



**“ I THINK IT IS VERY IMPORTANT FOR
WOMEN TO EARN AND OWN THEIR MONEY.
DECIMA, 63, DOMINICA**

CASH-BASED TRANSFERS DIVISION

Strengthening social protection systems through inclusive digital payments in the Caribbean

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LIVES**

LESSON 1

LISTEN TO PEOPLE'S EXPERIENCES WITH FINANCIAL SERVICES TO IMPROVE SOCIAL PROTECTION PROGRAMMING

In the Caribbean, the COVID-19 pandemic catalysed a significant digital transformation, particularly evident in government efforts to digitise social protection payments. This shift is reinforced by the region's impressive mobile connectivity and high mobile phone usage, as seen in countries like Dominica and Saint Lucia. The widespread adoption of mobile technology, coupled with the rising interest in mobile payment apps, offers fertile ground for mobile money service providers to develop inclusive products tailored to the needs of diverse populations.

Women in the Caribbean play a crucial role in their countries' social, political, and economic development despite challenges related to gender-based violence, pay inequality, and limited access to finance. Decima, a 63-year-old woman from Dominica notes "I think it is very important for women to earn and own their money. As an example, I was married and I was home, I was taking care of my home and the family. Afterwards, my husband left. So right now, is like, if I was working, I would have more money, I would have my savings, or based on where I was working, I would have been getting a pension." The region's digital evolution, combined with governments across the region exploring digital payments for their social protection programmes provides opportunities for women like Decima to start engaging in an increasingly digital economy and use financial products and services to their benefit.

WFP is technically supporting governments across the Caribbean to create more inclusive, efficient, and responsive social safety nets through digital payments whilst prioritising the diverse needs of the population, especially women's. Working in Jamaica, Saint Lucia, Dominica, Belize and Barbados, WFP has helped governments better understand: the needs, experiences and preferences of their populations; the products and services available on the market that are tailored to these specific needs; the digital readiness of local retailers; and the challenges and opportunities of the various regulatory frameworks. WFP has helped governments test digital payment delivery mechanisms also for emergency response in the face of climate-related disasters. While these countries are at varying stages of their adoption of digital payments for their social assistance programmes, some general lessons can be distilled.

User-centred design enables us to step into the shoes of women and men receiving social assistance payments, understand their preferences and challenges and help create solutions that meet their needs. WFP led extensive consultations and discussions with men and women across all age groups on their knowledge of- and experience with digital financial products and services across Dominica, Jamaica, and Saint Lucia. The conversations proved to be mutually beneficial. In the first instance, they provide an opportunity to listen to people's experiences as they engage with various stakeholders and services, enabling the development of user-centred recommendations to improve programmes. Aside from this, people spoken to expressed their appreciation for a safe space to voice their opinions, share their stories, and take time to discuss topics not otherwise discussed when redeeming benefits. The discussions provided people with a platform to ask questions, raising new issues to the government's attention. WFP worked in close collaboration with local government, building capacities of staff to lead focus group discussions on the specific thematic of financial inclusion and economic empowerment.

WFP encourages governments in the region to maintain a dialogue with the people assisted as these two-way conversations are crucial to building people's confidence and trust with digital financial tools, debunk myths and dispel fears. For institutions, it allows anchoring programmes in operational realities reflecting the challenges people actually face.

**" THESE MEETINGS ARE IMPORTANT TO LEARN OF WHAT TO DO AND WHAT NOT TO DO, THEY HELP US KNOW WHAT'S HAPPENING IN THE WORLD. THEY NEED TO BE REGULAR TO HELP US. WE ARE THANKFUL."
—MALE, CHOISEUL, SAINT LUCIA**

LESSON 2

PROVIDE CHOICE—THOUGH DIGITAL PROGRESS IS PROMISING, IT IS NOT ALWAYS PREFERRED

Conversations with people across Caribbean countries underlined the various barriers that people, especially women, face in the adoption of digital financial products and services. Often tied to the maturity of the infrastructure and products and services available on the market, notable barriers include limited digital and financial literacy, a lack of trust in the formal financial system, a preference for non-digital accounts like credit union accounts and a lack of national identification. A number of people expressed the value they place in routine social interactions they are exposed to as they redeemed their non-digital social assistance. Elderly women in Dominica, for example, made a habit of going to the village council to receive their assistance the day public assistance payments were ready to collect. Costs of operating point of sale machines and ability to operate the technology were the main challenges retailers face in using digital payments for their businesses.

However, opportunities that digital payments provide and the willingness of people to learn about them also came out through conversations, especially given high phone ownership and a clear generational preference of young people for digital payments. As a pensioner who lives with her husband, Susan in Jamaica is a longstanding bank account holder and expressed interest in learning more about using technology as she is aware that the world is changing. She expressed some fear of being scammed with messages via mobile phone and raised the need for customer service representatives to be more caring in their responses and interactions. "I have a granddaughter who will call and say, 'Come Grandma this is what you do.'"



Providing people choice in how they wish to receive their payments, and which financial service provider they wish to engage is crucial as we work on further building people's confidence and knowledge. In facilitating that, careful consideration must be given to managing the administrative transition it requires, particularly when the financial infrastructure is in its nascent stages. In Jamaica, the government will provide people with the choice to receive their social assistance payments in their bank and credit union accounts, aside from a new mobile money solution.

LESSON 3

PEOPLE ARE EAGER TO LEARN ABOUT DIGITAL FINANCIAL PRODUCTS AND SERVICES

Knowledge of mobile money and digital wallets was limited across disadvantaged populations that receive social assistance payments. People expressed distrust towards digital financial technology with strong concerns about (cyber) security and fraud. Misconceptions about mobile money and digital wallets exacerbate certain fears. For example, participants feared that if they lost their phone, they would automatically lose the funds stored in their digital wallets. Similarly, they expressed concern that people could gain access to their funds by accessing their device.

“ IF THE PHONE MASH UP, I CANNOT PAY FOR THE PHONE OR PAY THE BILLS. —MALE, DENNERY, SAINT LUCIA

However, despite these concerns, many people recognised the potential benefits of mobile money and digital wallets and expressed interest in using these tools if provided with the necessary information and training. Most preferred hands-on learning and in-person classroom-based learning. This underlines the importance of building people’s digital and financial literacy; a recurrent recommendation WFP has made to all governments it has technically assisted. In Saint Lucia, digital and financial literacy will be integrated as part of a life-skills approach to the government’s economic inclusion strategy, and informal community based financial literacy sessions are being organised by community development officers.

“ ...IF THEY COULD HAVE A GROUP WHERE THEY DO CERTAIN MEETINGS OR COME TOGETHER AND TAKE CERTAIN INFORMATION AND PROVIDE YOU WITH INFORMATION NECESSARY. AND SAY THIS IS HOW WE’RE GOING TO DO IT. THIS IS HOW WE ARE GOING MOVE FORWARD, NO PROBLEM, BECAUSE GUESS WHAT? TECHNOLOGY DOES IMPROVE SO WE HAVE TO MOVE WITH THE TIMES AND WHAT IS GOING ON ISLAND-WIDE AND IN THE WORLD.”

—FEMALE, 32, CLARENDON, JAMAICA

LESSON 4

PLAY A CONVENING ROLE AND ADOPT USER-CENTRED METHODOLOGY

WFP has convened [multi-stakeholder workshops](#) with high-level representatives of governments and senior management of financial service providers across the Caribbean in order to advocate for the needs of disadvantaged populations. These workshops evolved around a step-by-step analysis of the journeys people go through to receive their assistance, underlining the often multitude of people and complex processes they are faced with. This user journey methodology has helped strengthen the dialogue between the public and the private sector and has provided an opportunity for all stakeholders to engage and reflect on how to address various pain points for a more pleasant user experience.

In Saint Lucia for example, predominantly manual processes led to delays and inconsistencies in payments. As a result of stakeholder exchanges during the workshop, a number of electronic solutions are being discussed which will improve payment processing times. In Dominica, the workshop led to the consideration of designing financial literacy programmes planned around women’s working hours. WFP has also fostered cross-country sharing of knowledge and learning, most notable through a [virtual learning event](#) which enabled actors in the region to discuss the opportunities digitalised social protection payments can bring to advance financial inclusion and women’s economic empowerment.

LESSON 5

EXPAND COLLECTION OF SEX-DISAGGREGATED DATA FOR IMPROVED DECISION MAKING

WFP identified considerable gaps in the availability of disaggregated data across sex, age and people living with disability in social protection programming. This data is key to make informed policy decisions about targeting, delivery approaches, and complementary activities to work towards objectives like women’s financial inclusion and empowerment. To address this, WFP has worked to strengthen government data collection systems, data analysis and data visualisation capacities. For example, the vulnerability index developed in partnership with the Government of Saint Lucia considers multi-dimensional poverty, resilience, and hazard data to inform a social registry which is currently being established. The data collection included sex-disaggregated which helped identify pregnant or breastfeeding women in the household. The index was used to inform targeting of vulnerable households for the Hurricane Elsa response, when digital payments were piloted to explore faster disbursements of assistance during times of shocks.



LESSON 6

EXPLORE DIGITAL SOLUTIONS FOR EMERGENCY RESPONSE

Governments in the Caribbean have predominantly relied on manual payment processes to provide support to vulnerable populations and have been able to scale up such systems during times of emergency. With several countries currently exploring digital payment mechanisms for social protection benefits, there is an opportunity to strengthen emergency response as well. In Belize, with support from WFP, mobile wallets were used for the first time in response to Hurricane Lisa, providing great scope for learning and the development of new partnerships. Based on this experience, a technical assistance agreement was elaborated and signed between WFP and the ministry overseeing social protection, focusing on strengthening social protection systems to be more shock-responsive. Similarly, in Saint Lucia the government is keen to rapidly disburse payments through digital solutions during times of emergency and is working on refining internal processes to accommodate such a change.



THE WAY FORWARD:

TOWARDS MORE INCLUSIVE SOCIAL PAYMENTS THAT HELP PEOPLE BETTER RESPOND TO SHOCKS

The past three years have cemented WFP as a partner of choice for governments in understanding the opportunities of digital payments and what they can do to improve social protection programmes. WFP will continue to advocate and support governments to address specific recommendations that have emerged from the various areas of work, including: resolving bottlenecks to speed up internal payment processes; maintaining a dialogue with people being assisted; providing private sector incentives to develop appropriate products and services; developing people's digital and financial capabilities, and further building the digital public infrastructure through information systems that collect sex-disaggregated data. This opens the opportunity not only to strengthen routine programming but also to work towards the rapid disbursement of funds during emergencies. Additionally, where appropriate, WFP will increasingly link digital payments to anticipatory action to test the rapid disbursement of funds prior to a shock. In order to do this, partnerships and dialogue are essential. WFP will therefore continue to play the role of convener, bringing together the wide array of different stakeholders.

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