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.**

**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 small business owners.

**KEY ACHIEVEMENTS**

- >26,300 60% women Customers accessing loans in VisionFund Uganda and RUFI.
- £1.9 million £2.25 million Value of cumulative loans VisionFund Uganda and RUFI.
- 262 bank agents 15% women Recruited by Equity Bank Uganda across refugee settlements.
- 93,300+ HHs 15% women Households registered on Equity Bank Uganda's digital platform.
- 65,484 HHs 60% women Households receiving digital payments through Equity Bank Uganda.
- UGX 10.8 Bn £2.3m 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, 20,000 of which had savings of GBP 1.7m.

The banks had facilitated £6,000 remittance transactions amounting to GBP 1.7m.

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 Commissioner for Refugees (UNHCR), by the end of 2022, the eastern region of Africa hosted 4.9 million refugees and asylum-seekers and 20.7 million internally displaced people (IDPs).

**MEETING THE FINANCIAL NEEDS OF FDPs**

Many FDPs face significant challenges, particularly in accessing financial services. Insufficient documentation, a lack of financial histories, 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, FI4R in partnership with FSD Uganda and Access to Finance Rwanda initiated a project in collaboration with URA Global in 2019 to develop a market-based solution 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 (RUFI), 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 URA 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 IDs to open bank accounts 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 host community bank account holders. To address this, FSD Africa supported Fi4R to introduce market-based solutions to the financial needs of FDPs and the communities they live in through the Financial Inclusion for Refugees (Fi4R) project.

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 savings, providing a better lifestyle than before.

Refugees are utilising Accumulating Saving-B Credit Associations (ASCAs), with enrollment increasing from 35% at the project’s start to 40% at its conclusion.

Over 100 community savings and credit groups were digitised, and close to 2,900 members could receive formal credit using the group savings as collateral.

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 on my plot. Those were my dreams ever since I settled in Uganda and my wife.”

“Minister can now legally access mobile-enabled services in their own names.

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