



## Tanda – financial products for refugee inclusion in Jordan

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Tanda is a Jordanian company wishing to contribute to the economic inclusion of refugees while making the financial sector more inclusive of unbanked populations.

The major problem refugees and other unbanked populations face is credit scoring, usually done by Machine Learning (ML) and used by financial institutions to test the borrowers' creditworthiness. Typically, ML compares borrowers to other borrowers, without recognizing refugees as a special category, and rather comparing them to the mean of borrowers. Including gender or migration status in credit scoring generation would not only have positive outcomes for borrowers generally considered "unbankable" – who would now have a lower rejection probability - but would also bring profits to banks and microfinance institutions through scaling their lending to such populations, even if at a higher interest rate.

Tanda identified this business opportunity with a social outcome and developed two products:

- *Inclusive credit scoring software.* Tanda looks at several core data points that need to be collected to make a more inclusive scoring assessment for categorizing potential borrowers. It connects with banks as well as microfinance institutions that target the unbanked and unbankable, and also collects data from MadfoatCom, the Jordanian electronic fees and bills payment systems, which would offer auxiliary data explaining borrowers from a different angle. Tanda's ML software then combines all those data points to have a 360-degree view of potential borrowers, including information on gender and refugee status.
- *Peer-to-peer lending system.* Tanda created two software to formalize traditional forms of informal lending and borrowing, usually used by vulnerable and low-income groups, which can now be scaled to allow those group access to finance and used by microfinance institutions, banks, and NGOs. The software allows individuals to lend a certain amount monthly, which it allocates

### PS4R Charter Alignment

This case corresponds to the 'products and services' theme of the PS4R Charter of Good Practice, reflecting in particular on principle 16 on **adaptation**, 17 on **sustainability and accountability** and 19 on **marketability**.

Global partners:



Confederation of Danish Industry



European Investment Bank  
The EIB bank



INTERNATIONAL CHAMBER OF COMMERCE  
The world business organization



UNHCR  
The UN Refugee Agency



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to borrowers following a credit assessment. A second peer-to-peer lending product consists in a group of individuals saving a certain amount of money per week, then using the total amount saved to qualify for a micro-loan that could help micro and small businesses grow. Once the loan is repaid in full, each individual can access their savings. This mechanism allows individuals to take money from the community to give them back to the same community by allowing credit for value-generating small investments.

Global partners:

