



# Restoring Financial Trustworthiness: Inclusion Project for FDPs



## FI4R

THE FINANCIAL INCLUSION FOR REFUGEES PROJECT (FI4R) PROJECT SUPPORTS FINANCIAL SERVICE PROVIDERS TO OFFER FINANCIAL SERVICES TO REFUGEES AND HOST COMMUNITIES.



Many FDPs face significant challenges, particularly in accessing financial services.

When refugees and other forcibly displaced people (FDPs) leave their countries, they not only lose their documents and identity, but also lose their financial freedom. According to the United Nations High Commission on Refugees (UNHCR), by the end of 2022, the Eastern region of Africa hosted 4.9 million refugees and asylum-seekers and 10.7 million internally displaced people (IDPs).

### PROJECT OBJECTIVES



> 100,000

Refugees accessing financial services through their mobile phones.



> 300,000

Refugees receiving extended financial services, including loans to entrepreneurs, farmers, and businesses, with the long-term objective of job creation.

### KEY ACHIEVEMENTS



>26,300

60% women

Customers accessing loans in VisionFund Uganda and RUFU



£1.9 million

\$2.25million

Value of cumulative loans VisionFund Uganda and RUFU



262 bank agents

15% women

Recruited by Equity Bank Uganda across refugee settlements



93,300+ HHs

Average size of 8

Households registered on Equity Bank Uganda's digital platform



65,484 HHs

Households receiving digital payments through Equity Bank Uganda.



UGX 10.8 Bn

£2.2m

Value of payments made by Equity Bank Uganda during Q1, 2022.



8 humanitarian agencies

Used Equity Bank Uganda's platform for disbursements.



57,000 accounts for refugees

Opened by Equity Bank Rwanda. 25,000 of which had savings of GBP 1.07m.

The bank had facilitated 66,000 remittance transactions amounting to GBP 1.7m.

### MEETING THE FINANCIAL NEEDS OF FDPs

Many FDPs face significant challenges, particularly in accessing financial services. Insufficient documentation, a lack of financial history, and unreliable income sources contribute to the perceived risks by financial institutions. Yet, the FDPs earn the same as the host community bank account holders. To address this, FSD Africa in partnership with FSD Uganda and Access to Finance Rwanda in collaboration with BFA Global in 2019 moved to develop market-based solutions to the financial needs of FDPs and the communities they live in through the Financial Inclusion for Refugees (FI4R) project.

### THE FI4R PROJECT IN UGANDA

The project has achieved great milestones in Uganda, where three FSPs, Equity Bank Uganda Limited (EBUL), Vision Fund Uganda (VFU) and Rural Finance Initiative (RUFU), was supported to offer financial services to refugees and host communities.

The project further set out to monitor the financial flows among refugee households in Kampala and the camps of Nakivale, Bidi Bidi and Palorinya in the West Nile region using BFA Global's financial diaries methodology. The initial survey of the refugees revealed a marginalised group with fragile livelihoods, making it challenging to sustain savings. They feared for the security of their savings in mobile wallets due to the risk of government-enforced SIM card shutdowns. Additionally, strict government policies at the time prohibited using refugees' IDs to open bank or mobile money accounts. Consequently, most refugees opted to store money at home, primarily for emergencies, especially health-related ones.

Significant progress has been achieved in improving identification and fostering financial trust, with nearly all refugees now possessing some form of ID. This facilitates their freedom of movement, simplifies employment applications, and grants access to financial services. Under the updated regulations, more than 600,000 refugees lacking government-issued refugee IDs but holding attestation letters from the Office of the Prime Minister can now legally access mobile-enabled services in their own names.



Over 100 community savings and credit groups were digitised, and close to 2,000 members could receive formal credit using the group savings as collateral.

Income among FDPs in Ugandan refugee camps has risen, with the end-of-project survey revealing an average of three income sources per individual. Economic activities include self-employment, non-employment income (grants), casual employment, agricultural income, and rental income. Using mobile wallets and accessing money through agency banking has enabled FDPs to multiply their earnings, providing a better lifestyle than before.

Refugees are utilising Accumulating Saving & Credit Associations (ASCAs), with enrollment increasing from 35% at the project's start to 46% at its conclusion.

*"In March 2020, I managed to buy myself a brand-new motorcycle to help me in my business and I also managed to build a better house for my family. Those were my dreams ever since I settled in Uganda and I managed to achieve them through regular saving in the group, minimising household expenditure and good decision making by me and my wife."*

Refugee