



CASE STUDY



Financial Inclusion Programme for Migrants – Mexico

The Financial Inclusion Programme for Migrants is an innovative financial services initiative that provides bank accounts and other support to a unique set of migrants – Mexican citizens repatriating from the United States amid a political climate that has added a great degree of uncertainty to their lives. To help these fellow citizens, the National Savings and Financial Services Bank (Bansefi), a development bank created

by the federal government to reach vulnerable populations, has opened 11

strategically located services branches along the US-

Mexico border and one at the Mexico City airport

to provide them with financial

services and education, which

is a core requirement

of repatriation

(see Figure 61).



Figure 61: Financial Inclusion Programme mobile branch border locations

Source: Bansefi.

THE PROBLEM

More than 11 million people who were born in Mexico live in the United States. Repatriation (i.e. moving back to Mexico) affects more than 200 000 Mexicans each year. Repatriates generally arrive without any belongings and also without documents, but usually with some money. A surge in repatriation is a possibility in the near future due to more aggressive US immigration policies. In early 2017, the Mexican government calculated that such policies may affect more than 1 million conationals, as well as a significant number of “Dreamers” (see Box 27).

In Mexico, the migrant population is considered a vulnerable group. Historically, it has had to face a variety of barriers to gain access to financial services, whether due to a lack of knowledge or information, lack of identity documents, their immigration status or simply because of the complicated process of repatriation. These migrants also frequently lack access to financial services, which can result in an inability to access other services. No financial organisations have provided financial services for even the regular flow of repatriates, let alone the potential increase represented by the Dreamers.

Box 27: WHO ARE THE DREAMERS?

In June 2012, the United States issued the Deferred Action for Childhood Arrivals (DACA) immigration policy, which allowed some non-citizens who arrived to the United States as children and remained in the country without documentation to receive renewable two-year periods of deferred action (i.e. meaning the government would delay any actions to remove the individual from the country), as well as a permit to work legally (DHS, 2017). Over 1 million Dreamers – the nickname for residents benefiting from DACA – have been approved for the programme, and live in every state in the United States. Over 700 000 Dreamers are from Mexico. In September 2017, the US government rescinded DACA, which would be phased out and officially ended after six months (DHS, 2017). Unless the US Congress takes action, the future of these residents will be very uncertain once their current deferred action status expires, potentially leading to an increase in the number of individuals repatriating to Mexico. The Mexican government is already seeing an increase in the repatriation of Dreamers and other Mexican citizens.

Source: DHS (2017); www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/Immigration%20Forms%20Data/All%20Form%20Types/DACA/daca_performance_data_fy2017_qtr4.pdf; Bansefi.

AN INNOVATIVE SOLUTION

Bansefi is a social bank based in Mexico that aims to bring banking and financial services to populations excluded or under-served by the financial system. In March 2017, Bansefi launched the Financial Inclusion Programme for Migrants to help empower these conationals by providing financial services and educational programmes specifically designed to meet their needs and help them restart their lives in Mexico. To date, 12 service branches have opened up along the border and at the Mexico City airport (see Figures 62 and 63). Bansefi helps these citizens by providing a number of services including:

- *A bank account and debit card* specifically designed for the needs of these migrants, with incentives encouraging them to save. The bank accounts charge no commission and have no minimum balance.
- *Advisory services and promotional material* to provide conationals with information and advice about personal finances, so they can make good use of and adequately manage their resources.
- *Small life insurance* and other accident insurance policies.
- *Facilitated remittances* to make it easier to receive money from the United States through pre-approved agents and bank transfers from a repatriate’s US bank account.
- *Currency exchange services* to help exchange US dollars into Mexican pesos.



Trend 3: Inclusiveness and vulnerable populations



Figure 62: Bansefi staff providing services at mobile branch. *Source: Bansefi.*

In addition to helping repatriates obtain services at its branches, Bansefi uses tablets to work with citizens to open accounts in the waiting rooms of the immigration office. After activation of the account, users can access Bansefi's network of over 400 branches across Mexico. The main purpose of the programme is to reduce the vulnerability of this segment of the population and improve their quality of life, by offering them tools that enable full financial inclusion, which is a key to accessing countless other aspects of daily life in Mexico.

The Bansefi team leading the innovation believes that such services can be replicated under similar situations or conditions in many countries, as in the case of persons seeking asylum who lack official documentation or knowledge of how to open an account.

NOVELTY

Prior to this programme, there were no public policies or initiatives for financial inclusion for migrants. In addition to the creation of a new type of service, Bansefi

is unique because it represents the first time that the government's National Banking and Stock Commission (CNBV) has authorised a financial institution to use "Certificates of Admission of Repatriated Mexican", issued by the National Institute of Migration (INM), as a means of formal identification and proof of residence for financial services. Holders may also use this certificate to obtain a formal valid identity document, which will enable them to obtain other services and vote. Bansefi is the only bank authorised to allow individuals to open accounts using this certificate as the sole identity document, thus eliminating countless barriers which these citizens would otherwise face.

RESULTS AND IMPACT

The financial services offered at the Bansefi branches have been well-received by conationals undergoing the repatriation process. They have resulted in quicker integration of repatriates into the economy, more productive returns from restarting labour activities to generate income, and improved family well-being by



Figure 63: Customer at Financial Inclusion Program mobile branch. *Source: Bansefi.*

helping to provide security for repatriates' financial resources and allowing them to receive remittances. It is believed that the social and financial inclusion of returnees will have a significant impact on family well-being and Mexico's development. Although though the programme is quite new, in its first six months of operation it has already helped 6 962 citizens open bank accounts, exchange currencies and/or receive remittances.

USER PERSPECTIVE

The demand for products has exceeded expectations. Customers state that the services provided by Bansefi's branches reduce barriers of access to resources, provide peace of mind and allow them to reach their destinations with their resources secure. They also state that opening a bank account encourages them to make more efficient use of the available financial instruments.

CHALLENGES AND LESSONS LEARNED

A key challenge for the Financial Inclusion Programme for Migrants was the very limited timeframe. The entire

programme had to be rolled out and implemented within four months, as the government wanted to move quickly due to the significant level of uncertainty and speculation. To ensure this could happen, the project had to be prioritised with all available resources focused on the programme. The guiding role of senior leadership, both at the political level and senior levels within Bansefi, was a necessary requisite.

The Bansefi team who implemented the initiative also found that successful and rapid implementation required assembling a team ready to respond to any needs that might arise. They also highlighted the importance of coordinating a series of inter-institutional groups and ensuring that all those involved understood the importance and scope of the project. The team also believes that it is important to leverage existing infrastructure (e.g. offices along borders, operating bank branches, etc.) to minimise overheads and build upon models that are already successful.