NPM conference: Finance for Refugees, September 7, 2018

Break out session: 13:15- 14:30
2. Using technology to mainstream access to finance for refugees

The aim of this panel was to understand how technology has been used to promote financial inclusion and what is needed to enhance its development. The session discussed examples of the use of technology to deliver payments and other financial services to (climate) refugees and Internally Displaced People (IDPs). Panelists presented their initiatives and reflected on the challenges they encountered, as well as the lessons learnt from this process. The session concluded with some reflections about the most important steps to boost the access to finance for refugees and the potential role of the private and public sector.

The panel was moderated by Gera Voorrips, senior advisor for Triple Jump Advisory Services-Africa. Triple Jump supports microfinance institutions to incorporate technology in their operations. The panelists were executives from the NGO, multilateral and private sector, which are committed to the financial inclusion of unserved populations:

1) Niña Espinola-Abogado: Partnership Relations Manager for Financial Inclusion of Oxfam Philippines
2) Bernhard Kowatsch – Director of World Food Programme (WFP) Innovation Centre
3) Francois Coupienne - Digital Manager of United Nations Capital Development Fund (UNCDF)
4) Dan Kleibaum-Co-founder of Beyonic and Entrepreneur-in-Residence at DFS Lab

The audience included people from the technology sector (or with expertise on it) and professionals with limited or no knowledge in this area. Most of them were optimistic about the use of technology to provide finance for refugees. During the session, they questioned the panelists and shared some reflections about the topic. The session started with an introduction of the theme, situating it in the connection between technology and financial products (**Table 1**).

Niña Espinola (OXFAM Philippines) began the panel, by sharing her experience, which started with Oxfam's program after the Typhoon Haiyan in 2013 and which revealed the difficulties of providing humanitarian cash transfers. Thus, they started to work on a digital alternative for delivering monetary aid, and more broadly, on innovative financial services for poor and vulnerable people in South Asia. This business model relies on the cooperation between different actors such as regulators, mobile networks operators, global and local payment companies, local traders, and microfinance institutions. Concretely, they developed an inclusive digital platform using prepaid products and mobile banking. For disaster preparedness and recovery, they designed a prepaid card that allows affected people to go to stores and buy the goods and services needed. Likewise, they created a card for inclusive economic empowerment and an app, which allow people to save, send remittances, purchase, and insurance, among others.

Table 1. Technology and Financial Products

2 Technologies: 3 Financial product:	Credit /Debit Card	Mobile money	e-Voucher	Bio ID	Blockchain	Agent network
Voucher for goods	MasterCard		WFP Building Blocks	WFP Building Blocks	WFP Building Blocks	
Cashless payments (financial assistance, salary, purchases)	Oxfam Philippines MONI	UNCDF Beyonic	WFP Building Blocks	Taganu MONI	Taganu MONI	UNCDF Beyonic
Money transfer (international)						Money Transfer Organisations
Savings account	Oxfam Philippines	Leaf Global Fintech		Leaf Global Fintech	Leaf Global Fintech	

Secondly, **Bernhard Kowatsch (WFP)** explained how WFP is using blockchain technology to create virtual bank accounts (called building blocks) to transfer cash to the recipients of food assistance. Through this system, a person can go to a store without any document. In the store, they scan the iris and automatically receive the authorization or denial of the transaction. Every transaction will be recorded in the blockchain, where every family/person has a code. At the end of the week, WFP accumulates the transactions and transfers the cash to the sellers. They initiated with a pilot in Pakistan, where they worked with the people in order to design a product that meets their needs and expectations. Then, when they tried to replicate it in Jordan, they encountered that refugees can't have access to bank accounts, for which they used e-wallets (mobile money) of the blockchain.

Thirdly, **Francois Coupienne (UNCDF**) mentioned that UNCDF is working with the private sector to develop a digital ecosystem, and hence promote digital finance. They are also working with central banks and some ministries to modify the legal framework to be more enabling, and other cooperators to improve the infrastructure (access to signal). In the last years, they have implemented some pilots (Uganda, Zambia and Tanzania), in which they have promoted: 1) that people have access to phones, 2) receive financial and digital literacy, and 3) there is a network of agents to change cash for the digital currency. In the case of Uganda, UNCDF partnered with DanChurchAid (NGO) which is now delivering its cash transfers through mobile money. Thus, beneficiaries can go to an agent to change the mobile money into cash or use it to charge their phones. Similarly, in Zambia, they changed the way of delivering UNHCR's cash transfers from cash to mobile money. Finally, in Tanzania, they are working on digital and financial literacy to make refugees able to use mobile money. In this case, they have implemented different pilots such as training to saving groups, in which people with a tablet can simulate the use of mobile money.

Fourthly, **Dan Kleibaum (Beyonic)** presented Beyonic, which is a platform that allows different businesses (NGO's, multilateral organizations, big and small companies) to make their (daily) payments through mobile money instead of cash. The registration of the platform is easy, people/organizations only need to register a phone number, which is validated. The platform has been used for international and local

transfers, payment of salaries, and purchase of agricultural products. Beyonic started in Uganda, but it is now operating in Kenya, Tanzania, Rwanda, Ghana, and Somalia.

When analyzing the challenges of using technology in a refugee setting, all panelists cited the regulatory environment, which isn't very flexible to accept/integrate these new alternatives. For instance, the Know-Your-Customers regulations make it difficult to financially include vulnerable people like refugees, who sometimes have issues with their identification document (ID) or do not have the ID required by the banks. Furthermore, some countries don't allow refugees to acquire a SimCard or a business license, which inhibits their access to mobile money or credit. All panelists also mentioned that it is key to find partners and allies that enhance the reach and impact of the projects. For example, partnering with technology companies is pivotal to develop innovative and efficient solutions tailored to each context. Additionally, some panelists remarked that mobile money still faces many challenges because of the limited number of agents and the lack of ATMs for this type of money.

The session finished with some **conclusions by the moderator** based on the discussions. In the first place, she emphasized that technology can help to provide access to financial products and services for refugees or IDPs. It can also make more efficient the delivering of economic assistance. However, the business models and the products should be designed according to the context and needs of the users. Moreover, she underlined that the introduction of new products should be supported by digital and financial literacy to guarantee that people understand the relevance and benefits of using them. In the second place, the moderator talked about the importance of establishing alliances with different stakeholders. This could increase the volume of the operations, thus enhancing the potential benefits for the providers of the technology infrastructure (economies of scale). Furthermore, the involvement of development partners is especially required to continue developing technological solutions and infrastructure that benefits refugees and other vulnerable segments of the population.