Refugees Working Group Webinar:  
Digi#ances Project Jordan:  
Mobile Wallets for Refugees and low-income Jordanians

Speakers: Katharina Braun of GIZ Jordan and Maha Bahou of the Central Bank of Jordan
Facilitator: Amelia Greenberg, SPTF

13 December 2017

Agenda

- Introduction to Webinar Series
- Presentation of the project
- Discussion of challenges and results
- Questions and Answers
Introduction to the SPTF working group on financial inclusion of refugees

- Six-part webinar series funded by UNHCR:
  - Disseminate findings from existing projects

Introduction of speakers

- Maha Bahou, Executive Manager, Payment Systems, Domestic Banking Operations and Financial Inclusion Department

- Katharina Braun, Head of the Digi#ances Project at GIZ Jordan
About the Digi#ances Project

**Project Title:** Digi#ances: Improving Access to Remittances and other Financial Services through Digital Solutions

**Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)

**Implemented by:** GIZ

**Partner:** Central Bank of Jordan

**Funding:** 4.3 Mio EUR

**Duration:** October 2015 - October 2019

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**Our approach:**

- **Enhance resilience and economic opportunities through access to affordable remittances.**

- **Supporting host communities and refugees through access to digital financial services and financial literacy.**

- **Support a sustainable digital payments infrastructure in Jordan.**
By 2019, what we aim for is:

The foundation has been laid for the use of digital services for cross-border remittances by refugees and Jordanian households with little or no access to financial services.

In particular, we’re targeting to help:

- **Jordanians** with restricted or no access to financial services.
- **Syrian refugees** in Jordan.
- Minimum 50% of those helped are women.

Target Group specifics

<table>
<thead>
<tr>
<th></th>
<th><strong>Low-income Jordanians</strong></th>
<th><strong>Syrian refugees</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average income:</strong></td>
<td>200 – 400 JOD</td>
<td>100 – 200 JOD</td>
</tr>
<tr>
<td><strong>Bank account ownership:</strong></td>
<td>26%</td>
<td>0 – 7.5%*</td>
</tr>
<tr>
<td><strong>Reasons:</strong></td>
<td>Don’t need it or don’t have enough money to use it</td>
<td></td>
</tr>
<tr>
<td><strong>Phone ownership:</strong></td>
<td>91%</td>
<td>93%</td>
</tr>
<tr>
<td><strong>Smart phone:</strong></td>
<td>47%</td>
<td>44%</td>
</tr>
<tr>
<td><strong>Accepted pricing:</strong></td>
<td>4% of transaction value</td>
<td>3-4% of transaction value</td>
</tr>
<tr>
<td><strong>Behavioural aspects:</strong></td>
<td><strong>Men</strong> carry out payments and grocery shopping</td>
<td><strong>Women</strong> are more involved in day-to-day grocery shopping, and also in utility payments.</td>
</tr>
</tbody>
</table>


* Whereas the CGAP study found close to 0% of Syrian refugees had bank accounts, a recent CBI/GIZ study found that 7.5% of refugees did.
Interventions

- Increase financial literacy with DFS campaigns & trainings
  - Development of DFS awareness and literacy roadmap
  - Awareness-raising events and campaigns
  - Development of training modules
- Develop an ecosystem for national mobile payments
  - Partnerships with PSPs and other stakeholders
  - Improve agent networks
  - Customise DFS products
  - Enhance consumer awareness

**OUR GOAL:**
The conditions for digital cross-border remittances are created.

- Enhance policy, exchange knowledge & foster dialogue
  - Develop regulatory framework for cross-border remittances
  - Enhance regulatory framework for consumer protection, AML/CFT, and technical infrastructures
  - Establish procedures for on- and off-site oversight & supervision

**Developing agent networks in Irbid, Jordan**

A robust agent network is key to providing access points for mobile money customers.

The Digi#ances project is supporting the payment service provider Dinarak in expanding its agent network through internal and agent capacity building efforts, marketing, and branding campaigns.

To date, Dinarak operates **270 active agents across the country.** 90 of those are in Irbid.

*Photo courtesy of the GIZ Digi#ances project, from the JoMoPay Festival.*
Enhance policy and regulation

**DFS Council & DFS Dialogues**
Policy dialogue on issues around DFS such as Consumer Protection, Financial Literacy and Awareness, AML and CFT.
Members are regulators, banks, PSPs, UN organisations and NGOs
DFS Dialogues for knowledge and experience sharing

**Policy & Regulation**
Amended JoMoPay instructions (2017) with specific inclusion of refugees and non-nationals
Consumer Protection Regulations for JoMoPay Customers
Regulation for Cross-border digital remittances (Digiances) planned for 2018

Outreach & trainings to enhance DFS literacy

**Outreach events**
- JoMoPay festival in Irbid attracted ca. 400 participants
- All 5 PSPs were present with booths and opened wallets

**Trainings**
- 69 certified trainers from over 10 organisations
- 4 training modules
  - JoMoPay introduction
  - Use Cases
  - Saving & Budgeting
  - Rights & Responsibilities
By 2030, reduce to less than 3% the transaction cost of migrant remittances.

UN SDG #10: REDUCED INEQUALITIES. Source: http://www.globalgoals.org/global-goals/reduced-inequalities/

Challenges, results & findings
Access

- Variety of ID documents accepted for opening JoMoPay wallets
- Agent network still limited
- Connectivity issues within refugee camps
- Awareness about JoMoPay and the licensed PSPs offerings low (but increasing)

Usage

<table>
<thead>
<tr>
<th></th>
<th>All PSPs</th>
<th>Dinarak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total # of account holders</td>
<td>139,521</td>
<td>40,177</td>
</tr>
<tr>
<td># of Syrian account holders</td>
<td>--</td>
<td>2,924 (7%)</td>
</tr>
<tr>
<td>% of women</td>
<td>--</td>
<td>34%</td>
</tr>
<tr>
<td>% of active users</td>
<td>--</td>
<td>26% (1tx/month)</td>
</tr>
<tr>
<td># of active agents</td>
<td>787</td>
<td>271</td>
</tr>
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As of 30.11.2017 according to JoMoPay databank and Dinarak databank
Quality

- **Addressed needs:**
  - Bill payments
  - P2P transfers
  - Storing of funds

- **Key concerns of customers:**
  - Privacy of transactions (especially refugees)
  - Risk of losing the phone
  - Costs

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**What about Remittances?**

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<tr>
<th></th>
<th>% of low-income Jordanians</th>
<th>% of Syrian refugees</th>
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<tbody>
<tr>
<td></td>
<td>Domestically</td>
<td>Internationally</td>
</tr>
<tr>
<td>Send</td>
<td>4.4%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Receive</td>
<td>4.1%</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>8.5%</td>
<td>5.4%</td>
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Overlap of remittances activities = 2.6%
Unique adults with at least one type of remittances activity = 11.3%
Key Lessons Learned

✓ On their own, remittances are probably not sufficient to foster financial inclusion and digitization
✓ Over 90% low-income Jordanians and Syrian refugees have a personal phone (ca. 50% smart phones)
✓ Awareness raising needs a consolidated effort, information should be consistent, clear and realistic
✓ Not all concerns of refugees can be addressed
✓ PSPs have not yet targeted refugees as customers without incentives from donors

Planned Next Steps

☑ Implementation of Roadmap for DFS Literacy & Awareness
☑ Analysis of Germany-Jordan remittance corridor
☑ Regulation of cross-border remittances
☑ Piloting the digitization of cash-assistance
Discussion

- Comments?
- Questions?

Thank you!

- For further information, contact SPTF at info@sptf.info
- Refugee resources are posted here: https://sptf.info/working-groups/refugee-microfinance
- Save the Date! Webinar to share experience from ABC on financial inclusion of refugees will be [date time]