

# UNHCR- Regional Bureau Of East and Horn of Africa and the Great Lakes (EHAGL)

## Financial Inclusion in the global agenda

El working group meeting

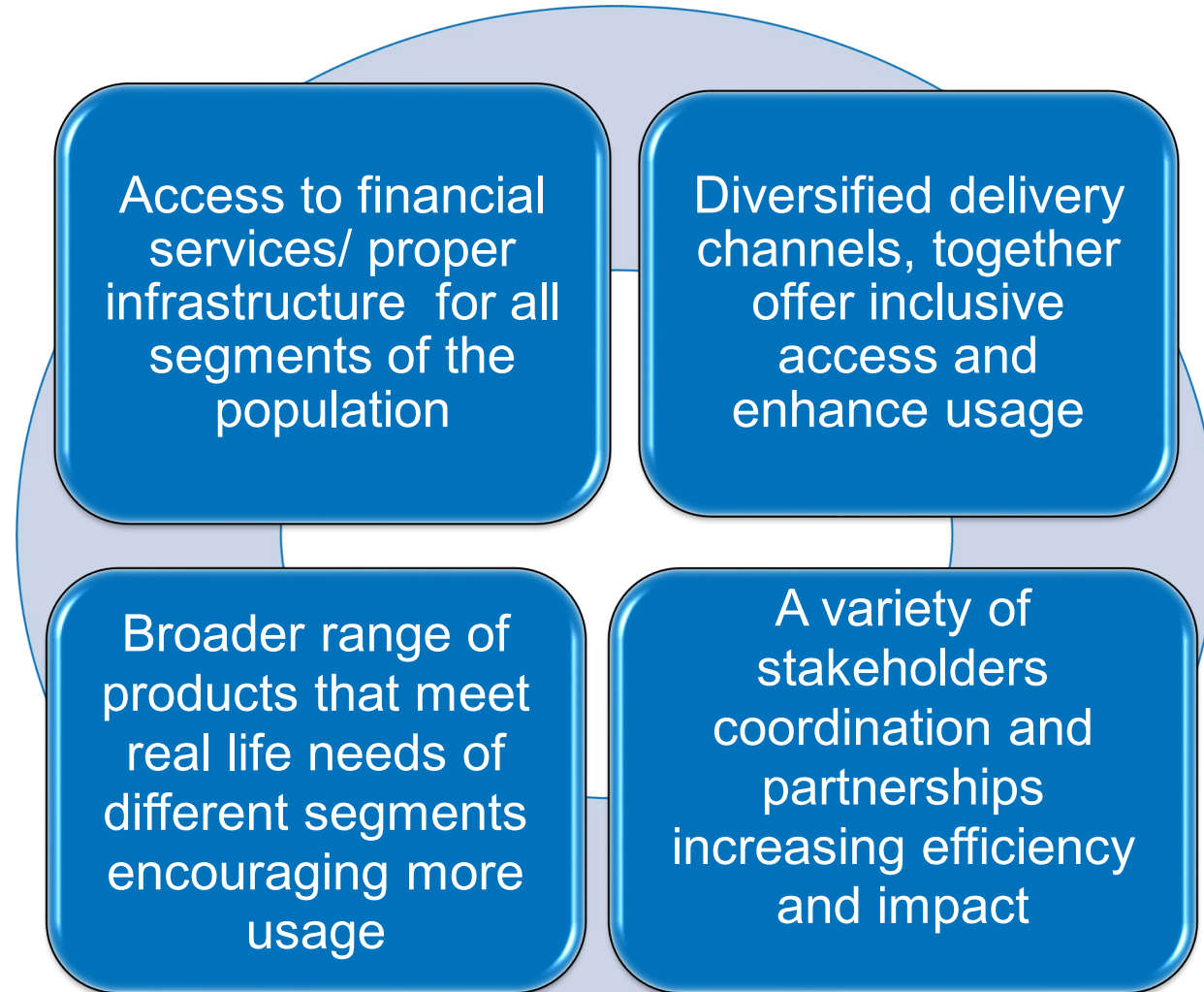
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# Financial Inclusion- An enabler of sustainable livelihoods and economic growth

“Financial inclusion is an enabler and accelerator of economic growth, job creation and development. Affordable access to and use of financial services helps families and small business owners generate income, manage irregular cash flow, invest in opportunities, strengthen resilience to downturns, and work their way out of poverty.

A purpose of financial inclusion is to help people and communities meet basic needs such as nutritious food, clean water, housing, education, healthcare, and more. An inclusive financial system is essential infrastructure in every country.” (UNSGSA)

# Main elements of Financial Inclusion



# Financial Inclusion- UNHCR and the SDGs

Financial Inclusion is directly mentioned in seven SDGs, Six of which are UNHCR's focus



- Access to basic & financial services
- Build **resilience** and reduce exposure and vulnerability to shocks
- Social protection systems
- Double Agricultural productivity and incomes of small-scale food producers, including through secure financial services
- Enable universal health coverage, including financial risk protection and access to quality essential health-care
- Women rights to economic resources, including financial services
- Encourage growth of MSMEs including through access to financial services
- Strengthen capacity of domestic financial institutions to expand access to financial services for all
- Access of small-scale industrial and other enterprises to financial services, including affordable credit,
- Reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%

... And is situated as a contributor to six SDGs, five are UNHCR's focus



- Enable increased access to primary, secondary, tertiary education for all male and females
- Enable universal access to safe and affordable drinking water for all
- Enable universal access to affordable, reliable and modern energy services
- Increase share of renewable energy in the global energy mix
- Resilience and adaptive capacity to climate-related hazards and natural disasters
- Green Climate Fund (local implementation aspects)
- Reduce illicit financial flows



- Domestic resource mobilization
- Mobilize financial resources (FDI, ODA, remittances)
- Country-owned results frameworks and planning tools
- Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize to support the achievement of the SDGs
- Effective public, public-private and civil society partnerships
- Availability of high-quality, timely and reliable data disaggregated

# Situating Financial inclusion within the GCR- Illustrative examples

## GCR Objectives

## Financial inclusion as an enabler to GCR Objectives

Ease the pressures on host countries

- Provide a more sustainable path for refugees to stabilize their livelihood, manage sustainable businesses and generate income
- Engage the private sector to provide financial products to refugees
- Advocate to more inclusive regulatory framework for refugees to access private sector and mobile financing

Enhance refugee self-reliance

- Create opportunities for income generating activities for refugees
- Allow refugees to safely manage and save money
- Facilitate trainings and access to financial education
- Enable transition from humanitarian to development

Expand access to third-country solutions

- Digital IDs and financial history
- Enable access to financing opportunities for refugees to pursue education or work

Support conditions in countries of origin for return in safety and dignity

- Digital credit history/ financial history allowing refugees and returnees to have easier access to finance in their countries of origin
- Advocate with multi country FSPs to expand to areas of refugees and returnees , allowing the clients to keep collaborating with the same FSP when possible.
- Advocate with Governments to share ideas on more homogenous policies and regulations especially where regional bodies are active.

# A broad range of interventions- crucial to advancing FI for PoCs

Informal financial services are non-regulated, usually localized within the communities:

Product	Provider	Description
Payments	Bus/taxi drivers	Make payments such as cross-border or domestic remittances,
Payments	Payment brokers	Citizens offering services by leveraging their existing business to move money around.
Savings/ credit	Cooperatives	Run by members, offer services to support the overall purpose of the cooperative,
Savings/ credit	Savings groups	Pool members' savings, lend these out to members and non-members (VSLA, SHG, RoSCAs)
Credit	Moneylenders	Lend out their own money from savings and/or take out a loan and on lend.
Credit	Retailers	Small, local un-networked retailers sometimes provide credit to customers.

Formal financial services are regulated and follow strict rules in the way they operate

Product	Provider	Description
Payments	Money transfer agents/ Banks	Make payments such as cross-border or domestic remittances,
Savings/ credit	Savings/ credit cooperatives (SACCOs)	Pool members' savings and then lend these out to members
Savings/ Credit/ insurance	Microfinance institutions/ NBFIs	Credit/ savings/ insurance usually more inclusive than commercial banks
Savings/ credit/ payments	Banks	Offer a variety of product with strict requirements
Credit/ payments	Mobile operators	fast credit, payments through wallets or agents
Insurance	Mutuelles/ companies	Member based provide health insurance / commercial insurance

Convenience      Flexibility      Simplicity      Trust

Thank you

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