

Refugee Access to Financial Services

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The 2018 Global Compact on Refugees (GCR) reiterates the need to ensure access to identity documents for refugees as a key tool to achieve their legal protection, as well as to contribute to their self-reliance and resilience. Indeed, by gaining access to financial services through appropriate documentation, refugees are better empowered to choose how to meet their needs and avoid aid-dependency and negative coping mechanisms. However, documentation alone is not sufficient, as recognition of these documents by the government is paramount for refugees to access critical services such as healthcare and education.

A lack of recognized documentation can create barriers to basic communication services, such as mobile phone services and digital mobile wallets, in addition to traditional financial services such as opening of bank accounts. To overcome any such barriers, UNHCR Jordan has been piloting emerging innovation technology and financial service options. In 2013, the introduction of [Iris-enabled biometric registration](#) has been the first key-step: a quick and efficient way in which the identity of refugees could be better protected by eliminating potential fraud. Additional areas of innovation that improve access to financial services include:

- Monthly cash assistance provided to 32,500 refugee families through ATMs that require only an iris scan - no cards or other identity documents. The iris scan authenticates identity by linking back to UNHCR's registration data base;
- Ad hoc distribution of non-food items in Azraq and Zaatari refugee camps based on iris authentication.
- Food vouchers to shop in super markets in the camps - UNHCR's biometric data validates the identity of refugees in WFP shops.
- The introduction of 'self-renewal' stations in the registration process, using iris authentication to trigger a process of self-validation. This hands back the control of data to the refugees, and is the first step in enabling refugees to make changes to their data remotely.
- Biometrics anchored in biographical data has the potential to give persons of concern a portable digital identity, which when linked to other service providers, can enable digital inclusion in host country.

Mobile payment system for refugees

Financial inclusion is an important element when it comes to the well-being and dignity of refugees, as it allows them to build strong social, economic and cultural ties with their host communities and rebuild their lives with dignity.

In Jordan, refugees are not allowed to open bank accounts, and therefore a mobile wallet is revolutionary in that it allows them to receive money, and is easy to open with a UNHCR asylum seeker certificate combined with a Ministry of Interior Service card. With the introduction of mobile wallets, which can be downloaded even on phones without internet, UNHCR has been able to expand refugees' access to useful and affordable financial services that meet their needs in Jordan – transactions, savings, payments and credit.

Since October 2018, 686 refugee university students, enrolled in the UNHCR's higher education scholarship programme - DAFI (Albert Einstein German Academic Refugee Initiative), have been using mobile wallets to receive their book and transportation stipend. This pilot, along with UNHCR's partnership with GSMA (mobile operators worldwide) on research projects, has identified the following challenges and recommendations:

Challenges for Communications and Mobile Digital Money Transfer

- In the past, in most parts of the world, the purchase of a prepaid SIM card did not require proof of identity. Over the past decade several governments, including in Jordan, have implemented legal requirements including proof of identification in order to activate and use a SIM card. The requirements mean that persons with non-accepted forms of identity are forced onto the black market for SIM card purchase.
- Rules for verifying identity for *financial services* vary from the rules for SIM registration. International standard for anti-money laundering and combating the financing of terrorism, are the source of standards for KYC (know your customer) and CDD (customer due diligence) measures. They are meant to be implemented through legislation and other legally binding measures, based on the realities of the local context, such as which forms of identification are commonly available to customers.
- A UNHCR Asylum Seeker Certificate is not sufficient to purchase a SIM card. A Ministry of Interior (MOI) card or other valid documentation (valid passport) is required for non-Jordanians. This complicates access for some 100,000 asylum seekers living in Jordan (Iraqi, Yemeni, Sudanese, Somali, etc.)
- A UNHCR Asylum Seeker Certificate is not sufficient to access a Mobile Wallet Account. A Ministry of Interior (MOI) card or other valid documentation (valid passport) is required for non-Jordanians.

Recommendations for Communications and Mobile Digital Money Transfer

1. Provide flexible approaches towards proof-of-identity requirements for forcibly displaced persons to be able to access SIM card and mobile wallet services.
2. Allow the use of UNHCR-issued identification for SIM registration and KYC (know your customer) requirements for opening mobile money accounts.
3. Increase familiarity of the financial services providers in the mobile wallet market segment.
4. Increase use of mobile wallet payments in the market place.
5. Counter misconceptions surrounding refugees that they are high risk customers.



The UN Secretary-General's Special Advocate (UNSGSA) for Inclusive Finance for Development, Her Majesty Queen Maxima of the Netherlands, visited Jordan in February 2019. The objective of the visit was to provide input for further development on inclusive finance for development in the country. Her Majesty conduct a home visit to a family receiving monthly multi-purpose cash assistance.

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