

A record 98 per cent of refugees in camps use mobile wallets

More efficient cash support tool facilitates their financial inclusion

In November, UNHCR's distribution of cash assistance has reached a new milestone: 98 per cent of refugees in Azraq and Zaatari camps receive their UNHCR cash on mobile wallets. And counting.

Mobile wallets are covered by the financial regulatory framework of the Kingdom of Jordan and benefit refugees, donors, humanitarian and development actors alike.

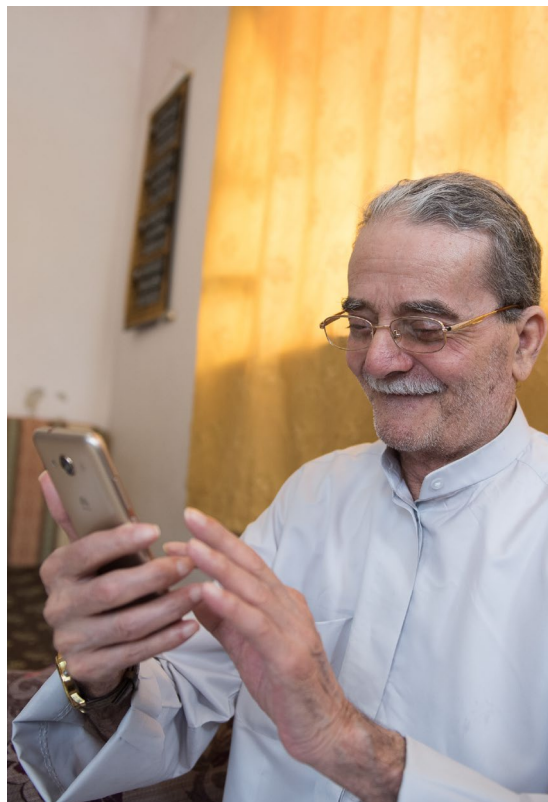
For refugees, they are a **game-changer** with very practical consequences in everyday life. For the first time since they arrived in Jordan, refugees now have a safe place to store and save their money. Mobile wallets allow them to save time and money as they do not have to travel to distribution centres and or queue in line. They can now manage their household budgets independently of timelines given by humanitarian agencies. In addition, they can use their wallets to purchase goods or services from others who also have mobile wallets, for instance the school supply shop owner or shoemaker in town.

Mobile wallets are a more dignified way for refugees to receive humanitarian assistance; as they are refugee-owned, refugees themselves can decide when, where, and how to use their money. The wallets give them access to critical financial services which empowers them to become more active economically.

“Mobile wallets **facilitate greater economic inclusion** of refugees”, says UNHCR's cash team leader Mette Karlsen, “they help refugees move away from a solely cash-based economy, which helps them to diversify their income generation and facilitates the creation of their businesses.”

Ultimately, using mobile wallets will lead to greater “financial inclusion”: “This is when refugees have equal access to financial services they need, in order to be contributors to Jordan's economy”, explains Karlsen.

“Like in other countries, opening of bank accounts is only possible with official documentation something most refugees do not have”, says the cash expert. A



Mobile wallets enable refugees like Abu Ziad from Syria to use their monthly cash assistance more efficiently. © UNHCR/Hannah Maule-ffinch

mobile wallet allows them to handle financial transactions without a formal bank account. To maximize the benefits of mobile wallets, UNHCR and partners are providing basic financial literacy trainings, including for home-based, women-owned **businesses** across Jordan. “Mobile wallets”, says UNHCR's Karlsen, “not only help refugees to meet most basic needs in the short term, but also unlock tremendous opportunities for greater self-reliance in the medium and longer term.”

Providing humanitarian assistance through mobile wallets also benefits UNHCR and other humanitarian organizations. Long gone are the days when UNHCR distributed assistance to refugees mainly in kind – tents, blankets and other relief items. When the Agency moved to cash in hand to allow refugees to decide on how to spend it on their needs, this still required a lot of logistics for banknotes, crowd management, identity verification

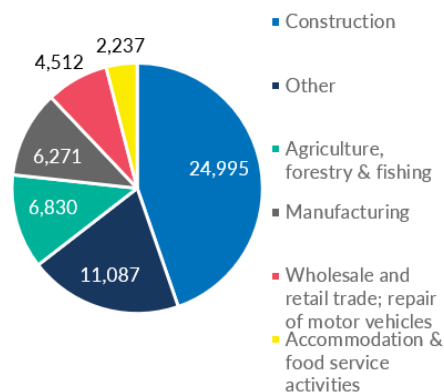
and – above all – staff time. Even distributing ATM cards is more expensive than the mobile wallet modality that has already reached over **40 per cent of Syrian refugee families living in towns and villages.**

Supporting UNHCR’s modern cash assistance to vulnerable refugees through mobile wallets provides donors with **more value for money** than supporting older modalities such as ATM cards. In addition, the wallets can help refugees to eventually become self-reliant and **independent of donor support.**

UNHCR distributes cash assistance to about a quarter of a million of the most vulnerable refugee women, men and children in Jordan. In 2021, UNHCR distributed some **US\$ 117 million** through its cash programme alone which is spent in its entirety in the **Jordanian economy**, supporting consumption and, indirectly investment. UNHCR’s assessments show that refugees in Jordan’s communities use most of their cash assistance to pay rent to Jordanian landlords, and to purchase food from the local market, which benefits the Jordanian economy and strengthens social cohesion.

The average amount distributed per vulnerable refugee and family can vary between 40 Jordanian Dinar (JOD, some US\$ 56) and 125 JOD (some US\$ 176), depending on whether someone lives in a community (like the majority of refugees in Jordan) or

Work permits per sector (as of Nov 2022)



in a camp where they have no cost for shelter etc. For mobile wallets, UNHCR partners with the UWallet company and is always seeking additional partnerships with development organizations that can leverage the economic benefits for Jordan.

OTHER NEWS

Donor support allows for winter cash

Renewed support from donors allowed UNHCR to start distributing extra cash for winter to refugees in camps and communities in December. While the US\$ 46 million appealed for, could not be raised in 2022, the winter cash programme is still alleviating the situation of the most vulnerable families as they need to purchase fuel to keep their apartments warm and dry, buy shoes for their children etc. following the economic shocks of COVID-19 and the cost-of-living crisis.

Development & humanitarian actors make the case for financial inclusion of refugees

Refugees in Jordan should increasingly become financially resilient and independent, with access to financial services – this is the ambition UNHCR, WFP and the German GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) expressed following a **Conference on Financial Inclusion for Refugees** in Amman in November 2022. In joint **conclusions**, the three organizations encourage that the knowledge and awareness of financial inclusion are spread further, that financial service providers develop new, tailored services to address refugee needs and that refugees should continue to feature as priority group in the upcoming **National Financial Inclusion Strategy** in 2023. The Central Bank of Jordan is currently putting together first building blocks of the Strategy and is willing to establish a consultative working group on financial inclusion of refugees.

The joint conclusions present **mobile wallets** as a key tool and calls for the promotion of wider use and free access to mobile wallets also in areas with limited internet access. In addition, it proposes particular access for and information to non-Syrian refugees, people with disabilities and other excluded groups.

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