

# MEMBERS' SPOTLIGHT 2024

ADVANCING FINANCIAL INCLUSION FOR REFUGEES & FORCIBLY DISPLACED PEOPLE



EUROPEAN  
MICROFINANCE  
PLATFORM

ADVANCING FINANCIAL INCLUSION



e-MFP is a member-led platform, and we always want to hear what our members are doing in different fields, to increase linkages and knowledge sharing both across the platform and with other stakeholders.

The European Microfinance Award 2024 on “*Advancing Financial Inclusion for Refugees & Forcibly Displaced People*” highlights **organisations active in financial inclusion that help forcibly displaced people (FDPs) build resilience, restore livelihoods, and live with dignity in host communities.**

Over 2024, e-MFP has reached out to its institutional and individual members to learn more about what they are doing in this crucial – and increasingly pressing - area of focus. We asked them four questions:

1. What is your organisation (or if relevant, you individually) doing to ‘advance financial inclusion for refugees & forcibly displaced people’? Please provide as many specifics as you can.
2. What do you think the sector should be doing to better advance the financial inclusion of FDPs and build resilience, restore livelihoods, and live with dignity?
3. What are examples you have seen of the most promising innovations or interventions in advancing financial inclusion for refugees or FDPs? Are there financial or non-financial products or services, or new technologies or platforms, that you think have great promise?
4. What are your/your organisation’s future objectives, targets or plans in this area?

We’re very grateful to the following 14 e-MFP members for their contributions, which are reproduced (and edited for clarity and length) here:

- Agence française de développement (AFD)
- Council of Europe Bank (CEB)
- European Investment Bank (EIB)
- Fondation Grameen Crédit-Agricole
- Grameen Foundation
- International Labour Organization (ILO)
- Jinishian Memorial Foundation (JMF)
- Kiva
- L-IFT
- Opportunity International
- PHB Development
- Toronto Centre
- UN World Food Programme
- Women’s World Banking

# QUESTION 1

*What is your organisation (or if relevant, you individually) doing to 'advance financial inclusion for refugees & forcibly displaced people'? Please provide as many specifics as you can.*

## AGENCE FRANÇAISE DE DÉVELOPPEMENT

Financial inclusion has been a longstanding focus of Agence française de développement (AFD)'s operations as it is embedded within the Group's strategy towards financial systems, with a view to facilitate access to inclusive and responsible financial services for all. Advancing financial inclusion of FDPs is a growing topic of interest for AFD, even though it is a relatively recent area of intervention. AFD has partnered with NGOs such as Mercy Corps which has been implementing the Refine programme in Uganda to foster financial inclusion of FDPs in the country with local refugee-led organisations and FSPs. AFD has also financed the "Cerrando Brechas" ("Bridging gaps") programme implemented by Humanity and Inclusion and Fundación Capital, with an objective of facilitating access to financial services for Venezuelan migrants in Colombia, especially via digital tools. In total, overall outreach of these projects was over 4,000 FDPs.



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## COUNCIL OF EUROPE BANK

Promoting financial inclusion for refugees and FDPs has been one of the core objectives of the CEB since its establishment in 1956. The CEB actively supports the social and economic integration of these vulnerable groups through targeted loan and grant-funded initiatives aimed across its 43 member states in Europe. In addition to supporting employment and entrepreneurship initiatives, the Bank often provides financing for housing, education and skills, health and social care. In total, since 2000, such support has accounted for EUR 13 billion. For example, in 2022, the CEB launched the Partnerships and Financing for Migrant Inclusion (PAFMI) initiative, in partnership with the European Commission (DG HOME) and funding from the EU's Asylum, Migration, and Integration Fund (AMIF). This aims to foster the financial and social inclusion of refugees by promoting partnerships with MFIs and developing innovative financial solutions to address their needs.

PAFMI currently supports projects in Italy, the Netherlands, and Belgium, where MFIs play a critical role in delivering financial services to refugees. The initiative provides grant-funded training and mentorship programs to equip participants with essential skills for entrepreneurship and labour market integration. By blending grant support with CEB loans, MFIs can offer more comprehensive services, contributing to the financial resilience and social inclusion of refugees and FDPs.

## EUROPEAN INVESTMENT BANK

The EIB's operational approach to migration and forced displacement focuses on climate action, urban development and access to finance. The Economic Resilience Initiative established in 2016 aimed to provide financing in support of vital infrastructure, jobs and growth to countries in the Southern EU Neighbourhood and Western Balkans. By offering a package of loans, blending funds from the donor community, and €90 million TA financing, the Initiative enabled a number of innovative financial products, and proved to be a particularly powerful combination in developing projects that generate important social benefits and additionality, such as increased access to finance for migrants and forcibly displaced people.

Institutional partnerships are also key. In 2017, the EIB alongside the World Bank pioneered the establishment of the MDB Platform on Migration and Forced Displacement with the participation of 7 Multilateral Development Banks. The EIB has also developed close bilateral partnerships over the past years, in particular the European Bank for Reconstruction and Development (EBRD) on Ukraine and Armenia as well as results measurement, and Inter-American Development Bank (IDB) on the Climate-Migration nexus.



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## FONDATION GRAMEEN CRÉDIT-AGRICOLE

We have been actively working on this thematic area since 2019, and I (Hanadi Tutunji) have been doing so personally since 1998 where I worked in the MENA region on inclusion for Palestinian, and later Syrian, refugees. At the Foundation we initiated a programme in financial inclusion for refugees and host communities in Uganda in collaboration with UNHCR and funded by Sida. The programme took a blended finance approach, whereby the Foundation provided three MFIs with TA and debt funding to work with refugees and host communities.

## GRAMEEN FOUNDATION



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In 2019, Grameen launched its Refugee Finance (RF) solution in the Bidi Bidi refugee settlement in Uganda. Since then, we have expanded our work to three other settlements in Uganda and have enabled 8,125 refugees (78% of them female) to reach long-term financial inclusion and resilience. Building on Grameen's experience in developing digital technologies for rural populations, RF links informal savings groups to formal financial services through unique digital platforms and the design of appropriate financial products, builds the capacity of mobile money agents to serve refugee communities, and develops user-centric financial education, digital financial literacy and business skills training that are key to refugees' business success. Through durable partnerships with the private sector, Grameen is able to support refugees to rebuild their lives.

## INTERNATIONAL LABOUR ORGANIZATION

The ILO is deeply committed to advancing financial inclusion for FDPs. Through our Social Finance Programme, we are actively addressing the multifaceted financial needs of FDPs, including through:

- *Advocating for inclusive financial policies:* Central to our efforts is a **focused policy advocacy agenda** aimed at better integrating FDPs into the financial systems of their host countries. We **collaborate closely** with national governments to develop and implement country-wide financial inclusion strategies.
- *Empowering financial institutions to serve FDPs:* On the supply side, the ILO has developed the "**Making Finance Work for Refugees and Host Communities**" **capacity building programme**, to equip financial institutions with the tools to serve this segment effectively. By targeting top and middle management, and following up with TA, this program enhances their strategic thinking and supports them in diversifying their product offerings.
- *Sustaining livelihoods through improved financial literacy:* Recognising the critical importance of financial literacy, the **ILO Financial Education programme** plays a pivotal role in increasing the financial capability of both FDPs and host communities. Through the development of **targeted training materials**, we empower FDPs to make informed financial decisions.
- *Innovative financing for FDP and hosts-owned MSMEs:* The ILO also focuses on supporting micro, small, and medium enterprises (MSMEs) owned by FDPs and host community members **through innovative financing models**.

## JINISHIAN MEMORIAL FOUNDATION

Here in Armenia, JMF swiftly responded to the urgent needs of FDPs from Nagorno-Karabakh in Azerbaijan, after the war in 2020 and the September 2023 attack. During the initial phases of displacement, JMF provided vital humanitarian aid to thousands of FDPs in the forms of essential medical supplies, food, clothing and psychological support. While JMF provided immediate emergency assistance, it remained steadfast in its commitment to long-term development strategies. In early 2024, JMF evolved its programs for these FDPs by initiating and launching a new project targeting FDPs residing in the most disadvantaged Gegharqunik region of Armenia. This initiative provides access to sustainable livelihood opportunities for the FDPs by empowering them to achieve economic independence and dignity in their new lives in Armenia. Through the provision of livelihood assets and tailored technical assistance JMF seeks to boost the economic resilience of beneficiary families and foster their long-term success.



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## KIVA

Since 2016, Kiva has been catalysing lending to refugees. While often perceived as too risky to serve, the uniquely risk tolerant nature of the Kiva.org crowdfunding platform allows local FSPs to pilot and scale lending to displaced populations. With over \$33m lent to more than 36,000 individuals, Kiva has seen that refugees repay their loans at 96%, showing that they're just as creditworthy as non-refugee borrowers. Building on the success of crowdfunding loans to people affected by forced migration, Kiva Capital leverages larger investments to expand this financial access even more. In 2021, Kiva Capital launched the Kiva Refugee Investment Fund, a five-year \$32.5m fund which has demonstrated that lending to displaced communities is a viable and scalable impact investment strategy. Kiva is also focused on providing capacity building to our partners and undertaking evidence building to better understand when and how lending to refugees is most impactful.



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## L-IFT

L-IFT specialises in financial diaries research, allowing organisations to study people's experiences and long-term behaviours, understand the opportunities they get, and challenges they face, and the responses of individuals. Using a technology called FINBIT, smallholder farmers and businesses track their financial diaries data and in doing so bring themselves 'data empowerment'. The empowerment offers the FINBIT user more insights into their financial and economic situation and also provides them access to data that supports, among other things, access to credit. This approach is particularly beneficial for forcibly displaced people and refugees, providing significant benefits by tracking their finances amidst life disruptions.



©L-IFT

Since 2019 L-IFT has worked in two refugee settlements in Uganda and conducted major studies. We tracked more than 100 refugees' lives in 2019-2022 which included their experiences with Covid-19 and sharp reductions in cash transfers. We specifically tracked a sample of corner shops in the two settlements which was used as a monitor for scarcity, price peaks, and survival strategies during Covid. The refugees' use of savings groups was another focus of the three-year study. For the World Bank, we conducted an RCT on solar adoption and the effectiveness of the public savings commitment approach.

## OPPORTUNITY INTERNATIONAL

Opportunity has been supporting the refugee ecosystem in Uganda since 2018. This has included: access to finance (data analysis, product design, risk reduction measures for FSPs; and skills training & enterprise development (including soft skills, business incubation & support for accessing seed capital, bridging loans, impact finance etc.). We are supporting OBUL & FINCA to open physical outlets in or close to refugee settlements (e.g. Nakivale, Rwamanja, Kiryandongo) and to access guarantee facilities. To date, this has led to training of over 30,000 in financial literacy; 14,500 individual accounts opened; 1,600 group accounts, and over US\$7.5m in savings. In Colombia, we launched a new partnership in 2023 to reach Venezuelan migrants & refugees in the Atlántico-Bolívar region. There, we launched 211 new savings groups specifically for migrants & refugees, reaching 3,057 people.



©Opportunity International

## PHB DEVELOPMENT

We provide Social Business Development services to refugee and host entrepreneurs, organisations, cooperatives, and Early Childhood Development (ECD) centres within Agri-business Value Chains. Our support includes enhancing access to semi-formal financial services through Village Savings and Loan Associations and connecting stakeholders to formal financial service providers. We engage with these FSPs to tailor their value propositions and customer experiences to better suit the specific needs and context of forcibly displaced people. We engage through community agents using Artificial Intelligence on their smartphone. Additionally, we invest in developing sustainable social enterprises at scale within refugee and host communities through Impact Investing. This approach aims to foster long-term economic resilience and social impact. We collaborate with ecosystem stakeholders to advocate for systemic changes and create an enabling environment that supports these social enterprises.

## TORONTO CENTRE

Toronto Centre provides capacity-building programs and guidance for financial supervisors and regulators, primarily in emerging markets and developing economies (EMDEs), to advance financial stability and inclusion. Toronto Centre has incorporated financial inclusion into its programs in recognition that financial supervisors play a critical role in the implementation of national financial inclusion strategies, which are key to the economic inclusion of unbanked vulnerable groups in EMDEs, such as forcibly displaced persons, women, and the elderly. Toronto Centre has also [published policy briefs](#) and podcasts on the role of supervisors in the financial inclusion of refugees and FDPs.

## UN WORLD FOOD PROGRAMME

The World Food Programme (WFP) is a leading humanitarian organisation saving lives, delivering food assistance in emergencies, and working with communities to improve nutrition and build resilience. WFP increasingly meets food needs through cash transfers, enabling people to choose and shop for their own food locally. WFP can provide first-time access to financial services for unbanked and underserved communities through cash transfers, insurance payments, or through its support to Government-to-Person payment schemes. Having transferred \$2.9 billion to 54 million people in 76 countries in 2023, WFP is the world's largest provider of humanitarian cash transfers today.

Working towards broader financial resilience, WFP and partners help identify and overcome access and usage barriers of digital financial products and services for those who are the hardest-to-reach, **particularly women**. We believe that even the most marginalised women benefit from accessing and using formal financial services. WFP pursues this through working with communities on the 'demand side' - understanding specific needs and barriers and building people's confidence with tools and services; on the 'supply side' - working with the private sector to design relevant and tailored products; and on the 'regulatory side' - advocating for more inclusive regulatory frameworks and policies.

## WOMEN'S WORLD BANKING

Women's World Banking has been actively working to advance financial inclusion of FDPs, particularly displaced Ukrainian women. We conducted a longitudinal study from May 2022 to October 2023 to examine the financial journeys of these women. The research aimed to understand the financial and economic impacts of displacement and resettlement and the role of financial inclusion in overcoming those challenges. Women's World Banking's research supports efforts to provide humanitarian aid, supportive policies, and financial services for women experiencing displacement.



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## QUESTION 2

*What do you think the sector should be doing to better advance the financial inclusion of FDPs and build resilience, restore livelihoods, and live with dignity?*

### AGENCE FRANÇAISE DE DÉVELOPPEMENT

Forced displacement is becoming increasingly important. These displacement situations most often concern fragile populations, where different levels of vulnerability intersect. Therefore, initiatives that design solutions to alleviate these situations are paramount. They must be holistic in their approach, in order to address the various challenges FDPs face, via both financial and non-financial services (financial literacy training, or psychosocial support, for instance). In that sense, a strong continuity of aid delivery is necessary between humanitarian and development actors to best support FSPs in their activity. Exploring innovative approaches to better serve FDPs is also very important. For instance, addressing growing challenges such as climate change resilience and climate-related displacement in the design of inclusive financial services to FDPs is an important feature of the work that needs to be carried out within the sector.



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### COUNCIL OF EUROPE BANK

The lessons learnt from the PAFMI project suggest that effective implementation of projects targeting migrants and refugees requires strategic integration into the core operations of MFIs and must be supported by an adequate project timeline. Given the specific challenges associated with serving this population, demand for services should not be assumed. Reaching sufficient levels of participation often requires several communication channels.

To ensure accessibility, the format and timing of training activities should be adapted to the working conditions of migrants, many of whom may work long hours or in shifts. Structuring training sessions around homogeneous groups and delivering content in participants' native languages enhances participation, fosters productive group dynamics, and facilitates effective knowledge transfer.

Additionally, an advocacy component should be integrated into these projects to raise awareness among both private and public stakeholders, including social workers. Such advocacy efforts are critical in addressing systemic barriers that limit migrants' and refugees' access to financial services and vocational education.

## EUROPEAN INVESTMENT BANK

Strong data collection, results and impact measurement are key to ensure that operations achieve the intended objectives, as well as ensuring we can feed back those lessons learned to improve operations going forward. Some of the challenges faced by multilateral development banks such as EIB to tackle this issue include the complexity of articulating what outcomes and impact have been achieved - as well as attributing change in relation to human mobility.

## FONDATION GRAMEEN CRÉDIT-AGRICOLE

The sector needs to adapt its funding and subsidies conditions so it can help the national level FSPs reach this market. To this day, funders have the will to invest in this market, however, it still uses its classical risk and due diligence approach while asking FSPs to take more risk. Funders need to 'walk the talk' and fund blended approaches such as grants for cost subsidy for a certain time and debt for working capital. Stakeholders should also move away from project-based financial services that stop when the project ends and instead seek partnerships with FSPs who can provide these services for the long term.

## GRAMEEN FOUNDATION

Through Refugee Finance, Grameen is working to strengthen the digital financial ecosystem in settlements in order to enable refugees, especially women and youth, to start up and grow their businesses and livelihood activities by implementing a new and integrated service delivery model. We believe this requires:

1. Building strategic alliances with local private sector actors, especially private financial institutions and mobile network operators;
2. Integrating innovative gender and women's economic empowerment approaches, such as gender analyses, workshops on power and gender with implementing partners, and safeguarding approaches to mitigate unintended consequences of our work;
3. Expanding coverage of mobile money agents in refugee settlements to increase access to DFS; and
4. Training savings groups, partner staff, mobile money agents, and other stakeholders delivering savings group linkages and digital financial literacy trainings.



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## INTERNATIONAL LABOUR ORGANIZATION

We have drawn the following lessons regarding what the sector could be doing:

- *Joint advocacy to strengthen policy frameworks:* The sector should advocate for legal and regulatory frameworks that remove barriers for FDPs, such as easing documentation requirements to open bank accounts or accessing credit.
- *Building the institutional capacity of financial service providers:* Focus on facilitating access to regulatory information and supporting governments in implementing and enforcing these regulations.
- *Engage with central banks:* Involve them from the outset, starting at the pilot stage. This builds a stronger foundation for financial institutions to take on risk by diversifying their products and services.
- *Building the technical and financial capacity of financial institutions:* FSPs need targeted support and training; the sector should invest in capacity-building programs that equip financial institutions with the tools and information to design and implement sustainable, inclusive financial products.
- *Developing truly tailored financial products and services:* The financial sector should create flexible credit products, accessible savings accounts, and insurance options.
- *Leveraging digital financial services and technology:* Invest in technology-driven initiatives that facilitate financial transactions, remittances, and access to information.
- *Collaboration among financial and non-financial actors:* Mobile Network Operators (MNOs), MFIs, and fintechs offer unique contributions that can collectively enhance the financial ecosystem.
- *Combining the provision of financial and non-financial services,* which can bridge the trust gap between FSPs and FDPs and their host communities.
- *Practitioners should be coordinating their interventions:* The sector should foster stronger partnerships between financial institutions, humanitarian organisations, development agencies, and the private sector.



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## JINISHIAN MEMORIAL FOUNDATION

All the FDPs in each country face unique challenges and financial hurdles. In the case of Armenia, the key barriers impeding the financial inclusion of FDPs from Nagorno-Karabakh mainly relates to the absence or lack of financial track record or viable collateral for securing loans and insufficient technical capacities and skills for employment or entrepreneurship. One of the major difficulties is that FDPs face regulatory hurdles and technical obstacles in accessing financial services. The sector should concentrate its efforts in overcoming these obstacles, so that FDPs can gain access to loans and can build a credit history. Another important aspect is not to just give the FDPs grants, but help them to rebuild and restart their businesses, and have access to the job market. Since the FDPs were used to another economic and government systems, it is crucial to teach them how the financial sector and market functions in their new environment.



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## KIVA

We need to be working together as a broad community of actors in this space. To best serve FDPs, it will require funders, investors, humanitarian organisations, FSPs, Refugee-led Organisations (RLOs), and government agencies to all work together and coordinate as best as possible. We must also work to incorporate refugee voices and experiences directly into the solutions and interventions we design and implement.

## L-IFT

In L-IFT's experience, refugees particularly suffer from being 'unknown' and 'misunderstood'. In our experience, they are more skilled and educated than host communities. As newcomers, they suffer disproportionately from lack of data, lack of traceability, and lack of assets. These factors hamper their access to finance. There is also a wider variety of refugee populations than normal populations, which makes it harder for financial service providers to serve them with one-size-fits-all products. Therefore, it is more important to design, develop, and roll out financial services with the participation of the refugees. FINBIT offers the technology to enable FSPs to develop appropriate services, distinguish the segments of clients and what each segment needs and enable FSPs to fill information gaps that refugees suffer from.

Finally, refugees need additional guarantees to make FSPs comfortable with serving them. With FINBIT data collection refugees demonstrate huge commitment, providing FSPs with detailed insights into their background, their history, and their financial and economic situation. This helps overcome FSPs' mistrust and worries about refugees 'disappearing' and offers an alternative for the group solidarity guarantees. FINBIT loan platform particularly enables FSPs to become active at small scale in a refugee settlement to test the waters.



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## OPPORTUNITY INTERNATIONAL

The sector should focus on:

- Unlocking barriers to lending for FSPs via cheaper capital; reduction in interest; guarantees; incentives; and blended finance tools;
- Supporting FSPs to remove barriers for FDP onboarding such as collateral constraints & challenges around business registration;
- Expanding appropriate business training, including mentorship or coaching (not just one-offs, but long-term sustained support that tackles both business skills, financing, governance, and mindset change), all of which should be linked to incubation & acceleration models to validate, pilot, test & take to scale business ideas;
- Developing and making available the business case for financing FDPs to overcome issues around risk perception;
- Supporting incubators through availability of capital to disburse bridging loans as a starting point to get start up and small businesses in a position to access formal financial services; and
- Identifying/scaling effective solutions that have the potential to address the complex interaction between climate change, financial inclusion, and human mobility.

## PHB DEVELOPMENT

To advance the financial inclusion of forcibly displaced persons and help them build resilience, restore livelihoods, and live with dignity, the sector should focus on tailored financial products, such as savings, microloans, and insurance, designed to meet FDPs' unique

needs. Partnerships with financial service providers are crucial to adapting services and reducing barriers like documentation requirements. Leveraging technology, such as mobile banking and digital wallets, can provide accessible, secure financial services. Financial literacy programs tailored to FDPs will empower them to manage finances and make informed decisions. Advocacy is needed to create an enabling environment through supportive policies and non-discriminatory access to financial services. Supporting entrepreneurship with training, mentorship, and capital access will help FDPs restore livelihoods. Continuous monitoring, research, and innovation will ensure that solutions remain effective and relevant.



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## TORONTO CENTRE

Financial supervisors can play a key role in the implementation of policy measures to address barriers to the financial inclusion of FDPs. For example, they can provide proportionate supervisory guidance to the financial sector on appropriate customer due diligence and identity documentation requirements for FDPs. They may also conduct sensitisation and awareness programs for financial institutions to encourage the provision of financial services tailored for FDPs, including the use of digital financial services, as well as financial literacy programs for FDPs.

## UN WORLD FOOD PROGRAMME

To address humanitarian needs, the sector must adopt a people-centred approach that integrates financial services with livelihood support. Understanding people's needs and preferences is essential for providing inclusive and adequate products and services. Furthermore, a deeper understanding of the root causes of displacement, particularly climate-related ones, is crucial for designing effective interventions. Additionally, financial and digital literacy programmes should be developed to empower people in managing their finances, accessing credit, and using digital tools.

On the supply side, collaboration with FSPs and private sector actors is key to building a 'business case' for hard-to-reach populations and showing that it is a worthwhile investment. Additionally, empowering people with choice in service providers or account types is vital for meeting people's needs, leading to better usage and fewer inefficiencies. Collecting sex-disaggregated data and ensuring stronger customer protection is also important. Partnerships and innovative fintech solutions should be prioritised to create financial products that overcome barriers related to mobility, physical access, and documentation.

On the regulatory side, advocating for inclusive policy frameworks is critical to reducing legal barriers and promoting long-term financial resilience. This includes pushing for data and customer protection

## WOMEN'S WORLD BANKING

The sector should focus on creating temporary, lower-risk avenues for financial sector access for displaced people. This could involve developing policies that support displaced women's resilience and financial inclusion, as well as sequencing support to prioritise economic strategies over financial sector access. Additionally, the sector should address the barriers caused by Know Your Customer (KYC), Anti-Money Laundering (AML), and Countering the Financing of Terrorism (CFT) regulations that often exclude FDPs from accessing financial services. Policymakers and the financial sector need to leverage existing tools to create changes that increase financial resilience for displaced populations.



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## QUESTION 3

*What are examples you have seen of the most promising innovations or interventions in advancing financial inclusion for refugees or FDPs? Are there financial or non-financial products or services, or new technologies or platforms, that you think have great promise?*

### AGENCE FRANÇAISE DE DÉVELOPPEMENT

Many innovative approaches are emerging to overcome some of the obstacles that hinder access to financial services for FDPs. Some of these can be at least partially lifted by changes in the regulatory framework. Tiered KYC is a good example of public policy that can ease access to financial services for FDPs. Private sector-led innovations to address the perceived risk, such as guarantee schemes to incentivize MFIs to lend to FDPs, are also interesting solutions. Providing capacity-building to FSPs to support their work with FDPs is a very important workstream that has been successfully tested in the 'Cerrando Brechas' project, enabling FSPs to revise their initial risk aversion for FDPs. Finally, bridging the digital gap for FDPs can definitely improve access to financial and non-financial services, as the 'Cerrando Brechas' programme evidenced, via design of financial literacy training provided through mobile applications.

### COUNCIL OF EUROPE BANK

The PAFMI mid-term review highlighted several best practices that have been instrumental in advancing financial inclusion for refugees and FDPs:

1. *Territorial Labs*: The establishment of "territorial labs" has proven effective in bringing together key stakeholders, including FSPs, policymakers, and researchers who collaboratively discuss findings and explore coordinated actions.
2. *Partnerships with Refugee-Led Organisations*: Collaborating with migrant and refugee-led organisations, often supported by international entities like the UNHCR, has significantly enhanced outreach and strengthened cooperation in migrant inclusion efforts.
3. *Community Volunteers and Coaches*: These volunteers serve as conduits for delivering essential information and knowledge, improving service uptake and program impact.
4. *Co-Creation Processes*: Joint project development ensures that the solutions are aligned with FDPs' needs and see more inclusive implementation.
5. *Social Media Campaigns*: These campaigns are especially effective for long-term migrants and younger members of the migrant population.
6. *Specialist Qualification Recognition Services*: These help individuals validate overseas educational and professional credentials, facilitating their entry into the labour market.
7. *Business Development Services (BDS)*: These services consider linguistic and cultural differences and upon completion, participants are better positioned to apply for loans with confidence and trust.
8. *Business Mentorship*: Volunteer business mentors and coaches' guidance helps migrants understand local market dynamics, develop sustainable business plans, and position their enterprises for success.

## EUROPEAN INVESTMENT BANK

EIB's EUR30 million financing of the Social Impact Investment operation in Serbia with UCBS combines social performance indicators, TA and grants. These are used in order to incentivise SMEs to provide jobs, training and other opportunities to social groups which often face barriers to the labour market including refugees. The TA provides bespoke coaching, training and support to businesses to develop more inclusive corporate policies and strategies to be able to better reach these social groups. To date, the financial incentives have a 97% utilisation rate which reflects high performance against the project KPIs.

In terms of other products, the Jordan Global Concessional Financing Facility (GCFF) offers a partial risk protection to FIs that are lending to under-served segments of the population including refugees. The GCFF operates in middle-income countries to support financial inclusion in refugee and host communities. In this case the EUR30 million guarantee financed through EIB will enable four financial institutions to leverage a minimum of EUR190 million in loans to SMEs including those owned by or employing refugees, or those in specific governorates with high refugee populations, improving the financial inclusion of both refugees and host communities.

## FONDATION GRAMEEN CRÉDIT-AGRICOLE

All that applies for other financial inclusion markets applies for refugees. The refugee market might be more fragile (same as agri market or new remote rural markets), but it is very similar in the needs of financial and non-financial services, new technologies, platforms, conducive environment, etc.

## GRAMEEN FOUNDATION

Digitising the records of informal savings and loan groups, such as through the use of Grameen's LedgerLink platform, holds much promise, as the digitisation can generate alternative credit histories for the groups and enable access to credit from formal financial institutions. Partnering with local microfinance institutions willing to design credit products for refugees, especially those who are members of savings groups, is also critical.

## INTERNATIONAL LABOUR ORGANIZATION

A holistic approach is necessary. The ILO's goal is to help FDPs improve their livelihoods and achieve economic and social integration. In this context, it is not sufficient just to monitor financial inclusion indicators, such as the number of loans granted to refugees or the repayment rate. We also need to track whether the refugees have the right to work, whether they have been able to acquire the relevant identification documents, and if they are integrated into the educational and vocational training systems. One of the strengths of the ILO's work on financial inclusion for refugees in the multi-country programme **PROSPECTS** is the holistic approach it takes, considering different aspects of their rights, human capital and livelihoods.



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## JINISHIAN MEMORIAL FOUNDATION

To some extent, JMF's recent initiative to provide access to sustainable livelihood opportunities for the FDPs can be considered an example of an innovative approach in advancing financial inclusion for FDPs. As most of the FDPs lack a credit history or had their financial records affected by displacement, JMF's innovative approach has been to deliver the assets in combination of grant and loan funding, where the grant amount will be around 50% of the total funding. The obtained assets are used to secure the loan. This approach contributes to their further financial inclusion, securing collateral for the loan and creating a credit history. Furthermore, another innovative service or approach is to secure loans with leasing. As most of these FDPs were engaged in agricultural or artisan work, they usually need special equipment to be able to rebuild their businesses in Armenia. JMF provides their desired equipment via a leasing model, which then secures the subsidised loan.



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## KIVA

The Kiva.org website has helped counter the notion that refugees are too risky to invest in. Our innovative crowdfunding platform provides FSPs with flexible, risk-tolerant capital, allowing them to pilot lending to refugees despite a perception that they are too risky to serve.

## L-IFT

We learned that all types of savings groups were common and successful in refugee settlements. While savings groups are not an innovation, it is important to not overlook this approach. At first, it seemed counter-intuitive that savings groups were wider spread and more robust amongst refugees than amongst host communities as you may expect refugees to have lower trust in themselves.

Further, we consider our very own FINBIT to be an innovation that is particularly suited to refugees' problems and to the circumstances in refugee settlements. Apart from strengthening the refugees directly, the data also enables FSPs and other organisations to provide better services, more differentiated according to the needs of different segments and it also enables organisations to monitor and evaluate the effectiveness and impact of their programs and services.

## OPPORTUNITY INTERNATIONAL

We would like to see more incubators to bridge financing gaps for refugees through cheap capital and business development services to get businesses up-to-speed at the earlier stages and be able to link to formal finance.

Too often, investment models for early-stage funding (such as venture capital and angel investors) often serve investor needs first and not those of the entrepreneurs. Could we reframe this to imagine smaller and easier-to-access capital solutions for startups?

We see examples of other innovations including climate vulnerability maps in Colombia (e.g. Bancamía) and including non-financial services in building the financial health of displaced populations (for example, see EMPROPAZ in Colombia, which incorporates psychosocial support for 'migratory mourning').

### PHB DEVELOPMENT

Most promising innovations and interventions in advancing financial inclusion FDPs include a blend of financial and non-financial products, technologies, and platforms designed to address their unique needs. Alternative credit scoring models that use non-traditional data (like mobile phone usage, and social media activity) enable FDPs to access credit without conventional credit histories and collaterals. Voluntary Savings and Loan Associations (VSLAs) are providing semi-formal financial services tailored to FDPs. These community-driven models foster savings, offer small loans, and build financial resilience within refugee communities. Platforms like FINCA's financial literacy apps help FDPs enhance their ability to make informed financial decisions and build financial security. These innovations demonstrate great promise in making financial services more accessible and effective for refugees and FDPs, helping them build more resilient and dignified lives.

### TORONTO CENTRE

Digital financial services, such as mobile money, are a primary tool of financial inclusion for unbanked populations in Emerging Market and Developing Economies (EMDEs) and can be leveraged for the financial inclusion of FDPs in host countries. For example, in Kenya, Safaricom's M-PESA mobile money platform has facilitated the delivery of relief aid to over 400,000 refugees through programs such as the Cash and Voucher Assistance program administered by the Kenya Red Cross in the Kakuma camps. Other examples include the Central Bank of Jordan's digital mobile registration program during the COVID-19 pandemic, which was made accessible to refugees, as well as and central bank approval for simplified due diligence measures in countries such as Malawi, Uganda, Zambia, Kenya and Tanzania, which enabled refugees to register for mobile wallets using refugee IDs and proof of registration.

 TC Note & Podcast

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## UN WORLD FOOD PROGRAMME

Some notable innovations include:

- *Remote self-registration:* **WFP's Self-registration Tool** allows gathering of beneficiary information and transferring funds securely and remotely. It has been successfully deployed already, in the **Sudan regional response**, **Ukraine** and is currently in use in **Gaza**. The solution allows for registration of a high influx of people, without long waiting times in difficult security contexts.
- *Scalable, open-source capacity strengthening tools:* The **"Hey Sister! Show Me The Mobile Money!"** initiative provides open-source financial and digital literacy tools in form of audio sketches for everyone to use.
- *Cross-border solutions:* WFP Latin America & the Caribbean developed rapidly deployable **pre-charged prepaid debit cards** linked to WFP-owned digital wallets. The solution is used in WFP's emergency response (e.g. in Haiti, Peru) and allows for people in the region to receive their entitlements in US dollars and if configured accordingly, allows for its use across borders. A personalised digital wallet solution, requiring KYC, is being piloted in 2024.
- *Empowering people with greater choice:* The **Choice Model** empowers people to choose their preferred financial service provider and modality of receiving assistance. In **Jordan**, more than 40,000 Syrian refugee families receive their entitlements to their mobile money wallet of choice and were trained on how to use their accounts.

## WOMEN'S WORLD BANKING

We need more positive and clear examples of success in increasing access to cross-border FDPs. One example includes Mauritania's system of providing national ID cards to all refugees and asylum seekers, which grants access to various services. Another promising intervention is the Alliance for Financial Inclusion's case compendium on flexibility in digital ID and electronic KYC regulations, which helps in including FDPs in the financial system. These innovations provide a critical bridge for displaced persons to access necessary financial and non-financial services, helping to build their resilience and restore their livelihoods.



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## QUESTION 4

*What are your/your organisation's future objectives, targets or plans in this area?*

### AGENCE FRANÇAISE DE DÉVELOPPEMENT

The two pilot programmes financed by AFD over the past years have initiated a very important learning process. A cross capitalisation and experience sharing process, supported by IRAM (Institut de recherches et d'applications des méthodes de développement) is currently being finalised in order to draw lessons learned from the 'Cerrando Brechas' and 'Refine' programmes, and foster exchange of good practices. This knowledge-sharing is particularly important and will feed into AFD's reflection for future operations. Financial inclusion of FDPs will remain an important area of work for AFD, with an objective to implement context-based approaches. With its mandate to engage in cooperation with public banks, financial authorities, and regulators, AFD will also start a dialogue with such counterparts, and support their efforts to adapt the framework in which FSPs operate to facilitate the emergence of inclusive and responsible solutions for financial inclusion of FDPs.



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### COUNCIL OF EUROPE BANK

CEB remains committed to advancing financial inclusion for migrants and refugees by continuing to provide targeted financing to MFIs through a combination of loans and grant opportunities, including:



© Council of Europe Bank

- *Debt Financing:* In recent years, the CEB has expanded its microfinance operations to address the growing demand for microcredit among Europe's vulnerable populations, including refugees and migrants. The Bank aims to build and maintain long-term partnerships with microfinance providers that serve these communities across its member states, ensuring that essential financial services reach those most in need.
- *Grant Funding:* In parallel, the CEB is preparing to launch a Call to provide grant funding to its InvestEU microfinance partners. These grants will support the provision of business development services (BDS) to vulnerable groups, including migrants and refugees. The grants will be blended with InvestEU loans provided by the CEB and subsequently on-lent by MFIs to eligible beneficiaries, ensuring that financial resources are paired with technical support for effective economic inclusion.

## **EUROPEAN INVESTMENT BANK**

EIB's future objectives consist of pursuing our efforts in supporting financial inclusion of migrants and refugees, building on our experience to date while improving our impact and results measurement of such investment jointly with the MDB community.

## **FONDATION GRAMEEN CRÉDIT-AGRICOLE**

Based on the promising results of our programme in Uganda, we plan to expand and finetune the current interventions with the two partners that performed best during the pilot, implemented with a blended approach of grant and commercial debt, and which are already expanding their services in this market. In addition, we plan to identify additional FSPs who can be investment candidates to expand their services to refugees and host communities. This is in line with the strategic priorities of the Foundation and represents a base for further expansion in investments and TA to serve this market segment not only in Uganda but also in other fragile contexts.

## **GRAMEEN FOUNDATION**

Grameen aspires to deepen our work in Uganda and expand our refugee finance approach to other relevant contexts. While the financial inclusion and health of refugees are both critical outcomes we seek, we also plan to integrate a comprehensive climate resilience approach that: supports refugee households in developing resilience plans, links them to other market actors and resources for income generation and improves community support and social norms.

## **INTERNATIONAL LABOUR ORGANIZATION**

The implementation of the PROSPECTS partnership in Iraq and Ethiopia has demonstrated that financial inclusion can address some of the various needs of FDPs and host communities by facilitating entrepreneurship and job creation. However, the lack of debt capital or of any risk-sharing mechanisms (such as guarantees or blended finance) poses a threat to their portfolio expansion.

In response to this challenge, the ILO would like to collaborate with UNHCR to establish the Financial Access Initiative for Refugees (FAIR) Facility. This is a revolving fund designed to provide debt capital to FSPs, catalyse existing refugee portfolios, and eventually attract additional funds from other impact investors. The fund aims to provide subsidised loan capital to financial services providers that currently offer financial and non-financial services to refugees and host communities.

To ensure that the FSPs' portfolio diversification is effective, the initiative will provide additional technical assistance to ensure that their outreach strategy is adequately aligned to the needs of FDPs and their host communities. This will take the form of a capacity development process based on the selected financial institutions' needs and level of readiness to serve FDPs and their host communities.



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### JINISHIAN MEMORIAL FOUNDATION

The FDP initiatives undertaken by JMF have provided valuable insights, particularly emphasising the importance of evidence-based planning. Central to this initiative is the prioritisation of in-depth interviews with FDPs to gather comprehensive data and insights. Meanwhile, an important lesson learned has been that relying solely on social assistance can foster dependence and diminish individuals' sense of self-worth. Conversely, economic opportunities empower individuals to achieve independence and contribute value to their communities. Looking ahead, JMF's vision for FDPs entails a sustained commitment to facilitate their participation in economic activities, thereby ensuring stable incomes and fostering self-reliance in their pursuit of a new and dignified life in Armenia. To achieve this goal, JMF continues its FDP initiatives through targeted projects while also integrating FDP support within its flagship Youth Business Armenia Programme.

### L-IFT

L-IFT is seeking to collaborate with many other organisations and wishes to equip them with its FINBIT, the data portal, the loan platform, and the business analytics reports. L-IFT intends to offer these services through others, at a cost price to ensure that a large number of refugees and FDPs can benefit from the features and can be more integrated into different programs and served by FSPs. We consider our role a very narrow one and wish to enable others with our specific tools.

### KIVA

Kiva is committed to continuing to scale our lending to refugees and populations impacted by global forced migration, aiming to reach 150,000 displaced borrowers by 2028 through our crowdfunding platform, corporate partnerships, and via the Kiva Refugee Investment Fund. As we continue to learn from refugees and build on the over \$33m in loans we have already provided, we will reach this goal by enabling diverse sources of capital to scale innovative, evidence-based financial services for refugees. Collaborating with local financial service providers, our goal is to help build the foundation to make financial inclusion for displaced peoples a reality.



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## OPPORTUNITY INTERNATIONAL

We have a five-year refugee financing strategy for Uganda. Working with a larger group of partners, we are championing a localisation agenda rooted in human-centred design principles, driven by the active participation of refugee communities, targeting 300,000 refugees by 2029. This includes:

- Serving recent refugee arrivals - refugees will receive graduation model interventions to move towards self-reliance;
- Using Village Savings and Loan Associations (VSLAs) - offering refugees the prospect to build self-reliance through financial inclusion & livelihood opportunities;
- Formal financial services - primarily to refugees engaged in agricultural activities, organised in farmer groups that receive training in good agricultural practices and access to loans. FDP agriculture finance is a new area for us. In partnership with the ILO, we are piloting an agriculture finance VSLA product in Nakivale; and
- Individual and “Bottom of the Missing Middle” - refugees who need additional business advice, training, and capital to grow their businesses and create employment.

## TORONTO CENTRE

Toronto Centre will continue to incorporate financial inclusion for unbanked and underserved segments, such as FDPs, as a primary focus area in its capacity-building programs and guidance for financial supervisors and regulators.

## PHB DEVELOPMENT

PHB aims at expanding access to financial services by partnering with financial service providers (like FINCA and Opportunity International), leveraging digital platforms like mobile money and blockchain, and creating tailored products that meet FDPs' needs. Strengthening financial literacy through targeted digitally powered education programs will equip FDPs with essential skills to use financial services effectively. PHB may also advocate for policy changes to foster a more inclusive financial ecosystem and remove barriers to access. Supporting social enterprises and livelihood programs will be key in helping FDPs build sustainable businesses and employment opportunities. Scaling community-based financial models like VSLAs, community impact funds will enhance financial resilience within refugee communities. Additionally, PHB plans to enhance monitoring and impact measurement to refine its approach and ensure its initiatives effectively support FDPs in building resilience and dignity.



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## UN WORLD FOOD PROGRAMME

Cash transfers are a pivotal tool in addressing hunger and enhancing food security while empowering vulnerable populations, including refugees and FDPs. WFP *envisions* supporting 10 million women and their families through their own financial accounts by 2030. On these accounts women will be able to receive money from WFP, other humanitarian cash partners, or Government-to-People payments technically assisted by WFP (65 governments in 2023) as well as money from their families and of course their income.

For WFP, sending money to women's accounts and enhancing their digital financial inclusion is a strategic imperative. When women have their own accounts and are confident using them, they can save, make payments, access insurance, receive remittances, and obtain loans more easily. This enhances their resilience against various shocks, including climate shocks, and helps them build a secure future for themselves and their families.

The tangible changes in women's lives, especially in complex operations like Haiti, Jordan, and Somalia, validate our approach. The women we assist report the benefits of receiving money privately and conveniently through mobile wallets. They highlight their increased influence in household finances as primary recipients of cash transfers, and their aspirations to develop projects to improve their livelihoods.

## WOMEN'S WORLD BANKING

Women's World Banking plans to continue its research and policy advocacy to support the financial inclusion of displaced women. Future work will focus on identifying and promoting policies that support the financial resilience and inclusion of displaced women, as well as examining the social, financial, and economic impacts of global events that create displaced populations. This includes efforts to reduce displacement by addressing the root causes such as climate, conflict, and economic challenges.



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# EUROPEAN MICROFINANCE PLATFORM

ADVANCING FINANCIAL INCLUSION

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