

# Roadmap to the Sustainable and Responsible Financial Inclusion of Forcibly Displaced Persons – Summary

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Financial services offer vital tools to forcibly displaced persons (FDPs) who are forced to leave their homes due to conflict, persecution, violence, or human rights violations. These tools, when designed appropriately and backed by robust national policies and regulation, help FDPs to safely store money, send or receive money transfers, and build up a transaction history that helps them to access services such as credit and insurance when needed. Global displacement today remains at a record high: as of 2019, the United Nations High Commissioner for Refugees (UNHCR) estimates that there are nearly 80 million forcibly displaced persons (FDPs) worldwide. The vast majority of forced displacement situations last longer than five years. Furthermore, 85% of refugees live in countries where large parts of the host population already face significant development challenges.

Large gaps in access to appropriate, formal financial services remain for FDPs. That is why the UN Global Compact on Refugees (GCR) – which was adopted by the UN General Assembly in December 2018 – calls for support to facilitate access to affordable financial products and services for host and refugee communities.

The [Roadmap to the Sustainable and Responsible Financial Inclusion of Forcibly Displaced Persons](#) contributes to efforts to support FDPs to become more self-reliant and resilient. It offers a set of key policy recommendations for each stakeholder group involved in the financial inclusion of FDPs:

- **Governments**, especially financial regulators and supervisors;
- **Private sector**, including banks, non-bank financial institutions, mobile network operators, remittances providers, insurance companies, and FinTech startups;
- **Humanitarian and development agencies**, including UN organizations, international NGOs (iNGOs), local NGOs, and donors;
- **Research organizations**, including academic institutions and think tanks; and
- Where directly relevant, international **standard setting bodies**.

The Roadmap focuses on six interconnected clusters to the sustainable and responsible financial inclusion of FDPs.



In addition, the Roadmap is based on the following cross-cutting considerations:

- **Collaboration and cooperation** between all stakeholders;
- Approaches will differ depending on the **context** and economic development in **host communities**;
- Focus on specific **disadvantaged groups**, such as youth and women;
- **Research, evidence and testing** to encourage innovation and identify those solutions that are most effective, efficient and scalable.

## 1) National Strategies and Regulations

**Challenge:** Most policy and regulatory frameworks do not recognize the special circumstances and legal status of FDPs and thus rarely include specific measures to address their unique needs.

Maximize FDPs' potential for social and economic contributions, e.g. in terms of self-reliance, urban settlement, and access to labor markets *through inclusive and flexible regulatory frameworks and national financial inclusion strategies (NFIS)* that responsibly meet the needs of FDPs.

## 2) Resiliency of Financial Infrastructure

**Challenge:** Financial infrastructure are often underdeveloped or even non-existent especially in crisis or conflict contexts.

Build *a resilient and widely accessible (non)-physical financial infrastructure*, including digital payment systems.

## 3) Identification and Related International Standards on Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT)

**Challenge:** FDPs without adequate proof of identification or originating from countries experiencing terrorism or sanctions concerns, are hindered by financial regulation to access any kind of formal financial service.

*Support financial service providers to serve FDPs* that are discouraged by high customer due diligence (CDD) norms and AML/CFT requirements through facilitating identity products issuance to FDPs, including through digital technologies, and providing guidance on risk-based, tiered Know-Your-Customer (KYC) and CDD requirements.

## 4) Financial Consumer and Data Protection, Financial Literacy

**Challenge:** FDPs are more likely to be exposed to consumer risks and may have even deeper privacy concerns than the average citizen and lower understanding of the local financial system.

*Ensure fair and transparent treatment of all forcibly displaced financial consumers*, increase their knowledge and skills, and their level of trust in formal financial services.

## 5) Bridging Humanitarian and Development Approaches with Digitized Payments

**Challenge:** Humanitarian interventions are directed to immediate and short-term relief services, while development cooperation tends to pursue longer-term stabilization and resilience of FDPs.

Leverage humanitarian cash transfers to provide pathways for FDPs to access formal financial services by ensuring FDPs receive assistance funds in a financial account where appropriate and leveraging existing (digital) government assistance payment systems where possible.

## 6) Economic Participation

**Challenge:** Financial inclusion needs evolve as livelihoods options expand, and formal financial services can empower FDPs to engage in income-generating activities.

Stronger collaboration between financial inclusion stakeholders and those promoting economic participation, through a conducive policy and regulatory framework that encourages access to work and FDP entrepreneurship.

## Alliance of Partners

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