



# THE FINANCIAL INCLUSION OF FORCIBLY DISPLACED WOMEN



# CONTENTS

RESEARCH PURPOSE AND METHODOLOGY	3
WOMEN IN FORCED DISPLACEMENT	5
THE FINANCIAL INCLUSION IMPERATIVE	7
FORCIBLY DISPLACED WOMEN AND FINANCIAL INCLUSION	8
BARRIERS TO THE FINANCIAL INCLUSION OF FORCIBLY DISPLACED WOMEN	10
SOCIO-CULTURAL BARRIERS	11
ACCESS TO LEGAL STATUS, IDENTITY, HOUSING, LAND, AND PROPERTY RIGHTS	12
ACCESS TO LIVELIHOODS	15
PROTECTION	17
FINANCIAL LITERACY AND ACCESS TO EDUCATION	18
POLICY, LEGAL, REGULATORY, COORDINATION, AND SUPPLY-SIDE BARRIERS	19
CUSTOMER DUE DILIGENCE MEASURES AND IDENTITY DOCUMENTS	20
INFRASTRUCTURE AND ACCESS INTERFACES	22
CONCLUSION AND HIGH-LEVEL POLICY RECOMMENDATIONS	28
ACRONYMS	30
BIBLIOGRAPHY	30

## ACKNOWLEDGMENTS

This special report is a product of AFI's Gender Inclusive Finance and Financial Inclusion of Forcibly Displaced Persons workstreams.

Contributors:

AFI Members: Joyce Okello (Executive Director and Personal Assistant to the Governor, Bank of Uganda), and Alex Ochan (Assistant Director, Bank of Uganda).

From the AFI Management Unit:

The report was written by Charmain Mohamed and Ai-li Lim (consultants) under the supervision of Mariam Jemila Zahari (Policy Specialist), Helen Walbey (Head, Gender Inclusive Finance), and Eliko Boletawa (Director, Policy Programs and Implementation).

We would like to acknowledge and extend our gratitude to the stakeholders who provided important expertise: Cash Consortium for Iraq, Catholic University of Eichstaett-Ingolstadt, International Rescue Committee, Consultative Group to Assist the Poor, Global Shapers Community, Jordan Payments and Clearing Company, Market Impact, Mercy Corps, Refugee Integration Organisation, Tufts University, United Nations Capital Development Fund, United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, and Uganda Communications Commission and Vision Fund.

We would like to thank AFI member institutions, partners and donors for generously contributing to the development of this publication.

The Gender Inclusive Finance workstream is partially financed by Sweden and other partners.

## RESEARCH PURPOSE AND METHODOLOGY

Forcibly displaced women face a breadth of challenges accessing and using quality formal financial services due to their gender and displacement status.

Intersecting factors of exclusion such as socio-cultural norms, restricted access to livelihoods and economic opportunities, safety and security concerns, and limited opportunities to participate in public spheres are exponentially compounded, entrenching exclusion and financial disenfranchisement for forcibly displaced women.

48%

Women and girls accounted for 48 percent of individuals living in forced displacement across borders in 2021. In some contexts, they are the majority.<sup>1</sup>

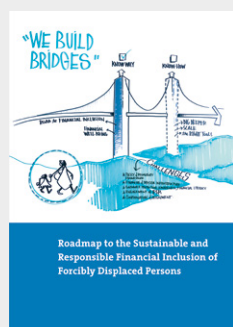
However, despite the number of women living in forced displacement, little is known about their specific financial needs, the barriers they face when they seek financial services, and whether and how financial services can augment their financial health.

This special report entitled “Financial Inclusion of Forcibly Displaced Women: Key Findings and Policy Recommendations” examines the current global context, practices, and gaps in advancing the financial inclusion of forcibly displaced women in AFI member and non-member jurisdictions to better understand the financial inclusion needs of forcibly displaced women and to help

AFI members further their financial inclusion goals. It identifies the unique demand-side, supply-side, policy and regulatory barriers, and, just as importantly, the socio-cultural and behavioral challenges that prevent progress in this area. Finally, it provides high-level policy recommendations outlining other related opportunities, such as capacity-building programs or engagement opportunities with other stakeholders, to advance financial inclusion for forcibly displaced women.

This special report is informed by the extensive body of work already produced in the area of financial inclusion of FDPs, while adding specific knowledge on the experience and challenges forcibly displaced women face. It builds on the considerable policy and global agenda-setting work AFI has already achieved, including the Maya Declaration, the Denarau Action Plan, and the Kigali Statement. It also takes forward AFI’s identified priority workstreams in the thematic focus areas of gender inclusive finance (GIF) and the financial inclusion of forcibly displaced persons (FDPs). In 2019, AFI collaborated with stakeholders, including United Nations agencies and related humanitarian organizations, to develop a Roadmap to the Sustainable and Responsible Financial Inclusion of Forcibly Displaced Persons, a set of practical policy recommendations to expand access to financial services for FDPs.<sup>2</sup> The Roadmap proposed and elaborated a policy framework for issues identified in the G20 Global Partnership for Financial Inclusion’s Policy Paper on the Financial Inclusion of Forcibly Displaced Persons.<sup>3</sup>

- 1 UNHCR, June 2022, Global Trends in Forced Displacement: <https://www.unhcr.org/62a9d1494/global-trends-report-2021>.
- 2 AFI, IRC, BMZ, GIZ, UNHCR, Better than Cash Alliance, Ministry of Foreign Affairs Netherlands, UKAID, Norwegian Ministry of Foreign Affairs, December 2019, Roadmap to the Sustainable and Responsible Financial Inclusion of Forcibly Displaced Persons.
- 3 GPF, November 2017, Financial Inclusion of Forcibly Displaced Persons: Priorities for G20 Action.



Denarau Action Plan

[> View here](#)

Kigali Statement

[> View here](#)

Roadmap to the Sustainable and Responsible Financial Inclusion of FDPs

[> View here](#)

Policy Paper on the Financial Inclusion of FDPs

[> View here](#)

AFI has also developed other knowledge products through the FDPs workstream such as the recently published [AFI Policy Framework for the Financial Inclusion of FDPs: Towards Inclusive Financial Services, Financial Capability and Financial Health for All](#). This is in addition to the wider-ranging AFI work on GIF, including: [Bridging the Gap: Promoting Women's Financial Inclusion: Tools and Guidance from the AFI Network](#), and [Gender Considerations in Balancing Financial Inclusion and Anti Money Laundering and Countering the Financing of Terrorism](#).<sup>4</sup>

## RESEARCH METHODOLOGY

The research employed a mixed methods approach to data collection and generation of analysis. The scope of research was developed during the inception period, guided by a preliminary desk review of secondary sources, and refined after interviews with key AFI staff members. The sampling method was purposive to maximize the resources of the consultancy, with some allowance made for snowball sampling. Data was collected through a comprehensive literature review and semi-structured interviews with 17 key informants. These included a range of stakeholders, including United Nations agencies, humanitarian organizations, policymakers, experts on financial inclusion, researchers, representatives of communities of FDPs, and the Bank of Uganda, who are an AFI member institution and member of the Gender Inclusive Finance Committee (GIFC). The researchers were able to pose questions to a key partner through a different research stream.

## LIMITATIONS

Specific data on the financial inclusion of forcibly displaced women is limited. Gaps include data on the

financial inclusion levels of forcibly displaced women and limited academic and grey paper research on the topic. As a result, the research team referenced data, reports, research, and analysis on broader topics, namely GIF, financial inclusion in conflict-affected and fragile states, and gender and displacement. In addition, the research team canvassed knowledge products on the humanitarian situation of refugees, internally displaced persons (IDPs), and other forcibly displaced individuals in specific country contexts or thematic areas. The aim was to triangulate findings and data from existing research to generate a new analysis tested through data collected in interviews.

As the geographical scope of this special report is broad, it was difficult to undertake an in-depth comparative analysis of different contexts and detailed descriptions of specific contexts. However, current practices and challenges from different countries or regions were identified, highlighted, and discussed. The subject group, forcibly displaced women, is heterogeneous and encompasses many profiles, circumstances, and situations, including IDPs, refugees, asylum seekers, refugees and IDPs living in camps, outside camps, FDPs in acute displacement contexts, protracted displacement, urban displacement, and rural displacement. More specific research with each group is recommended to understand their financial inclusion needs fully.

<sup>4</sup> AFI, November 2018, [Gender Considerations in Balancing Inclusion and Anti Money Laundering and Countering the Financing of Terrorism](#); AFI, October 2017, [Bridging the Gap: Promoting Women's Financial Inclusion: Tools and Guidance from the AFI Network](#).



Towards Inclusive Financial Services, Financial Capability and Financial Health for All  
[> View here](#)

Bridging the Gap: Promoting Women's Financial Inclusion  
[> View here](#)

Gender Considerations in Balancing Financial Inclusion and Anti-Money Laundering and Countering the Financing of Terrorism  
[> View here](#)

## WOMEN IN FORCED DISPLACEMENT

People are forced to leave their homes and seek protection due to conflict, human rights violations, natural disasters, and other crises in record numbers.

**89.3**  
MILLION

As of 2021, the number of people living in forced displacement close to doubled from 45 million to 89.3 million in the last nine years.<sup>8</sup>

**100**  
MILLION

By mid-2022, the United Nations High Commissioner for Refugees (UNHCR) estimated that more than 100 million people were living in forced displacement, a number exacerbated by the Ukraine crisis.

**83%**

Notably, 83 percent of the world's refugees live in low- and middle-income countries where host communities grapple with development challenges.

**53.2**  
MILLION

Of the people forcibly displaced in 2021, approximately 53.2 million were internally displaced, and 27.1 million sought refugee protection outside their country.<sup>9</sup>

It is anticipated that the number of people living in forced displacement will continue to increase, and the scale of global displacement will grow as incidents of violence and conflict, climate change, natural disasters, extreme poverty, and other factors continue to drive more people to seek safety and security, often for protracted periods. Crises are becoming more common and protracted, and the impact is not only on the lives of people who are forcibly displaced but also on the countries and communities that host them.

### FORCED DISPLACEMENT

Forced displacement is defined as the involuntary movement of people who are “forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters.”<sup>5</sup>

The term FDPs encompasses stateless persons, people who are likely in need of protection but have not applied for asylum, asylum seekers, refugees, returnees, and IDPs. However, as underlined in AFI’s Guideline Note on Integrating FDPs into National Financial Inclusion Strategies, “the definitions related to forced displacement are continually discussed and contested by the international community.”<sup>6</sup>

For example, there is also a need to address those who have been forcibly displaced by phenomena such as climate-induced disaster events. Financial policymakers and regulators are encouraged to be cautious in defining an FDP in their jurisdiction and related national legal frameworks to prevent their unintentional exclusion when formulating and implementing financial inclusion policies and regulations.<sup>7</sup>



**Special report:**  
Integrating Forcibly  
Displaced Persons (FDPs)  
into National Financial  
Inclusion Strategies (NFIS)

[> View here](#)

5 IOM, 2019, International Migration Law, Glossary on Migration, [https://publications.iom.int/system/files/pdf/iml\\_34\\_glossary.pdf](https://publications.iom.int/system/files/pdf/iml_34_glossary.pdf).

6 AFI, December 2020, Guideline Note on Integrating Forcibly Displaced Persons into National Financial Inclusion Strategies: [https://www.afi-global.org/wp-content/uploads/2021/01/AFI\\_GN41\\_AW\\_digital.pdf](https://www.afi-global.org/wp-content/uploads/2021/01/AFI_GN41_AW_digital.pdf).

7 Ibid.

8 UNHCR, June 2022, Global Trends in Forced Displacement, <https://www.unhcr.org/62a9d1494/global-trends-report-2021>

9 Ibid.

48%

Women and girls accounted for 48 percent of individuals living in forced displacement across borders in 2021.

54%

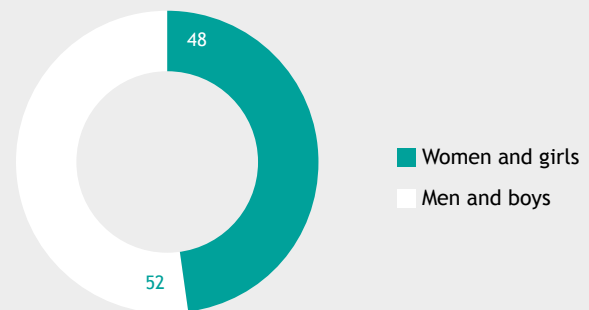
West and Central Africa host a higher proportion of refugee women and girls than any other region, at 54 percent of the refugee population.<sup>10</sup>

Despite the large numbers of forcibly displaced women and girls, the unique ways they experience displacement and the specific challenges they face are insufficiently explored by most existing research. Although in recent years, more efforts have been made to collect sex- and age- disaggregated data about the experiences of people affected by forced displacement, more comprehensive endeavors should be made to ensure quality analysis is generated that will inform policies, strategies, and programs to better support women and girls affected by forced displacement. Evidence indicates that displacement disproportionately affects women due to a confluence of interlinked factors, including higher risks of gender-based violence, economic marginalization, and discriminatory norms.<sup>11</sup> Forcibly displaced women face intersecting barriers that drive or are consequences of gender inequality. Displacement often reinforces harmful gender norms replicating structural disadvantages, including socioeconomic challenges and financial exclusion.<sup>12</sup>

#### SEX-DISAGGREGATED DATA VS. GENDER-DISAGGREGATED DATA

Sex-disaggregated data breaks down information according to a person's sex or the biological and physiological differences between males and females. Gender-disaggregated data allows for the measurement of differences between women and men on various social, cultural, and economic dimensions.

FIGURE 1: PERCENTAGE OF WOMEN AND GIRLS LIVING IN FORCED DISPLACEMENT COMPARED TO MEN AND BOYS



10 UNHCR, June 2022, Global Trends in Forced Displacement, <https://www.unhcr.org/62a9d1494/global-trends-report-2021>.

11 IDMC, IMPACT, PLAN, March 2020, Hidden in Plain Sight: Women and Girls in Internal Displacement.

12 Ibid.



A Syrian girl at Zaatari refugee camp in Jordan. (Richard Juilliart/Shutterstock)

## THE FINANCIAL INCLUSION IMPERATIVE

For forcibly displaced women and all other persons and communities affected by crises and displacement, access to and usage of affordable, quality financial products and services is a valuable tool that can help mitigate financial risk, build resilience, and enhance self-reliance.

When unlocked, financial services can improve the financial health and lives of forcibly displaced women and the countries and communities that host them. This is especially the case when access is complemented and protected by a broader constellation of rights, including access to decent work, livelihoods, legal status, housing, and freedom of movement.

---

As one key informant stated:

“

The forces that undergird financial services, the obvious one is livelihoods is important as livelihoods evolve, the need for financial services evolve, you can earn, you can save, you will be able to borrow and pay loans back.<sup>13</sup>

”

---

Similarly, another one said:

“

At the end of the day, financial inclusion is linked to rights as a displaced person, whether IDP or refugee; it is linked to your right to work and the exercise of livelihoods.<sup>14</sup>

”

---

Experts agree that access to financial services can strengthen the capacity of FDPs to cope with shocks, increasing their resilience. Financial products can help individuals and households meet their basic needs and rebuild their lives. In addition, it has the potential to contribute positively to local markets, acting as a catalyst for economic activity in host communities.<sup>15</sup>

A growing body of evidence suggests that access to safe savings products can increase resilience and act as an insurance system, reducing the likelihood of resorting to harmful coping mechanisms including early marriage, child labor, incurring debt or borrowing from

predatory lenders. Likewise, access to remittances can also help individuals and families cope, expanding and leveraging support networks during transition and precariousness. Local communities also benefit from these new economic inputs, positively impacting local economic activity. Reflecting on the importance of access to financial services as a pathway to resilience and self-reliance for forcibly displaced people and host communities, commitment to facilitating greater access has also been highlighted in the United Nations Global Compact on Refugees.<sup>16</sup>

---

13 Key informant interview, 20 October 2021.

14 Key informant interview, 2 November 2021.

15 CGAP, SPF, World Bank, April 2017, The Role of Financial Services in the Humanitarian Community.

16 United Nations General Assembly, December 2018, Global Compact on Refugees, A/RES/73/151.

## FORCIBLY DISPLACED WOMEN AND FINANCIAL INCLUSION

Studies demonstrate that FDPs, including women, have complex and robust financial lives and regularly engage in borrowing and saving practices through informal networks, such as seeking loans from trusted family members, friends, and shopkeepers and accumulating cash savings at home or through community-based savings groups, to maintain or improve their standard of living.

However, FDPs typically transact via informal institutions and mechanisms because of fear, lack of status, distrust of formal institutions, and easier accessibility to informal mechanisms, even though such services are unregulated, can be unsafe or exploitative, and can cost more.<sup>17</sup>

---

One key informant stated:

“Data suggests that the poor are very intensive money managers, pushing and pulling money from a variety of sources because they have limited income and are subject to many shocks and don’t have insurance or buffer. Qualitative data shows intensive use of informal services by forcibly displaced people.<sup>18</sup>

”

---

17 Cash Consortium for Iraq, July 2021, Financial Inclusion in Fragility: Wealth, Saving, Borrowing, and Lending Among Conflict Affected Populations in Iraq; Altai Consulting, April 2019, Financial Lives of Lebanese and Syrian Refugees in Lebanon, Key Informant Interview, 8 November 2021.

18 Key informant interview, 8 November 2021.



Tibetan women spinning wool at Tashi Palkhel Tibetan refugee camp, Pokhara, Nepal. (christophe cappelli/Alamy Stock Photo)



---

Similarly, another one suggested:

“  
For displaced women of lower education and less experience, it’s all informal, especially in situations of migration. Savings are kept on the person, pretty insecure, and informal. Money is not shared or leveraged in any social fashion.<sup>19</sup>

”

---

Despite the clear need and demand for safe and accessible financial products such as credit and savings, significant supply- and demand-side barriers continue to prevent forcibly displaced women from accessing formal financial institutions.

---

Encapsulating the demand for services like credit, a key informant stated:

“  
What everyone wants, when you talk to them, is more money. Loans, bigger loans, and access to that. Wherever it makes sense. And, wherever it is convenient people want safe, convenient access to more money.<sup>20</sup>

”

---

Understanding the barriers that prevent forcibly displaced women from accessing formal financial services is an important first step to fostering greater access. Still, there are major gaps in data and analysis about the unique experiences of forcibly displaced women and their access to, usage of, and need for formal financial services.

---

As one key informant put it:

“  
An evidence base on exactly what works for forcibly displaced women is emerging but weak.<sup>21</sup>

”

---

On the one hand, building a strong evidence base for effective policy-making and programming is complicated and more challenging because forced displacement is context-specific. On the other, forcibly displaced women are a widely heterogeneous group with different elements of women’s identity, including age, race, educational profiles, economic status, country of origin, and displacement phase, shaping their participation in society and their unique experiences in accessing financial services.

It is increasingly evident from the body of existing studies that the financial needs of forcibly displaced women are dynamic and evolve over time depending on their displacement phase, plans, capacities, vulnerabilities, social norms, and level of integration in the host community.<sup>22</sup> For example, UNHCR posits that financial needs in the immediate arrival stage of displacement typically involve cash to meet basic needs. Still, access to and usage of more complex financial services, (that is, savings products, remittances, payments, insurance, credit, and loans become more relevant in other phases of displacement. This is especially the case as FDPs transition from survival to subsistence and more stable phases and whether FDPs can sustainably and safely access rights to decent work and other livelihood opportunities.<sup>23</sup>

More sex- and age- disaggregated financial inclusion data collection and context-specific research and analysis should be undertaken, considering the specific financial journeys of forcibly displaced women in distinct age and socio-economic groups and in different phases and conditions of displacement to fully understand their experiences. This will help ensure sufficient information and analysis to shape the enabling policy and regulatory environment in host countries and communities, that will enable the financial inclusion of forcibly displaced women and that financial products and services are designed and tailored to meet their evolving needs.

---

19 Key informant interview, 27 October 2021.

20 Key informant interview, 4 November 2021.

21 Key informant interview, 20 October 2021.

22 UNHCR and UNCDF, Financial Inclusion of Forcibly Displaced Persons and Host Communities.

23 UNHCR, March 2017, The Next Financial Inclusion Frontier: Guidelines for FSPs on Serving Refugee Populations.

## BARRIERS TO THE FINANCIAL INCLUSION OF FORCIBLY DISPLACED WOMEN

Existing research confirms that forcibly displaced women face multiple disadvantages that impede their access to and usage of formal financial services.

As access does not necessarily lead to usage, it is important to examine and understand the barriers to both. Barriers to financial inclusion include legal and socio-cultural norms that prevent their agency, civic and economic participation and resource control.<sup>24</sup> One key informant observed that forcibly displaced women are “triple disadvantaged” and excluded due to “vulnerability and poverty...displacement and gender, combined with less education and not being the primary income earner.”<sup>25</sup> Many barriers FDPs face that lead to exclusion are amplified for forcibly displaced women due to gender-related discrimination.

As noted by a key informant:

“forcibly displaced women face the same issues of ID and documents and the reluctance to provide these services to displaced people but also more specific gender discrimination issues. We’ve seen in many countries less access to mobile phones and internet in general for women and more constraints on freedom of movement.”<sup>26</sup>

”

Displacement status often severely limits women’s ability to access formal financial services.

75%

A recent study carried out in Nigeria, Greece, and Jordan demonstrated that forcibly displaced individuals (both women and men) were 75 percent less likely to have access to a bank than host community members and women.

64%

In all three countries, both host and forcibly displaced women were 64 percent less likely to have access to a bank account.

The study also showed that access to financial services by women impacted by displacement varied widely depending on context. Forcibly displaced women in Nigeria reported significantly higher use of banks (70 percent) compared to Greece (37 percent) and Jordan (3 percent), highlighting that different enabling and regulatory environments, socio-cultural norms, coupled with the conditions in displacement, are key determinative factors that affect forcibly displaced women’s need and access to financial services.<sup>27</sup>

24 Clingain, C., Jayasinghe, D., Hunt, A. and Gray Meral, October 2021, HPG Commissioned Report, IRC, and ODI, Women’s economic empowerment in the face of Covid-19 and displacement: restoring resilient futures.

25 Key informant interview, 27 October 2021.

26 Key informant interview, 25 October 2021.

27 Supra note 24.

## SOCIO-CULTURAL BARRIERS

Understanding the socio-cultural dynamics shaping how forcibly displaced women engage in public and private spheres to fully advance their financial inclusion is critical. Gendered expectations about men's and women's roles in society and at home stem from entrenched social norms.

By extension, women's economic participation, and their need for and use of different financial products, are influenced by normative expectations, including what people in the community might think of certain conduct and behavior and what others are doing.<sup>28</sup> In forced displacement, such normative expectations evolve in an accelerated manner because of changing circumstances. For example, conventionally, men are responsible for making financial decisions and for income generation in the household while women are seen as primary caregivers in some parts of the world. During displacement, such roles are often challenged due to financial deprivation and other pressures, including enhanced security risks for men in some contexts. It is, therefore, common to see women take on new income-generating roles to help their families meet basic needs. However, evidence about a commensurate increase in household decision-making power is mixed.<sup>29</sup> Crises are typified by challenging life experiences influenced by gender and the disruption of traditional institutions, social structures, and norms. These changes can lead to the restructuring of power relations defined by gender for forcibly displaced communities.

Gendered expectations significantly impact how money is managed within the family and collective attitudes about how and whether women can own assets independently and engage in economic opportunities. Customarily, it is expected in some regions that "women should not have financial privacy from their husbands, women should not have savings of their own, women should not have assets in their name, and women should not own large business."<sup>30</sup> In displacement, these roles can shift. Women separated from their husbands due to conflict and crises often have to take on more financial decision-making responsibilities. It has been reported that women's increased economic participation in forced displacement has led to enhanced economic decision-making roles in households in Northern Uganda, Somalia, Sudan, Yemen, and Iraq, but not in Colombia or Syria.<sup>31</sup> Given the differences in contextually specific findings, it is essential to understand underlying social dynamics within families and distinct communities and how such norms influence behavior, consumption, and use of financial products. It is also important to recognize that analysis and engagement with shifting norms require longer-term investment and interventions that go beyond the supply-side and policy-making and necessitate greater collaboration with a broader range of stakeholders, including civil society, displaced communities, humanitarian organizations and agencies and government entities.

28 CGAP, July 2020, Gendered Social Norms in Financial Inclusion: A Diagnostic Study from Southern Turkey.

29 ODI, HPG Working Paper, Kerrie Holloway, Maria Stavropoulou and Megan Daigle, December 2019, Gender in Displacement: A State of Play.

30 Supra note 28.

31 Supra note 29.



Pupils in school both for Jordan kids and Syrian refugees children in Ar Ramtha city, Jordan. (Konrad Zelazowski/Alamy Stock Photo)

## ACCESS TO LEGAL STATUS, IDENTITY, HOUSING, LAND, AND PROPERTY RIGHTS

National laws and policies enabling asylum seekers and refugees to move freely, have decent work, and own property are drivers of socio-economic inclusion. Still, legal restrictions exist in many host countries.

For many forcibly displaced communities, access to legal identity and status that will enable agency and participation in the public sphere, remains a major barrier to financial inclusion.

A key informant said:

“Without foundational rights, formal financial services do not add value.”<sup>32</sup>

”

Another key informant echoed the importance of legal status and legal identity, and the rights that derive from having legal status:

“

The main barrier is, is it legally possible for them to access financial services?<sup>33</sup>

”

Critically, without legal status, many FDPs are not entitled to obtain services in host countries and communities, including financial services. They do not have the necessary legal identity documents such as birth certificates or national identity documents that are needed to satisfy Know-Your-Customer (KYC) and Customer Due Diligence (CDD) requirements when opening a bank account.

<sup>32</sup> Key informant interview, 8 November 2021.

<sup>33</sup> Key informant interview, 4 November 2021.



Sudanese refugee. Kiryangondo refugee camp, Uganda. (Godong/Alamy Stock Photo)

In terms of the need to have legal status and recognition to obtain financial services, a refugee key informant observed: “In the area we are living in, there is a lot of financial support, there are several banks, but the financial assistance they give does not apply to refugees. One criteria to obtain a bank loan is the government registration of your business, which is hard for refugees.”<sup>34</sup> Exclusion from basic services greatly impacts general financial well-being and by extension, financial inclusion.

---

A key informant stated:

“  
If forcibly displaced people can’t have driving licenses, this already limits the scope of things they can do. Without a host community partner, they cannot own assets in their name, start a business, or own a car.”<sup>35</sup>

”

---

Many forcibly displaced people do not have freedom of movement, including refugees and asylum seekers without or with limited status and IDPs. Some are confined to camps and require specific permissions to leave. It is common for forcibly displaced people to minimize movement as a coping mechanism to avoid harassment, arrest, and detention.<sup>36</sup> Freedom of movement issues is often amplified for forcibly displaced women than men because of insecurity and legal or customary restrictions on their mobility. The confluence of fear or distrust of authorities and lack of mobility is a significant barrier to accessing formal banking institutions.

---

One key informant confirmed the challenge:

“  
Every time we talk to refugees about formal financial institutions, they are afraid. They don’t want to be in formal databases. We have seen that in Greece, Myanmar, and, now, Afghanistan.”<sup>37</sup>

”

---

This also underscores the need to ensure consumer and data protection and privacy of FDPs and promote sufficient financial literacy and education.

In many countries, women’s rights are still not protected by law. Too many women lack access to formal identification papers. This precludes them from opening a bank account, owning property or developing

a credit history. All this is essential to save, build assets, secure a loan, and open or expand a business.<sup>38</sup> Research shows that women’s financial inclusion tends to be higher in economies where legal equality exists between men and women.

---

115  
ECONOMIES

According to the World Bank’s Women, Business, and the Law database, in 115 economies, laws prevent women from running a business the same way as men.

---

167  
COUNTRIES

At the same time, 167 countries have at least one law that restricts women’s economic opportunities.<sup>39</sup>

---

In some countries, the cost and administrative pressure of obtaining and maintaining legal status can be prohibitive and, as a result, families living in forced displacement have been known to resort to prioritizing maintaining legal status for men over women as there are gendered expectations for men to participate in the public sphere and to be responsible for income generation. Additionally, as they are typically perceived as security risks, men are often arrested and detained if they do not have legal status.<sup>40</sup> Consequently, forcibly displaced women are less likely to replace, renew, or acquire documents to prove legal status.

---

32 Key informant interview, 8 November 2021.

33 Key informant interview, 4 November 2021.

34 Key informant interview, 2 November 2021.

35 Key informant interview, 8 November 2021.

26 NRC, April 2014, The Consequence of Limited Legal Status for Syrian Refugees in Lebanon.

37 Key informant interview, 2 November 2021.

38 Better than Cash Alliance, 8 March 2021, Reaching Financial Equality for Women: A 10-point action plan for governments and businesses to rebuild stronger after COVID-19 by prioritizing women’s digital financial inclusion.

39 Ibid.

40 NRC, March 2016, Women Refugees in Lebanon and the Consequences of Limited Legal Status on their Housing, Land, and Property Rights.

More generally, forcibly displaced women often face challenges obtaining other key legal forms of ID (passports and national IDs) and accessing civil registration and vital statistics systems because of the temporary nature of their residence and abode and “discriminatory laws and practices, lack of access to information and civil registries, and patriarchal norms.”<sup>41</sup> In some jurisdictions, women are restricted by law from obtaining certain IDs the same way as men.

---

**37**  
COUNTRIES

Studies suggest that women in 37 countries cannot apply for a passport the same way as men.<sup>42</sup>

---

In some jurisdictions, barriers include requiring a married woman to provide documentation of her husband’s name in addition to her own and the need to travel far, wait in long lines, and pay high fees to register and obtain an ID.<sup>43</sup> These gender-related barriers are compounded for forcibly displaced women that often lack freedom of movement because they do not have legal status.

---

As one key informant observed in the context of Syrian refugees residing in Jordan:

“  
Many Syrian refugees don’t have valid passports. A credit check requirement will eliminate many people.<sup>44</sup>  
”

---

Social norms mandating that women should not travel alone or seek administrative services without male support can also pose barriers. Such challenges in securing identity documents lead to exclusion.

---

A key informant succinctly said:

“  
IDs are crucial for financial inclusion. Having a bank card is dependent on getting an ID.<sup>45</sup>  
”

---

In addition to restrictive national laws and policies regarding socio-economic participation, forcibly displaced women face other intersecting barriers that prevent them from fully realizing their housing, land, and property rights. Land ownership and inheritance in many countries are restricted to men with legal status. In practice, some countries statutorily prevent

married women from having equal ownership rights to property.<sup>46</sup> Such proof of assets is often required as collateral when seeking loans or other financial services.

---

Confirming the intractability of such barriers, one key informant working with South Sudanese refugees stated:

“  
Women on the surface have more access to the humanitarian side of things, but as we move into a more ‘normal’ situation, there are legal barriers of what you can own or sign without a husband’s presence. Land title usually is in the man’s name. Assets from South Sudan are also not necessarily in women’s names either.<sup>47</sup>  
”

---

The legal and socio-cultural constraints that impede forcibly displaced women’s access to hold property and resources also directly affect their capacity to maintain and build savings, capital, and access formal financial spheres. Without access to legal and property documents, forcibly displaced women will remain excluded from formal financial systems that rely heavily on customer identification, risk-based procedures to conduct due diligence checks and proof of assets to form decisions on creditworthiness and risk.

---

41 Martin Clutterbuck, 2021, Documenting Life and Death: Women’s Experiences During Conflict in Syria and Iraq.

42 Supra note 4, AFI, 18 November.

43 Supra note 36.

44 Key informant interview, 8 November 2021.

45 Key informant interview, 20 October 2021.

46 NRC, March 2014, Life Can Change: Securing Housing, Land, and Property Rights for Displaced Women; Jeni Klugman and Yvonne Quek, 2018, Women’s Financial Inclusion and Economic Opportunities in Fragile States: An Overview of Challenges and Prospects.

47 Key informant interview, 4 November 2021.

## ACCESS TO LIVELIHOODS

Many forcibly displaced women cannot access decent work and income-generating opportunities which prevents them from building savings, assets, and capital to help them deal with shocks, rebuild their lives, and gain financial inclusion.<sup>48</sup>

A growing body of literature suggests that forcibly displaced women are more likely than men to be engaged in precarious, insecure, and informal work.

1.8

It has been reported that women's livelihoods were particularly at risk during the COVID-19 pandemic. Globally, women's jobs were 1.8 times more vulnerable.<sup>49</sup>

Moreover, many forcibly displaced women cannot participate in formal labor markets due to their legal status. As a result of their irregular status, they face heightened competition for jobs and economic

opportunities. In addition, because of disrupted social networks in displacement, they often lack the social connections required to gain access to the formal economy. Social and cultural norms further complicate these barriers. In some countries, discriminatory laws prevent women from working the same jobs as men and do not allow women to leave home without a male relative. Hence, working outside the home is impossible. Nevertheless, regulatory frameworks enabling home-based work or businesses for refugees or those with limited or no legal status are rare.<sup>50</sup>

In many displacement contexts, forcibly displaced women are also more likely to lack the skills to be able to enter the formal labor market in host communities as they face challenges accessing education and learning opportunities as is.<sup>51</sup> Financial services are rarely tailored to the financial realities that forcibly displaced women contend with.

48 UN Women and IMPACT Initiatives/REACH, Iraq: Assessment on Employment and Working Conditions of Conflict-Affected. Women across Key Sectors, November 2019; Refugee Resilient Women, 2019. Policy brief: poverty alleviation and Arab Women Refugees in Jordan: empowerment through grassroots micro-entrepreneurship.

49 Supra note 24.

50 Supra note 46, Klugman and Queck.

51 Key informant interview, 2 November 2021.



Kiryangondo refugee camp. Food preparation. Uganda. (Godong/Alamy Stock Photo)

As one key informant suggested:

“

There are cultural aspects to consider, the seasonality of income women tend to have more irregular income. Financial providers have to take into account these financial realities.<sup>52</sup>

”

Usually loan repayments are made on the same date each month, for those with a seasonal income they face a challenge during low season months when they have no income to meet the payments. Altering repayment patterns to better align with income patterns can help smooth consumption and lower the risk of default.

One of the most common barriers to financial inclusion, cited by key informants, was unpaid care work, which prevents forcibly displaced women from participating fully in the labor market. Even when gender roles shift as part of displacement dynamics and social roles are broadened to include income-generating activities, women are still expected to perform domestic chores and caregiving, often while taking on income-generating activities. As a result, women are burdened with juggling care work and paid work and are forced to take on more part-time, seasonal, and informal work to accommodate domestic and childcare responsibilities. As a result, many forcibly displaced women will also not seek opportunities that take them far away from home.<sup>53</sup>

As one expert noted:

“

Whether you are a refugee or not, the burden of child-care and household duties fall on women. It is not just childcare; the in-laws are very worried about who will feed them, as women usually cook for the family. And then the sort of normal issues you have, what is the role of women and men? Who should take care of kids? When you ask people individually, men are fine if wives or daughters work, but fear of social perception prevents them from openly endorsing that.

”

There are significant knock-on effects of exclusion from formal employment or business opportunities. In many host countries, social protection is tied to work authorization and business registration. Effectively, forcibly displaced women are more likely to be excluded from state-sponsored assistance. Lack of access to basic services also puts more pressure on women to bear the burden of care activities.

Critically, exclusion from government assistance schemes also results in less opportunity to build the necessary administrative and financial footprints to access formal financial services.

51 Key informant interview, 2 November 2021.

52 Key informant interview, 4 November 2021.

53 Cash Consortium for Iraq, Gender Analysis of Livelihoods Programming and Individual, Household, and Community Dynamics in Iraq.



Inside the second largest refugee camp in the world, female MSME earns a living selling food, fruit and vegetables to local people inside the community. Al Za'atari, Al Mafraq, Jordan. (Guido Koppes/Alamy Stock Photo)



## PROTECTION

Personal safety is a prevailing concern for forcibly displaced women. Perceptions about safety impact general mobility and how women engage with banking services and other social services that foster access to financial inclusion and economic empowerment. In general, high levels of insecurity limit economic activity and access to economic opportunities for women, making them less likely to be able to work and seek financial services.<sup>54</sup>

Although gender-based violence remains pervasive globally, displacement puts women at heightened risk as family and social protective mechanisms are disrupted, and law enforcement may not be easily accessible to them.

---

Evidence shows that gender-based violence increases in conflict and displacement due to overall insecurity and the breakdown of institutions, among other factors.<sup>55</sup>

---

Forcibly displaced women, including those with precarious legal status, are often targeted by traffickers or harassed at checkpoints. Sexual violence is ubiquitous during conflict, flight, and once displaced people move into new communities.<sup>56</sup> As their personal, and the safety of their children, are often at risk, many forcibly displaced women will spend more money on rent to live in safer communities and shelters or pay traffickers and smugglers for easier passage through different travel routes, increasing their expenditure and debt load and decreasing their prospects for greater financial inclusion and financial health.<sup>57</sup>

It is common for forcibly displaced women who are at risk to restrict their movements in public spheres and at home, and not to have agency and control over resources. In forcibly displaced communities, high levels of intimate partner violence have been linked to rapid social changes accelerated during displacement, including changing gender roles, forced marriage, and poverty. Higher rates of intimate partner violence among forcibly displaced communities as compared to host communities have been reported in Latin America, West Africa, the Middle East, and Eastern Europe, including in such countries as Uganda and Colombia.<sup>58</sup>

Rapid shifts in roles, including women's increased use of financial services, can impact family dynamics and become a source of tension that triggers violence at home. A recent report from Iraq suggested that transgressing social norms regarding women's roles, such as participation in paid work, can expose women to an increased risk of gender-based violence, including stigmatization and harassment in the community. At the same time, women also reported that diversifying income sources and easing financial pressures at home can lead to more "harmonious" family dynamics.<sup>59</sup> It is evident from such findings that the root causes of gender-based violence stem from social norms that amplify harmful power imbalances between men and women.

Child marriage is a further example of the consequences of harmful social norms. It continues to be prevalent in many displacement contexts, especially among girls, often adopted as a negative coping mechanism for economic deprivation coupled with regressive customs and practices regarding the roles and responsibilities of women and girls at home and in society. Studies indicate that women who marry early are less likely to complete formal schooling or enter the formal labor force, a key pathway to accessing financial services.<sup>60</sup>

---

54 Supra note 46, Klugman and Queck.

55 Supra note 11 and 29.

56 Refugees International, October 2019, Still in Danger: Women and Girls Face Sexual Violence in South Sudan Despite Peace Deal.

57 Key informant interview, 20 October 2021.

58 Rebecca Horn, Karin Wachter, Elsa Friis Healy, Sophia Wanjku Ngugi, Joanne Creighton, Eve S. Puffer, February 2021, Mapping Complex Systems: Responses to Intimate Partner Violence Against Women in Three Refugee Camps; Women's World Banking, October 2019, Economic Empowerment, Financial Inclusion, and Intimate Partner Violence.

59 Supra note 53.

60 World Bank, August 2017, Educating Girls and Ending Child Marriage, <https://www.worldbank.org/en/news/immersive-story/2017/08/22/educating-girls-ending-child-marriage>.

## FINANCIAL LITERACY AND ACCESS TO EDUCATION

Access to education for girls is often impacted by displacement. UNHCR estimates that refugee girls are less likely to be able to access educational opportunities and half as likely as refugee boys to be enrolled in secondary education globally.<sup>61</sup>

2.5

Notably, it is reported that in countries affected by fragility and conflict, girls are 2.5 times more likely than boys to be out of school.<sup>62</sup>

Displaced families, facing financial pressures, commonly prioritize paying for boys to remain in school due to prevailing gender norms and safety and security concerns for girls on their way to and from school. Gender norms also shape circumstances after school drop-out, with girls more likely to support their families with domestic tasks or to get married, while boys often leave school to work.<sup>63</sup>

As a key informant stated:

“

The other thing is a level of literacy. Forcibly displaced women are not as educated as you would expect. That becomes a problem to engage.<sup>64</sup>

”

These gendered exclusions can have longer-term repercussions on financial literacy and numeracy among women, impacting how women engage with formal financial services and digital financial products.

More critically, girls who are not able to go to school will have fewer employment and income-generation opportunities, so they will less likely have the skills and training to develop financial resilience participate in formal labor, or access the financial services associated with engaging in the labor market.<sup>65</sup> Conversely, displacement can also open up educational opportunities as communities are exposed to new social norms and ideas. It has been reported that internally displaced families from rural to urban Pakistan began sending their girls to school because it was perceived as socially acceptable within urban communities.<sup>66</sup>

Such reports underline the need to understand and be sensitive to displacement dynamics and to accommodate shifts in dynamics over time.

As more banks and financial services move towards the digital space and use of mobile technologies to facilitate access, there is a greater need to ensure women are comfortable with, have access to, and trust new technologies to help them manage their finances. In highly impoverished families, mobile phone ownership is often limited to one per family. This phone is often registered, and primarily used by the head of household, often a man, further reducing access to mobile banking and other digital financial services for the women in the household.

A key informant reported:

“

One of the difficulties forcibly displaced women are facing is that they don't get access to financial training. Male counterparts have those chances. For example, many organizations have trained refugees on entrepreneurship, but less than 25 percent of participants are female.

”

Gender-sensitive initiatives that are tailored to the specific financial needs of forcibly displaced women and help them navigate new platforms and services can serve to bridge the trust and access gap. In this regard, it is crucial to unpack the social dynamics preventing women from accessing services.

61 UNHCR, 2020, Coming Together for Refugee Education, <https://www.unhcr.org/publications/education/5f4f9a2b4/coming-together-refugee-education-education-report-2020.html>; IRC, July 2019, Unlocking Refugee Women's Potential, Closing Economic Gaps to Benefit All, <https://www.rescue.org/sites/default/files/document/3987/reportrescueworksunlockingrefugeewomenspotential.pdf>.

62 World Bank, July 2018, Missed Opportunities: The High Cost of Not Educating Girls.

63 Supra note 29.

64 Key informant interview, 8 November 2021.

65 Ibid.

66 Supra note 29.

## POLICY, LEGAL, REGULATORY, COORDINATION, AND SUPPLY-SIDE BARRIERS

---

As a key informant mentioned,

“

The biggest challenge, especially in the Venezuelan South America context, are the regulatory needs that have to be in place on account of the host government.<sup>67</sup>

”

---

Another key informant confirmed that:

“

Anti-money laundering and countering the financing of terrorism (AML/CFT) is the main challenge.<sup>68</sup>

”

---

Regulatory and supply-side barriers can pose formidable obstacles for stakeholders working on advancing the financial inclusion of forcibly displaced women. Financial regulators have to navigate a sound alignment between the adherence to global AML/CFT standards as defined by the Financial Action Task Force (FATF), and financial inclusion objectives.

---

67 Key informant interview, 4 November 2021.

68 Key informant interview, 2 November 2021.



Venezuelan refugee crossing the border into Colombia. (bgrocker/Shutterstock)

## CUSTOMER DUE DILIGENCE MEASURES AND IDENTITY DOCUMENTS

One expert described the challenges:

“ They forcibly displaced women are seen as risky because they have no formal credit history, no formal permanent address, also because as women and refugees, they don’t have the appropriate ID for what the institution or government would require from a fiduciary perspective.<sup>69</sup>

”

Regulators agree that defining proportionate identification and risk management procedures for FDPs is a central policy piece to foster greater inclusion.<sup>70</sup> Global KYC and customer due CDD standards require financial institutions to identify their clients and assess

their risks. However, for many forcibly displaced women, meeting such requirements can be insurmountable. Categorization of risk and establishment of regulatory frameworks for various risk profiles is especially challenging when clients do not have a permanent address, travel across borders frequently and engage in cross-border transactions, face barriers seeking livelihoods or work primarily in the informal sector.

However, simplified CDD and monitoring measures developed based on a risk-based approach can help to foster greater inclusion and risk can be mitigated through tiered savings and loan products. For forcibly displaced women, this can include acceptance of alternative forms of identification, including refugee and IDP IDs, confirmation of identity from community leaders for instance attestation letters, acceptance of fewer forms of ID, or reducing the range of information needed, especially when tied to bank accounts and loans with smaller savings and limits. Here, it is important to note that FATF guidance on digital identity

<sup>69</sup> Key informant interview, 27 October 2021.

<sup>70</sup> AFI, July 2017, Financial Inclusion of Forcibly Displaced Persons: Perspectives of Financial Regulators.



Malian refugees from the Mbera camp in Mauritania. (Nicolas Remene/Le Pictorium/Alamy Stock Photo)

clearly instructs that official identity cards issued by organizations such as UNHCR are acceptable forms of identification for refugees.<sup>71</sup>

Accessing loans can also prove challenging for forcibly displaced women when they have to provide proof of a stable salary, collateral in the form of property and other assets, and/or a guarantor. To help individuals and families overcome such issues, some countries have piloted different types of loan guarantee schemes for specific target groups and alternative credit scoring initiatives where people participating in savings circles and community savings groups start to build credit histories.

---

Reflecting best practices in tiered CDD requirements for different financial products, a key informant stated:

“Stringent ID requirements for all forms of accounts is one issue. We’ve been able to overcome it in some locations, for example, in Liberia, we had tiered levels of savings products for the lower-level bronze accounts. We got banks to accept a letter and note from the village chief instead of a formal ID. In that instance, it was bank-level regulation which we worked to soften.”<sup>72</sup>

”

---

As forcibly displaced women are typically less able to meet documentation requirements, it is evident that there is a need to ensure a greater understanding of levels of possession of identity documents for each displacement context taking into account different identity factors, including gender, duration of displacement, and socio-economic status. Identification requirements should always also be guided by data protection and privacy protocols. Forcibly displaced women often live in insecure and precarious environments where they face personal risks if the information is misused. There should be safeguards to ensure they understand how their information may be used and can voluntarily give consent, including the option to opt-in or opt-out.

Although it is clear that the establishment of national risk assessments helps identify and accommodate different risk profiles and that the development of national financial inclusion strategies that aim to include forcibly displaced women can help to facilitate greater inclusion, executing such policies with gendered and intersectional lens requires political support and long-term holistic investment across the financial

sector from government authorities to financial service providers (FSPs). Key informants echoed that it is vital for front line banks to align with central bank policy and for central banks to reflect government policy. There is often an implementation gap at the local level, even in permissive regulatory and policy environments.<sup>73</sup>

To ensure that the necessary investments are made to implement and turn policy frameworks into actionable programs and initiatives, there is a need to undertake contextually specific research to develop a strong business case for FSPs to develop products tailored to the needs of forcibly displaced women. In general, there is a mismatch between the financial services demanded by households and those currently and generally on offer at formal financial institutions. A study in Iraq amongst FDPs, primarily IDPs, showed that borrowing small sums to meet immediate survival needs appeared to be the top motivation for obtaining credit. Formal financial institutions offer fewer services in this regard.<sup>74</sup> The discrepancies are likely to be wider for forcibly displaced women.

As a starting point, collecting sex- and age-disaggregated financial inclusion data on FDPs is essential. Beyond that, it is important to monitor transaction-level behavior to understand whether and how forcibly displaced women are using financial services, mainly as there is a perception that they will be clients that will only have smaller value financial needs.<sup>75</sup>

---

Underlining the need to build a better business case for FSPs, a key informant noted the common risk-based calculus of financial services providers:

“You don’t do it for small values. Why would you do it? It is not worth the kind of sanctions you might get. So why would a bank do it?”<sup>76</sup>

”

---

Through targeted research and data collection, it is necessary to challenge the underlying assumptions that displaced communities are not ‘bankable’ communities and that women within them are even less bankable.

---

71 FATF, March 2020, Guidance on Digital Identity, [www.fatf-gafi.org/publications/documents/digital-identity-guidance.html](http://www.fatf-gafi.org/publications/documents/digital-identity-guidance.html).

72 Key informant interview, 27 October 2021.

73 Key informant interview, 27 October 2021.

74 Supra note 17.

75 Key informant interview, 2 November 2021.

76 Ibid.

## INFRASTRUCTURE AND ACCESS INTERFACES

Studies suggest that the absence of formal financial institutions, particularly in rural areas, remains a barrier for FDPs and host communities in many countries. Key informants also echo this view.<sup>77</sup> The problem can be compounded for forcibly displaced women who have caregiving responsibilities and cannot leave their homes for extended periods, do not have the freedom of movement to access brick-and-mortar bank branches, and when the cost of safe travel can be prohibitive.

Some countries have made progress in increasing access by liberalizing the regulatory environment for mobile money payments and banking, utilizing small businesses and shops as local agents for mobile money operators has increased the number of access points in harder-to-reach areas. Experts observe that digital payment ecosystems and mobile banking have afforded many previously underserved communities new opportunities to access formal financial services like savings and transfers.<sup>78</sup> Digitalized financial services have become increasingly important during the lockdowns and social

distancing measures adopted due to COVID-19. The G20 Finance Ministers and Central Bank Governor's Action Plan for COVID-19 emphasized the need to promote greater digital financial inclusion, especially for underserved populations like FDPs.<sup>79</sup>

FinTech innovations can drive greater financial inclusion for financially underserved clients, including forcibly displaced women. Mobile banking can increase access for women by addressing a lot of financial security issues, circumventing freedom of movement limitations and eliminating cultural expectations of male accompaniment to banks. Developing and implementing new digital products can also replicate systems of exclusion and barriers linked to more traditional forms of service delivery.

The gender divide in mobile phone access and internet connectivity persists among host and forcibly displaced communities. The gender divide in mobile phone access and internet connectivity persists among host and forcibly displaced communities. A study carried out in refugee communities in Kenya showed that in some communities, women refugees are 23 percent less likely than male refugees to have used a mobile phone in the

<sup>77</sup> Supra note 17. Key informant interview, 8 November 2021.

<sup>78</sup> Key informant interview, 8 November 2021; Key informant interview, 2 November 2021.

<sup>79</sup> IRC, November 2020, COVID-19 Refugees' Economic Opportunities, Financial Services and Digital Inclusion.



Female refugee runs a small shop in the Markazi camp for Yemeni war refugees. Djibouti. (Joerg Boethling/Alamy Stock Photo)

recent past and 47 percent less likely to own a mobile phone. The gender gap was more pronounced in terms of internet usage, up to 89 percent in some places.<sup>80</sup>

---

**50%** Globally, refugees are 50 percent less likely to have a phone that is connected to the internet than host communities.

---

**29%** Moreover, 29 percent of refugee households do not have phones.<sup>81</sup>

---

A key informant stated:

“When you look at enablers of financial inclusion, access to a telephone, connectivity, ability for a country to have a frictionless payment system that allows for low-value affordable payments to be made by and to households, amenable environment for digital financial services, when we look at those key metrics, we see that women have less access to key enablers and are disadvantaged. This is further accentuated when you see the challenges of serving women in a forcibly displaced setting.”<sup>82</sup>

”

This goes to highlight how interconnected these issues are and why holistic solutions are needed. Some part of this challenge is tied to regulatory or policy frameworks prohibiting or restricting mobile phone access to FDPs, or access challenges due to prohibitive ID requirements for SIM cards. Key informants similarly echo concerns about the digital gender divide and the implications for forcibly displaced women as the shift to digital services accelerates.<sup>83</sup>

A key informant observed:

“What happens at the interface between the woman trying to get the service and the agent providing the service? They are not necessarily just going to a bank; this could be a mobile agent, remittance agent, over the counter mobile money services agent. A lot of issues of abuse happen at the agent level. The top line finding is that when there are women agents, it works better the last mile is important. A lot of work needs to be done for women to feel safe, not heckled by a man, and for judgement-free transactions.”<sup>84</sup>

”

---

Similarly, another key informant noted

“the problems exacerbated by gender. Women are shy as banking staff tends to be male with higher education, higher status, etc.”<sup>85</sup>

---

As safety is a key priority for forcibly displaced women, experts suggest that having women working as agents and representatives of FSPs can help eliminate some trust barriers. Evidence suggests that women use financial services more often when served by female bank employees and mobile money agents.<sup>86</sup>

#### CASH ASSISTANCE AND BRIDGING THE HUMANITARIAN-DEVELOPMENT DIVIDE

---

The use of cash assistance is now widespread in humanitarian responses to support basic needs and ensure people do not resort to harmful coping mechanisms, including those affected by displacement.

For forcibly displaced women, cash assistance can enhance coping capacities when delivered in gender-responsive ways. Humanitarian agencies and organizations are starting to use existing host community infrastructure and mechanisms such as card-based programs, national ATMs, mobile wallets, and bank branches to deliver monetary assistance. However, more conscious efforts have to be made to ensure that the provision of cash assistance establishes a pathway towards independent use of formal financial services when and if needed. In other words, financial policymakers and regulators can work with FSPs and humanitarian partners to move beyond closed-loop systems in the implementation of cash transfer programs. Significantly, when designing bridging initiatives and programs, the views, and experiences of forcibly displaced women, including the gendered barriers they face, such as how financial decisions are made at home and their security and mobility concerns, should be taken into account, so that gender gaps in terms of access and control of resources are not replicated.

---

80 GSMA, March 2019, Bridging the Mobile Gender Gap for Refugees.

81 Supra note 80.

82 Key informant interview, 8 November 2021.

83 Key informant interview, 25 October 2021; 8 November 2021.

84 Key informant interview, 20 October 2021.

85 Key informant interview, 27 October 2021.

86 Better Than Cash Alliance, Women's World Banking, and the World Bank Group, July 2020, Advancing Women's Digital Financial Inclusion.



South sudanese refugees in Bidi Bidi refugee settlement, Uganda. ( Joerg Boethling/Alamy Stock Photo)



**CASE STUDY: UGANDA<sup>87</sup>**

Uganda hosts the most refugees in Africa. It is one of the top five refugee-hosting countries in the world.

>1.5

Recent reports indicate that Uganda hosts as many as 1,549,181 registered refugees, mainly from South Sudan and the Democratic Republic of Congo but also from Burundi, Somalia, Rwanda, Eritrea, and other countries.<sup>88</sup>

At the national level, Uganda's Refugee Act 2006 (Act) establishes a legal framework guaranteeing refugees freedom of movement, the right to work, the right to acquire assets, access education, and non-discrimination protections. Women and girls make up the majority of the refugee population in Uganda. The Act also establishes specific protections for refugee women and children.<sup>89</sup>

Refugees have the right to access financial services, including savings, borrowing, and transfers; there are no legal restrictions in terms of access. From a regulatory standpoint, although KYC standards can be challenging, the Ugandan government issues refugee identity documents, which helps facilitate access to financial services. Recognizing that it might take time for newly arrived refugees to be able to obtain identity documents, the government and the banking community have also agreed to accept the use of attestation letters issued by the Office of Prime Minister as an interim form of identity. Generally, banks require identity documents and proof of address to open a bank account. They use both to verify client information against money laundering and terrorism watchlists. The Ugandan financial sector considers FDPs generally lower risk because typical the amount of money transacted is small for each client.

**UGANDA NATIONAL FINANCIAL INCLUSION STRATEGY 2017 - 2022**

Uganda's current National Financial Inclusion Strategy was launched in 2017, for a five-year period. The current strategy encompasses underserved

populations, including women, youth, and rural populations but does not have an explicit focus on FDPs, including women. The government is in the process of developing a new strategy. There have been more specific discussions about the inclusion of refugees in the process, particularly initiatives to improve financial literacy, given the economic benefits of hosting a refugee population.

In the Ugandan context, the Strategy aims to improve financial literacy is especially relevant for refugee women who might not have had access and exposure to formal education and learning opportunities. The Ugandan government and the Bank of Uganda are working closely with UNHCR and the International Labour Organization on the financial inclusion of FDPs.

**MOBILE SERVICES**

Mobile money services have been a great enabler, reaching more rural areas with less banking infrastructure. For refugees that live in rural settings and camps, mobile financial services have helped to facilitate greater inclusion, especially since humanitarian agencies and organizations are now focusing more on providing cash assistance. Although the penetration of mobile networks has presented new gateways for financial inclusion, it is important to remember that there is still a gender divide. Generally, more men possess mobile phones than women. Men often have ownership and control over the mobile phone at a household level. Data confirms that the gender divide exists both for FDPs and Ugandans. Identification requirements to obtain a mobile line are similar to KYC standards for banking: refugees and Ugandans must provide an ID; refugee identity documents are accepted.

<sup>87</sup> Key informant interview, 8 November 2021.

<sup>88</sup> UNHCR, October 2021, Uganda Comprehensive Refugee Portal, <https://data2.unhcr.org/en/country/uga>.

<sup>89</sup> UNHCR, Refugee Statistics, April 2020, file:///C:/Users/Owner/Downloads/Uganda%20-%20Refugee%20Statistics%20April%202020.pdf.

**CASE STUDY: JORDAN<sup>90</sup>**

Jordan's National Financial Inclusion Strategy 2018-2020 specifically includes a commitment to facilitate access for FDPs. The strategy includes pillars that cut across different target groups and explicitly make provisions for women, youth, FDPs, and economically vulnerable individuals and groups. In addition, the National Financial Inclusion Plan recognizes that mobile wallets are a tool for the financial inclusion of Jordanians and refugees.

The financial sector in Jordan has developed different tiers of due diligence to accommodate KYC requirements, considering the needs of diverse target groups, including forcibly displaced women. Banks employ simplified due diligence processes for basic bank accounts and smaller transactions. Jordanian FSPs accept UNHCR IDs for Syrian refugees and Ministry of Interior cards (non-Syrian refugees require other documentation). However, banks will require more documentation to obtain further services, such as credit. Notably, it is easy for banks to validate the source of money and income for FDPs and some more economically vulnerable groups, typically in the form of assistance from humanitarian agencies and the government.

**MOBILE WALLETS**

Syrian refugees are allowed to open mobile money accounts using their refugee identification and Ministry of Interior cards. Non-Syrian refugees are required to have passports. For mobile money accounts, the due diligence procedures are simplified. Typically, these accounts limit the number of transactions that can be made and smaller maximum

account balances. These accounts are crucial entry points where individuals can start building transaction histories and customer profiles for different services.

**MOBILE WALLETS, GENDER, AND THE COVID-19 PANDEMIC**

As a result of the COVID-19 pandemic, the Central Bank of Jordan instituted remote onboarding procedures, including online registration and remote KYC verification for both host community members and refugees, coupled with an awareness campaign on social media platforms and other media.

**40%**

These measures led to a 40 percent increase in registered wallets between March and July 2020.

Increased use was also observed among Syrian refugees as a way to receive humanitarian assistance.<sup>91</sup> However, observers also noted that due to the social dynamics at home and gendered expectations about who controls resources, including mobile phone usage, there was a significant gender gap in the ownership and use of mobile wallets. It was also notable that there was no uptake among non-Syrian refugees as the minimum KYC requirement was a passport or a Ministry of Interior Card; non-Syrian refugees are not eligible to obtain the latter and often do not have the former.<sup>92</sup>

<sup>90</sup> Key informant interview, 2 November 2021.

<sup>91</sup> Tufts University, The Journey's Project, Swati Mehta Dhawan and Hans-Martin Zademach, July 2020, Mobile Money and Financial Inclusion of Refugees in Jordan: Hope or Hype?

<sup>92</sup> You forgot the reference.



## CONCLUSION AND HIGH-LEVEL POLICY RECOMMENDATIONS

In many contexts, forcibly displaced women remain excluded from formal financial services. However, despite challenges in accessing formal work, legal status, and security, forcibly displaced women can have robust financial lives and commonly engage in informal financial services such as savings groups, borrowing from family and community members, and seeking credit in local shops.

While there is a consensus that financial inclusion is a powerful tool for achieving financial health and opportunity for FDPs, more contextually specific studies and data are needed to better understand the specific experiences of forcibly displaced women. This would enable the formulation and implementation of policies that can ensure forcibly displaced women have access to and usage of quality formal financial services that are safe, convenient, and appropriate for their unique needs. Many of the barriers they face stem from gendered socio-cultural norms. Purposeful investment is required to identify whether and how these norms shift during forced displacement.

Sustainable and responsible financial inclusion has to be informed and supported by a human rights-based framework, including legal status for refugees, freedom of movement, and the right to decent work and economic opportunities. There is an emerging framework of policy recommendations and body of best practices to address the financial inclusion needs of FDPs on the policy and regulatory side. However, more efforts still need to be made to analyze and shape policy recommendations through a gender-responsive lens, taking into consideration intersecting factors of identity, including gender and displacement status, restricted access to livelihoods and economic opportunities, safety and security concerns, and limited opportunities to participate in public spheres due to legal frameworks or socio-cultural norms.

The following high-level policy recommendations to foster greater financial inclusion of forcibly displaced women build on existing policy guidance, including the Roadmap to the Sustainable and Responsible Financial Inclusion of Forcibly Displaced Persons:

### 1. Foster closer collaboration between financial policymakers and regulators with other stakeholders, including other government institutions and humanitarian partners

Many barriers that forcibly displaced women face are multi-layered and intersectional. Consequently, multi-faceted approaches are needed to help alleviate pressures preventing access to and usage of financial services. Addressing these barriers requires longer and



closer collaboration and coordination between central banks, financial regulators, FSPs, humanitarian agencies and other organizations providing services to forcibly displaced women.

Humanitarian organizations should coordinate with the financial sector from the outset of large-scale responses, be cognizant of longer-term implications of interventions, and nurture opportunities for financial inclusion of forcibly displaced women. Coordination and collaboration between different stakeholders can be fostered through work on and establishment of National Financial Inclusion Strategies that consider the unique experiences of forcibly displaced women.

## **2. Collect sex- and gender-disaggregated data and ensure principled data usage**

Collect sex- and gender-disaggregated demand-side data about whether and how forcibly displaced women use formal and informal financial services to build a gender-responsive evidence base that will inform sound policy decisions and actions. Data collection and analysis should be principled and collaborative. Data subjects should provide free and informed consent to how their information will be used and shared. There should be closer collaboration and safe sharing of information between humanitarian partners, government bodies such as national statistics offices and ministries in charge of forced displacement, and FSPs to avoid collecting personal data multiple times and duplication of other research initiatives wherever possible. Only data meaningful for financial inclusion policymaking as it pertains to FDPs should be collected.

## **3. Implement risk-based, simplified KYC and CDD measures taking into consideration the specific needs of forcibly displaced women**

The FATF encourages jurisdictions to apply the risk-based approach when implementing the global standards on AML/CFT to avoid unintended, negative consequences on financial inclusion efforts and gains. Jurisdictions should leverage national and sectoral risk assessments to establish risk-based, tiered KYC and CDD regimes that ensure forcibly displaced women assessed as low- or lower-risk can use formal financial services. These risk assessments should consider the specific barriers forcibly displaced women face in different forced displacement contexts (restrictions on freedom of movement and having care responsibilities in their families). In this regard, measures such as simplified onboarding procedures should be further studied, and best practices from different countries should be shared widely.

## **4. Develop gender-responsive financial services**

Design and adapt financial products with forcibly displaced women, considering their needs and specific roles and responsibilities (caregiving at home). The needs of forcibly displaced women change rapidly. FSPs have to be sensitive to social dynamics at home and within and between communities when delivering services. Research suggests that adapting existing mainstream products popular with the host population is important to ensure greater uptake and eliminate “financial hierarchies” between FDPs and host populations.

It is evident that digital payment ecosystems and innovations to make financial services cheaper and more accessible can transform how forcibly displaced women engage with financial services and foster greater inclusion. However, there is ample evidence of a significant gender gap regarding mobile phone ownership, usage, and access to the internet. More work can be done to close the gender gap. As a starting point, it is important to gain a better understanding of how forcibly displaced women interact with technology and digital platforms in different contexts and build upon systems and institutions that they already use, such as informal savings groups. For example, digitizing savings groups’ transactions and records may help forcibly displaced women build a transparent credit history record to access financial services in the future should they choose to.

## **5. Roll-out financial literacy and trust-building initiatives**

Agent networks and user interfaces should be more representative and inclusive so that women feel more comfortable and safe accessing services.

Agents should be trained to provide gender-sensitive services, efforts should be made to hire more women agents, and workplace cultures should be adapted so women agents can thrive in their jobs.

## **6. Pilot alternative credit scoring and guarantee schemes**

Financial institutions and FinTechs can be encouraged to consider piloting an informal credit rating system for households and businesses based on participants’ reliable engagement in participatory saving circles. Investigate opportunities to mitigate the risk of lending to high-risk borrowers for formal financial institutions (through the government, development banks or donors willing to support financial inclusion by guaranteeing loans).

## ACRONYMS

<b>AML/CFT</b>	Anti-money Laundering and Counter-terrorism Financing
<b>CDD</b>	Customer Due Diligence
<b>FATF</b>	Financial Action Task Force
<b>FDP</b>	Forcibly Displaced Person
<b>FSP</b>	financial service provider
<b>GIF</b>	Gender Inclusive Finance
<b>IDP</b>	Internally Displaced Person
<b>KYC</b>	Know-Your-Customer
<b>UNHCR</b>	United Nations High Commissioner for Refugees

## BIBLIOGRAPHY

**AFI, December 2020**, Guideline Note on Integrating Forcibly Displaced Persons into National Financial Inclusion Strategies.

**AFI, IRC, BMZ, GIZ, UNHCR, Better than Cash Alliance, Ministry of Foreign Affairs Netherlands, UKAID, Norwegian Ministry of Foreign Affairs, December 2019**, Roadmap to the Sustainable and Responsible Financial Inclusion of Forcibly Displaced Persons.

**AFI, July 2017**, Financial Inclusion of Forcibly Displaced Persons: Perspectives of Financial Regulators.

**AFI, November 2018**, Gender Considerations in Balancing Inclusion and Anti Money Laundering and Countering the Financing of Terrorism.

**AFI, October 2017**, Bridging the Gap: Promoting Women's Financial Inclusion: Tools and Guidance from the AFI network.

**Better than Cash Alliance, 8 March 2021**, Reaching Financial Equality for Women: A 10-point action plan for governments and businesses to rebuild stronger after COVID-19 by prioritizing women's digital financial inclusion.

**Better Than Cash Alliance, Women's World Banking, and the World Bank Group, July 2020**, Advancing Women's Digital Financial Inclusion.

**Cash Consortium for Iraq, July 2021**, Financial Inclusion in Fragility: Wealth, Saving, Borrowing, and Lending Among Conflict Affected Populations in Iraq.

**Altai Consulting, April 2019**, Financial Lives of Lebanese and Syrian Refugees in Lebanon.

**Cash Consortium for Iraq**, Gender Analysis of Livelihoods Programming and Individual, Household, and Community Dynamics in Iraq.

**CGAP, July 2020**, Gendered Social Norms in Financial Inclusion: A Diagnostic Study from Southern Turkey.

**CGAP, Nadine Chehade, Alexander Reviakin, March 2020**, Fintech in the Arab World: Towards Gender Parity in 15 not 150 years.

**CGAP, SPF, World Bank, April 2017**, The Role of Financial Services in the Humanitarian Community.

**Clingain, C., Jayasinghe, D., Hunt, A. and Gray Meral, October 2021**, HPG Commissioned Report, IRC, and ODI, Women's economic empowerment in the face of Covid-19 and displacement: restoring resilient futures.

**FATF, March 2020**, Guidance on Digital Identity, [www.fatf-gafi.org/publications/documents/digital-identity-guidance.html](http://www.fatf-gafi.org/publications/documents/digital-identity-guidance.html).

**FIND, April 2021**, Reckoning with Reality, Five Key Findings from Finance in Displacement Studies.

**GPFI, November 2017**, Financial Inclusion of Forcibly Displaced Persons: Priorities for G20 Action.

**GSMA, March 2019**, Bridging the Mobile Gender Gap for Refugees.

**IDMC, IMPACT, PLAN, March 2020**, Hidden in Plain Sight: Women and Girls in Internal Displacement.

**IOM, 2019**, International Migration Law, Glossary on Migration, [https://publications.iom.int/system/files/pdf/iml\\_34\\_glossary.pdf](https://publications.iom.int/system/files/pdf/iml_34_glossary.pdf).

**IRC, July 2019**, Unlocking Refugee Women's Potential, Closing Economic Gaps to Benefit All, <https://www.rescue.org/sites/default/files/document/3987/reportrescueworksunlockingrefugeewomenpotential.pdf>.

**IRC, November 2020**, COVID-19 Refugees' Economic Opportunities, Financial Services and Digital Inclusion.

**Jeni Klugman and Yvonne Qeuk, 2018**, Women's Financial Inclusion and Economic Opportunities in Fragile States: An Overview of Challenges and Prospects.

**Martin Clutterbuck, 2021**, Documenting Life and Death: Women's Experiences During Conflict in Syria and Iraq.

**NRC, March 2014**, Life Can Change: Securing Housing, Land, and Property Rights for Displaced Women.

**NRC, March 2016**, Women Refugees in Lebanon and the Consequences of Limited Legal Status on their Housing, Land, and Property Rights.

**ODI, HPG Working Paper, Kerrie Holloway, Maria Stavropoulou and Megan Daigle, December 2019**, Gender in Displacement: A State of Play.

**Rebecca Horn, Karin Wachter, Elsa Friis Healy, Sophia Wanjku Ngugi, Joanne Creighton, Eve S. Puffer, February 2021**, Mapping Complex Systems: Responses to Intimate Partner Violence Against Women in Three Refugee Camps.

**Refugee Resilient Women, 2019**. Policy brief: poverty alleviation and Arab Women Refugees in Jordan: empowerment through grassroots micro-entrepreneurship.

**Refugees International, October 2019**, Still in Danger: Women and Girls Face Sexual Violence in South Sudan Despite Peace Deal.

**Tufts University, The Journey's Project, Swati Mehta Dhawan and Hans-Martin Zademach, July 2020**, Mobile Money, and Financial Inclusion of Refugees in Jordan: Hope or Hype?

**UN Women and IMPACT Initiatives/REACH, Iraq: Assessment on Employment and Working Conditions of Conflict-Affected. Women across Key Sectors, November 2019.**

**United Nations General Assembly, December 2018**, Global Compact on Refugees, A/RES/73/15.

**UNHCR and UNCDF**, Financial Inclusion of Forcibly Displaced Persons and Host Communities.

**UNHCR, 2020**, Coming Together for Refugee Education, <https://www.unhcr.org/publications/education/5f4f9a2b4/coming-together-refugee-education-education-report-2020.html>.

**UNHCR, June 2021**, Global Trends in Forced Displacement; <https://www.unhcr.org/flagship-reports/globaltrends>.

**UNHCR, March 2017**, The Next Financial Inclusion Frontier: Guidelines for FSPs on Serving Refugee Populations.

**UNHCR, October 2021**, Uganda Comprehensive Refugee Portal; <https://data2.unhcr.org/en/country/uga>.

**Women's World Banking, October 2019**, Economic Empowerment, Financial Inclusion, and Intimate Partner Violence.

**World Bank, August 2017**, Educating Girls and Ending Child Marriage, <https://www.worldbank.org/en/news/immersive-story/2017/08/22/educating-girls-ending-child-marriage>.

**Alliance for Financial Inclusion**

AFI, Sasana Kijang, 2, Jalan Dato' Onn, 50480 Kuala Lumpur, Malaysia  
t +60 3 2776 9000 e info@afi-global.org [www.afi-global.org](http://www.afi-global.org)

 Alliance for Financial Inclusion  AFI.History  @NewsAFI  @afinetwork