

Financial Inclusion of Refugees in Jordan

Knowledge Note

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Executive Summary

The Vision



Jordan has a vision for financial inclusion for refugees. Mobile wallets not only provide a way of transferring funds to refugees, but also set them on a path to financial independence with the potential to access services such as bill payments, savings and international remittances. In the longer term, mobile wallets can be part of a pathway for refugees to obtain a credit rating and take out loans to promote business development.

The Central Bank of Jordan

Jordan has made considerable progress in promoting digital financial inclusion for refugees over the past seven years. The Central Bank of Jordan (CBJ) took the initiative to promote financial inclusion in 2015. In 2017, it produced Jordan's first National Financial Inclusion Strategy, which identified refugees as one of the target populations. Throughout the period since then CBJ has been active in promoting and regulating a market structure that has supported private sector investment and competition.

Innovation



It remains early days in the movement towards financial inclusion in Jordan, but there have already been many success stories. Dynamic institutions have been created, including the Jordan Payments and Clearing Company (JoPACC) and its payment platforms, JoMoPay and CliQ, which enable mobile payments and make mobile wallets and bank accounts interoperable. eFAWATEER.com has become the default platform for paying bills online, including through mobile wallets. Cairo Amman Bank has been a world leader in Iris Scanning technology, which underpins many of the systems now being used with refugees. New initiatives have been piloted with payment mechanisms such as QR codes.

COVID-19

COVID-19 was a very challenging period for refugees and vulnerable Jordanians, but gave huge momentum to the movement towards digital payments. The National Aid Fund moved its delivery of assistance to vulnerable Jordanians to mobile wallets during lockdown. There was a rapid expansion of the number of wallets in Jordan, which increased from 600,000 in January 2020 to more than two million by October 2022.

Humanitarian Agencies



For refugees, UNCHR has led the way among humanitarian agencies since 2018 in moving its clients to mobile wallets. By September 2022, UNHCR provided regular cash assistance through mobile wallets to over 30% of refugees living out of camps and 95% of refugees in Azraq and Za'atari camps. It has also shared its approach with members of the Common Cash Facility facilitating the use of mobile wallets by municipalities, other UN agencies and development organisations. WFP is now also rolling out the use of mobile wallets to its much wider client base. It has started the mobile money transition in five governorates, covering 7% of its total caseload so far, and will now begin to use mobile wallets in the camps. Most refugees, however, are yet to obtain a mobile wallet and access is restricted to Syrian refugees, since most non-Syrian refugees do not have the necessary documentation. Of mobile payment users among refugees, 63% are male and only 37% female.

Donors

Many international donors have supported the process of financial inclusion for refugees. GIZ's "Digi#ances" programme has had a focus on digital financial inclusion since 2015 and has pioneered a range of activities including testing of new services, the creation of a sound regulatory framework and financial literacy training. In 2016, GIZ supported the development of the Digital Financial Services Council, chaired by CBJ, to bring together stakeholders across the sector on a quarterly basis for policy-level discussions. It has worked with CBJ to create a sound regulatory framework and promote systems for international remittances for refugees and other low-income groups using mobile wallets. The Gates Foundation has partnered with CBJ in an initiative entitled "Mobile Money for Resilience". This has aimed to build the resilience of vulnerable populations, both refugees and Jordanians, by equipping them with the financial tools to withstand and recover from economic shocks.

The Private Sector



The private sector has also responded. There are now eight mobile payment service providers who have invested heavily, compete actively for business and are seeking to enhance their offer to refugees. This includes installing more kiosks and cash machines, including in refugee camps, and widening their networks of both formal agents and community-level ambassadors, who help to sign up their friends and family to mobile wallets. Extending the network of agents and merchants accepting digital payments has been difficult, especially in the refugee camps and remote rural areas. Progress has been made, but challenges remain to ensure adequate profitability and liquidity for agents and to achieve national coverage of services.

The Future

Much remains to be done. Most refugees are in debt and many lack the financial resources to be able to take advantage of financial services available through mobile wallets. There is a strong preference for cash in all segments of Jordanian society and the change to digital financial services will take time. There is need for more training and awareness raising. Nonetheless, given how far Jordan has already come, there are good prospects for further uptake and expansion of financial services and inclusion for refugees in the future.

One refugee's story

Sara¹ and her four children came to Jordan in 2011. Her family has used a mobile wallet since 2021, but she started using it three months ago. Most of the time, her daughter uses the wallet and is responsible for transactions within the family. Sara shared that using the mobile wallet has saved money on transportation as well as time. She and her family use the wallet to pay bills like rent, electricity, and her children's tuition. When asked about ideas for how mobile wallets could be used in the future, Sara said that it could be used to start a small business.

Source: Consultants' interview, October 2022

¹ Not her real name.

Introduction

The vision for financial inclusion of refugees in Jordan is that refugees should be financially resilient and independent, with access to financial services, including their own personal mobile wallets, as a foundation for future financial autonomy. This report looks back at what has been achieved in the financial inclusion of refugees and asylum seekers in Jordan since 2015, when the Central Bank of Jordan (CBJ) first launched its initiative to enhance national financial inclusion.



A woman using her mobile wallet in training (Photo credit: GIZ)

The report highlights the considerable progress that has been made. Jordan has moved rapidly over the past seven years to establish the infrastructure and roll out services for financial inclusion. The Jordan Payments and Clearing Company (JoPACC) and several payment platforms have been established allowing digital transfer of money and payment of bills in a secure and seamless way across the Jordanian economy. Refugees remain unable to have their own bank accounts, but can open

mobile wallets, which are electronic financial accounts that are accessible through a mobile application. Mobile wallets offer a variety of potential services, including cash withdrawals, money transfer, interest-free saving, bill payment, purchases, and eCommerce. Each wallet is linked to a unique mobile phone number, which acts as its account number and unique identifier.²

The onset of COVID-19 in 2020 imposed a huge health and economic cost on Jordan, including for refugees. But it also sparked a rapid increase in the use of digital financial services, mostly attributed to the delivery of assistance digitally to vulnerable Jordanians by the National Aid Fund during lockdown. For refugees, efforts have been driven by the humanitarian agencies, first UNHCR and more recently WFP, who are rolling out mobile wallets to their beneficiaries and creating a strong foundation for future expansion of services. Jordan has become a regional leader in financial inclusion for refugees.

This report tells the story of these last seven years, highlighting the barriers that have been overcome and the challenges that still remain. It looks at the contribution of CBJ, in initiating the vision for financial inclusion and overseeing the expansion of the sector, including during the period of COVID-19. It then explores the roles of the humanitarian agencies, the private sector and refugees themselves, before considering some of the issues for the future. In writing this report, we gratefully acknowledge the support provided by GIZ,³ CBJ, the major humanitarian agencies supporting refugees in Jordan and a range of other stakeholders.

² *Challenging Exclusion: Refugees' uptake of mobile money*, Digital Experiment Report, JoPACC, March 2021, [link](#).

³ This report is funded under a GIZ contract: "Analysis on financial inclusion of refugees and asylum seekers in Jordan" (2022).

Government, Legal and Regulatory Issues



The Central Bank of Jordan (CBJ) first took the initiative to promote financial inclusion in 2015. CBJ recognised that the intersection between banking, computing and telephony was a fast-changing environment that would continue to innovate and evolve at a rapid pace. It set out a national vision for financial inclusion and started to develop the laws and regulations that would make it possible. CBJ has also been active in constructing and regulating a market structure that has promoted private sector investment and competition.

The project “Improving Access to Remittances and other Financial Services through Digital Solutions in Jordan” (Digi#ances), implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), supported CBJ from October 2015 and has been consistently engaged in this sector for the past seven years. The project aims to increase financial inclusion by facilitating the development of digital financial services (DFS), including cross-border remittances, for the unbanked segments of the population. This includes support for:

- developing the national DFS ecosystem, working with private and humanitarian sectors
- enhancing the regulatory and supervisory framework for DFS
- increasing awareness and literacy about DFS.

A critical step was when CBJ established the Jordan Payments and Clearing Company (JoPACC), a private shareholding company,

in January 2017. JoPACC is a domestic payment system operator that develops and manages payment systems, introduces innovative digital financial solutions to benefit end-users and disseminates knowledge about digital financial services in Jordan. The company is owned by CBJ and all 22 Jordanian commercial banks. Its clients are commercial banks and payment service providers who connect to JoPACC payment systems to offer financial services to their customers, the end-users. JoPACC has within its portfolio five payments systems including eFAWATEERcom, an instant payment system for utility and other bills, and JoMoPay, the payment system for mobile wallets. JoPACC has promoted the interoperability of these systems, particularly through CliQ, which connects mobile wallets and bank accounts. JoPACC has financial inclusion as a key aim, putting “particular emphasis on improving the lives of marginalized population segments by ensuring equitable and ubiquitous access to digital financial services. These segments include women, youth, and refugees, among others.”⁴

In 2017 CBJ undertook a Financial Inclusion Diagnostic Study⁵ which defined financial inclusion as:

“a state where individuals and businesses have convenient access to and use affordable and suitable financial products and services that meet their needs and help to improve their lives – payments, savings, credit, transactions and insurance – delivered in a responsible and sustainable way.”

Tufts University expanded this definition for Jordan in 2021 to include “improved livelihoods, smooth consumption and strengthened resilience among low-income households.”⁶

⁴ JoPACC website accessed October 2022, [link](#).

⁵ *Financial Inclusion Diagnostic Study in Jordan 2017*, Central Bank of Jordan, 2017, [link](#).

⁶ *Mobile money and financial inclusion of refugees in Jordan: hope or hype?* Henry J. Leir Institute, July 2021, [link](#).

The CBJ Diagnostic Study in 2017 provided a baseline for the expansion of digital services, illustrating the extremely low levels of financial inclusion for both Jordanians and refugees. It found that mobile ownership was high at 92.1%, with 76.5% of adults owning a smartphone (this has since risen to 89.5% in 2022⁷), and 70.7% having internet access

either through a computer or mobile phone. But this only translated into 1.4% of adults having internet banking and 2.1% having mobile banking services. Figures from the 2017 Diagnostic Study can now be compared with a new Diagnostic Study under preparation in 2022 (see Figure 1 below).

Figure 1: Key data from the 2017 and 2022 CBJ Diagnostic Studies

- The share of adults in Jordan with a personal bank account or mobile wallet rose from 25% in 2014, to 33% in 2017 and 43% in 2022.
- Only 0.9% of adults had a mobile wallet in 2017, but this rose to 14.9% in 2022.
- eFAWATEERcom transactions per 1,000 adults have risen dramatically from 708 (2017) to 4,706 (2022).
- The most left behind groups are:
 - **Women:** Account ownership among women was 27% in 2017, below men at 38%. In 2022, the figures had grown, to 31% for women and 53% for men, but the gap had widened. Women had a higher borrowing rate (12%), than men (8%) in 2017, but men had drawn level by 2022 with 14% for both men and women
 - **Refugees** have very low access and usage levels, 7.5% had an account in 2017, rising to 12.1% in 2022. Only 1.5% had borrowed formally in the past year.

At the Financial Inclusion Policy Forum in December 2017, CBJ launched the National Financial Inclusion Strategy for Jordan 2018-20 (NFIS).⁸ This document laid out for the first time the Government's vision and approach for financial inclusion including all non-Jordanians in the country. The key elements of the report were to:

- recognise the high levels of financial exclusion
- aim to reduce inequality and boost employment and gender equity
- target specific groups including women, youth and refugees
- work through laws, regulations, increased financial awareness and improved data to achieve specific targets including to "provide the refugees and non-nationals with access to digital financial services".

NFIS had two high level quantitative objectives: i) increasing financial inclusion from 33.1% in 2017 to 41.5% by 2020; and ii) reducing the gender gap from 53% in 2017 to 35% by 2020. The Financial Inclusion Report 2018-20,⁹ published in March 2021, gave some first indicators of what had been achieved: financial inclusion had increased from the baseline of 33% in 2017 to 50% in 2020. The gender gap fell from 53% to 29% over the same period, and is now down to 22%.¹⁰

The NFIS had a specific section on non-Jordanians, including refugees (5.4). This specified the numbers of both Syrian refugees (657,621), of whom over 80% were living outside camps, and non-Syrian refugees (75,589). It noted that:

⁷ *Diagnostic Study 2022*, Central Bank of Jordan, draft.

⁸ Jordan National Financial Inclusion Strategy 2018-2020, Central Bank of Jordan, [link](#).

⁹ Jordan National Financial Inclusion Strategy 2018-2020, Central Bank of Jordan, [link](#).

¹⁰ Source: Interview with CBJ, September 2022.

“Non-Jordanian citizens demonstrate much lower usage of formal financial services than Jordanian citizens for deposits, loans, and insurance. ...Refugees tend to have the lowest levels of financial inclusion compared to permanent non-Jordanian residents. Account ownership drops steadily from 14.4% for permanent resident permit holders to 10.6% for temporary residents to 7.5% for formally registered refugees.... Supply-side factors, namely the policies and attitudes of financial institutions, are a major reason for the significant financial inclusion gap for non-Jordanians due to perceived above-average risk as well as identification challenges”.

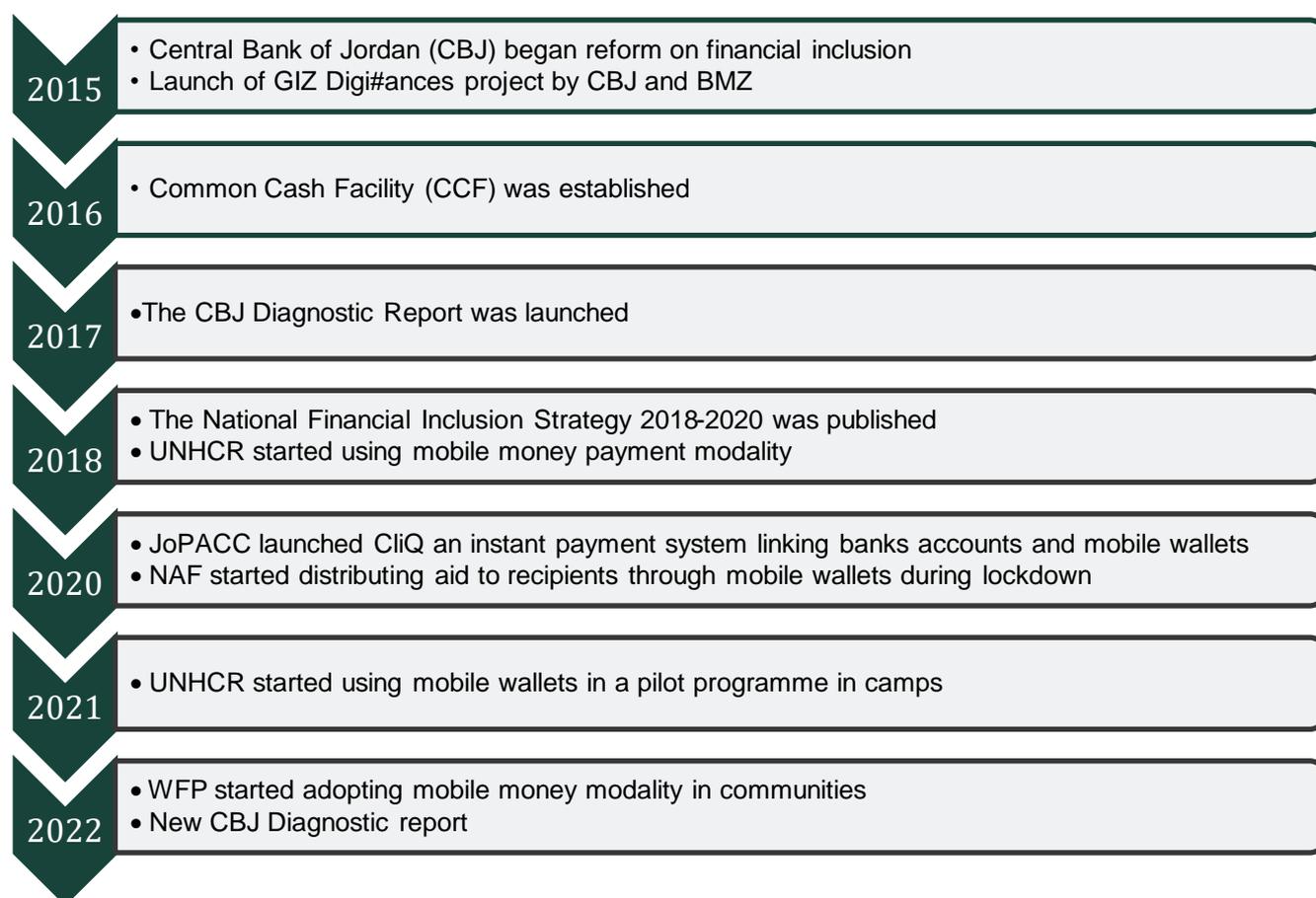
In 2017, CBJ amended its regulatory framework to ease the regulatory restrictions on organisations working in mobile financial services.¹¹ At the end of 2017, the Bill and Melinda Gates Foundation and CBJ launched the Mobile Money for Resilience (MM4R) initiative to improve the quality of life of Jordanians and refugees impacted by the Syrian crisis.

Established as a permanent committee within CBJ, MM4R aims to build the resilience of vulnerable populations by equipping them with the financial tools to withstand and recover from economic shocks. It has worked to accelerate financial inclusion of unbanked and under-served populations through digital financial services, while also working to improve the efficiency and effectiveness of humanitarian response programmes.

In December 2020, CBJ issued a circular to all Mobile Payment Service Providers (MPSPs) to allow them to open merchant wallets for unlicensed small merchants and home-based businesses with a grace period of three months for the merchants and businesses before they had to become licensed. This circular aimed to address the challenges that regulations posed to merchant expansion because the regulations allowed only licensed businesses to open merchant e-wallets in a context where a large majority of businesses remain unlicensed. Despite this initiative, however, the challenges of registration for small businesses remain once the grace periods have expired, particularly for those businesses operated by refugees.

¹¹ *Humanitarian Cash and Voucher Assistance in Jordan: a gateway to mobile financial services*, GSMA, 2020, [link](#).

Figure 2: Major developments between 2015 and 2022



Financial inclusion for refugees

The total active number of refugee mobile wallets is 120,626, which constitutes 35% of the total registered Syrian refugees 18 years old and above (348,230 persons).¹²

Despite the progress that has been made, big challenges remain for refugees. While 90% of refugees (Syrian) have a personal mobile phone, most are low income, with 85% living below the poverty line (\$96 per month) in 2020.¹³ Non-Jordanians have the same rights to open mobile wallets as Jordanians, but face challenges in having the required documentation. Syrian refugees are issued

with Ministry of Interior (MoI) cards which they can use as evidence of their identity to open mobile wallets. Non-Syrian refugees face additional legal and regulatory constraints. Starting in 2017, JoMoPay instructions issued by CBJ stated that both the MoI card and Asylum Seeker Certificate were required to open mobile wallets.¹⁴ Non-Syrians do not have MoI cards and are therefore dependent on having a valid passport to open a mobile wallet, which is rarely the case. The CBJ Diagnostic survey (2022) summarised the financial inclusion of refugees in the diagram below, showing that it remains well behind the level of the general population in Jordan.

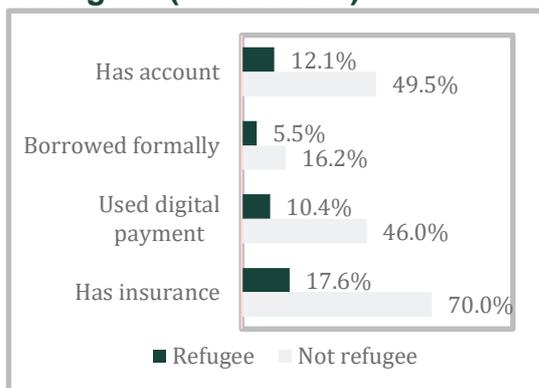
¹² Source: JoPACC/UNHCR.

¹³ *Humanitarian Cash and Voucher Assistance in Jordan: a gateway to mobile financial services*, GSMA, 2020, [link](#).

¹⁴ *Humanitarian Cash Transfers and Financial Inclusion: lessons from Jordan and Lebanon*, CGAP, 2020, [link](#).

Figure 3: Financial inclusion indicators for refugees (% of adults)¹⁵

34.6%
of refugees in Jordan
are formally financially included -
they have an account, borrowed formally,
used digital payments, or have insurance.



Although financial inclusion remains very low for refugees, the 2022 Diagnostic Study noted that core indicators for refugee account ownership, formal borrowing and digital payments have all increased since the 2017 survey. Account ownership for refugees was up from 7.0% in 2017 to 12.1% in 2022. Formal borrowing increased from 1.4% to 5.5%. Digital payment usage was up

modestly from 8.4% to 10.4%, and insurance ownership was up from 10.2% to 17.6%. The growth in account ownership, however, was not sufficient to reduce the account ownership gap¹⁶ between refugees and non-refugees¹⁷. In fact, the gap increased from 31.0% in 2017 to 37.4% in 2022, as account ownership among non-refugees increased at a faster pace than among refugees.

A Male Refugee’s Story

Said¹⁸ has been living permanently in Jordan since 2012 with his wife and four children, but had been traveling to and from Jordan since 2005. He opened his first wallet in 2021 and opened a second one this year. He uses the wallet for mobile transactions. When asked about the advantages of using a mobile wallet, Said replied that it has saved him time, energy, and money. He highlighted that having a mobile wallet means he does not have to leave work to go and pay his bills. He also suggested that international transactions would be a valuable service to add to mobile wallets.

Source: Consultants’ interview, October 2022

Government, Legal and Regulatory	
What has gone well	What has not gone so well
	
<ul style="list-style-type: none"> • CBJ initiative in 2015 to launch financial inclusion • The National Financial Inclusion Strategy 2018-20 includes specific reference to refugees • Creation of JoPACC led to rapid development of digital and mobile money payment platforms • Regulations have facilitated some innovation and growth in the sector 	<ul style="list-style-type: none"> • Women, youth and refugees remain relatively excluded groups • Refugees remain well behind the general population • There are challenges of documentation for opening wallets for non-Syrians • High levels of documentation are required for agents’ and merchants’ registration

¹⁵ Figure 55, Draft Diagnostic Study, CBJ, 2022.

¹⁶ The gap is calculated as the ownership rate for non-refugees minus the ownership rate for refugees.

¹⁷ Jordanian citizens and migrants who are not registered as refugees.

¹⁸ Not his real name.

The Impact of COVID-19

The COVID-19 pandemic has been extremely challenging for refugees causing both ill health and a significant reduction in livelihood opportunities. Refugees reported reduced working opportunities, increased debt, decline in home-based businesses, delays in resettlement and declining mental health.¹⁹

One of the few sectors that thrived during COVID-19, was the digital financial services sector and particularly the use of electronic payments. The inability of people to meet face to face during lockdowns was a major driver of innovation and evolution for digital financial services, including those for refugees. People now wanted to receive income or financial assistance and make payments without personal contact. A range of employers, the humanitarian agencies and the National Aid Fund all made moves towards introducing mobile wallets. This led to a rapid increase in the number of wallets, from 600,000 in January 2020 to more than 2 million by October 2022. This was facilitated by the simplification of account opening procedures during COVID-19, whereby mobile wallets could be opened remotely, without a visit by the customer to an agent or mobile phone provider.

Throughout the pandemic WFP played a key role in advancing national financial inclusion goals, by supporting the National Aid Fund (NAF) in digitalizing their social protection transfers. For refugees, at the outset of the COVID-19 pandemic, UNHCR encouraged the use of mobile wallets as a means of reducing overcrowding, travel time to and from ATMs, ATM card delivery acquisition delays and general health protocol restrictions.²⁰

The expansion of digital financial services during COVID-19 was made possible by co-

operation between all the stakeholders. In the wake of the pandemic, CBJ launched a COVID-19 Response Challenge Fund to accelerate merchant acceptance of digital payments. A consortium of seven mobile payment service providers (Zain Cash, Orange Money, Al Hulool, Dinarak, Aya, MEPS, and Gadha) submitted a joint application to the Fund. Key activities have included harmonizing processes for dispute resolution, conducting joint marketing campaigns and providing incentives to merchants to accept digital wallets using QR codes. In strengthening the digital financial services (DFS) acceptance infrastructure, the Challenge Fund initiative has also aimed to minimize disruptions to payment flows in the event of another COVID-19 lockdown.

There was an increased uptake of electronic mobile wallets (e-wallets) in Jordan in 2020-2021, driven in part by the digitalisation of NAF transfers during the COVID-19 pandemic. Progress was particularly rapid at the start of the pandemic. Between March and June 2020, as COVID-19 took hold, eFAWATEERcom had 100,000 new customers and digital payments rose from 72% to 87% compared with the previous 3 months. For JoMoPay the number of transactions tripled from 0.5 million to 1.5 million between March and July 2020. However, of the 1.6 million registered e-wallets, only about 660,000 were actively used (defined by being used at least once within the last 90 days) as of December 2021. However, by the end of 2021, only 28% of e-wallet users were female, and 5.8% were refugees.

The coming months and years will show whether the changes brought about by COVID-19 will be sustained.

¹⁹ *Understanding Financial Health of Refugees in Jordan: Empirical FINDings II*, ("Find 2"), Catholic University Eichstätt-Ingolstadt, 2021, [link](#).

²⁰ *Multipurpose Cash Assistance 2021 Post-Distribution Monitoring Report*, UNHCR, 2021, [link](#).

The Humanitarian Agencies

The contribution of the humanitarian agencies

The biggest driver for the financial inclusion of refugees has been the policies of the major humanitarian agencies and in particular their decisions to use mobile wallets to transfer their cash assistance to refugees. The most important organisations in this regard have been UNHCR and WFP. For both organisations, this has involved a journey from in-kind assistance (food in the case of WFP), through vouchers, to cash and then electronic transfers over the past decade.

In 2005 the Cairo Amman Bank in Jordan became the first bank in the world to utilise Iris Scan technology and in 2016 it linked with UNHCR to establish a system by which refugees use iris authentication as their credentials to access their cash assistance without using a bank card or a PIN.

In February 2016, WFP launched Iris Scan technology in Azraq and Za'atari Camps for its food voucher assistance, further linking this with the "Building Blocks through Blockchain" technology. For cash recipients, Iris Scan technology is used to conduct annual biometric verification.

These digital payment solutions reduced social stigma and helped to preserve the dignity of refugees as they no longer needed to use physical vouchers when paying. UNHCR used iris scans to verify identity and access delivery channels such as ATMs and for WFP point-of-sale (POS) devices. This increased the accountability of the assistance programme by ensuring the intended eligible beneficiaries received assistance.

Nonetheless, biometric-based technologies faced challenges including technical errors related to iris cameras, responsible use of the biometric technology and data, and extended queues at ATMs in areas with a high density of refugee populations. Significantly, these approaches did not create accounts that were owned by the refugee themselves, but they did ensure higher standards of accountability for both agencies, as well as dignified and

timely refugee access to cash assistance pending their inclusion into national digital financial services.



An iris scan machine (Photo credit: UNHCR)

UNHCR has been leading the way in using mobile wallets to promote genuine financial inclusion for refugees. More recently WFP has started migrating its own caseloads (refugees assistance, livelihood programs, and school feeding) onto mobile wallets. The agencies have a shared vision of financial inclusion for refugees which sees the opening of mobile wallets as a step towards establishing a financial identity and potential credit history and enabling refugees in the future to have a financial foundation for developing their own businesses and achieving financial independence.

Other agencies including Unicef and NGOs, including NRC, have followed. UNHCR have made their technology and systems available to other agencies through the Common Cash Facility (CCF). The CCF is a platform used by UN agencies, NGOs and the Jordanian Government (municipalities) to deliver cash assistance to the most vulnerable refugee and Jordanian households. It provides a way for members to negotiate with financial service providers as one, and to leverage their cash volume for lower fees and better

services. Members of the CCF have experimented with a range of projects including cash for work within camps where mobile wallets have been used for transfers.



Iris Scan technology on an ATM at Cairo Amman Bank (Photo credit: Agulhas)

There has, however, only been a partial consensus among CCF members on the use of mobile wallets, with many agencies retaining virtual bank accounts linked to Iris Scan as their preferred cash delivery method. Some CCF members have stated that there is no demand from their beneficiaries for such a change. One agency initially adopted Iris Scan technology, but then rejected it on information security grounds. There are now 57 members in CCF, including seven UN agencies and eight municipalities. There is also increased involvement by national NGOs and community-based organisations, but the

majority of CCF members are still not using mobile wallets.

In 2015, WFP established the OneCard Platform (OCP), the first interagency cash assistance platform in Jordan. The OCP is a cash and voucher assistance platform used to deliver humanitarian assistance to beneficiaries of its participating organisations. It is accessible to UN agencies, governmental entities and development organizations. OCP members can use WFP's contracts with Jordan Ahli Bank and UWallet, to adopt the modalities and payment instruments offered by these providers, such as digital transfers to mobile wallets, or debit cards to make payments at a network of 235 WFP-contracted retailers, or to withdraw cash from 800 ATMs. OCP members can also rely on WFP's reconciliation services and hotline Call Centre without the need to establish a dedicated complaint handling mechanism.

Most of the humanitarian agencies, including the major UN agencies, face increasing pressures on their budgets leading to a decline in the levels of support provided to families and the number of beneficiaries who can be supported. This will in turn limit the effectiveness of the move towards mobile wallets since lower levels of support will strengthen the incentives for refugees to cash out to pay immediate rent and food bills and there will be less resources for refugees to utilise a wider range of services through their mobile wallets.



Overview of Refugee Numbers and UNHCR's Work

The number of refugees within Jordan registered by UNHCR has increased from 694,718 in 2015 to 762,912 in 2022, a rise of 9.8%. Within this, the number of Syrian refugees has risen by 6.8% from 633,497 to 676,747 and non-Syrians by 40.7% from 61,221 to 86,165. Of the current refugees, 47% are minors (under 18) and 5% are over 60. As for education, 82.4% have primary or no education and 6.9% have studied at university level or undertaken technical and vocational training. In terms of location, 17.5% of refugees are in camps and 90% are located in four governorates: Amman (43%), Mafrqa (18%), Irbid (18%) and Zarqa (11%).²¹

UNHCR has been a pioneer in driving the change in the modality of assistance delivered to Syrian refugees in the past decade. In 2016, it began a partnership with IrisGuard and Cairo Amman Bank to deliver cash assistance to Syrian refugees through iris scan technology. UNHCR has expanded the use of iris scan technology through the Common Cash Facility to other humanitarian agencies, to facilitate their use of the biometric system to provide assistance to refugees securely and efficiently. UNHCR piloted the use of mobile money in host communities even before COVID-19, back in 2018.²² Since the implementation of online mobile wallet registrations by the Central Bank of Jordan in April 2020, UNHCR has encouraged the use of this transfer mechanism. In 2021, UNHCR started digitising payments within camps, to replace assistance distributed through cash-in-hand, a service that was provided by a UNHCR partner. UNHCR provides a range of videos and resources to increase awareness and ease of use of mobile wallets.

UNHCR conducts a post-distribution monitoring report twice a year to better understand how the beneficiaries use the monthly basic cash assistance and its impact on well-being. The December 2021 report indicated that, at the time of data collection, 33% of Syrian refugees were using a mobile wallet to withdraw their cash assistance.²³

UNHCR co-organises with WFP joint mobile money information sessions for people who are currently or potentially receiving assistance from the two organisations through mobile money. The objective of this collaboration is to provide coherent messages and prevent confusion among beneficiaries about the transition to mobile wallets, operated by both UNHCR and WFP. By September 2022, over 5,000 families in Amman had been reached.²⁴

As of September 2022, UNHCR has provided regular cash assistance through mobile wallets to more than 30% of refugees living out of camps and over 95% of refugees in Azraq and Za'atari camps.²⁵ UNHCR provided data for this report showing that their total number of beneficiaries receiving cash assistance through mobile money has risen from under 800 in 2020 to 6,180 in 2021 and more than 33,500 in 2022. Only two non-Syrian refugees have mobile wallets. The gender divide is 63% men and 37% women, with 80% of those who receive assistance via mobile wallets living in camps.

²¹ Source: Data provided by UNHCR to Mindset (October 2022)

²² A SIM card is needed to activate a smart phone,. UNHCR has provided SIM cards since 2014 for some refugees and asylum seekers who are not able to access them due to insufficient documentation. These SIM cards do not expire and enable refugees and asylum seekers to call UNHCR's helpline for free. A 500MB internet bundle is also provided.

²³ Multi-purpose cash assistance 2021 Post-Distribution Monitoring Report, UNHCR, December 2021, [link](#).

²⁴ WFP Jordan Country Brief, 2022, [link](#).

²⁵ Source: UNHCR Operational update, UNHCR, September 2022, [link](#).

The latest UNHCR post-distribution monitoring report (June 2022) included a survey of 300 Syrian and 300 non-Syrian refugees.²⁶ 16% reported having a bank account or mobile money wallet, a 10% rise from August 2021. The report provides important evidence of the growth of mobile wallets over the past year, driven by UNHCR modalities for cash assistance, which has been overwhelmingly for Syrian refugees, due to the documentation challenges for non-Syrian refugees in opening mobile wallets.

Table 1: Share of responses who reported access to financial services, 2021-2022

	2022	2021
Total	16%	6%
Syrians	28%	8%
Iraqis	5%	2%
Sudanese	2%	2%
Yemeni	2%	8%

More than half (58%) of the mobile wallet users sampled said they opened the mobile wallet account during UNHCR training, while the remaining users did so at an agent (39%) or online (3%). 96% of those with mobile wallets used UWallet services, followed by 3% who used Dinarak and 1% who chose Zain cash. This shows the impact of UNHCR's Payment Service Provider contract with UWallet, whose staff attend training sessions to help refugees to open their wallets. 81% of mobile wallet users surveyed learnt about mobile wallets from UNHCR messages. The latest UNHCR figures indicate that, as at October 2022, 17% of UNHCR support was being delivered through mobile wallets with 7% through ATM cards and 76% through iris-enabled ATM withdrawals.



WFP Resilience group of Jordanian and Syrian women (Photo credit: WFP)

²⁶ Multi-purpose cash assistance: Mid-year post-distribution monitoring report, UNHCR, June 2022, [link](#).

Overview of WFP Work

WFP provides food assistance to nearly 465,000 vulnerable refugees residing in camps and host communities through cash-based transfers.²⁷ Most beneficiaries are between 31 and 50 years old. Most beneficiaries (112,630) are in Amman, followed by Irbid (78,867) and Mafraq (65,518). Za'atari and Azraq refugee camps have 115,637 beneficiaries.

The transition of WFP's assistance modality started in 2012, soon after the Syrian crisis started in 2011. Early on, hot meals were delivered in camps while Syrian refugees in Jordanian communities received in-kind food assistance. Paper vouchers, which were restricted to food commodities, were introduced in 2013 within and outside camps. In 2014, electronic vouchers restricted to food commodities and e-cards were in use in both camps and host communities. The service provider for the e-cards at the time was Jordan Ahli Bank. It was reported by beneficiaries that they enjoyed greater freedom in deciding how to use the assistance and faced less social stigma when they no longer used paper vouchers in communities.



Information poster on mobile money by WFP. Photo taken in a focus group discussion in Karek, October 2022 (Photo credit: Agulhas)

Further transformation took place in 2018 when WFP started using blockchain²⁸ and iris scanning technologies to deliver assistance within camps. This is still the dominant assistance modality in camps. As for refugees living in communities, the transition to mobile money started in 2022 but e-cards are still in use. In 2020-21, WFP conducted a technical assessment of the seven mobile wallet providers available in Jordan and led various consultations with beneficiaries on their mobile money perceptions. In 2022, based on the positive operational results and feedback received from beneficiaries, WFP started shifting all of its cash assistance to mobile money, including general food assistance, livelihood and school feeding activities. WFP's transition to mobile money started in January 2022 and will be completed by mid-2023, with a target of 93,000 beneficiary-owned wallets (over 440,000 individuals) across Jordan, including Syrians living in communities and camps.

With mobile money, WFP beneficiaries can open their own accounts with providers of their choice. WFP cash assistance can be disbursed on any mobile wallet within the family, not necessarily that of the head of household. WFP encourages women in male-headed households to open a mobile wallet to receive WFP's assistance, as they have primary care duties within the family.

Currently, WFP's general food assistance through mobile money is provided to Syrians in communities only. The mobile money transition has taken place in six out of 12 governorates, with 11% of the total caseload having already registered their wallets to receive WFP's assistance. As of November 2022, the beneficiaries receiving WFP's general

²⁷ Data sent by WFP.

²⁸ Blockchain is essentially a shared, virtual platform that facilitates safe information-sharing in real time. It can help record transactions. With block chain technology, WFP has saved around US\$2.4 million transaction fees as described in *Building Blocks, blockchain network for humanitarian assistance*, WFP Innovation Accelerator, [link](#).

food assistance through mobile money included 26,219 individuals (around 6% of all beneficiaries) or 5,248 households (5% of all household). Of these wallets, 37% are owned by women.

WFP plans to extend mobile wallets to beneficiaries in camps in 2023. This provides an opportunity to greatly expand the market for mobile wallets in the camps and to extend the networks of agents and merchants involved. Apart from its own programmes, WFP has also supported digital transformation for the National Aid Fund. It has provided technical assistance to NAF in terms of payment digitisation, verification and validation process, as well as training NAF beneficiaries on how to open and use mobile wallets. WFP's support, which started before the COVID-19 pandemic and continues to date, has successfully reinforced NAF's digital infrastructure, enhancing beneficiary enrolment and targeting. This accelerated NAF's response to the COVID-19 pandemic.²⁹

The Humanitarian Agencies	
What has gone well	What has not gone so well
	
<ul style="list-style-type: none"> • Use of Iris Scan technology linked to virtual accounts has increased reliability and security of systems • Gradual migration of humanitarian agencies' caseloads to mobile wallets • Rapid growth of UNHCR use of wallets in camps • Openness of sharing technology with CCF • Adoption of e-wallets from a variety of providers, enabled by WFP and UNHCR for Syrians in communities 	<ul style="list-style-type: none"> • Humanitarian budgets are now falling which could reduce the momentum towards mobile wallets • Many agencies are still using virtual accounts where refugees do not own their own account • Only a small percentage of refugees currently have mobile wallets

Support from donors

The development of financial inclusion for refugees is supported by a number of donors. GIZ's Digi#ances programme has focused on digital financial inclusion since 2015 and has pioneered a range of activities including the testing of new services, the creation of a sound regulatory framework and financial literacy training. In 2016, GIZ supported the development of the Digital Financial Services Council, chaired by CBJ, to bring together

stakeholders across the sector on a quarterly basis for policy-level discussions. It has worked with CBJ to create a sound regulatory framework and to promote systems for international remittances for refugees and other low-income groups using mobile wallets. It sponsored dialogue meetings open to the public to reflect on international experience.

In 2017, GIZ formed a consortium of 20 organisations to promote a roadmap for

²⁹ WFP Jordan's transition towards mobile money, WFP, 2022, not published.

Digital Financial Literacy with a focus on budgeting and saving for low-income Jordanians and refugees. This has included training modules, materials and training of trainers, reaching more than 20,000 individuals. The project has partnered with Mobile Payment Service Providers (MPSPs) to strengthen their networks of agents serving refugees and has tested a female agent initiative. GIZ has also supported the implementation of inbound and outbound digital cross-border remittances in cooperation with the private sector.

Other active donors include:

- The Swedish International Development Cooperation Agency

(SIDA) which funded a 2018 study on the needs of refugees for financial and non-financial services

- USAID, whose Local Enterprise Support project (LENS) facilitated a Digital Finance Country report for Jordan in February 2019
- The UK, who supported research with GSMA in 2019 on mobile technology use by refugees, including in Jordan.

Donors have been particularly concerned that the needs of marginalised groups, including women, people with disabilities and the elderly, are met and that financial inclusion training is provided that is suitable for each of these groups.

Refugees living with a disability

Ibrahim,³⁰ a male refugee, has been living with his wife and seven children in Jordan since 2013. Ibrahim is disabled due to knee injuries that impair his movement. He opened a mobile wallet in 2021 to receive aid from UNHCR. He only uses the wallet to receive aid and then withdraws the cash. His wife is illiterate, so he is the only family member who uses the wallet. He stated that he cannot fully benefit from his mobile wallet because of his disability.

Source: Consultants' interview, October 2022

The Private Sector

The contribution of the private sector

The supply side of digital financial service provision is dependent on the enterprise and investment of the private sector. Banks are not able to provide bank accounts for refugees and some have been reluctant to provide services because they see refugees as low income and not profitable. This perception is changing with the expansion of mobile wallets. MPSPs have expanded and

enhanced their systems throughout this period, investing heavily in a rapidly evolving market. At the end of October 2019, there were four operational mobile money providers in Jordan. This has now expanded to eight, each of which has invested substantially in its systems and networks.

Figure 3. Mobile Payment Service Providers (mPSPs)



Prominent among these service providers are the major telecoms companies (Umniah, Zain and Orange), who have access to existing infrastructure and customer databases that have facilitated their expansion into mobile wallets. Although the number of mobile wallets has risen dramatically, most of the sector remains loss-making, or is just approaching break even or low levels of profitability.

For both UNHCR and WFP, beneficiaries can choose to open wallets with providers of their choice. The Government and humanitarian agencies have sought to ensure a level playing field in which anyone can open a mobile wallet with any service provider, but concerns around monopoly power remain. UNHCR conducted a tender on behalf of CCF members and have a primary relationship with UWallet (Umniah). UWallet sends a representative to mobile wallet training sessions with iris scan cameras, based on a UNHCR request to facilitate the digital onboarding process. This process is where refugees open a mobile wallet using their SIM card with any service provider, and then link

this wallet to their iris scan and UNHCR registration. Under the UNHCR-CCF agreement with UWallet, a onetime free cash out is provided by UWallet each month as an incentive to UWallet subscribers.

While WFP also has a contract with UWallet, their approach has promoted a more diversified adoption of providers by beneficiaries. Based on the latest figures, 50% of wallets receiving assistance from WFP are UWallet, 23% Zain cash, 20% Orange Money and 5% Dinarak. For UNHCR, over 90% of wallets are with UWallet. UNHCR's approach reflects their experience of refugees who previously attended the training but did not subscribe to any wallets for several weeks. This led UNHCR to provide the additional service of registration for a wallet during the training for those wishing to do so. UNHCR also gives specific counselling to the refugees during the training on their right to register with any wallet provider and the interoperability of the onboarding system (performed by UWallet) for refugees with non-UWallet mobile wallets.



Sample of agents (an exchange shop and a mobile phone shop) indicating which MPSP services are provided. (Photo credit: Agulhas)

Technological innovations

Access to mobile wallets for refugees, as for other segments of the population, has been driven by smart phone access and coverage. Network coverage is now almost universal. 99% of Jordan's population had 3G mobile coverage in 2019.³¹ The sector is very dynamic and competitive with a range of technical innovations including facial recognition. Smart phone ownership continues to grow although it remains unaffordable for the poorest segments of society. Smartphone penetration is generally higher in Jordan than in other humanitarian contexts, both among refugees and the general population. GSMA research found

that over 70% of urban refugees in Jordan have access to or own a smartphone³²

A wide range of merchants accept payments from (debit) cards linked to mobile wallets. The private sector service providers and agents also play a key role in advertising and awareness raising. Promoting payments from mobile wallets has proved to be more challenging. Merchant acceptance of QR codes as a means of payment remain low. International experience, however, suggests that this is a growing technology and pilot schemes in Jordan have shown the potential for wider coverage.

³¹ *Humanitarian Cash and Voucher Assistance in Jordan: a gateway to mobile financial services*, GSMA, 2020, [link](#).

³² *Humanitarian Cash and Voucher Assistance in Jordan: a gateway to mobile financial services*, GSMA, 2020, [link](#).

The Merchant Expansion for Digital Acceptance and Liquidity Facility, or MEDAL Facility in short, was a partnership which aimed to increase digital liquidity through expanding the number of merchants accepting mobile payments and increasing the number of QR transactions happening through the JoMoPay infrastructure.³⁴ The Facility financially supported two mobile payment service providers (MPSPs), UWallet and Gadha Wallet, in meeting pre-set merchant acquisition and QR-code transaction targets.

The partnership employed a unique model of grant disbursement, where an international developmental agency (GIZ) extended funds to a local entity (JoPACC), which administered it to local, consumer-facing MPSPs. This funding modality has allowed MPSPs to test out business, operational, marketing and communication strategies, while removing some of the financial risks MPSPs might face in these experiments.

The results of the Facility indicate a successful intervention. MPSPs' target for merchant acquisition and the target for the number of QR-code transactions have both been met. For the latter, the use of QR-codes for payments has increased substantially, especially among new user segments, through adopting incentivization and a word-of-mouth customer acquisition strategy. In one example, customers were subsidised when they bought a cup of coffee using QR payments.³⁵ This strategy has attracted new users to make QR payments at these merchant locations. In addition, it was expected that word of mouth recommendations to other social circles by these users would lead to a further increase in the number of new users.

Agents and merchants

Each of the mobile wallet service providers seeks to develop its own network of agents, who interface on their behalf with customers and provide cashing-out and other services. The mobile telephone companies have a big advantage in that they can use their network of shops as agents. The 2017 IMF Financial Access Survey found that there were 590 active mobile money agents in Jordan compared to 894 commercial bank branches and 1,752 ATMs.³⁶ The increase in agents since then has been rapid, rising from 1390 in the first quarter of 2020 to 2585 in the last quarter of 2021, driven by COVID-19.³⁷ Many areas are well-covered, but some of the more remote rural areas and the camps lag behind. In Tafilah governorate, for example, there are

only 36 agents. There are inadequate facilities for cashing out in both Azraq and Za'atari camps, leading to people leaving the camps to cash out and the growth of informal agents charging excessive fees. Also relevant is the distribution of ATMs and kiosks, which provide alternative means of cashing out mobile wallets.

Companies wanting to register as agents or merchants, including those owned by refugees, continue to face problems. Companies need substantial documentation to achieve registration that does not reflect the scale of their operations or the specific challenges of refugees in obtaining such documentation, especially in the camps.

³³ Source: MEDAL Facility Report, March 2022, JoPACC, [link](#).

³⁴ Digital liquidity is described as “the usage opportunities for value held digitally”; and that digital liquidity specifically means “the ease with which a user utilises their digital money to meet their various financial needs, without having to convert this digital money into other forms of money” such as cash.

³⁵ Customers using QR payment method only needed to pay 0.001 JOD to buy a cup of coffee.

³⁶ *Humanitarian Cash and Voucher Assistance in Jordan: a gateway to mobile financial services*, GSMA, 2020, [link](#).

³⁷ *Process Analysis for Recruiting Mobile Money Agents at Syrian Refugee Camps in Jordan*, As-is process map, Leading Point, September 2022.

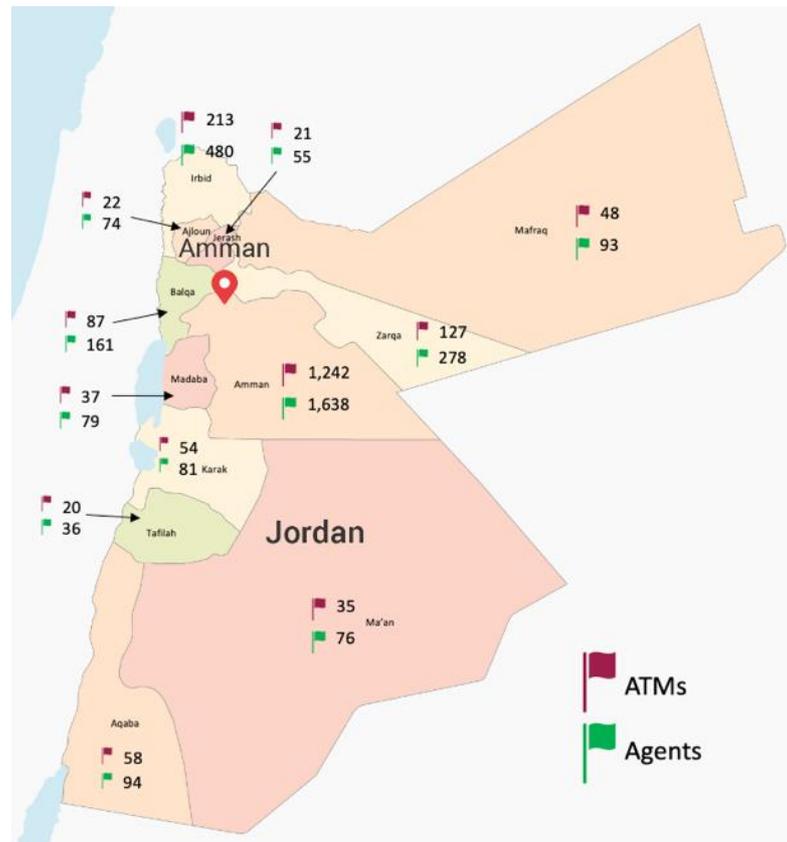
An agent's story

Hasan³⁸, a male agent, is an exchange company manager in Amman who has been working with mobile wallets for the last three years. He works with Zain, Orange, and Dinarak. He stated that there is not a significant benefit to him because the commission rates are low. Regarding his work with refugees, Hasan said that he helped Syrian refugees register for UNHCR aid through mobile wallets in 2020 and that he continues to help refugee clients with any difficulties they face while using mobile wallets.

Source: Consultants' interviews, October 2022

Figure 4. Map of agents across Jordan

Data source: GIZ Geolocator
Map: Free Vector Maps, [link](#)



A merchant's story

Layla is a female merchant from Irbid who runs a small business out of her own home. She opened her wallet earlier this year and says that accepting mobile payments has benefitted her business because it is easy to use for making small payments. She only accepts cash and mobile payments and does not accept visa payments. When asked about the experiences of her refugee customers, she said that they prefer to make mobile payments. She also said that she helped her refugee clients navigate through the mobile payment process at a local bazaar where she sold her goods.

Source: Consultants' interviews, October 2022

³⁸ Not his real name.

The Demand Side

Voices of refugees

Central to promoting financial inclusion is hearing the voices of refugees themselves. There is limited evidence of refugees' own views of financial inclusion. Some key points to emerge from focus groups include the following summary of refugees' desired outcomes, which involve increased control over their lives:

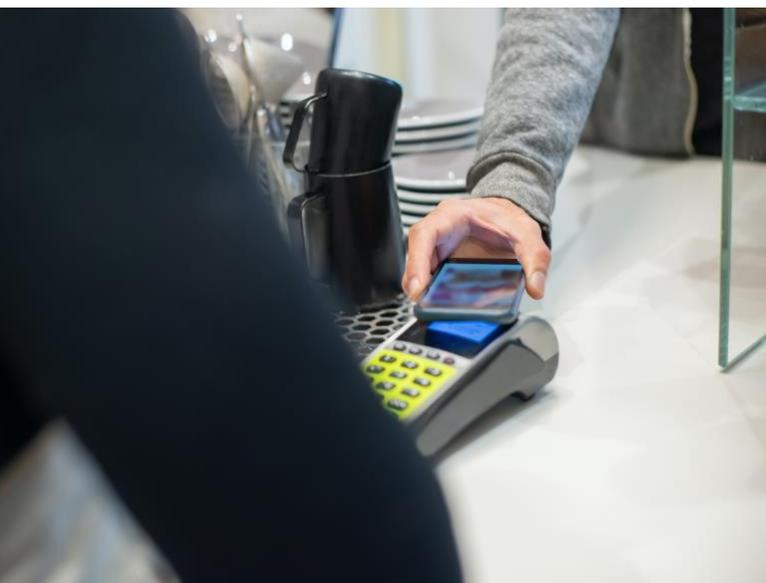
- no debt
- decent work and job prospects
- education for children
- protection from financial shocks, including building assets.³⁹

Mobile wallets cannot solve these problems, but they can help to develop financial independence and autonomy which are consistent with these wider aims.

Both UNHCR and WFP conduct regular focus groups and feedback sessions and have undertaken case studies and gathered individual stories. Small scale focus groups, focused on financial inclusion, have also been undertaken in the preparation of this report. Some of the key issues and constraints emerging from these group discussions include the following:

- Most refugees have inadequate financial resources to use additional financial services on mobile wallets
- Refugees are positive about mobile wallets because the cash is not lost if it is not used in a certain period
- Refugees are very sensitive to any additional fees
- Most recipients will cash out all their money right after receiving assistance to pay rent or buy food
- Mobile wallets have brought convenience into their lives: *"It's easy, saves time and effort and the cost of transportation"*
- A female participant expressed that *"people would make fun of me if I didn't have a wallet. I feel more self-confident with a wallet. I am not feeling marginalised"*.⁴⁰
- Refugees want more practical training on mobile wallets and financial literacy
- Refugees' fears include making a mistake and losing money, scammers and frauds.

The needs of refugees are manifold. Debt is a key issue, primarily in the form of rent arrears, credit at shops and loans from friends and family. This demonstrates a potential opportunity for credit products through mobile wallets, but there is little evidence of people's willingness to borrow through formal channels. Refugees fear losing their critical aid support if they are perceived to have substantial financial assets. Introducing any formal financial services via mobile wallets would need to be accompanied by marketing and awareness-raising campaigns, with clear statements about the security of refugees' personal information and accounts, and a realistic assessment of the risks associated with mobile wallets for refugees.⁴¹



³⁹ *Understanding Financial Health of Refugees in Jordan: Empirical FINDings II*, Katholische Universität Eichstätt-Ingolstadt, 2021, [link](#).

⁴⁰ Mindset focus groups for this project, Amman, October 2022

⁴¹ *Humanitarian Cash and Voucher Assistance in Jordan: a gateway to mobile financial services*, GSMA, 2020, [link](#).

The Private Sector	
What has gone well	What has not gone so well
	
<ul style="list-style-type: none"> • Rapid expansion of service providers • Desire to meet refugees' financial needs by some stakeholders in the private sector • Innovation including IrisScan, mobile wallets and QR codes 	<ul style="list-style-type: none"> • Refugees perceived to be high risk and not a profit-making group and some financial actors are reluctant to engage with them • Inadequate agents' and merchants' networks especially in the camps • Slow uptake of payment through QR codes • Concerns about information privacy and security

SHE IS PART OF THE MOBILE MONEY INFOSESSIONS

"I learnt during the session that I have the right to my own e-wallet. The session was really helpful."

HANAN

AND HER DAUGHTER IN JORDAN



Women Syrian refugees, such as Hanan, stress the importance of women's financial independence which can be facilitated through mobile wallets (Source: WFP).

JoPACC report on Palestinian refugees in Gaza Camp⁴²

To understand the impact of awareness campaigns and incentivizing the usage of mobile wallets by refugee women, JoPACC carried out a 5-month study in Gaza Camp from September 2020 to January 2021 in collaboration with the Social Enterprise Project (SEP), Orange Money and MadfoatCom.

The first Jordanian private company to set up in the Gaza Camp in Jordan, SEP works with female refugee artists (mostly Palestinian) in the camp and sells fashion and accessories worldwide. SEP introduced mobile payments and started paying salaries through mobile wallets during COVID-19. SEP's network includes over 500 women, most of whom had opened mobile wallets just months after the pandemic's outbreak. The study found that a three-pillar approach helped induce behaviour change leading to sustained active usage of mobile wallets in a largely unbanked community:

- Awareness (262 women attended training sessions)
- Assessment (post-training assessment with the opportunity to win a smartphone)
- Reward (bill payment weekly draws in which 2-4 women received their money back)

Comprehensive awareness is required to ensure that users not only understand the modality, but also feel confident and trust the added value of having mobile wallets. The use of prize draws to encourage mobile wallet usage was particularly effective. Results have showed that the three-pillar approach was effective in creating and sustaining behavioural change, albeit at lower levels, once the incentives had been removed.

Over 90% of refugees own phones with just over half of these being smartphones. Smartphone penetration is higher in Jordan than in other humanitarian contexts, both among refugees and the general

population.⁴³ However, cost of data is high and may limit access to training and awareness materials on mobile wallets. There is virtually no penetration of laptops or other computers.

A female refugee's story

Mariam⁴⁴ came to Jordan from Syria in 2014 with her husband and five children. They started using a mobile wallet in 2020. Mariam is still learning how to use their mobile wallet, and in the meantime, her husband has been responsible for making transactions. She stated that mobile wallets have benefitted her family and made transactions easier and safer. Her family uses their mobile wallet to pay their bills. As for changes that could be made to mobile wallet services, Mariam suggested the addition of international transactions.

Source: Consultants interviews, October 2022

⁴² Source: Challenging Exclusion: Refugees' uptake of mobile money, JoPACC, 2021, [link](#).

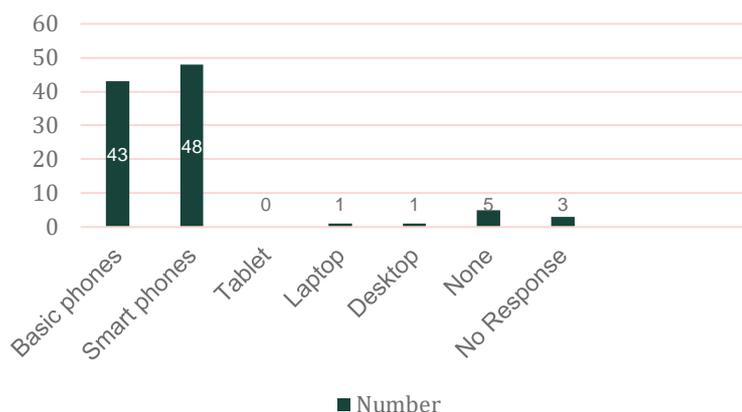
⁴³ *Humanitarian Cash and Voucher Assistance in Jordan: a gateway to mobile financial services*, GSMA, 2020, [link](#).

⁴⁴ Not her real name.

Figure 5: Ownership of digital devices among refugee women in Al-Azraq and Al-Za'atari

Graph of responses to question 'Which of these devices do you own personally?'

Source: *Gender and the digital divide in situations of displacement: the experiences of Syrian refugee women in Al-Azraq and Al-Za'atari Camps*, UN Women, 2020, [link](#).



Training

Prior to onboarding, the humanitarian agencies provide training, usually of about 45 minutes, to help people open a wallet. This is adequate for the basic process, but does not allow time to consider the range of services that can be accessed through mobile wallets.

The development of training materials has been led by GIZ and training materials have evolved over the period under review. Materials have been harmonised across a range of organisations, who then deliver them in different ways. There is no data on which of these methods is most effective, although longer training is generally seen as more helpful than short (30 to 45 minutes) onboarding training that only covers the basics of opening a wallet. Awareness raising in both online (social media channels) and offline channels by JoPACC and the service providers is complementary to this specific training, helping to create an atmosphere in which the use of mobile money is accepted.

A key driver of acceptance of mobile money is word of mouth. Trusted friends and relatives play a key role in the acceptance of digital financial inclusion. This has been recognised by the service providers such as Orange Money and Dinarak, who are



WFP mobile wallet awareness info session in October 2022 (Photo credit: Agulhas)

promoting the use of informal agents or community ambassadors, including in the camps, to encourage people to sign up.

“We need practical training not theories. Someone who opens the wallet in front of us and shows us.”

- Refugee participant from a focus group discussion held on 13 October 2022

Services offered and taken up

Refugees primarily use their mobile wallets to obtain cash to pay monthly bills for rent and food. Incentives are often given to withdraw all their money in a single transaction since the initial cashing out each month is often exempt from fees. One report concluded:

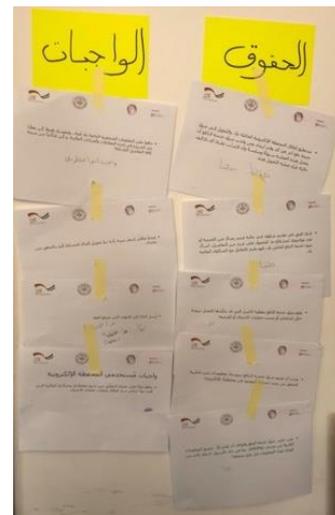
“Current humanitarian processes incentivise recipients to withdraw the full transfer amount. However, this undermines potential savings and trust in digital services by reinforcing the belief that only hard cash, as opposed to an electronic balance, has permanent value.”⁴⁵

However, WFP has recently decided not to cover any withdrawal fees when transferring assistance to mobile wallets, with the objective of incentivising digital transactions. There are a range of other services potentially available through mobile wallets including:

- Person to person payments
- International payments and remittances
- Payment of bills (including phone top-up)
- Savings and credit
- Insurance

One hypothesis is that refugees will become more confident in the use of mobile wallets over time and expand the range of services that they access. One potential area for expansion is the payment of bills. The use of mobile services reduces the need and transport costs for attending offices to pay bills. The Government significantly expanded the use of eFAWATEER.com by government institutions from 21 in 2017 to 48 by the end of 2020. This is reflected by growth in this platform but it still has very limited use by refugees.

Although non-Jordanians lag Jordanians in most measures of digital financial services, this is not the case with remittances. 2017 data suggested that 31.4% of non-Jordanians sent or received remittances through formal channels in the previous year, well above the rate of 19.9% for Jordanians.⁴⁶ At present mobile wallet providers are constrained in providing direct services on remittances and have to work through an existing established provider of exchange services thus increasing costs.



Some exercises conducted during a GIZ-funded financial literacy training with Syrian refugee women in Sweileh, Amman. (Photo credit: Agulhas)



“The e-wallet has also solved the problem of paid advertisement for me... it is necessary for us as an e-marketing business to make paid ads, and not everyone can open a bank account. I can (now) do paid ads. It is a very safe and user-friendly application which helps us in many ways.” Hana Hawari, home-based business Syrian refugee.

Hana's story (Source: GIZ)

⁴⁵ Humanitarian CT and FI lessons from Jordan, April 2020

⁴⁶ Remittances and financial inclusion: a demand-side analysis of low-income Jordanians and Syrian refugees in Jordan, CGAP, Dec 2017

Gender issues

There are significant gender issues related to financial inclusion. The expansion of mobile wallets has particular importance for women. Electronic banking can protect women from harassment in male-dominated public spaces. Female-headed households comprise over 50% of all recipients of UNHCR support, but women are still in the minority among those opening mobile wallets. Some of the key issues include:

- Evidence suggests that women seek agents that they can trust, namely family members, neighbours, or someone who is known in their community.. Mobile phone shops in refugee camps were already playing this role in their communities.⁴⁷
- Separated women are worried about their mobile wallet being controlled by their former partner.
- In the 2015 GSMA survey, 42% of women (compared to 19% of men) said they ‘worried about making a mistake and losing money’ when using mobile technology.

There are also financial inclusion issues within households. UN Women research of women refugees in Lebanon and Jordan suggests:⁴⁸

- Women’s financial responsibilities rise during displacement
- 9 out of 10 women refugees surveyed in Jordan were struggling to meet their household’s basic needs on a monthly basis
- Financial pressures lead to harmful coping strategies including taking children out of school
- Gender-based violence is a pervasive problem
- Women face a range of gender-based discrimination and barriers.

More research and understanding is needed of financial dynamics within households, the

role of mobile wallets and potential links to domestic violence and abuse.

Women face barriers to pursuing livelihood opportunities because of their responsibilities at home and cultural norms that affect their access and ability to work. Women-headed households face additional challenges in earning income and fear stigmatisation. For women-headed households, their financial journeys are overshadowed by the stories of separation or divorce. These households tend to have a higher number of dependents in the family (mostly children and older family members). This limits their ability to work, and as a result, there is high dependence on cash assistance. When the female head of household is working, the income is seasonal and temporary. Such income complements the assistance is not enough to meet basic needs of food and rent. Many of the women heads of households, especially if they are divorced or separated from their spouses, have limited their social interactions with the larger community because they fear stigmatisation and harassment.⁴⁹

Different perceptions are held by men regarding women having mobile wallets:

“I don’t think it’s necessary for housewives. If his wife didn’t get a job, they wouldn’t have created a wallet for her.”

- Male Syrian refugee in focus group discussion held on 13 October 2022

The woman herself can make you look bigger in people’s eyes. If she controls the money, it’s not an underestimate of you. She knows how to manage the money.”

- Male Syrian refugee in focus group discussion held on 13 October 2022

One woman said that she received support from her husband to have a mobile wallet:

⁴⁷ *Mobile Wallet User Journeys and Potential Products for Refugees and Women in Jordan*, GIZ, [link](#).

⁴⁸ *Gendered realities of displacement*, Agulhas Applied Knowledge/ UN Women, April 2022

⁴⁹ *Understanding Financial Health of Refugees in Jordan: Empirical FINDings I*, Katholische Universität Eichstätt-Ingolstadt, 2020, [link](#).

“My husband does not have any problem with me having a wallet because it is a relief for him. He does not have to go in person to pay bills.”

- Female Syrian refugee in focus group discussion held on 13 October 2022

The Demand Side	
What has gone well	What has not gone well
	
<ul style="list-style-type: none">• Financial inclusion can help refugees to achieve their goals• Refugee voices are being heard• Refugees appreciate positive features of mobile wallets including security and convenience• There is demand for more training	<ul style="list-style-type: none">• Lack of service uptake beyond cashing out• Challenges for non-Syrians• Constraints on remittances• Potential gender issues• Training is often too basic



Refugees receiving cash assistance through mobile wallet (Photo credit: UNHCR)

Current Trends and Future Possibilities

The current situation on financial inclusion in 2022

As Jordan emerges from COVID-19, 2022 provides a baseline for future work as well as a point of comparison with 2015. Although ownership of mobile wallets has increased there is still only partial financial inclusion for refugees. The use of services other than cashing in and cashing out remain limited. Registration is challenging for mobile wallets both for individual refugees, especially non-Syrians, and for merchants due to the documentation required.

Looking to the future, CBJ is working on a new national financial inclusion strategy from 2023. This provides the opportunity for a renewed vision for financial inclusion for refugees. At the same time, the humanitarian agencies face substantial challenges with falling budgets and the need to transition from an emergency and humanitarian environment

into more traditional developmental assistance.

There are questions about the long-term sustainability of financial inclusion initiatives. Emerging challenges include agents lacking adequate liquidity and the low profitability of all the players in the industry from service providers through agents to merchants.

Despite these challenges, there are good reasons for optimism about the future of financial inclusion for refugees in Jordan. The progress that has been made over the past seven years demonstrates what can be achieved when all the parties work together.



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