


Catalyzing Financial Inclusion:

Gender-Inclusive Fintech
Solutions for Migrants

November 2022

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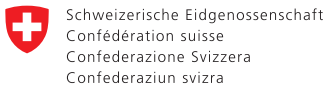
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Thank You to Our Partners



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The **Swiss Agency for Development and Cooperation (SDC)** is the agency for international cooperation of the Federal Department of Foreign Affairs (FDFA). The SDC is responsible for the overall coordination with other federal authorities of development cooperation and cooperation with Eastern Europe as well as for humanitarian aid delivered by the Swiss Confederation. Learn more at <https://www.eda.admin.ch/deza/en/home/sdc/portrait.html>.



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The **Impact-Linked Finance Fund (ILFF)** provides finance to high-impact enterprises and directly rewards these for positive outcomes generated through their business activities. It was established by Roots of Impact and iGravity in order to pool their know-how and activities for implementing scalable Impact-Linked Funds.

The Fund, set up as a Dutch foundation, is acting as a capital provider and knowledge hub for the practice of Impact-Linked Finance. We also advocate for embedding impact-related principles and terms in other areas of business, policy and finance.



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Combating poverty, ensuring peace and preserving the environment: These are the three major concerns of the **Austrian Development Agency (ADA)**, the operational unit of Austrian Development Cooperation. ADA currently funds projects and programs with a total volume of more than 640 million euros to improve living conditions in developing countries. Together with the Federal Ministry for European and International Affairs, partner countries, public institutions, civil society organizations and businesses, ADA seeks to ensure that sustainable development works to the benefit of all people in Africa, Asia, Southeast and Eastern Europe.



Village Capital helps entrepreneurs bring big ideas from vision to scale. Our mission is to reinvent the system to back the entrepreneurs of the future. Our vision is a future where business creates equity and long-term prosperity. Since 2009, we have supported more than 1,400 early-stage entrepreneurs through our investment readiness programs. Learn more at vilcap.com.

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Cover photo:
VilCap Communities Africa
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Photo Credit: Natalia Jidovanu

Introduction

There are an estimated 281 million international migrants and more than 59 million internally displaced persons.

Among many challenges, migrants face a significant obstacle: the current financial services in many countries do not meet their needs. Large swaths of migrants are still unbanked, remittance fees remain high, and poor legislation leaves millions of migrants without solutions to their financial needs.

Fortunately, the past few years have seen an emerging solution: fintech startups focused on delivering better financial services for migrants and other underserved customers.

This report digs into the financial inclusion obstacles disenfranchised migrant populations face in three regions – Sub-Saharan Africa, the Middle East and North Africa, and South and Southeast Asia – and highlights innovative, tech-driven solutions to these challenges.

We take a special focus on the role of gender: digging into the gendered norms and practices that further hinder migrant women from achieving financial inclusion, and the specific fintech solutions that help women access the financial system.

Read on to learn more about the key roadblocks to financial inclusion for migrants and how fintechs can address them; as well as opportunities that exist for investors in this large and growing market.

At Village Capital and with the support of our partners at the Impact-Linked Finance Fund, Swiss Agency for Development and Cooperation and Austrian Development Agency, we continue to drive resources to meaningful solutions and democratize access for founders supporting underserved groups. We're calling on the impact ecosystem to direct their investment to this overlooked market. Entrepreneurs are already answering the call. It is time to tune in.



Alicia Sornson
Regional Lead - MENA at Village Capital

Executive Summary

Project Summary

Village Capital, alongside our partners, endeavors to uncover the opportunities for innovation in financial services to better serve the most vulnerable populations, in particular migrant women. We consider the landscape in financial services in three key markets - Sub-Saharan Africa, the Middle East and North Africa, and South and Southeast Asia - as well as the gendered norms and practices that further hinder migrant women from achieving financial inclusion.

Background

This report builds on our previous work in supporting early-stage innovation for the most vulnerable groups. It is relevant to investors, entrepreneurs and other actors interested in closing the financial inclusion gap for migrant populations.

Process

This report is based on 70+ in-depth research interviews on the current state of financial inclusion systems for migrants. Interviews were conducted with entrepreneurs, NGOs, financial institutions, investors, and other key stakeholders working to create a more equitable world for individuals displaced. Interviewees were selected based on industry knowledge, lived experience and technical expertise in closing the financial inclusion gap for migrant populations. Alongside this, a deep review of relevant articles, databases and reports on migration and financial inclusion were used to provide a factual and current look at the state of financial inclusion for migrants. Further, learnings from over 13 years of Village Capital acceleration programs with early-stage fintech companies were considered in the findings of this report.

Results and Conclusions

Our research concludes that there are considerable gaps in financial services that fintech products have the potential to close, notably: lack of access, language and literacy barriers, lack of trust, identity requirements and documentation and constraining external environments. The market for fintech products targeting migrant populations is large, and new innovation solutions are still being developed at a rapid pace.

The research highlights opportunities for innovation to promote ease of access to digital identity solutions, financial services, SME support and social services for migrants in Sub-Saharan Africa, the Middle East and North Africa, and South and Southeast Asia as well as innovative ways to invest in early-stage companies operating in this space including Impact-Linked Finance.

Recommendations

Local solutions are best positioned to solve local challenges. It is recommended that investors, grant-makers and other key decision makers unleash catalytic capital towards solving deep-rooted, systemic problems in financial inclusion. We also recommend that entrepreneurs consider this gap in services an opportunity to build high-impact companies that have the potential to provide both social and financial returns.

Definitions and Context



Migrant

The Swiss Agency for Development and Cooperation's follows a [comprehensive definition](#) of migration that includes internal and international migration, forced and voluntary migration, migration that takes place for reasons surrounding labor, flight from conflict or violence, natural disasters and more. It includes both regular and irregular migration in its definition.



Fintech

Financial technology (better known as fintech) is used to describe new tech that seeks to improve and automate the delivery and use of financial services. At its core, fintech is utilized to help companies, business owners, and consumers better manage their financial operations, processes, and lives by utilizing specialized software and algorithms that are used on computers and, increasingly, smartphones.



Financial Inclusion

Financial inclusion is the [ability to access](#) useful and affordable financial products and services that meet migrants' needs (transactions, payments, savings, credit, and insurance) and are delivered in a responsible and sustainable way.

The State of Financial Inclusion Globally

Account ownership is the [entry point to financial inclusion](#), since it entails users' access to a variety of financial services such as payments, loans, and insurance. In the past ten years (2011-2021), the average rate of account ownership among adults worldwide increased from 51% to 76%. In developing economies, 71% of adults now have an account. Mobile money underpinned an increase of 8% in developing countries from 2014 to 2021. Yet, there are still about [1.4 billion adults](#) globally without an account because of a lack of money, the perceived cost of accounts, distance to the nearest financial institution, low levels of financial literacy and a lack of identification, [among other reasons](#). More than half of unbanked adults live in only [seven economies](#): China, Bangladesh, Egypt, India, Indonesia, Nigeria, and Pakistan.

Adults with an account (%), 2021

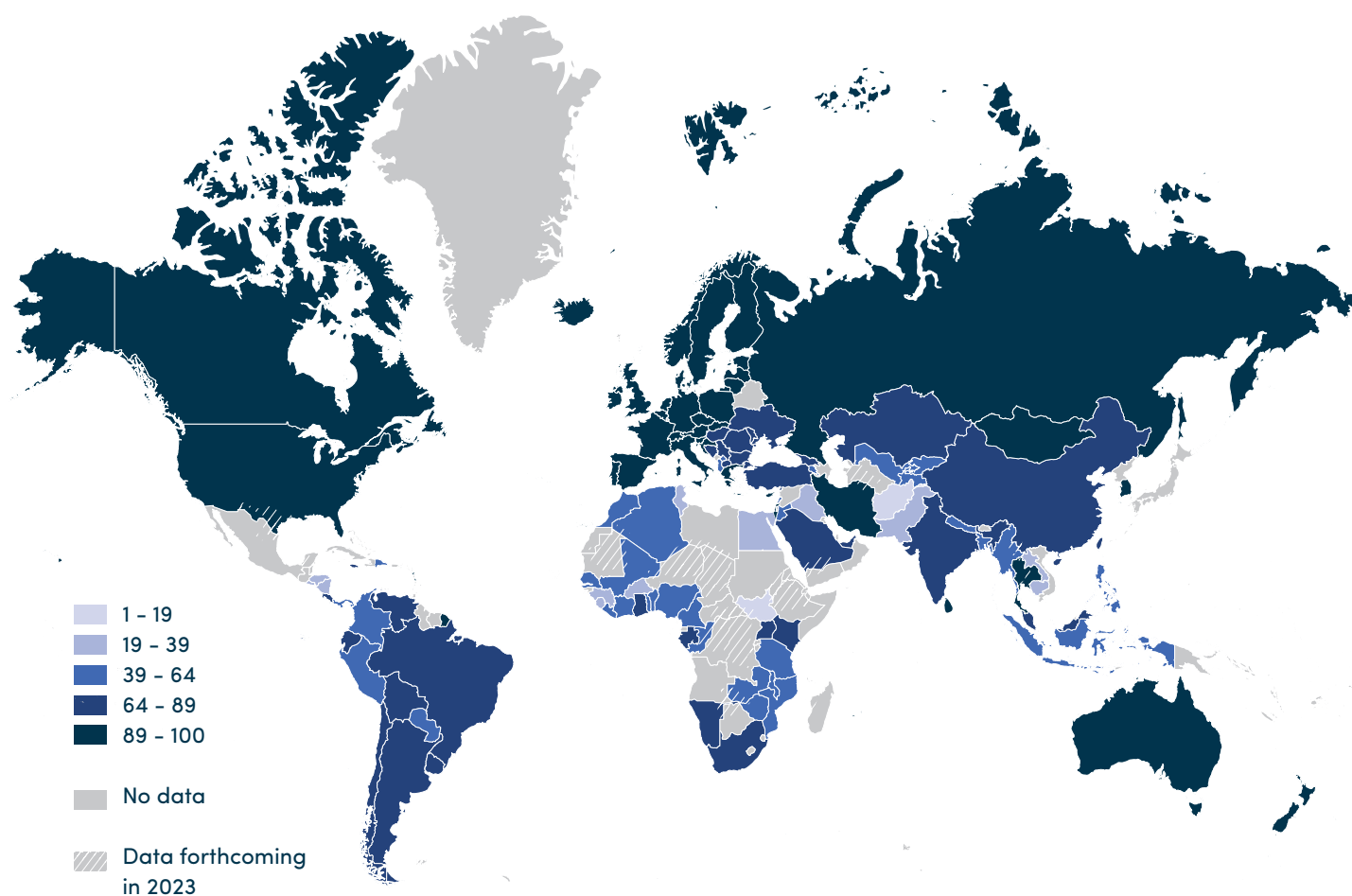


Figure 1. Source: Global Findex Database 2021

Financial Inclusion of Migrants

There are an estimated [281 million international migrants](#) and more than [59 million internally displaced persons](#) - a number that continues to rise in the face of political and economic turmoil, violence, and climate disasters around the globe. In 2018, the international community recognized the importance of this challenge by adopting The Global Compact for Safe, Orderly and Regular Migration at the United Nations General Assembly.

Three of the objectives of the compact relate to migrants' financial inclusion and resilience. The report speaks to the potential for fintech innovation to help migrants access better services.

Objective 19: Create conditions for migrants and diasporas to fully contribute to sustainable development in all countries. 2021 saw an estimated [\\$773 billion](#) sent in international remittances and \$605 billion of that went to low and middle-income countries. Remittance flows exceedingly outweighed official development assistance (ODA) flows in 2020. International migrants have tremendous potential to drive sustainable development in their home countries through targeted remittance flows. [Research shows](#) that the economic empowerment of women has significant positive influence on growth in education, health, income and political engagement.

Fintechs have an opportunity to harness migrant and diaspora remittance flows into the hands of local women, and thus furthering sustainable development in local communities.

Objective 20: Promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants. One of the United Nations Sustainable Development Goals' targets is to reduce global remittances costs to less than 3%. As of March 2021, global remittances [averaged 6.38%](#). This leaves considerable opportunity for fintechs to continue innovating new, lower cost ways to send and receive money.

Objective 22: Establish mechanisms for the portability of social security entitlements and earned benefits. International migrants rarely receive earned benefits in their home country such as pensions or health care because of a lack of framework allowing for such collaboration between origin and host countries. According to estimates, the migrant markets for insurance and pension have a potential of \$7 billion to \$67 billion per year in premium income and \$3 to \$5 trillion over 20 years in asset creation.

In 2019, more than [400 Bilateral Labor Agreements](#) were signed to regulate the flow of migrants between countries. These agreements allow room for tech-solutions to find legal and compliant ways to facilitate the portability of social security entitlements and earned benefits.

Key Roadblocks to Financial Inclusion for Migrants

Our conversations with NGO leaders, migrants, activists, experts at bilateral institutions and beyond revealed the following roadblocks that fintech solutions need to address:

Lack of access

Owning a smartphone or using mobile broadband services is not a reality for all. [3.2 billion people](#) still do not have access to mobile internet, 41% of the global population. Reasons range from affordability, to skills, to safety and security concerns, which are especially salient for migrant populations. While our interviews with experts in the field indicate that migrant workers usually own a mobile phone, less than [two-thirds of refugee households do](#). Rural refugee populations are even less likely (57% compared to 84% in urban settings). A lack of digital access hinders migrants' access to fintech-based solutions. Women are [less likely](#) to have a bank account, own a mobile phone or be digitally literate than their male counterparts. These compounding factors leave women, in particular vulnerable women such as migrants, without the resources to join the formal financial system, save money and grow wealth.

3.2
billion
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41% of the global
population

“ The simple act of offering credit does not bring transformative change to the lives and businesses of women per se. An individual and product-based solution to financial exclusion disregards that the markets in which new financial offerings are introduced are shaped by deeply rooted and existing systemic gender inequalities. How women and men can access and benefit from financing is thus shaped by existing gender and other inequalities.”

Saskia Vossenbergh, Anne Rappoldt and Jesse D'Anjou in [Beyond Access: Exploring gender transformative approaches to financial inclusion](#)

Language and literacy barriers

Low levels of financial and digital literacy among migrants is a significant challenge to their financial inclusion, especially when it comes to more sophisticated financial products such as lending or insurance, or fintech-based solutions. According to a [study conducted by UNHCR](#), low levels of literacy is the second largest barrier to internet use by refugees.

Lack of trust

Migrants tend to have low trust in financial service providers as they can often be the [target of scams](#) or predatory behaviors. Therefore, they often prefer using informal channels such as community savings groups to access financial services.

Migrants may display further distrust to new banking approaches that use technologies that they are unfamiliar with such as crypto currencies and facial recognition software (particularly conflict displaced migrants who may be wary of their identity being tracked) or other digital IDs.

Identity requirements and documentation

Concerns regarding financial crimes such as money laundering or the financing of terrorist groups result in governments often requiring strict Know-Your-Customer processes. Requirements can range from sharing a permanent address to needing various pieces of legal documentation that many migrants cannot provide at different points of their migration journey.

Constraining external environment

In some countries, the lack of legislation creates gray areas of legality for financial technology innovation. A lack of cross-border jurisdiction also inhibits the portability of financial products such as credit scores, as well the portability of social services such as pension plans. Employment opportunities are greatly affected by local legislation, which can sometimes be unclear and difficult to navigate. Some governments are already taking steps to reduce the legislative burden on financial services for migrants, and fintechs have the opportunity to capitalize on these opportunities to create products and services that work across borders.

Roadblocks to Insurance and Pension for Migrants

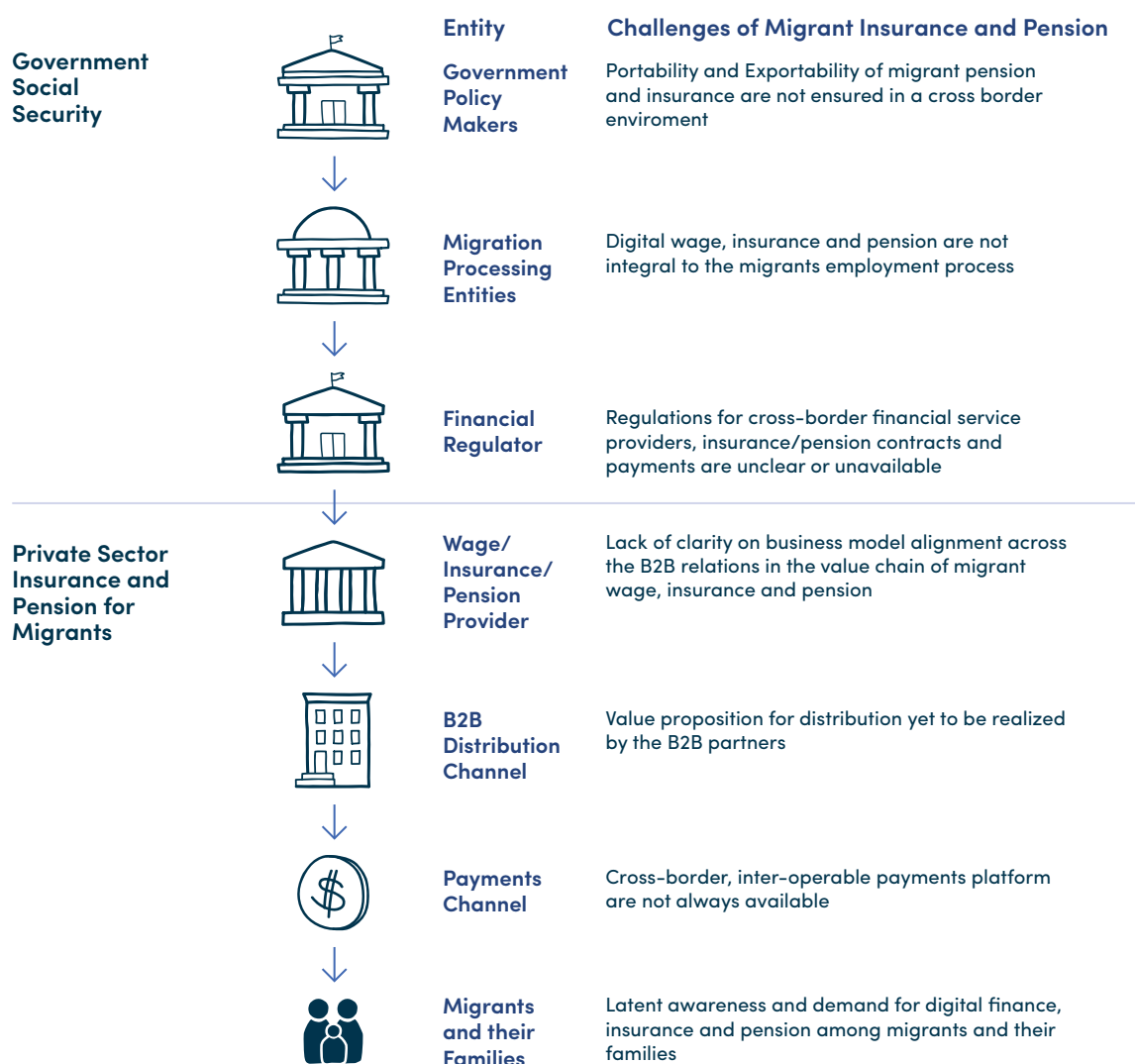


Figure 2. Source: UNCDF

Country of Destination

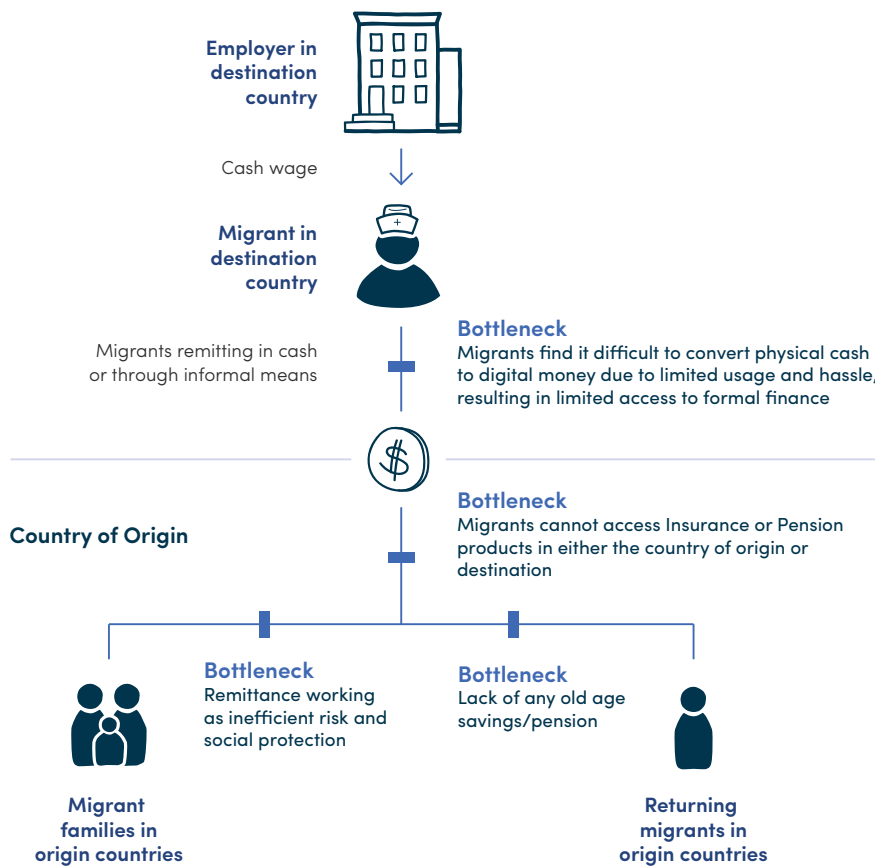


Figure 3. Source: UNCDF

People with disabilities experience barriers to financial inclusion more acutely. Physical banking facilities as well as most digital platforms can be inaccessible to people with disabilities. They are more at risk of scams and KYC requirements can be discriminating against some disabilities (such as signing official documents). There is no comprehensive research yet on the financial inclusion of migrants with disabilities, but it is likely that their experience of the financial sector is strongly impacted by the intersection of their disability and migrant status.

Financial Inclusion of Migrants: A Gender Lens

In this report we take a gender lens focus when considering the problem and fintech solutions.

The financial health of women migrants is critical. According to data, 48% of migrants are women and 80% of internally displaced people are women and children. Women tend to control a bigger percentage of daily household expenses, making a great number of small transactions regularly. And as research shows, “when women control the inflow of remittances, the money is more likely to be spent on items such as food, education, health and nutrition services.” (UN Women)

Yet women face compounding challenges around financial health:



Women have less access to bank accounts. The majority of unbanked adults worldwide are still women, even in economies with a shrinking account ownership gap. In developing countries, 68% of adult women owned an account compared to 74% of adult men in 2021, representing a reduction in the gender gap in account ownership, from 9% to 6% between 2011 and 2021. However, this change was not consistent across the world: some countries saw decreases in the gender gap while others saw increases. Women earning revenue often do not have access to a professional bank account to keep their personal income - meaning they must put their earnings in a primary family bank account - effectively losing control over their money.



Women face tougher visa restrictions. Prior to their departure, women migrants must overcome visa restrictions that can limit their migration, especially in receiving states in the Global North, which often use a points-based system to issue work visas, with criteria such as education level, language skills, economic resources, or years of work experience.

These criteria for work visas can disadvantage women, especially [from Global South](#) countries where there have been slower improvements in gender equality and where women oftentimes do not have the same opportunities as men.



Women still tend to have lower salaries than men because they occupy less “skilled” jobs. Reasons range from unequal access to education, to gender norms clashing with a professional life, to gendered labor markets – and these are compounded by the country of origin. This puts women in more dire financial situations once in the receiving country, as they will continue receiving lower salaries than men while having to repay a bigger loan back home. The gender pay gap also shows that for equally “skilled” jobs, women often tend to earn less.



Women face restrictive legislation. Laws in [some countries](#) restrict women’s ability to inherit money or property, travel or be deemed a legal head of household. 40% of countries have at least one legal restraint on women’s ability to own property. Discrimination in this form has deep implications on the potential for livelihoods for women in many regions of the world.



Lack of credible data. Data on the financial lives and behaviors of migrant women is not widespread, and its collection is subject to a lot of variability such as the migrant’s legal status, localisation, financial situation, among other criteria. Many financial service providers overlook the value in having a gender-lens understanding of their customers. This makes it harder for financial service providers to understand their needs and cater products to migrant women. Additionally, sex-segregated data collection remains poor, stifling the ability of policy makers to implement careful and thoughtful policy change.



More. Qualitative research conducted with women migrants sheds light on the additional hurdles women must overcome to be financially included:

Identity documentation: Women tend to [have less access](#) to identity cards, which hinders their access to bank accounts.

Informality: Women tend to use more informal systems, such as community savings groups, partly because of all the barriers faced in the formal financial system.

Vulnerability to fraud: With digital access and by giving up personal data, women become more vulnerable to fraud and other digital security issues.

In terms of financial products, women in developing countries with an account are:

5 percent less likely than men with an account to make or receive digital payments (67% and 72% respectively). Gender gaps vary across economies.

7 percent less likely than men with an account to have saved any money in the past year (40% and 47% respectively). This gap has barely changed since 2014.

Section 1:

The Intersection of Migration and Financial Inclusion

Entrepreneurs are answering the call to solve some of the world's toughest problems and providing innovative solutions in the financial inclusion space that are helping to close the gap of access to financial services for some of the world's most vulnerable populations.

Below, we outline the spectrum of solutions and products that have the potential to catalyze the financial inclusion of migrants. This framework was created through [analysis of existing literature](#) as well as primary research done by Village Capital for this report.

Spectrum of Solutions and Products to Catalyze the Financial Inclusion of Migrants:

Phase 1: Pre-Departure & Arrival

Upon arrival to the new country, migrants search for solutions that fulfill their urgent needs; in other words, short-term solutions needed for survival. These include, access to food vouchers, cash assistance, social housing, and assistance closed-loop cards. Beyond survival, migrants would need services that enhance their financial literacy, and increase their awareness about the financial standards, regulations, and services available in the new countries.

Indicative Needs for Financial Services:

Survival cash, debt repayment, digital identity, e-know your customer (e-KYC) and assistance closed-loop prepaid cards, or single-purpose cards



Phase 2: Initial Settlement

After surviving the arrival stage, migrants often shift their focus from urgent needs to short-term services that build their financial profile, including digital identity, e-KYC, opening bank accounts (mainly for those who arrived with their savings/cash), and alternative credit scoring solutions. Additionally, migrants would need solutions that help them navigate uncertain events, including health insurance, contributory benefits (i.e., social insurance), and access to microcredit for consumption.

Indicative Needs for Financial Services:



Savings products, remittances, microcredit for consumption, health insurance, financial literacy, debit/prepaid cards, alternative credit scoring solutions.



Phase 3: Stable/Protracted Settlement

In this phase, migrants have spent more time in the country, where their focus now is on the medium-term needs. Migrants at this point are looking for financial stability services as saving products and retail investment options. Furthermore, individuals would need digital solutions to perform their financial transactions both internally and externally; this includes smart wallets, transactional accounts for cross-border payments and remittances, debit/credit/prepaid cards, and mobile money. Business owners would need a set of financial products to effectively run their enterprises, including 'point-of-sale terminals, invoices management software, inventory management systems, and other digital solutions. Moreover, access to credit and business financing options are crucial to encourage and drive investments.

Indicative Needs for Financial Services:



Savings products, mortgage, current bank accounts, smart wallets (mobile money).



Phase 4: Permanence and/or Re-Integration

In this final stage, migrants focus on their long-term needs, where services like pension plans, savings and wealth management are prioritized. Additionally, migrants would want to access long-term loans as mortgage and education loans.

Indicative Needs for Financial Services:



Digital livelihoods, savings/investing products, microcredit for business and consumption, pension plans, insurance, financial products for businesses (POS terminals, invoices management software, inventory management systems, etc.)

*Some of these solutions may remain crucial at various phases of migration.



VilCap Communities Africa 2018 Program. Photo credit to Natalia Jidovanu



VilCap Communities Africa 2018 Program. Photo credit to Natalia Jidovanu

Sectors Primed for Tech-Driven Innovation

This report has described opportunities for tech-enabled solutions that help migrants access formal financial services. In this section we outline the market opportunities and business potential of working with the user group of migrants, based on observed gaps uncovered in our conversations with stakeholders.

A. Digital Identification and Authentication

Most needed in Phase 1: Pre-Departure and Arrival

Many migrants are living without the basic identification needed for access to fundamental services. Digital identity solutions are particularly relevant to migrants, who often lack the requisite functional identification to access financial services. Migrants stand to benefit from alternate technologies so that they carry their own financial history across borders, and hold and present their information at their choosing. Overall, digital identity tools have the potential to unlock new, underbanked customer bases and help economies thrive.



[Uqudo](#) is a UAE company adopting advanced digital identity technology including biometrics, certified 3D liveness detection, near-field communication (NFC) based government-issued ID reading, cognitive document analysis and AI document scanning to enable the creation of digital identities. This enables users to experience a fast, secure and frictionless onboarding process while ensuring compliance with KYC (know your customer), AML (anti-money laundering) and CDD (customer due diligence) regulations. Uqudo can now verify identity documents in 15 different countries, has sold 10 million licenses, can process 98% of legal documents and 77% of passports in the countries in which they operate. The product is actively reducing barriers to allow ease of access to finance, services and data, increasing financial inclusion for beneficiaries.

B. Remittances

Most needed in Phase 2: Initial Settlement

Remittances are a huge opportunity for for-profit companies to drive change, yet investment in these solutions is lagging behind, with many well-intentioned solutions failing after only a couple of years. According to the World Bank and the IMF, inward remittances as a share of GDP exceeded 30% in some African and MENA countries. For example, the GDP shares in Lebanon, Tonga and Tajikistan were 54%, 44%, and 34% respectively. Yet, in many places remittance fees remain high and the facilitation of remittances cumbersome. There is room for innovation to meet the needs of migrants, lower the cost, create solutions that do not require bank accounts and drive positive change for migrants and their families who rely on remittances to meet their daily needs. Women disproportionately rely on remittances, making innovation in this field a huge driver of financial inclusion for women and women-led households. Linking remittances with other financial products and services such as financing and insurance is a large market where fintechs have the opportunity drive financial inclusion.



Based in the UAE, [HubPay](#) is a digital wallet aiming to foster financial inclusion in emerging markets. The product allows users in the UAE to quickly and easily send payments domestically and abroad, pay international bills and recharge mobile airtime overseas. HubPay operates with a remarkable zero-cost remittance service. Looking forward, HubPay aims to offer financial products to remittance receivers that directly address customer needs including both financing and insurance solutions. HubPay raised a \$20 million USD series A round in 2022, and aims to expand its market and product presence as it grows.

C. Microfinance and Loans

Most needed in Phase 2: Initial Settlement

As an economically vulnerable group, access to credit is important for migrants to be able to meet their daily needs, pay for large expenses such as education and start businesses. Many humanitarian-development organizations around the world are working on self-employment programs to help refugees access sustainable income-generating opportunities. Beneficiaries typically get micro-loans to establish their own businesses. According to [Triodos Investment Management](#), an increasing number of microfinance institutions are interested in working with refugees, especially as their loan repayment percentage is almost 100%. Ventures in this space have the opportunity to access a reliable group of credit-seekers and facilitate the growth of migrant-led and women-led businesses through micro-credit and financial literacy.

VisionFund

In Uganda, [VisionFund](#), a mission-driven microfinance network, has extended its micro-credit line to include refugees. The network has processed loans to over 1,750 users, and nearly [76% of them](#) were women. The repayment rate of the loans is significantly high, ranging from 96% to 100%. The fund also provides recovery loans to support the most vulnerable groups to increase their resilience and ability to recover from economic shocks. It's also worth noting that 78% of the recovery loans were provided to women.

D. Small and Medium Enterprises

Most needed in Phase 3: Stable/Protracted Settlement

Migrants do not only bring value on the demand side (as consumers), but also on the supply side as investors and business owners. According to the International Organization for Migration (IOM), Egypt hosts around [9 million](#) international migrants from 133 countries, and Syrian refugees and migrants represent around 16% of Egypt's migrants (1.5 million). The research estimates that nearly 1 billion USD worth of investment was injected into the Egyptian economy through more than 30,000 Syrian investors (both migrants and refugees). These investments boost the economy, create more jobs, and create a positive impact on the host community.

At some point, many of the businesses established through these investments will need to have access to digital financial services. There is an opportunity in the market to create solutions such as Point of Sale (POS) terminals, payments processing, digital inventory management, and other that will greatly support these businesses to grow and scale. It is important for these solutions to comply with local legislation, have options for the unbanked and under-banked, and be designed with the migrants in mind.



[EKO India](#) offers a solution that enables businesses to provide banking services for unbanked individuals. Its products include money transfers, [Aadhaar banking](#), and withdrawal solutions, doorstep cash delivery, bill payments and international money transfers. EKO has provided services for 35 million customers through the 250K businesses using the solution. The company processed \$3.4 billion in transactions in 2020 alone and aims to service 10 million entrepreneurs by 2026.

E. Insurance and Pension

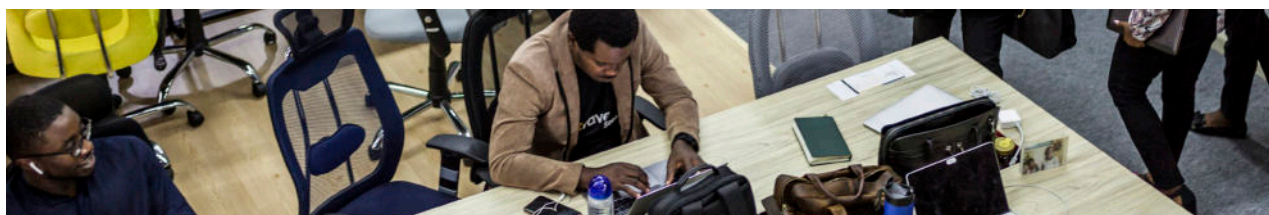
Most needed in Phase 4: Permanence and/or Re-Integration

When moving countries, migrants are often shut out from social protections such as insurance and pension schemes in both their host and home countries. Bilateral Labor Migration Agreements (BLA) is a framework used between a country of origin and the host country to guide and improve the governance of labor migration, enabling migrant workers to access social protection services as they would in their countries of origin. In 2019, more than [400 BLAs](#) were signed to regulate the flow of migrants between countries. These agreements open the door to safer and regulatory compliant work conditions for migrant workers, allowing an estimate of [\\$6-7 billion](#) per year in premium income potential (migrant insurance) and [\\$3-5 trillion](#) potential asset creation in 20 years (migrant pension). There is an opportunity for ventures to create tech-enabled solutions that facilitate access to the social protections made available through these agreements.



The [Chalo Network](#) provides suitable financial, welfare, documentation & identity, and healthcare services to low-income migrant households in India through a strategic last mile agent network.

Their vision is to build a platform for enabling a last mile services distribution network in all the major migration corridors within India. The company partners with employers, unions, intermediaries, NGOs, and civil society organizations to provide services. To date, Chalo has served 17,000 beneficiaries in India.



Village Capital aims to support innovation in the aforementioned sectors, as well as

- Digital and financial literacy
- Employment tech
- Market access solutions for producers and merchants
- Social and collaborative lending
- Alternative credit scoring mechanisms
- Open Application Programming Interfaces (API)

Learn more about our upcoming accelerator programs at the end of this report.

Photo: VilCap Communities Africa 2018 Program. Photo credit to Natalia Jidovanu

Section 2:

Barriers for Entrepreneurs and Investors

Barriers for Entrepreneurs

In crafting this report, we talked to entrepreneurs building and supporting products for migrants. Based on these conversations, we've identified the top barriers entrepreneurs face when building tech for migrant populations.

A. Defining the target market

Fintech solutions for migrants can be and often are products that work for a larger consumer base. Products targeting multiple customer segments are more appealing to investors and also increases the success potential of the business. Solutions that address only one target group might face challenges in terms of scaling up their solution, which in turn would be a barrier for growth. For these solutions to work, fintech companies need to better understand the pain points in accessing the financial system throughout the migration journey. Migrants face specific problems and need targeted, specific solutions to alleviate them. Changes in marketing, product design, and customer service are just a few of the ways to turn more general financial solutions into targeted migrant solutions. Entrepreneurs should understand and consider the large remittance corridors across the world, such as the large corridor between migrants living in the UAE sending remittances to countries such as India, Bangladesh and Nepal.

B. Creating a scalable business model

Building a scalable business model can be challenging for impact focused companies serving the migrant market. While some refugee tech startups are B2C (business-to-customer) and serve refugees directly, many more are B2B (business-to-business) or B2G (business-to-government), and their success relies on key partnerships with governments, NGOs, or third sector organizations.

As one entrepreneur we interviewed explained, B2C business models face challenges in uptake and sales as "it's a push market not a pull market", meaning outward marketing is necessary for customer acquisition. Migrants can be an especially difficult customer base to acquire with outward marketing as they are a hard to reach group who respond more favorably to word-of-mouth information sharing than traditional marketing tactics. B2B companies focused on NGOs or similar organizations as customers "are dependent on their customers grant funding - which tends to be short term and erratic."

C. Build a flexible and sustainable business model to make your product attractive to funders

Entrepreneurs must consider the long term vision for their products from the outset. Will it evolve to the changing needs of those displaced from a specific location or migratory event, or will it be replicable as a tool for new crises in other contexts and regions?

Having a long term plan will change products in the eyes of investors who are looking to fund sustainable tech for good products, rather than short term efforts that might seem more relevant for the philanthropic sector.

Another interviewee remarked, “Venture capitalists sometimes find it difficult to understand where a company falls. Are they helping communities or are they a viable company? Investors are looking for long-term solutions and are selective in the companies they fund. They worry that if a product targets a single group of migrants who are likely to return home in the short-term, what happens to the customer base?” It cannot be understated the importance of articulating a sustainable business plan when seeking investment.

D. Building the business case for investors

Although investors have different investment theses and priorities, almost all investors prioritize a strong business plan as one of the main criteria they look for in a startup. Even highly impact-driven startups should build and communicate a solid business case for their startup when talking to investors to get their support. A balanced combination of presenting both the business potential (including: product, market, financials, etc.) and the impact potential (including: social outcomes, impact on beneficiaries, etc.) is highly recommended for founders.

Migrant founders face compounded issues with investors. As one Syrian founder in Europe explained during an interview, “It’s been so hard for me to gain the trust of European investors as a Syrian. When looking for early stage capital I have often been directly told to go to friends and family for smaller amounts first, but I just don’t have that network”.

“ Impact first companies struggle to get investment. You have to be a fintech company first and satisfy investors’ criteria around the viable consumer base, ability to scale, and then your ability to enact impact if you want to raise capital from traditional investors.”

Ozan Sonmez,
Co-Founder, [SAGE HQ](#)

E. Establishing partnerships with the right organizations

Ventures with migrant populations as a primary consumer base often seek out partnerships with large development and humanitarian actors. However, these organizations are large institutions. While fintechs are certainly expected to operate under similar principles, it is unlikely that humanitarian organization would be willing to use migrants as pilots for early-stage ideas that are yet to be validated. It is more productive to seek a wide range of partners beyond traditional development actors.

An entrepreneur interviewed noted, “since we started eight years ago, we have worked hard to try and establish partnerships with third sector organizations but we have found navigating these large bureaucracies to be a nightmare. Even the director of one of the world’s largest foundations told us to steer clear of the sector as it was just not ready to accommodate startups”.

F. Knowing the national regulations and legislation

Regulations for financial technology and digital solutions vary significantly across countries. Some countries require companies to get licenses and go through a heavy compliance process. As a result, offering financial services to groups like refugees, migrants, and asylum seekers becomes complicated due to difficulties accessing official identity documents. Kenya, for example, doesn’t allow refugees to access mobile money in a fully compliant way. Other countries have weak or under-developed regulatory frameworks regarding fintech that create gray areas for entrepreneurs to navigate.

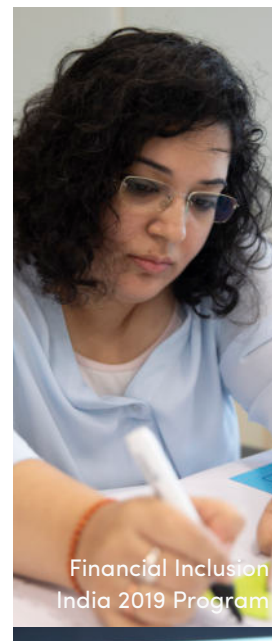
Failing to comply with regulatory frameworks – especially ones concerning migrants and refugees – will put ventures at great risk with both regulatory authorities and users. It is strongly recommended that fintechs (especially ones working with migrants) conduct comprehensive research on the regulations and legislation in the countries in which they are planning to operate.

“ You have to focus on the geography you’re targeting, and be specific about the problem you’re solving in that country. Don’t use umbrella data, it doesn’t work. For example, in Turkey most refugees have a bank account but in Jordan they do not. Generalizations don’t work, you have to understand the context in which you’re operating and opportunities to scale.”

Ozan Sonmez, Co-Founder, [SAGE HQ](#)

G. Offering services that meet users where they are

It is important for fintechs to put some effort into financial literacy education to support their users. However, it might be smarter in some cases, to meet users where they are and design products that fit their capabilities and current status. For instance, many major financial institutions have failed to target and acquire user groups of migrant populations due to rigid onboarding, registration and compliance processes that do not fit user groups who lack identity cards, legal documents or financial history.



Alternative credit scoring mechanisms are great examples of innovations that meet users where they are. Through open and unified APIs, fintechs can track and gather users' financial activities collected from different sources, and use this data to build financial profiles for unbanked users. This fosters and promotes financial inclusion without forcing users to go through complex procedures they might not be ready to follow.

H. Building trust among their target client group

Companies targeting migrants as one of their user groups should pay close attention to building trust, especially when it comes to data protection, privacy and security. Migrants are often hesitant to share their personal data, as they worry about its potential misuse. Additionally, some do not want their financial activities to be tracked, thinking that this might result in loss of assistance or services they receive from NGOs and other providers. Clear communication on how users' data will be used and shared is imperative.

“ People will tell you that you need financial education. That's fine, but no matter how much you train migrants, if they don't trust what you're selling, it won't matter and they won't use your solution. You need to have products that people want and you need to build some trust.”

Michael McCorde, Managing Director at [MicroInsurance Center at Milliman](#)



MetLife Finance Forward 2019 Program

Barriers for Investors

Investors look at hundreds, if not thousands, of growing companies each year. Based on our interviews with investors, these are some of the top barriers hindering the flow of capital to early-stage fintech products targeting migrants.

Some investors assume that working with user groups of migrants or refugees involves a higher risk compared to other relatively financially-stable groups.

Investors we spoke to identify strict regulatory landscapes leading to limited scope within markets as a major barrier to investment. They reasoned that when governments enact unfriendly policies towards migrants, tech-based solutions become less viable. Employment-tech platforms are difficult to grow if migrants are not allowed to legally work. Common practices in the informal market such as peer-to-peer lending are difficult to digitize into tech products if peer-to-peer lending is heavily regulated, as it is in many countries. Such policies present risk to investors that keep them from investing in migrant-focused products.

To make the sector attractive for venture funding, it is critical that entrepreneurs understand and articulate the regulatory landscapes they operate in. Entrepreneurs also need to demystify the available market by mapping out realistic numbers and statistics on their market and targeted audience. They need to prove there are customers willing to pay for their product. Additionally, entrepreneurs should address the value created by their product in helping to support these communities and individuals.

“ For many philanthropic institutions dedicated to or engaged in supporting refugees, their investment decisions are separated from their programmatic decisions. While a philanthropic institution might be working a lot with refugees and supporting them, they might not necessarily allocate investment capital towards backing refugee-focused solutions. If you made a list of organizations working on refugee issues, it’s a longer list than how many of them would consider committing capital to a pooled investment vehicle as an LP.”

Apoorv Karmakar,
Venture Investor

“ We’ve found that people can’t reconcile the idea that refugee-owned businesses and businesses supporting refugees can be sustainable and profitable. It’s hard for investors especially to recognize that viable businesses can exist within the humanitarian crisis response space -- that these companies are not only possible and viable, they are desperately needed.”

Natasha Freidus, Co-founder, [NeedsList](#)

Investors might conflate impact-focused startups with philanthropic organizations.

Entrepreneurs need to show that beyond their goal of creating impact, a primary goal for this company is running a profitable business. They need to present solid financial projections and their plan to return investors' money and maximize their value.

Investors might think that the migrant population represents a small market size or share, and solutions targeting them won't be scalable in the future.

A common misperception amongst investors is that migrants represent a small market share. In reality, there are [281 million international](#) migrants and more than 59 million internally displaced persons as of 2022, presenting a huge market opportunity. This number is expected to grow, meaning this large market share is not expected to slow anytime soon. Investors are also concerned about the opportunity to scale. Regulations and context vary greatly between countries, and investors worry these challenges may hurt the top-line figures of a business that might have already low margins.

To combat such concerns, it's recommended that entrepreneurs build products and services that work for multiple customer segments, and even if their main targeted group are migrants or refugees, the solutions, ideally, should still work for other groups. Entrepreneurs and investors should also consider the opportunities for products that are designed specifically for populations less likely to be financially literate, own a smartphone or trust traditional banking services.

“ Many traditional investors don't understand that user-experience design and software architecture are critical to make things accessible. If you don't have a smartphone or you're not financially literate, there's no way you can use most products on the market. Many investors don't realize how important and how large a market it is.”

Robert Greenfield, President & CEO, [Umoja Labs](#)

We've outlined the barriers investors face when considering investing in migrant-focused fintechs, but the opportunities are far greater.

There is great financial opportunity in tapping into an underserved market segment, as proven by companies such as [Julo](#), now valued at [\\$200 million](#) USD. Enabling access to financial services for migrant populations has direct social benefits for migrants as well as the host communities. Several research efforts have suggested that refugee and migrant populations are [more entrepreneurial](#) than general populations in any given country. Often suffering from a lack of resources, migrants must be resourceful and self-employment tends to be one of the few options available to them, spurring them to create entrepreneurial ventures. Investing in the financial well-being and economic inclusion of such populations can unlock long term job creation avenues and ensure their better integration within the host communities.

Key Learnings From Our Interviews

Many of the challenges hindering the financial inclusion of migrants can be resolved by reviewing and carefully internalizing lessons learned over the years.

We talked to stakeholders on the ground with deep expertise and knowledge of financial inclusion challenges for migrants. Here are the biggest takeaways:



Local solutions are best positioned to solve local challenges. Regulation, culture and context are complex issues, and copy-and-paste product design does not work in most markets. Ventures need to possess a deep understanding of the context they are working in, to be able to access the most vulnerable populations and find solutions that actually address their needs.

“ Our needs don’t differ because we’re women, it’s the context in which we operate that differs. Harassment, the time of day in which you can go to a financial institution, and education all matter.”

Mia Thom, Technical Director at The Centre for Financial Regulation and Inclusion (CENFRI)



Development and humanitarian actors are not best positioned to solve financial inclusion problems –entrepreneurs are. These organizations are large institutions operating in fragile contexts with limited resources and under strict principles of do-no-harm. Development and humanitarian actors are often responding to the immediate, physical needs of migrants or other vulnerable groups. They are not best positioned to innovate, experiment and take financial risks in the same way that venture-backed startups are.



The informal economy still reigns supreme in many places, especially for women. There is an opportunity to catalyze the informal economy in creative ways to access women migrants. Informal financial services such as savings circles, commonly practiced in many regions, are predominantly encompassed by women. Women are less likely to have financial authority or independence within a household, yet they make most purchase decisions, especially in regards to daily household needs. There is much room to innovate to meet women where they are by digitizing and formalizing practices found in the informal economy.

Impact-Linked Finance:

An Innovative Approach To Support Impact-Driven Ventures

Co-written with the Impact-Linked Finance Fund

We have established through the report that market-based solutions are paving the way to increase access and usage of financial products by marginalized and underserved segments, such as women affected by migration. However, as ventures grow, they tend to address market segments with the highest profit margins, the “low hanging fruit” customers. This tendency ultimately derives ventures from their original social objectives.

Innovative solutions to drive capital towards high-potential enterprises to foster and strengthen their impact and their financial viability exist. Among these solutions is Impact-Linked Finance.

Impact-Linked Finance refers to financial solutions for high-impact organizations which directly link financial rewards to the achievement of positive social outcomes. It is an effective way of aligning positive impact with economic viability. Impact-Linked Finance lies at the intersection between blended finance, impact investing, and result-based finance. By providing “better terms for better impact”, Impact-Linked Finance aims to enable and incentivize enterprises to accelerate and deepen their positive impact, while continuing to grow their business.

To deliver on its promise, Impact-Linked Finance follows specific design principles, including that the financial rewards should be directed to the primary value creator, tied to the achievement of outcomes as opposed to outputs. The financial rewards should drive the organization to deliver additional outcomes that would not have happened without these incentives.

The growing portfolio of impact-linked financial instruments include Social Impact Incentives (SIINC), Impact-Linked Loans, Impact-Linked Revenue Share Agreements and Impact-Linked Convertible Notes.

Social Impact Incentives (SIINC) reward impact enterprises with time-limited payments for achieving additional positive impact. Such financial rewards are non-repayable and can be utilized as the enterprise deems fit. In order to receive SIINC, enterprises need to successfully raise repayable investment in parallel. As such, SIINC effectively leverages public or philanthropic funds to catalyze private investment to underserved markets with high potential for positive impact. As an example, Root Capital is an agricultural lender operating in Latin America for small agricultural cooperatives. Due to the high cost related to lending to smaller and first-time clients, Root Capital struggles to disburse credit to organizations that need it the most. SIINC rewards Root Capital for disbursing “high additionality loans”, meaning loans that the lender would not consider profitable enough without the incentive payments. A bonus is granted for gender inclusive businesses.

An Impact-Linked Loan is similar to a traditional loan, with the main exception that the interest rate (potentially even repayment obligations of the principal amount) is tied to the borrowers' achievement of pre-defined impact. In other words, the enterprise receives "better terms for better impact". As an example, Graviti is a Mexican fintech company that provides pay-as-you-go loans to unbanked customers so they can afford sustainable products like solar water heaters. Within the scope of a COVID-19 emergency program the company received a three-year Impact Linked Loan. Upon achieving all predefined outcomes, Graviti receives a loan forgiveness of up to 30% of the principal. The loan incentivizes the continued and increased focus on serving the more difficult-to-serve Bottom of the Pyramid population with a tried-and-tested product line. Moreover, given that increasing the proportion of such customers is only a benefit if the customers receive the same quality of service as others, a second metric incentivizes Graviti to keep customer satisfaction high throughout all target groups.

Implementation in the Refugee and Migrant Space

Based on current trends, global forced migration will [exceed 300 million](#) people by 2030. Since 1990, the duration of forced migrant displacements has increased from 10 years to 25 years. 60 percent of these refugees live in urban settings as opposed to camps. According to the International Monetary Fund, "investing one Euro in welcoming refugees can yield nearly two Euros in economic benefits within five years, as long as refugees are permitted to work."

This leads us to a framework for investment in refugees and migrants that goes beyond short-term support and actively drives resettlement and integration into host communities at scale. Within this framework, clear qualifying criteria for investment includes, but is not limited to the following:

- Active participation of refugees and migrants in the venture itself; and
- Improvement in infrastructure and services for host communities.

Barriers to private investment into refugee-focused solutions are:

- Perception of limited pipeline - this is often because of a lack of information about the market opportunity and limited visibility into precedent for scalable, investable solutions in this space. This is exacerbated when entrepreneurs are unable to articulate their value proposition specifically in terms of refugee/migrant use cases.
- Entrepreneur capacity-building - there are a limited number of entrepreneur support programs focused on supporting the growth and capacity building of products designed specifically for migrants.
- Policy and regulatory environment - fintech regulations across the globe are complex, often outdated and difficult to navigate across borders. These complexities create a difficult environment for early-stage fintechs to launch products.
- Higher business costs - solutions in this space experience higher customer acquisition costs resulting in reduced financial feasibility.

Section 3:

Regional Spotlights



“ You can’t generalize migrants: you need to look at their country of origin as well as what kind of migrant they are. That will give you a much richer understanding of the barriers they face.”

Maria Vitores, Senior Advisor Financial Inclusion at KIT Royal Tropical Institute

Sub-Saharan Africa

VICap Communities Africa
2018 Program. Photo credit
to Natalia Jovanu

The State of Financial Inclusion

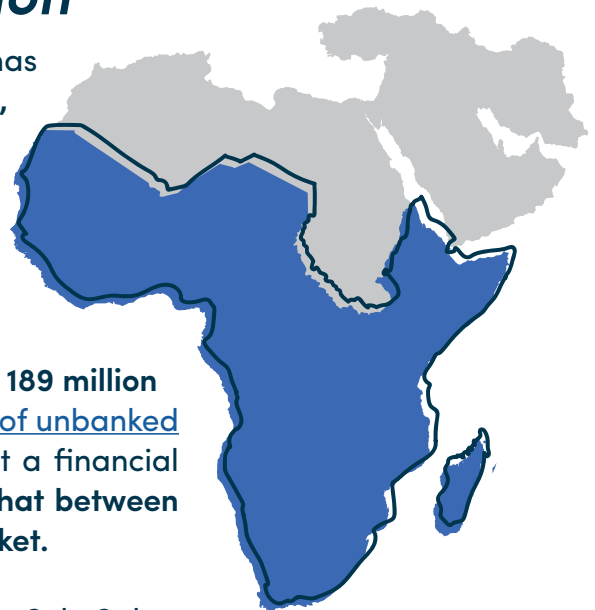
Over the past ten years, access to financial services has steadily increased in Sub-Saharan Africa. In 2021, **55% and 33% of the adult population had a financial services account and a mobile money account respectively**. In several of the region's economies, mobile money has even become a substitute for an account at a financial institution.

Despite these achievements, **there are still more than 189 million unbanked individuals in the region**. About **two-thirds of unbanked adults** cited needing assistance to use an account at a financial institution, if they were to have one. It is estimated that **between 80-90% of Africans are employed in the informal market**.

Moreover, the gender gap in account ownership in Sub-Saharan Africa is larger than other regions. **49% of women and 61% of men have accounts**. This 12% gap is twice the 6% global average for developing countries.

Fintech is dominating the investment landscape in Sub-Saharan Africa, **receiving over \$1 billion USD of investment in the first half of 2022 alone**. In 2020, fintechs were estimated to have **generated revenues between \$4 million and \$6 million USD**. Opportunities for revenue are predicted to **grow at around 10% annually**, the market being especially prime for growth with **90% of transactions** across the region are still in cash. Countries such as Nigeria, Kenya and South Africa are **leading the way** in fintech innovation, and other countries in the region are expected to follow. The African ecosystem is poised to support new fintech innovation as it emerges.

In 2007, **15% of adults** in Kenya had a bank account, but 54% had access to a mobile phone. The success of mobile money in Africa is more widespread than M-Pesa alone. **In 2021, 33% of adults** across Sub-Saharan Africa **have a mobile money account**, three times the global average of 10%. The use of mobile money helps to create access opportunities for women and vulnerable populations who may be excluded from the formal financial sector.

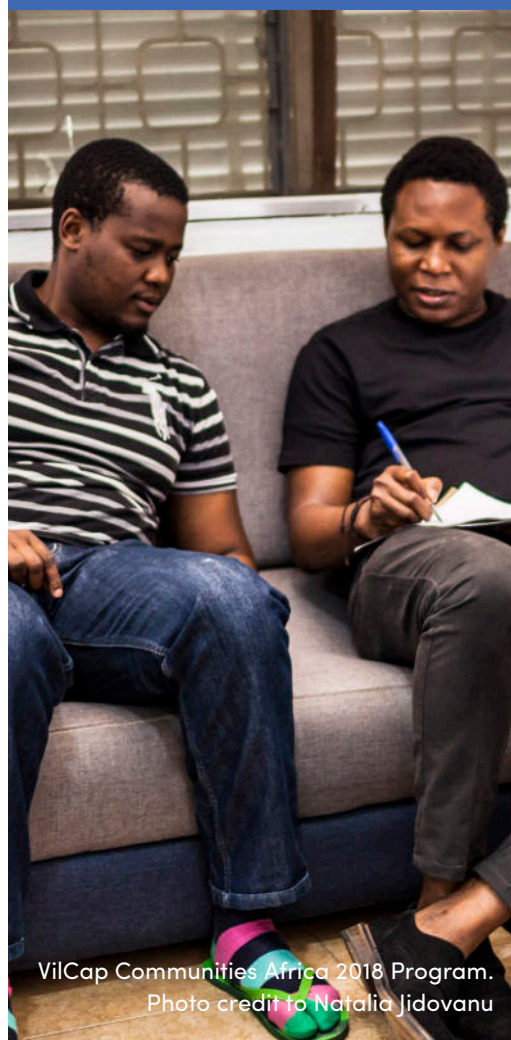


The State of Migration

The Sub-Saharan African region presents the following migration pattern particularities:

- **Intraregional migration remains the largest migration pattern:** Out of the 28 million international migrants from Sub-Saharan Africa documented in 2020, 63% (17.8 million) stay within the region. South Africa remains the top destination in Africa, followed by Côte d'Ivoire and Uganda. On the other side of migration flows, Sudan and South Sudan represent the largest emigrant sources in the region.
- **Rural-urban migration is growing across Sub-Saharan Africa:** Sub-Saharan Africa's urban population as a percentage share of the whole population is estimated to have increased from 15% in 1960 to 42% in 2021. Rural-urban migration, usually to escape conflict, insecurity and climate change, is a major driver of this shift.
- **Sub-Saharan Africa has the largest population of forced migrants in the world:** Sub-Saharan Africa has 27.7 million internally displaced people, the majority of whom are impacted by conflict (25.1 million). The Democratic Republic of Congo (DRC) and Ethiopia have the largest numbers. Moreover, Sub-Saharan Africa had nearly seven million refugees in 2021. With two million refugees, South Sudanese represent the largest population of refugees in the region, followed by the DRC and Somalia. Uganda hosts the most refugees; Sudan and Ethiopia are also prominent host countries.

M-Pesa is Africa's leading mobile money platform, Founded in 2007 by Vodafone and Kenya's leading telco Safaricom, the platform boasts over 51 million users across the continent. M-Pesa provides both banked and unbanked customers a safe, secure and affordable way to send and receive money, top-up airtime, make bill payments, take out short-term loans and more - and all customers need is a mobile phone.



VilCap Communities Africa 2018 Program.
Photo credit to Natalia Jidovanu

Startup Spotlight



Leaf Global Fintech provides digital financial services primarily to the stateless using blockchain technology. Leaf provides a wide range of virtual banking solutions to migrants and refugees, while also availing the services to other user groups in Africa.

To access legal registration and different financial services in the host countries, refugees are often asked to provide a vast amount of personal information. Although the requested information might include sensitive data, migrants are sometimes compelled to share it lest they might lose assistance or services. To overcome these concerns, Leaf builds trust with users by clarifying the purpose of any requested information during registration (i.e. identification card data). They also ensure the security of a user's account by prompting the user to input a PIN before a transaction is initiated or any sensitive information is displayed. Trust building is seen to be especially important with migrant women, allowing them greater access to products such as Leaf.

Leaf's digital wallet provides both the storage and transfer of money across borders at affordable prices for the underserved while maintaining the highest data security and protection levels. By not requiring a smartphone and offering services over USSD, Leaf's digital wallet solution can provide financial inclusion for hundreds of thousands migrants and refugees around the world who are still using basic phones. The company was acquired recently by the IDT Corporation.



Kotani Pay is a platform that lets users off-ramp from crypto using a simple interface that does not require internet connectivity or a bank account. Many communities in Africa, especially migrants, are locked out from the benefits of blockchain and cryptocurrencies, simply because the technology was built for smartphone users with strong connectivity. Kotani Pay was built to bring financial instruments and services to those that do not have access to the Internet or have the capital and credit standing to open a bank account, thus increasing financial freedom.

So far, Kotani Pay has been able to serve over 15,000 beneficiaries, enabling migrants and gig workers to have access to a universal basic income and alternative means of income. They have run several pilot programs in various locations and with a diverse group of partners. Through one of its pilot programs Kotani Pay was able to serve a 97% female population, enabling them to receive universal basic income payments of \$1 a day. Some of these women went on to spend these funds to set up small vegetable gardens or run small businesses to supplement the household income. Kotani Pay is now planning to expand into six more countries in Africa besides from Kenya where they are currently operating.

Tech Solutions Paving the Way for Financial Inclusion for Migrants

Access to Cash and Payments



Leaf (Kenya) is a money wallet storage solution that allows these individuals to carry digital cash into Kenya, Uganda, and Rwanda and also receive money from their relatives.

Kotani Pay (Kenya) provides a platform that enables users to off-ramp from crypto to fiat currency using a simple interface that does not require internet connectivity or a bank account. They have raised \$800K as part of their seed round.

Abela (South Africa) is an app-based solution that facilitates mobile banking payments which gives access to all a user needs from a bank, without the necessity of interaction in the physical space of a banking institution.

Access to Credit



Pezesha (Kenya) is a fintech solution for low-income groups, refugees, migrants, and SMEs that help in availing instant loans on their peer-to-peer lending platform, all via SMS.

Toju (Nigeria) facilitates credit access for the unbanked population in Africa, especially for migrants and low-income groups.

MamaMoni (Nigeria) offers training and microloans to low-income or underserved women for their businesses.

Remittances



Tulix (Kenya) is an app-based cross-border remittance solution for individuals. The platform provides features such as making payments, adding beneficiaries and collaborating on expenses when allocating funds, tracking spending and receiving updates on allocations. This innovative startup allows senders to be directly involved in their home country's life while abroad and aid receivers in spending money wisely.

Bitsika (Ghana) is a wallet-based app for intra-Africa remittances. It supports various payment methods including bank transfers, cryptocurrency, debit & credit cards, and mobile money. They have raised \$65K from Microtraction and Binance Labs in 2019.

Brij (Kenya) is a remittance and forex services solution for financial transactions within Africa. It provides multi-currency wallets, bill payments, business settlements, and currency exchange.

Financial Literacy and Employment



HerVest (Nigeria) is a savings and investment management platform for underserved and excluded women. It allows users to set aside funds as savings, access mentoring and financial literacy sessions, coaching on financial planning, tools for developing financial goals and assessing cash flow issues, and offers insights and trends for users.

Invicta (Ethiopia) helps skilled refugees find sustainable employment in their field of expertise.

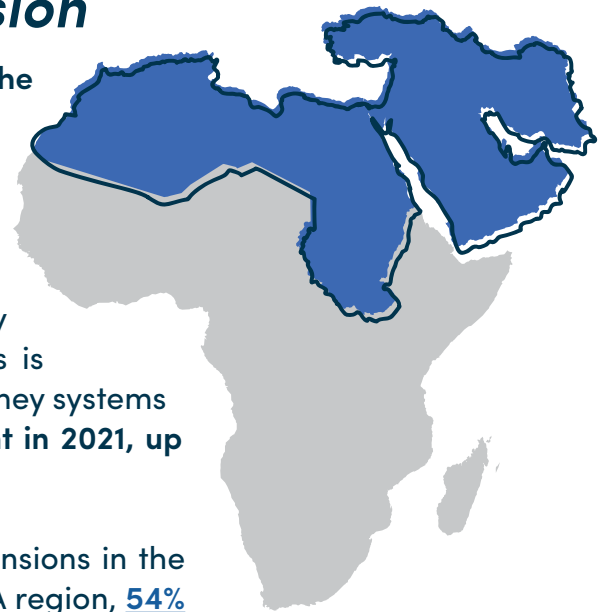
Arifu (Kenya) provides a smart personal learning assistant and content marketplace, and provides advice and financial skills training to vulnerable groups such as farmers, youth, women, and MSMEs.

The Middle East and North Africa (MENA)

Middle East (Kuwait) busy crowd street. Photo credit to Mustafiz Ray on Unsplash

The State of Financial Inclusion

In the Middle East and North Africa, **only half of the population (48%) had a financial account in 2021, leaving 141.8 million adults unbanked.** As a result, MENA has some of the world's largest unbanked populations. The informal sector output is estimated to contribute to nearly a quarter of the region's GDP. This rate of financial inclusion has only increased by 5 percentage points from 2014. This is partly explained by the slow adoption of mobile money systems in the region: **only 6% had a mobile money account in 2021, up from 2% in 2014.**



Financial inclusion has gender and economic dimensions in the region. Of the 470 million people living in the MENA region, **54% of men and only 42% of women have an account** with a financial institution or mobile money provider, putting the gender gap in account ownership at 12 percentage points, the highest worldwide along with Sub-Saharan Africa. Moreover, **70% of unbanked adults are unemployed or out of the workforce.** Women's labor force participation in this region is the lowest in the world, negatively affecting their economic security, independence and ability to make financial decisions within a household. In many countries, inheritance legislation excludes or discriminates against women, hampering opportunities for independence.

The MENA region is a hotbed for fintech innovation. In the first half of 2022, **fintechs have already raised \$819 million USD**, breaking records from previous years. The region has benefitted from being the fastest growing place for fintech funding worldwide in 2022, growing 86% since 2021. Payments remain the most popular product for investment, totalling \$1.9 million USD in investment since 2016. **Countries such as the UAE, Saudi Arabia, Egypt and Bahrain are leading the way** in easing regulation and creating free-zones and regulatory sandboxes to spur innovation. It is reported that 80% of central banks in the region are central bank digital currency (CBDC), indicating the opportunity for continued regulatory relief for fintechs. With all signs pointed towards the continued growth of this sector, fintech remains a prime investment opportunity across the region.

The State of Migration

The MENA region presents the following migration patterns:

- **It is one of the most active transitory hubs worldwide:** Migrants from Africa and Asia either go through the region to move towards Europe or make the region their end destination. In 2020, Saudi Arabia (13 million) and the United Arab Emirates (10 million) were respectively the third and sixth largest host of migrants worldwide. The migration journey from North Africa into Italy and Malta is considered the most dangerous migration route in the world due to the high number of deaths at sea.
- **Protracted conflicts, climate crisis and economic instability are driving migration factors:** The MENA region today is estimated to host 40 million migrants and 11 million internally displaced individuals. The region is both a host for migrants and a source of migrants, refugees and forcibly displaced people. Individuals migrating from Syria, Iraq and Yemen make up the largest group of displaced people in the region, a combined total of nearly 15 million people. In 2020, the top three host countries for refugees and asylum seekers were in MENA - Turkey, Jordan, and Palestine.

“ If current trends continue, Northern Africa and Western Asia is likely to overtake Northern America as the region with the second largest number of migrants in the world within the next decades.”

United Nations Department of Economic and Social Affairs (UN DESA) [International Migration 2020 Highlights](#).

The intensity of migration across the region has continued to raise challenges for host communities struggling to accommodate large numbers of migrants entering their borders. The primary challenges facing migrants are largely dependent on the stage of displacement they are in, ranging from access to cash for food, shelter and medicine, to cash for basic needs and remittances, to access to formal financial services such as savings, credit and pensions. The bottom line is that access to finance is important across the migration journey, yet remains one of the most difficult challenges to solve across the region.



MetLife Finance Forward 2019 Program

Startup Spotlight



Empowch is a secure mobile money platform that extends financial services to refugees, migrants and other unbanked people by connecting them to a network of banked individuals and businesses known as “keys”.

Co-founder Moataz is a key himself, helping unbanked family members and using Empowch outside of the US to cover important remittances. Empowch’s solution today focuses on connecting diasporas, the unbanked and small businesses for better use of remittance money.

Empowch plays the role of the improbable victory against more traditional fintech companies by using technology to build upon an already concrete cultural practice. Beyond a remittance platform, Empowch provides a mechanism for the unbanked to securely store cash, establish a financial footprint and build a bridge towards a formal banking relationship. This evokes a sentiment of inclusion within the community and empowers the economy of Lebanon, as it relies significantly on remittances.

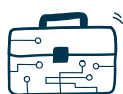


Kaoun is a startup in Tunisia that helps people get access to a bank account through eKYC technology that helps them prove their digital identity - a game changer for the hundreds of thousands of migrants and rural residents who live far away from bank branches. The financial services sector in Tunisia is fragmented and difficult to access. The Kaoun [team describes their mission as](#) “grounded in both the problems of the world in which we live and the future we strive to create. Today, we live in a mobile-first, cloud-first world, with billions of people still excluded from formal financial services, and the transformation we are driving across our partnerships is designed to enable Kaoun and our customers to thrive in this world.”

Through their payment solutions product Flouci, Kaoun offers eKYC, mobile payments and credit solutions built with distributed ledger technology. Flouci enables merchant payments, cash in/cash out operations, peer to peer transfers, and domestic remittances especially designed to reach those currently excluded from formal financial institutions. Products such as Flouci are driving financial inclusion for migrants, and especially for women as bank access and credit history can be more difficult to ensure than their male counterparts.

Tech Solutions Paving the Way for Financial Inclusion for Migrants

Employment Tech



Kader (Jordan) is an online recruitment platform targeted towards blue-collar and fast-moving jobs.

EYouth (Egypt) offers interactive job-skills training programs, in Arabic, to prepare young people from underserved sections for the labor market.

Na'amal (UAE) partners with leading organizations to support refugees and other underrepresented communities through skills training, mentorship and remote work placement opportunities.

EjadJob (Turkey) provides refugees with an online platform to find legal employment.

Digital Identity



Kaoun (Tunisia) enables access for unbanked and underbanked individuals and businesses to financial services through identification, payment and credit solutions.

Uqudo (UAE) provides KYC and verification solutions to financial institutions, governments, and startups.

Norbloc (UAE, Sweden) provides a blockchain-based KYC platform that is GDPR compliant with features like reduced duplication, automated screenings, and secure data management.

Remittances



HubPay (UAE) is a digital wallet for the remittance community which aims to lower the cost of remittances while creating a digital wallet that fosters financial inclusion.

Cwallet (Qatar) enables cross-border money transfer for individuals and businesses through a digital wallet. It also provides tools for businesses to make payroll payments, B2B transfers, and accept payments across borders. They have raised \$1.09M till date.

ZimaPay (Iran) is a cross-border payment solution for businesses and individuals present in more than 80 countries in the world.

Access to Credit



Datacultr Fintech Limited (UAE) is a platform that allows lending institutions to use smartphones as collateral for loans to new-to-credit customers while allowing devices to remain in the users' possession.

Cassbana (Egypt) provides an AI-driven behavior-based credit scoring solution for individuals and businesses. Its technology platform analyzes the financial status and credit score before accessing credits from the lending partners.

Monami Tech (UAE) provides loan management software solutions for financial institutions that offer loan origination automation, disbursement, tracking, and closure of loans, KYC ratification, etc.

Access to Cash



Empowch (Lebanon) is a blockchain-enabled digital wallet operating in MENA that provides unbanked individuals, refugees and migrants with access to financial services through a network of banked individuals and businesses known as "keys."

NOW Money (UAE) is a neobank for migrants in the United Arab Emirates. It creates bank accounts of migrant workers by providing their employers with payroll services. They raised \$7M in Mar 2021 as part of their Series A fundraising round.

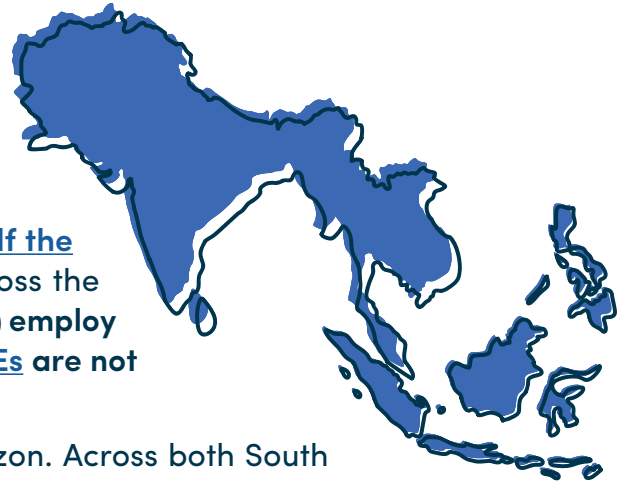
Rise (UAE) is a neo bank for low-income migrants that offers salary account, insurance, investments and pay-later solutions for domestic helpers.

South and Southeast Asia

Yangon, Myanmar (Burma).
Photo credit to Zuyet Awarmatik on Unsplash

The State of Financial Inclusion

An estimated **431 million** people in South Asia are unbanked – more than a third of the world’s unbanked population. **90%** of all businesses in South Asia operate in the informal sector. In Southeast Asia, more than **70%** of the population is either underbanked or unbanked, with limited access to financial services. It’s estimated that **half the workforce** is employed in the informal sector. Across the region, small and medium sized enterprises (SMEs) employ **almost 70%** of the population however, **60%** of SMEs are not able to get a loan when they need one.



Despite these dire statistics, change is on the horizon. Across both South and Southeast Asia, **mobile phone adoption is extremely high – around 75%**. Access to mobile phones has been the largest driver of financial service adoption over the last 10 years. **The region has adopted digital solutions such as e-payments more quickly than other regions and this trend is likely to continue.**

Women are only a few percentage points less likely than men to have a bank account, but there are other barriers to women’s full financial inclusion in the region. Access to emergency funds within 30 days across the region is low across the board, but especially for women. **59% of men report access to emergency funds, while only 31% of women do.**

The fintech investment landscape in South and Southeast Asia is massive. **India alone is home to 23 fintech unicorns.** In 2021, the country saw a massive **\$10.2 billion USD** invested into fintechs in India. This trend has significantly cooled off, **2022 has only seen \$4.9 million USD in investments** in the first half of the year. Government-led initiatives and collaboration have been a key driver in the success of the fintech landscape in the country. **In Southeast Asia, fintech is among the fastest growing sectors.** Fintech investment amounted to **\$5 billion USD** in the first half of 2022, growing **26%** since 2021. Digital lending is the most popular sector for investment in Southeast Asia.

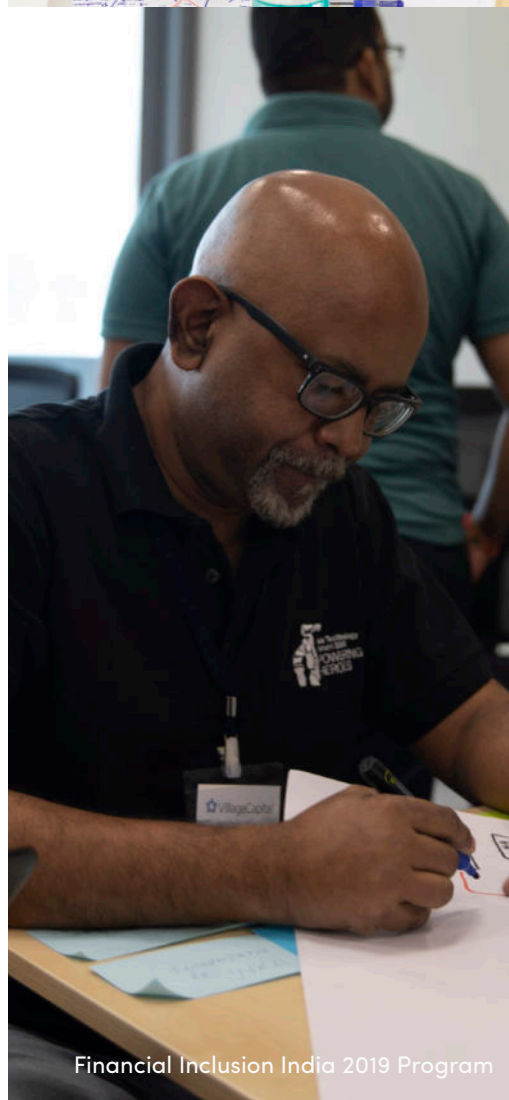
The State of Migration

The South and Southeast Asia regions present the following migration patterns:

- **The highest number of emigrants globally:** Nearly 43.4 million people from South Asia live outside their country of origin. Half of Asia's 20 largest migration corridors stem from South Asia. Four of these corridors are intra-regional (Bangladesh to India, Afghanistan to Iran, Afghanistan to Pakistan, India to Pakistan) and five are international, connecting the region with Gulf Cooperative Council (GCC) states. Migration patterns are driven by natural disasters, political events and economic factors. In Southeast Asia, migration is largely driven by economic opportunities.
- **Internal migration is a significant feature of some countries:** Migration within country borders is largely driven by search of livelihood opportunities within the region. In India, the 2011 National Census estimated there were 450 million internal migrants in the country - that is 37% of the total population. Bangladesh has also seen substantial internal migration from rural to urban areas. It is estimated that two-thirds of all migrant movement within the country is to urban areas.
- **Migration is highly gendered:** In Southeast Asia, female migrants are responding to the rising demand for domestic work within the region and beyond. 61% of migrants from Thailand are female and that percentage is well above 55% in Malaysia and the Lao People's Democratic Republic.
- **Refugees represent a small share of migrants:** As of mid-year 2020, Southeast Asia was home to around 290,000 refugees and asylum-seekers, mostly Rohingya from Myanmar.



Financial Inclusion India 2019 Program



Financial Inclusion India 2019 Program

Startup Spotlight



ZigWay is a fintech platform that provides microfinance to low income families in Myanmar. The company uses a mobile app to offer cheap, flexible loans from \$10 USD, providing a safe alternative to local loan sharks.

Their 'nano loan' app was built to give underserved populations access to finance that helps them to avoid debt traps. ZigWay uses innovative approaches and technology, including psychometric testing to assess creditworthiness so that it can lend to low-income customers who don't have credit records, making it accessible for migrants and other unbanked customers.

ZigWay's customers use nano loans for working capital to support their businesses and pay medical bills and school expenses. The app is designed to suit the needs of very low-income customers, allowing daily repayments to match the daily earning patterns of the poor. Still in the early stage of development, ZigWay has made nearly 3,000 loans and the company estimates that it has saved families \$15,000 in interest payments.



Founded in late 2016, Julo connects institutional lenders to the under-banked and unbanked in Indonesia. Julo promotes financial inclusion by providing unsecured cash loans of up to 15 million rupiah (about \$1000 USD) with a payback period of up to six months via a mobile app.

Julo is one of the first to develop a digital data-driven credit underwriting and risk assessment platform to process consumer credit applications and determine their creditworthiness using its mobile app.

To date, 70% of Julo digital credit loans have been used for life improvements, such as business capital, house renovations, healthcare and education. Julo believes product transformation to digital credit combined with continuous financial education will enable customers to use the digital credit products effectively and eventually, customers will be empowered to live their life to the fullest. To date, Julo has over 1 million users and has distributed hundreds of thousands of loans. The company is currently valued at \$200 million USD.

Tech Solutions Paving the Way for Financial Inclusion for Migrants

Access to Identify and Verification Services



[Haqdarshak](#) (India) provides citizens and SMEs access to government services through a network of field agents.

[VeriHubs](#) (Indonesia) provides AI-based KYC solutions for financial institutions. They have raised \$2.8M in 2021 from Insignia Venture Partners, Central Capital Ventura and YC.

[PiChain](#) (India) provides AI and blockchain-based onboarding and KYC solutions to banks, NBFCs, insurance firms, fintechs, and other financial institutions.

Access to Cash and Credit

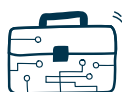


[Chalo Network by India Migration Now](#) (India) provides suitable financial, welfare, documentation and identity, and healthcare services to low-income migrant households in India through a strategic last mile agent network.

[Shram Sarathi](#) (India) offers financial services for migrant workers with support in areas of identity, legal aid and skill training.

[Mahila Money](#) (India) is a community oriented digital bank for women that offers services like digital accounts, business loans, insurance plans, and financial literacy.

Employment Tech



[Bandhu](#) (India) provides a platform of opportunities to workers, employers, landlords and middlemen through a digital marketplace.

[Myrobin.id](#) (Indonesia) is a digital platform that provides blue-collar workers with access to fair employment opportunities, training, and embedded financial services.

[CrossWorks](#) (Myanmar) functions as an HR management company that enables remote hiring for overseas companies by offering digital jobs for employees in Myanmar.

Remittances



[Transfree](#) (Indonesia) is a remittance provider for Indonesian students studying in Europe.

[Skybit](#) (Myanmar) enables cross border payments between Myanmar and the rest of the world with bitcoin as a medium of exchange.

[Beam and Go](#) (Singapore) aims at remittance service to the Philippines by offering valuable goods or services to their family instead of cash.

Key Takeaways

The financial inclusion sector has long struggled to determine how to sustainably and effectively address the needs for migrants. The key to addressing the challenges migrants face lies in carefully reviewing their needs, existing policies, laws and regulations as well as socio-cultural factors, to determine innovative solutions that can increase their access to the financial services they need to have a better quality life.

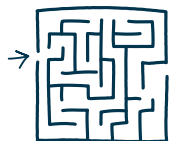
Our key learnings are as follows:



There are considerable gaps in financial services that fintech products have the potential to close, notably: lack of access, language and literacy barriers, lack of trust, identity requirements and documentation and constraining external environments. Tech based solutions have the opportunity to solve problems that governmental bodies and development and humanitarian actors are not well placed to solve.



The market for fintech products targeting migrant populations is large, and new innovation solutions are still being developed at a rapid pace. Since our last report in 2019, the breadth and depth of products has exploded. We're seeing exciting opportunities for investment that will have a meaningful impact on migrant populations across the globe.



Entrepreneurs looking to solve problems for migrant populations face challenges that are solvable by better defining their target market, creating scalable, flexible and sustainable business models, articulating their business model to investors, partnering with the right organizations and deeply understanding the context and regulations of the market in which they are operating.



Women's needs are not being met by the current fintech market.

A majority of fintech products on the market today are not built with women's needs in mind. Women still have less access to bank accounts, face tougher legal restrictions, have lower salaries and little data on the financial lives of women exists. Solutions must consider the needs of women to create products that work.

Based on our findings, these are the key roadblocks and needs of migrants and startups addressing their financial inclusion gaps.

Key Roadblock for the Financial Inclusion of Migrants	Solutions to increase product fit	Startups Providing Solutions
<p>Lack of access</p>	<p>Solutions that:</p> <ul style="list-style-type: none"> ■ Ensure access for migrants through market research and thorough understanding of the migration journey ■ Improve access to banking services for migrant populations ■ Provide educational resources that increase awareness of products available for migrants ■ Allow for bank access from their country of origin ■ Provide access to digital services and access to low-cost remittance products ■ Ensure access for migrants through market research and thorough understanding of the migration journey 	
<p>Language and literacy barriers</p>	<p>Solutions that:</p> <ul style="list-style-type: none"> ■ Are building products specifically for migrant populations, with an understanding of target clients' literacy levels and language preferences and embed them in product delivery. There is a significant gap in current solutions in the market today. ■ Focused on improving digital and financial literacy ■ Improving migrant's access to financial services ■ Improving access and awareness of government services, policies that are targeted towards migrant populations 	
<p>Lack of trust</p>	<p>Solutions that :</p> <ul style="list-style-type: none"> ■ Are built with a deep understanding of local contexts ■ Utilize informal economy practices ■ Build their product and marketing plans for migrant populations ■ Offer social and collaborative lending opportunities 	
<p>Identity requirements and documentation</p>	<p>Solutions that:</p> <ul style="list-style-type: none"> ■ Use innovative digital identity solutions to increase access to financial products for migrants who do not have the necessary "paper" IDs or credit history ■ Provide mechanisms for alternative credit scores, solutions that provide access to unified and open APIs 	
<p>Constraining external environment</p>	<p>Solutions that:</p> <ul style="list-style-type: none"> ■ Allow for digital forums for migrants to connect, mobilize and raise grievances to the concerned authorities for resolutions. I.e; legal tech platforms that make it more accessible and affordable for the refugees and migrants to seek help against legal malpractices or policy gaps; cross-border insurance and pension ■ Allow migrants to access social protection services from their country of origin ■ Facilitate learning and skills training to improve the employability of migrants ■ Improve market access for migrant merchants and producers; ■ Facilitate the success or growth of migrant-led small and medium size enterprises such as point-of-sale terminals, payments processing, digital inventory management and more 	

This report is funded by the Impact-Linked Finance Fund for Gender Inclusive Fintech.

Managed by the Impact-Linked Finance Fund, the Impact-Linked Fund for Gender Inclusive Fintech (ILF for GIF) was designed to address challenges and maximize opportunities relating to financial inclusion of women.

The ILF for GIF provides financial and technical assistance to fintech for the purpose of addressing the capital-impact mismatch outlined above, through a two-prolonged, holistic approach:

1. Incentivizing fintech to deepen their focus on gender: for fintechs well positioned to scale, Impact-Linked Finance offers support and incentives to tailor their solutions to the needs of marginalized women.
2. Catalyzing finance for gender-transformative fintech: for fintechs with an existing focus on gender, Impact-Linked Finance provides an additional revenue stream that assists in securing investment, enabling them to scale and deepen their impact.

To ensure scalable, sectoral impact, the ILF for GIF also focuses on working with ecosystem enablers including incubators, accelerators, early-stage venture builders and other related intermediaries, who have the capacity to complement and deepen the impact of gender inclusive fintechs. This work is particularly relevant for reaching the most marginalized and vulnerable women such as migrants and those affected by migration.

Finally, research and advocacy efforts of the ILF for GIF will ensure that highlights are disseminated and amplified, providing insights to empower partners, policy makers, regulators, researchers, impact investors, and development funders to deepen their impact orientation, and ensuring that lessons are utilized by the sector more broadly.

Learn more about the [ILF for GIF here](#).

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Entrepreneur Interview Guide

INTRODUCTORY QUESTIONS:

- Information about the interviewees background, current role

PRODUCT QUESTIONS:

- Can you describe what your company/ product does in one sentence?
- What is the problem your company is trying to solve?
- Describe your product/service and how it solves the problem
- Specific focus on women/ gender? Did you integrate gender considerations in the design/ development of your product?
- Which best describes the stage of development of your product or service?
- In USD, how much capital have you raised to date?
- What type of funding have you received?

MIGRANT QUESTIONS:

- Information about target groups, all migrants?
- How do they connect with these groups? Outreach, through NGOs/gov programmes?
- How did your venture come to identify the problem you are addressing as a key need for migrants in the geography you are working on? Why do you think there is this gap in support?

ENTREPRENEUR QUESTIONS:

- What do you think are the biggest challenges entrepreneurs looking to support migrants face?
- Are these challenges you have faced, or still face? If you have managed to overcome them, how?

INVESTOR QUESTIONS:

- Do you think that there are specific challenges in finding investors for ventures working on migrant issues? Could you tell me a bit about your investment journey?
- If a challenge, in which way?

FINTECH QUESTIONS:

- Do you know any other fintech ventures working on solutions for refugees that you think would be relevant for this research project ? Who are they, what do they do?
- Any particular ESO that you and other fintech ventures working in the refugee space use?

FINANCIAL INCLUSION QUESTIONS:

- Do you have any data points/ sources or info on financial inclusion (opening bank accounts, getting a credit score, accessing loans, or insurance) and refugees in the geographies that you work in?
- Do you have any thoughts on why it's hard for refugees to be financially included in this geography? Banking regulations, irregular application of banking regulations, refugee lack of information?

NGO Interview Guide

INTRODUCTORY QUESTIONS:

- Information about the organization (aims, target groups, locations etc)
- Information about the interviewees background, current role

MIGRANT QUESTIONS:

- Information about target groups (all migrants, undocumented, forced etc?)
- Specific focus on women/ gender?
- How do you connect with these groups? Outreach, through NGOS/ gov programmes?

FINANCIAL INCLUSION QUESTIONS:

- From your work with migrants in your country/region what do you think that financial inclusion is an issue for these groups? I.e. opening bank accounts, getting a credit score, accessing loans, or insurance?
- Why do you think this is? Banking regulations, irregular application of banking regulations, refugee lack of information?
- What are the main workarounds if they can't access the formal financial system?

FINTECH QUESTIONS:

- Does your organization work with any fintech ventures working on solutions for migrants? Who are they, what do they do?
- If yes, how has this collaboration been?
- Are there any major obstacles to working with these ventures?
- Do you know any other fintech ventures working on solutions for refugees? Who are they, what do they do?

Investor Interview Guide

INTRODUCTORY QUESTIONS:

- Information about the investor. Company/ background/ prospective or active.

PORTFOLIO QUESTIONS:

- Do you have any migrant focused ventures in your portfolio?
- Do you have a specific interest in supporting migrant focused ventures? If yes, why. If no, why not?
- If yes, all migrants or specific target groups, eg. refugees?
- Do you think that there are challenges in finding the right ventures to invest in that are specific to the migrant space? If so, what are they?

FINTECH QUESTIONS:

- Have you supported any fintech ventures working on solutions for refugees that you think would be relevant for this research project ? Who are they, what do they do?
- Do you know of any other fintech ventures working on solutions for refugees that you think would be relevant for this research project ? Who are they, what do they do?
- Any particular ESOs that you know of working in the refugee space use?

FINANCIAL INCLUSION QUESTIONS:

- Do you have any data points/ sources or info on financial inclusion (opening bank accounts, getting a credit score, accessing loans, or insurance) and refugees in the geographies that you work in?
- Do you have any thoughts on why it's hard for migrants to be financially included? Banking regulations, irregular application of banking regulations, refugee lack of information?

Entrepreneurial Support Organization Interview Guide

INTRODUCTORY QUESTIONS:

- Information about the investor. Company/background/prospective or active.

MIGRANT QUESTIONS:

- Information about target groups (all migrants, undocumented, forced etc?)
- Specific focus on women/ gender?
- How do you connect with these groups? Outreach, through NGOS/ gov programmes?

ENTREPRENEUR QUESTIONS:

- Why did your organization specifically decide to support entrepreneurs working with migrants?
- What kind of support do you give them?
- Do you think there are any remaining gaps?
- What do you think are the biggest challenges entrepreneurs looking to support migrants face?
- Do you know any other organizations that are doing this?

FINTECH QUESTIONS:

- Does your organization work with any fintech ventures working on solutions for migrants? Who are they, what do they do?
- If yes, how has this collaboration been?
- Are there any major obstacles to working with these ventures.
- Do you know any other fintech ventures working on solutions for refugees? Who are they, what do they do?

FINANCIAL INCLUSION QUESTIONS:

- From your work with migrants in your country/ region what do you think that financial inclusion is an issue for these groups? I.e. opening bank accounts, getting a credit score, accessing loans, or insurance?
- Why do you think this is? Banking regulations, irregular application of banking regulations, refugee lack of information?
- What are the main workarounds if they can't access the formal financial system?

INVESTOR QUESTIONS:

- How do the entrepreneurs you work with find investors to start their businesses? Is it a challenge or fairly straight forward?
- If a challenge, in which way?
- Do you work on linking entrepreneurs with investors?
- Do you know other organizations linking entrepreneurs with investors?
- Which types of investors do you encounter? Individuals, CSR of large companies, state or NGO programmes etc?

Village Capital is Seeking Early-stage Companies for Acceleration

Village Capital, the [Swiss Agency for Development and Cooperation \(SDC\)](#), the [Austrian Development Agency \(ADA\)](#) and the Impact-Linked Finance Fund (ILFF) are excited to announce the launch of Gender-Inclusive Financial Solutions for Migrants, an initiative supporting fintech innovation that increases access to financial services for women, particularly migrant and forcibly displaced women, across Africa, the Middle East and South Asia.

The program will:

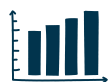
Accelerate: Identify and scale 30+ startups addressing the challenges outlined below through a combination of intensive in-person and virtual investment readiness training and platform-based long-term support. The acceleration will contribute to improving the ability of the products and services represented to fit the needs of migrant women.

Convene: Build and develop partnerships that drive broad awareness of the challenges and opportunities in this space, encourage catalytic investment, promote storytelling and foster other essential support for these solutions.

In particular, we are seeking solutions address:

- Remittances
- Microfinance and loans
- Solutions for small and medium enterprises
- Insurance and pension
- Employment-tech
- Market access solutions for producers and merchants
- Digital identification and authentication
- Digital and financial literacy
- Social and collaborative lending
- Alternative credit scoring mechanisms
- Unified and Open APIs

Eligible startups must have:



Profit market-based solution

Must be a for-profit market-based solution that tackles a sustainability challenge in the African, Middle Eastern or Asian market.



Full-time founder based in Africa, MENA or Asia

Must have at least one full-time founder based in Africa, MENA or Asia.



Ability to expand business

Must have operations in (or have the ability to expand business to) the African, Middle Eastern or Asian market.



Meaningful customer or business validation

Must have meaningful customer or business validation (not limited to revenue, can also be successful pilot studies, number of users and/or strategic partnerships).



Minimum viable product

Must have a minimum viable product (MVP), and raised less than \$1M in equity.

Benefits startups will receive:



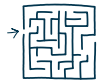
Connections

Build deep connections with other founders in your cohort and our larger Village Capital investor and alumni network.



Advice

Work with an investment analyst who will coach you 1:1 on building a financial model, identifying unit economics, and using financial metrics.



Mentorship

Network with mentors ranging from investors to potential strategic partners and customers.



Exposure

Get featured on Village Capital's program website and other collateral.



Training

Join interactive sessions tailored to help your company identify early milestones and prepare for your next round of capital.

[Join the waitlist](#)

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