

FIND Symposium - April 2021 - Breakout session financial services and role of digital

21 April 2021 | 8:20 EDT (14:20 CET)

Key provocative statement: Why are digital financial services missing the mark in ratcheting up refugee livelihoods?

Summary

Since the start of the COVID-19 pandemic, governments worldwide have increased policy support for digital financial services, including by waiving fees and allowing remote onboarding to both allow for greater social distancing and support resilience in the midst of a major economic crisis. Through digital payments of cash assistance a growing number of humanitarian organisations seek to provide essential support to refugees and host communities - potentially serving as a pathway towards financial inclusion. Yet we see that beneficiaries of cash assistance, for example in Jordan, are likely to withdraw the entire amount, not using the digital account for other services such as transfers, payments, and savings. Lack of relevance and trust are two key reasons for this.

This session will therefore question whether digital financial services are relevant to the financial outcomes that refugees desire to achieve - mostly income generation? We have found that as long as refugees - often considered as temporary “guests” - face barriers to full economic integration, the desired impact of financial inclusion cannot be realised. And this warrants to look for solutions beyond the financial sector.

Furthermore, we must examine the potential risks of ‘digital’ cash and services. While digitalization brings about a range of opportunities, it also increases risks of exclusion, data privacy, and customer protection.

The session will begin with a presentation of the empirical FINDings from Jordan, discussing the role of (digital) financial services in supporting refugees to achieve their desired financial outcomes in Jordan, and its limits and risks, calling out for a more innovative and joint effort. Examples of findings from other country contexts such as Kenya and Uganda will be touched upon well.

The panelists will be invited to reflect on the findings and share their experiences with promoting digital financial services that are relevant for refugees, looking at structural and practical barriers for refugees’ financial inclusion. Based on specific intervention examples, the discussion will be structured along the following questions:

- To what extent can (digital) financial services contribute to refugees’ livelihoods and inclusion? What are the limits? [foundational issues] - UNHCR, GIZ, IRC
- What use cases of financial services are relevant to refugees’ financial health - meet daily needs, build resilience against financial shocks, plan for future? [humanitarian aid, entrepreneurship, savings, credit] - GIZ, Safaricom
- Which specific risks emerge from (digital) financial services for refugees? [identification, literacy, customer protection] - IRC, UNHCR
- How can we resolve regulatory barriers that restrict refugees’ access to digital financial services? - GIZ, UNHCR, Safaricom

- How could different stakeholders coordinate better to achieve a better impact of digital financial inclusion efforts? - IRC, Safaricom

Moderator - Lene Hansen

Panelists

- Matthias Poser, Advisor GIZ - Digi#ances Jordan
- John Warnes - UNHCR Innovation Officer ([Digital Inclusion](#)) - responsible for the [Displaced and Disconnected](#) research
- George Bete - Technical Advisor, Cash Relief- East Africa, Yemen and Zimbabwe – IRC (Zimbabwe-based)
- Idah Gacheri, Product Manager| Technology for Development| Corporate Affairs division - Safaricom (Kenya based)