets targets for compliance monitoring for each tehsil field office, and compliance monitors (contractual employees) visit schools in a continuous cycle using geo-tagged android tablets to record attendance data on the children of BTW beneficiaries. A small monitoring unit (about 30 people) at the BISP headquarters operates an MIS to monitor the progress of the compliance monitors.

Compliance monitoring is a continuous process that begins after a family enrolls in the BTW.

The main objective of compliance monitoring is to assess the extent to which beneficiary families are meeting their co-responsibility to send their children to school in return for receiving cash transfers. There are two types of co-responsibility: admission and attendance. Compliance monitoring aims to: (i) identify those BTW children whose families have fulfilled their co-responsibilities and verify their eligibility for the cash transfer; (ii) identify any BTW children whose families have not complied with their co-responsibilities and trigger appropriate alerts; (iii) apply consequences for non-compliance in such cases; (iv) follow up with BTW families whose children are not complying to encourage their compliance; and (v) suspend beneficiary children and their families from the program if they fail to fulfill their attendance co-responsibility for three consecutive compliance quarters. Compliance monitoring ensures that only eligible BTW children receive cash transfers and fosters greater compliance with co-responsibilities among beneficiaries.

Compliance monitoring of BTW involves a series of preparatory activities that are essential for both manual and automated processes.

These activities require meticulous planning, preparation, and execution to ensure that the monitoring process runs smoothly and achieves its objectives.

The activities include:

- **Update the CM module:** This module is updated with the latest data on beneficiary children and their co-responsibilities based on data from schools to ensure that it is accurate.
- **Produce beneficiary children school concentration maps:** This involves producing maps that illustrate the geographical distribution of beneficiary children and their schools. These maps can be used to identify areas where there may be a higher likelihood of non-compliance.
- **Plan logistics and train personnel:** This activity entails planning the logistics of the monitoring process, such as the allocation of personnel, materials, and equipment required, and training personnel including the compliance monitors in the use of the tools and materials that they will need.
- **Communicate with local beneficiaries about the compliance monitoring process:** This activity involves communicating with beneficiary families at the local level to explain and engage them in the monitoring process.

BISP has learned that when transitioning to digital solutions for compliance, it is important to consider infrastructure and the digital capabilities of key stakeholders.

Although the BISP adopted a biometric sign-in system for students entering and leaving school, this was not universally welcomed. Technology could not prevent students from signing in and then immediately leaving the school. In some cases, the system also caused significant delays because of long lines at the school entrance in the mornings. Vigilance on the part of teaching staff was necessary but could be challenging to manage due to teacher absenteeism or collusion. As mentioned earlier, most schools have not converted to digital attendance methods. One reason might be that the teaching staff lack the skills to use digital technology or simply prefer traditional paper-based mechanisms. In addition, internet access is not consistently available throughout the country, with some areas having only limited or patchy coverage.

NASHONUMA HEALTH AND NUTRITION CCT

Compliance monitoring is organized at the facilitation centers established in tehsil health facilities. The enrollment data on program beneficiaries (who are pregnant and lactating mothers who are beneficiaries of the Kafaalat UCT program) are uploaded into an MIS. The payment has several conditionalities including the use of

antenatal and post-natal care by pregnant and lactating women, the routine immunization of their children, and the consumption of at least 90 percent of the specialized nutrition foods provided by the program. Compliance monitoring takes place on a quarterly basis aligned with the quarterly payment of all BISP cash transfers and is simplified because all services and payment take place in the facilitation center during the visit of the beneficiary.

4.4.3 Monitoring of Payments

At present, BISP uses the services of two partner financial institutions to disburse its cash benefits.

The relationship is governed by a comprehensive agreement detailing the arrangements including, real-time reporting by the partner banks to the BISP of cash withdrawals by beneficiaries, reconciliation of withdrawn amounts by the banks and the BISP, the channels available to beneficiaries to withdraw their money, the performance of the banks at payment sites, and what bank infrastructure is available to support the BISP's requirements. It is of paramount importance to monitor information as it flows between the BISP to the bank(s) and back to the BISP in a continuous, uninterrupted cycle to ensure all performance related KPIs are tracked. All data related to BISP payments at every POS or ATM is relayed to the BIPS MIS automatically in real time. The biometrically enabled terminals are geofenced and geotagged and cannot be moved from the designated point-of-sale sites for control purposes.

The steps involved in the payment monitoring cycle are: (i) the generation of lists of beneficiaries and the payments that they received by the CT Wing with the help of the Technology Wing; (ii) the verification of the generated lists conducted by the Finance and Accounts Wing according to predefined parameters; (iii) the use of a payment cycle dashboard to track the entire payment cycle value chain; (iv) the use of a fraud alert dashboard to monitor any abnormal transactions detected by data on geofencing and geotagging, the number of attempts at biometric verification, and the number of out-of-district withdrawals and withdrawals outside normal operating hours, among others; and (v) funds reconciliation by the Finance and Accounts Wing with the help of the Technology Wing.

The payment cycle dashboard is maintained and tracked by the Cash Transfers Wing including fraudulent transactions and performance benchmarks, but not beneficiaries' experience.

The frequency, nature, and number of complaints about service quality, payment process, and other challenges faced by beneficiaries are not systematically focused upon through beneficiary feedback or satisfaction surveys, by either the banks or M&E department. The MISs focus on improving payment administration rather than actively pursuing indicators related to beneficiary requirements. In addition, the payments complaints management system (PCMS) has not been integrated into the dashboard, which points to a lack of focus on beneficiaries' needs. This might be one of the reasons for the continued concerns surrounding the quality of service of the point-of-service agents.

4.4.4 Exit Decisions

One of the major decisions in beneficiary management is about moving beneficiaries out of the program. Well-functioning beneficiary rosters tend to be highly dynamic tools: they are constantly incorporating new beneficiaries through the enrollment phase and moving out those who have graduated from needing support as well as those who, due to a change or correction, no longer meet the program's criteria. There are normally four steps involved in the process of moving beneficiaries off the roster: an exit trigger, criteria validation, an exit decision, and beneficiary notification. Exit triggers are changes in a beneficiary's basic information or compliance metrics (resulting from the update process and conditionality monitoring respectively) that indicate that a beneficiary no longer falls within the program's eligibility parameters.

The BISP made its first beneficiary exit decisions when it transitioned from using the parliamentary targeting system to using poverty scorecards. The transition involved identifying and selecting eligible beneficiaries of the Kafaalat program based on their data in the NSER. In this process, the BISP had to exit beneficiaries who no longer met the eligibility criteria as identified by the poverty scorecard system. The beneficiaries selected through the previous parliamentary selection system were to be completely phased out by the summer of 2011 if they were found to be ineligible under the new scorecard criteria. However, since they might still be vulnerable, the government decided to let those households appeal their status if their score was between 16.17 and 20 and if they had other characteristics such as an elderly person or a person with disability in their household and a certain number of children in school. This allowed for an acceptable purging of the parliamentary rolls since the same categories were used in the parliamentary targeting. More than 50 percent of existing BISP beneficiaries were found to have PMT scores above the 16.17 cut-off. The BISP then faced the considerable task of communicating these decisions to the affected households.

In 2021, the BISP had to make its second set of beneficiary exit decisions for the Kafaalat UCT program, following the update of the NSER. As a result of the update some households were found to have poverty scores higher than the cut-off of 32.

Before exiting these ineligible beneficiaries from the program, the BISP conducted a process of verification and validation. After this exercise, the BISP found about 50 percent of existing beneficiaries were no longer eligible, or about 2 million beneficiaries. The BISP did not formally notify these exited beneficiaries of their discontinued status by letter or text. Instead, a web portal has been made available where beneficiaries can check their status. Beneficiaries can also text their CNIC to the number 8171 on their mobile phones to check their status.

As the NSER transitions to a dynamic registry, BISP will have to develop a strategy on exit decisions. The NSER plans to ensure that every household updates its data at least once every four years. With regular data updates, BISP will be able to monitor changes in socioeconomic circumstances, which may lead to currently eligible households not qualifying for the program. At present, BISP does not have a strategy on exit decisions—how often they should be made; what should trigger the decisions; how the decisions will be communicated; whether existing beneficiaries have a right to appeal; and, whether existing beneficiaries will be eligible for other types of support. BISP is considering introducing a Hybrid Social Protection Scheme (Box 16) that will incentivize long-term savings among households that are no longer eligible for BISP programs. This can become part of the exit strategy.

In the specific context of the BTW program, a child will be removed from the program under certain conditions (such as non-compliance with the condition of enrolling in and attending school) resulting in the cessation of their cash transfers. The BTW separation policy classifies a beneficiary child as being either graduated, suspended, or exited (Table 2). Once all the children in a BTW family have exited, graduated, or been suspended, the family will be removed from the program. However, if the family has another child who becomes eligible for the program after their removal, they may re-enter the program.

BOX 16

LEVERAGING SAVINGS AND FINANCIAL INCLUSION TO SUPPORT BENEFICIARIES BEYOND CASH TRANSFERS

Introducing a Hybrid Social Protection Scheme would be a way for BISP to continue supporting ex-beneficiaries. The Hybrid Social Protection Scheme will give low-income households an opportunity to participate in a savings scheme that offers fiscal incentives in form of matching contributions from the BISP at a certain percentage. It will leverage NSER and the country's financial infrastructure, including payment systems, for targeting and delivery.

The main goal of this scheme is to reduce the fiscal burden on the government by ensuring that beneficiaries require little or no government assistance in the event of a shock or financial hardship. The Hybrid Social Protection Scheme is expected to benefit from the trust that the public has in BISP, which is likely to play a significant role in the success of the program.

BISP plans to carry out a pilot in districts where financial literacy training is already being provided, before deciding to roll out the scheme on a larger scale. In preparation for the pilot test, BISP has conducted surveys and focus group discussions to assess the ability and willingness of potential participants to save, as well as their preferred methods for doing so, such as using mobile wallets or banks. The scheme aims to promote financial inclusion by leveraging the new payment model.

Source: Guven et al 2021

TABLE 2 SEPARATION CRITERIA FOR BENAZIR TALEEMI WAZAIF

EXITED CHILD	GRADUATED CHILD	SUSPENDED CHILD
<p>a. Exceeded 7 years in the BTW Program for primary and secondary education.</p> <p>b. Exceeded 3 years in the BTW Program for higher secondary education.</p> <p>c. Reaches the age of 15 years for primary education.</p> <p>d. Reaches the age of 22 years for secondary education.</p> <p>e. Reaches the age of 25 years for higher secondary education.</p>	<p>A beneficiary child who successfully completes primary education.</p> <p>b. A beneficiary child who successfully completes secondary education.</p> <p>c. A beneficiary child who successfully completes higher secondary education.</p>	<p>Three consecutive attendance non-compliance quarters. This means that the child is registered in the program for at least one year before being considered for suspension.</p>



MONITORING AND EVALUATION

KEY MESSAGES

BISP has a dedicated M&E unit responsible for assessing and evaluating the delivery systems and operational processes and measuring the impact of the programs.

Impact evaluations conducted by private firms have helped to build confidence and trust in BISP by providing transparent and objective assessments of the program's performance.

BISP emphasizes monitoring and evaluation (M&E).

According to the BISP Act of 2010, M&E is one of the key responsibilities of the BISP board and management. In line with this provision, BISP has a dedicated M&E unit responsible for monitoring its operational activities to promote effective program implementation. The M&E unit is guided by a manual which outlines various processes, tools, and methodologies that should be used for the purpose. The manual includes guidelines for using MISs for internal management purposes as well to support impact evaluations by third parties using predefined indicators.

The M&E activities of the BISP are mainly focused

on three key areas: (i) assessing the delivery systems of all BISP programs, (ii) evaluating the effectiveness of their operational processes; and (iii) measuring their impact. Monitoring is carried out to track the progress of program implementation and related processes for improving procedures and methods, evaluate operational efficiency, and document and share lessons learned. Evaluation, on the other hand, is used to measure output and outcome indicators against a program's goals, activities, and anticipated results, assess its impact, and identify any evidence of shortcomings in its effectiveness and reliability to inform subsequent design changes.



BISP's monitoring function is divided into internal monitoring and external monitoring. Internal monitoring involves collecting information related to the day-to-day operations of the program to compare against performance indicators and operational work plans to monitor the operational progress of different delivery stages. The Board develops an annual strategic roadmap based on the targets and outcomes agreed upon by the Board and the Prime Minister, who serves as the patron of the organization. The roadmap outlines the key performance indicators (KPIs) for the program, which have been selected in collaboration with donors and stakeholders. The M&E Wing of BISP then monitors the departments which are implementing the tasks in the roadmap. External monitoring is conducted by external consultants who use spot checks for process monitoring, beneficiary assessments, operational audits, and community scorecards to measure the efficiency of the program's operations.

BISP has established itself as a strong performer in terms of process evaluations and spot checks. Since its inception, many process evaluations have been conducted,²⁴ which have helped to identify weaknesses in the program's implementation, which in turn have enabled it to make improvements. For example, if an evaluation revealed that beneficiaries in a certain area were experiencing delays in receiving their payments, BISP could take action to correct the problems causing the delay. The evaluations make the program more transparent and accountable and help to build trust among beneficiaries and stakeholders. Process evaluations and spot checks are internationally considered to be best practices in program management as they help to ensure that programs are being implemented as intended and

that program resources are being used efficiently and effectively. However, in BISP's case, these evaluation reports are often not made public.

BISP's commitment to M&E extends beyond process evaluation and spot checks to include impact evaluations. Impact evaluations are conducted by private firms under the guidance and supervision of the M&E Wing and focus on assessing the program's effectiveness in achieving its intended outcomes. There have been several evaluations conducted since ISP's inception. Like the process evaluations, the impact evaluations are conducted using indicators chosen by BISP in collaboration with its key stakeholders. The impact evaluations measure the program's impact on beneficiaries' well-being in the short and long run as well as measuring its outputs and outcomes against the benchmarks defined in the roadmap. Through impact evaluations, BISP has been able to gather valuable insights into its effectiveness in providing support to vulnerable populations, to identify areas that need improving, and to make the necessary adjustments. In addition, the evaluations have helped to build confidence and trust in the program among beneficiaries and stakeholders by providing transparent and objective assessments of the program's performance.

As mentioned earlier, the performance of staff working directly with potential or actual beneficiaries needs to be monitored. In Pakistan, these staff report to headquarters and work in BISP's decentralized local offices. Looking at examples from other countries, including Brazil, these individuals work for local governments (Box 17). Either way, it is necessary to ensure that they are performing their jobs well.

24 These include (i) regular process evaluation and spot checks throughout the NSER survey 2010-11; (ii) regular process evaluation and spot checks throughout the NSER update 2016-21; (iii) operational reviews of and beneficiary feedback on the BWT education CCT since its inception in 2012; (iv) ongoing operational reviews of the Nasonuma health and nutrition CCT; (v) four rounds of impact evaluations using the same panel of households between 2010 and 2019; and (vi) external reviews and beneficiary surveys over several years funded by the UK's Foreign, Commonwealth, and Development Office (FCDO). All of the above produced quarterly and annual reports as well as weekly reports when needed.

BOX 17

MANAGEMENT TOOLS TO PROMOTE QUALITY IN DELIVERY SYSTEMS: LESSONS FROM BRAZIL

How well the various steps along the delivery chain are implemented is critical to any program's effectiveness. The performance of staff working directly with potential or actual beneficiaries is critical in this regard. In some countries (such as Brazil and Chile), these individuals work for local governments. In Pakistan, they work in the BISP's decentralized local offices and report to a central agency. In either situation, it is important to monitor the activities of these staff, and to ensure that they are performing their jobs well. Brazil has experience with using two instruments designed for this purpose – the decentralized management index and the strategy of active search.

In Brazil, the decentralized management index is used to monitor performance of municipalities in managing the social registry and monitoring beneficiaries' compliance with the conditions related to a CCT. The national government also transfers funds to cover the administrative costs of the municipality using the index. The index is constructed of several variables, including:

- The number of valid SR registrations relative to the estimated number of families included in the SR in that locality (coverage).
- The number of valid and updated registrations in the previous two years relative to all valid registrations in that locality (updating).
- The number of child beneficiaries on whom there is information on their school attendance relative to the total number of children of beneficiary families in the area (extent of compliance monitoring).

Brazil also has the active search strategy, which combines poverty maps and administrative data from the social registry to identify the under-registration of certain vulnerable groups (by locality). The national government in Brazil has since financed specific plans to remedy this under-registration and to measure the results.

Source: Hellmann 2015; Leite et al. 2017

Although BISP has a dedicated wing for M&E, the monitoring function remains fragmented and lacks some elements needed to be fully effective. The M&E Wing was established in 2009 and is responsible for designing and implementing the M&E framework as well as for validating the deliverables of service providers. Reporting directly to the BISP Secretary, the M&E Wing is headed by a director, who is supported by two assistant directors, one performance monitoring specialist, one evaluation specialist, one statistician,

one analyst, and one M&E coordinator. However, some major M&E activities are allocated to the CT Wing (for monitoring the Kafaalat UCT Program), the NSER Wing, and the CCT Wing (for monitoring the BTW and Nashonuma CCT programs), reducing the role of the M&E Wing. Also, while the M&E Wing tracks and collects data on the KPIs, its efforts are undermined by the absence of a comprehensive M&E Framework and by its own lack of enforcement authority.



CONCLUSIONS AND RECOMMENDATIONS

KEY MESSAGES

BISP can strengthen itself by building close links with early warning systems, developing a comprehensive communications strategy, incorporating human-centered design to make systems more easily accessible, integrating grievance redress mechanisms, incorporating tools to ensure performance of the increasing number of field staff, and deepening collaboration with provinces.

Developing a national vision for NSER would enable it to deliver benefits and services that go well beyond the BISP programs.

Given the high frequency of climate and manmade shocks, NSER could step up to make Pakistan's social protection system more adaptive. This will require better linkages with early warning systems and disaster management authorities.

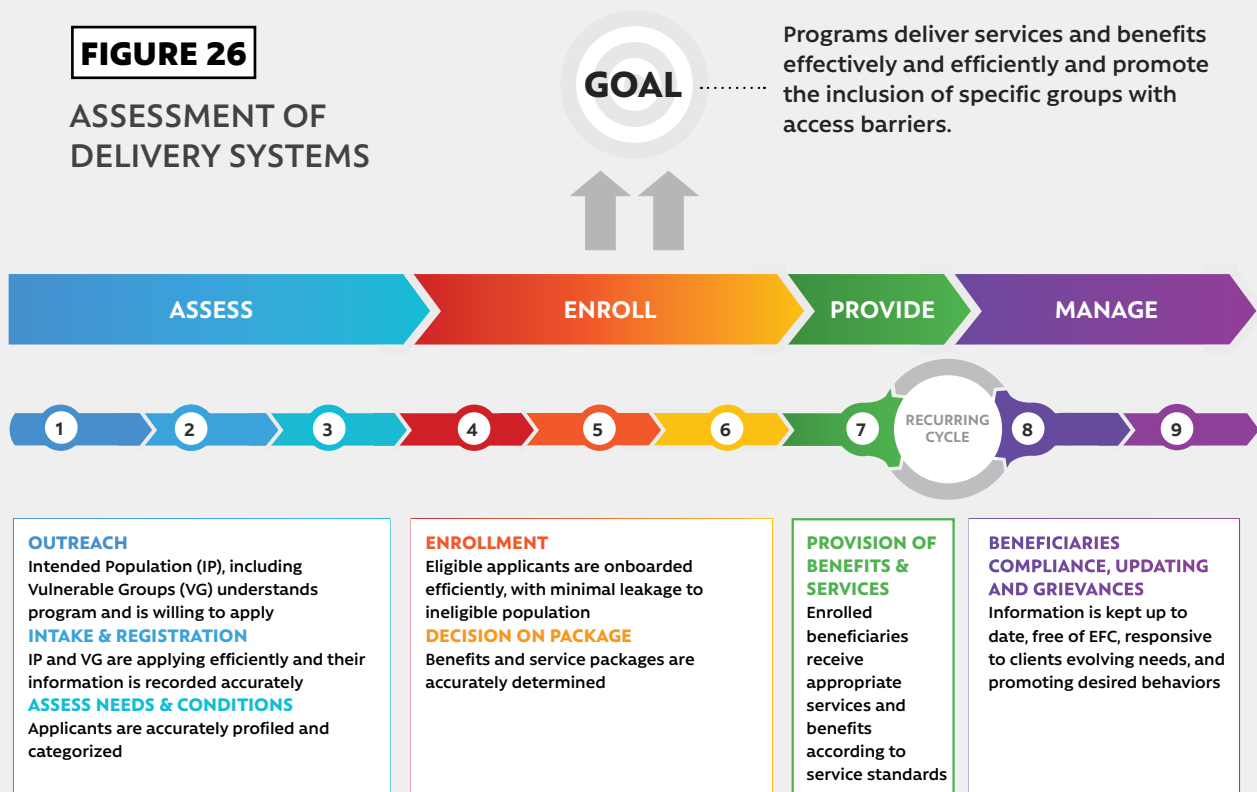
Automating the process of updating the databases to ensure that information updated in NADRA is automatically updated in the NSER would save people a follow-up visit to the NSER office.

BISP and NADRA data can be used to create more transparency by creating an interactive data portal where aggregated information is readily available.

To promote research and inquiry, BISP can facilitate sharing of its administrative data with other research and academic institutions.

A well-performing delivery chain supports the effective and efficient delivery of benefits and services to the intended population. Effective delivery systems are essentially inclusive. They reach the intended population, often overcoming the challenge of including vulnerable groups and those who face specific access barriers. Delivery systems that function well also promote efficient program

delivery—clients and administrators can go through each phase of the delivery chain at a reasonable cost in terms of time and money. Well-performing delivery systems ensure effectiveness and efficiency throughout the delivery chain, from outreach to routine oversight, and are supported by effective and efficient information systems, client interfaces, and institutions (Figure 26).



Adopting more dynamic ways of updating the NSER would increase the efficiency, accuracy, and adaptiveness of the delivery of social protection in Pakistan. For example, the NSER is establishing registration desks at the tehsil level for beneficiaries to register and update their information in real time and setting up mechanisms for two-way data exchange with partner organizations. Going forward, key directions for the BISP delivery system include strengthening several aspects of the NSER, including links with early warning systems; reenforcing communication effort; incorporating a human-centered design approach; ensuring that planned integration of grievance redress

mechanisms considers the planned changes in the payment system; incorporating tools to ensure the performance of the high number of field staff; and deepening collaboration with the provinces.

Establishing a comprehensive national vision for the NSER and improving its data-sharing processes would greatly benefit the government. The social registry represents a significant investment by the country and is a valuable national asset. The government could explore opportunities to use the registry to deliver benefits and services beyond the current BISP programs. BISP has taken positive steps

in this direction by developing data-sharing protocols with partner organizations, including provincial governments. To further enhance these efforts, BISP could focus on streamlining and automating its data exchange processes, making them more efficient for both BISP and its partner organizations. A two-way data exchange will enable the NSER to become a more dynamic registry, better equipped to serve the needs of its beneficiaries.

Increasing the involvement of the NSER in both ex ante and ex post planning will help Pakistan's social protection system be more adaptive. BISP's investment in delivery systems, particularly in the NSER, has made its social protection system more adaptive, as evidenced by its success in responding to two recent crises: the COVID-19 pandemic and the floods of 2022. However, better links need to be established between the NSER and early warning systems (EWS), disaster management authorities, and provincial governments. Establishing a mechanism whereby the NSER can be sent a trigger by the country's early warning systems could significantly reduce BISP's response time, one of the most important factors in shock response. Better coordination and data sharing with disaster management authorities would help tailor the recovery efforts to the needs of the affected population while also helping to sequence and prioritize interventions (Walker and Johnson 2023). A strong partnership between BISP and the provincial

governments would also increase coordination and create a better understanding of local needs, thereby ensuring more efficient delivery. This will not only make it possible for the government to respond rapidly once a shock hits but will also enable policy makers to focus on building resilience among vulnerable populations even before shocks hit.

Strengthening the relationship between the NSER and NADRA would make it easier for BISP beneficiaries to report changes in their circumstances. In this adaptation, NADRA would report to the NSER the changed social status of a person or household already on the NSER's verified list, enabling the NSER to update its database. If these changed attributes were to influence the family's PMT score, the NSER could automatically re-calculate the PMT. NADRA would only share the data of those families who consented to sharing their details with the NSER. Currently, people have to visit NADRA registration centers to get their records updated and then visit the NSER's tehsil offices for the same purpose. The adapted system would be more efficient and less time-consuming for beneficiaries because they would only have to visit a NADRA center and their NSER record would be automatically updated (Figure 27). Almost 100,000 people visit NADRA centers daily. If even 15 to 20 percent of them fall within the ambit of the NSER, a huge number of updates would happen automatically. This would

FIGURE 27 PROPOSED EXPANDED DATA INTEGRATION BETWEEN NADRA AND THE NSER

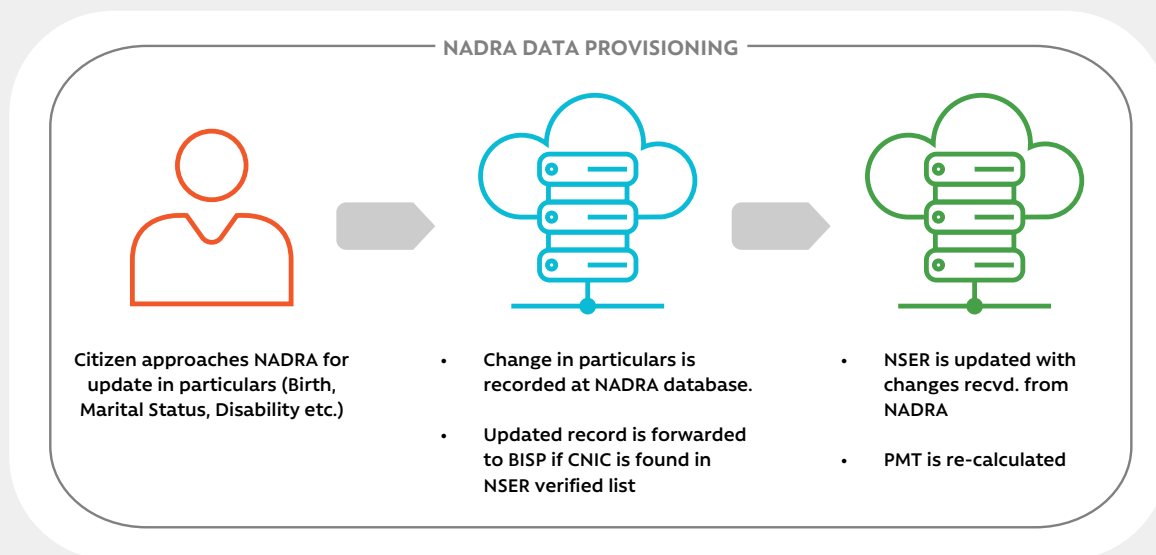
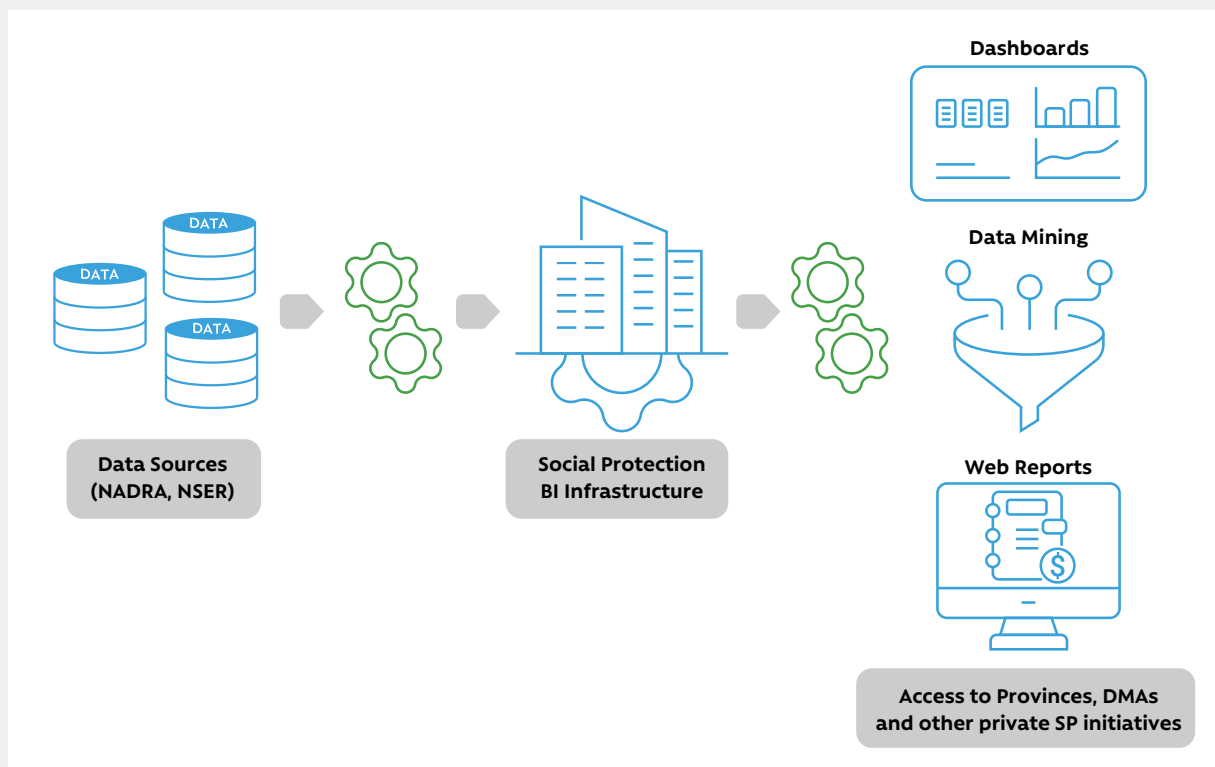


FIGURE 28 DEPICTION OF A KNOWLEDGE DISCOVERY PLATFORM



motivate beneficiaries to keep their NADRA record up-to-date, helping both the NADRA and the NSER databases to remain current.

Unleashing the potential of the data held by NADRA and the NSER and converting it into a knowledge discovery platform would require BI software with data visualization and data analytics features.²⁵

BI software could be used by NADRA, NSER, or provincial databases to collect fresh data in real time and allow users to select data according to their area of interest. Provincial social protection programs and disaster relief management authorities could be given access to this knowledge discovery platform (Figure 28). End-users could drill down within a particular geographical area (such as a province, district, tehsil, union council, or mauza/deh) and apply filters related to socioeconomic attributes (such as gender, marital status, age, family size, disability, education, or employment). After a thorough analysis of this data, the finalized eligibility criteria for a specific program could be used

to extract data that could then be verified through a cloud MIS. Currently, BISP is working on a prototype for the cloud MIS that could be used by those using data from the NSER. This prototype could be pilot tested in collaboration with the provinces to evaluate its efficiency and draw lessons.

Sharing BISP's wealth of data with academics and researchers could create both transparency as well as a feedback loop that can further improve its operations and impact. Other than the NSER, BISP collects multiple types of data—such as administrative data for each of its programs, spot check data, and payments data—which can be triangulated with other databases to further improve the scope and design of BISP programs. BISP can also make such data available to researchers and academics after anonymizing it to promote evidence-based policymaking. Such openness and transparency will also help build trust among other stakeholders.

²⁵ In business intelligence software, the aggregate data are a statistical representation of the available information based on combining multiple measurements. It is a summarized view of data from a specific perspective and does not include any individual records.



Prioritizing inclusion by strengthening outreach and communication efforts will be essential as BISP goes forward with plans to make the NSER a dynamic registry.

Effective communication is crucial for social protection systems at each delivery stage. BISP's shift toward on-demand the NSER registration will make outreach and communication efforts even more critical, especially for disadvantaged communities and individuals located in remote regions. Pro-active search methods such as mobile registration vehicles are being used but will require more planning and resources to scale up. The BTW program's compliance monitors could be encouraged to implement outreach and community activities, already identified as part of their responsibilities. Involving local notables in BISP's outreach efforts would be helpful because of their familiarity with the preferences and constraints of current and potential beneficiaries. Outreach efforts could inform beneficiaries about the program's grievance redress mechanism given that there is only limited awareness of its existence among beneficiaries.

Using human-centered design methods that explore how people interact with the system throughout the delivery chain would benefit BISP.

Such methods would help to ensure that the system continues to meet the needs of its target population. Developing journey maps that present an end-to-end visualization of the client experience including their expectations, behaviors, and emotions can help to identify challenges that people may encounter along the delivery chain, which in turn can inform improvements to improve the client experience.

Anticipating potential problems with the new payment system would help with the development of the UCMS.

The transition to a new payment system and the anticipated increase in the number

of participating financial institutions is likely to require a more complex grievance redress mechanism. The planned unified grievance redress mechanism for all programs within BISP is expected to improve the way complaints are handled by streamlining the entire grievance redress process. It would be beneficial for BISP to anticipate this increased complexity when developing the UCMS.

Promoting the performance and effectiveness of its field staff will be a priority for BISP.

Reflecting the need for a larger on-the-ground presence to implement the two CCTs as well as the dynamic the NSER, the BISP has increased its field staff. This presents a management challenge for BISP's headquarters. BISP could consider learning from the experiences of other countries that have faced similar challenges.

Pursuing opportunities to collaborate with the provinces at multiple stages of the delivery chain will help BISP strengthen Pakistan's social protection programs.

The provinces have introduced and scaled up their social protection programs requiring more coordination and collaboration between provincial and federal agencies to prevent fragmentation and duplication. High priority areas include the two CCT subprograms for which the provinces are responsible for providing services. To ensure the efficiency of spending, programs at the federal and provincial levels need to be complementary and reinforcing, not overlapping. The statement issued at the end of the first National Social Protection Conference in Pakistan held in May 2023 is promising because of the focus on coordination between BISP and provincial authorities on social protection programming and implementation.²⁶ There are also opportunities for the provinces to leverage BISP's delivery systems for their own programs as has already happened for natural disasters (Sindh) and the COVID-19 response (Punjab).

²⁶ The statement emphasizes coordination between federal and provincial entities where federal programs should be designed and implemented in consultation with the provincial entities. For this purpose, a Coordination Committee will be formed with representatives of federal and provincial governments and development partners. Data sharing between federal and provincial entities will also be further strengthened. Similarly, role of provincial entities in update of NSER will also be explored.

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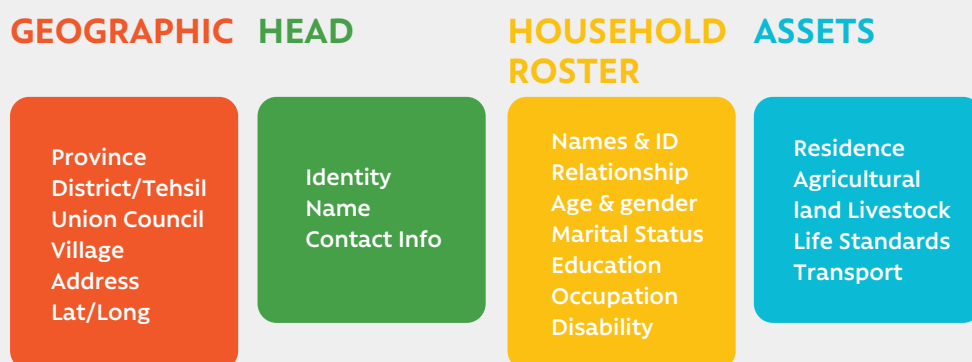
ANNEX 1

DESIGN OF THE NSER DATABASE

The NSER database captures information on every household in the country. The basic unit of measurement is the household, comprised of a head and other member(s), and the data comprises information on the attributes of each household.

The NSER is unique in Pakistan since other registries are designed to register either individuals or families. The data stored in the NSER database can be broadly classified into the categories shown in Figure 1.A.

FIGURE 1.A NSER DATABASE CATEGORIES



The geographical information of each household is described in a sorted manner. Descriptions include the household's province, division, district, tehsil, union council, village, and physical address. Each of these indicators is assigned a numeric ID to ensure

consistency and promote data accuracy as spelling errors can occur when recording the names of places. Each household is geo-tagged, and this information is available as its longitude and latitude.



THE EVOLUTION OF BENAZIR INCOME SUPPORT PROGRAMME'S DELIVERY SYSTEMS

Leveraging Digital
Technology for Adaptive
Social Protection in Pakistan