

Money Transfers without Borders

A lack of access to formal financial services often prevents refugees in Jordan from making low-cost money transfers. Digital financial services are working to remedy this situation.

Remittances and access to financial services

As a relatively stable country, Jordan has for many years been the main host nation for refugees from neighbouring crisis and conflict regions. It has long been a place of refuge for Palestinians, Iraqis and Lebanese and particularly, since 2011, Syrians.

Domestic and cross-border remittances are an important source of income for refugees, and also for many Jordanian households. They help target groups to unlock their potential for self-help, especially those households which are headed by women. Private money transfers from family members and other migrants living abroad have long been a major source of income for the Jordanian economy.

Like most financial transactions in Jordan, payments from abroad are usually made in cash. But since cash-free remittances via banks, money transfer operators and informal money lenders generally incur substantial costs, many of these funds are sent via informal channels such as the trust-based value transfer system known as hawala, or entrusted to people travelling to and from the country. Women, refugees, and people in low-income rural communities find that their access to financial services is particularly limited.

Our approach

The GIZ implemented project -Digi#ances, which is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), aims to make it easier for refugees, low-income Jordanians and migrant workers to access financial services, which will help them to further their economic and social development. The Deutsche Gesellschaft für Internationale

Zusammenarbeit (GIZ) GmbH is collaborating with the Central Bank of Jordan to provide solutions for digital money transfer services, and the following three key conditions must be in place for cross-border remittances to be possible.

Firstly, there must be a needs-based digital transfer service at a national level to facilitate remittances within Jordan itself. Mobile applications are especially suited to Jordan, since most Jordanians and refugees have mobile phones. Partnerships with payment service providers and other players in the sector, including humanitarian aid agencies, are helping the Digi#ances project to advance the spread of active mobile wallet use.

Project name	Improving Access to Remittances and other Financial Services through Digital Solutions (digi#ances)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Host communities in northern Jordan (Irbid, Mafraq and Amman governorates).
Lead executing agency	Central Bank of Jordan (CBJ)
Duration	01.10.2015 – 30.10.2023 (October 2015 - October 2023)

Secondly, current regulations on digital money transfers must be expanded to cover the secure transfer of cross-border remittances through digital channels. Digi#ances is helping the Central Bank of Jordan to develop regulatory and supporting supervisory mechanisms that will comply with international standards.

Thirdly, the target groups must be aware of, accept, and use the service. To help with this, and to overcome mistrust, the project runs information campaigns and training courses on using digital financial services responsibly.

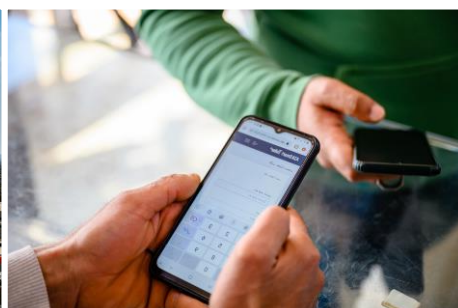


Photo L.: Za'atari camp.

Photo R.: mobile wallet.



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Impact in figures

The Project provides Digital Financial Literacy trainings (DFS) to familiarise unbanked refugees and Jordanians with the use of digital financial services. As of October 2023, 29.277 people received trainings in (DFS), of whom 12.899 Jordanian, 16.378 refugees and 2549 migrant workers (63% women), while the awareness campaigns reached 1.612.619 people of whom 515.674 Jordanian and 304070 refugees (50% women). In addition, 116 deaf participants were trained (63 women, 53 men).

The project also provides training of trainers to ensure sustainable effectiveness of the project, as a result 788 people were trained as trainers.

In Jordan, mobile wallets are registered on the Jordan Mobile Payments (JoMoPay) electronic platform. The platform itself is managed by Jordan Payment and Clearance Company (JoP-ACC). According to data published by JoPACC, the number of registered mobile wallets is 2.09 million. Of which 270,000 are non-Jordanian, 1.74 million are Jordanian and 730 migrants' workers.

In 2021, cooperation agreements were signed with UNHCR and with WFP. The agreements aim to support the digitization of humanitarian assistance using mobile wallets and increase the use of mobile wallet by refugees. One of the results of this cooperation currently 98% of the households residing in the Azraq refugee camp (7,419) and 97.5% of the households living in Za'atari (16,028) receive their aid payments via the mobile wallet.

Currently, 724,365 Jordanians use their mobile wallets at least once a quarter (active users). Jordanian women have 264,983, representing 38.6% of total active users.

Impact in faces

One of the biggest challenges Hana as a Syrian refugee woman in Jordan is the difficulty to open bank account. This is a problem for all refugees but for women refugees, as they are often responsible for managing household money: they buy food and pay rent, medical expenses and school fees. Hana lives with her family in the north-east of Amman where she makes small table lamps and prayer sets with her husband. Until now, she has sold these via online marketplaces and has had the money paid out to her at exchange offices. Accessing her money has often proved difficult.

GIZ in Jordan provides support for the financial inclusion of refugees like Hana, as well as Jordanians on low incomes. GIZ



promoted the use of e-wallets which enables users to make money transfers and payments with a smartphone.

Hana is one of the eWallet users. Her customers pay for the products using the mobile wallet, and Hana does the same for her own expenses.

"The mobile wallet allows me to receive payments and settle invoices quickly and easily. I save a lot of time and avoid having to have awkward conversations about money with people I don't know – we feel more independent" she says.

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