Forcibly Displaced People (FDP) summary

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Fragile States and Communities
The fragile states team has pivoted from a ‘fragile states’ regional focus to ‘fragile communities and states’ thematic focus.

Extreme inequality persists in multiple dimensions within and between fragile countries. It often translates into inequality in decision-making. Segments of the population that are typically excluded from meaningful participation in decision-making are those already left behind in material well-being, financial services, education, health and other factors, those that are geographically isolated.

Leaving no one behind requires ensuring that this agenda becomes rule rather than the exception. This requires the transformation of deeply rooted systems, economic and political systems, governance structures and business models at all levels, from local to regional and global.

Our response is to support the principles of ‘leaving no one behind’ is to pivot from fragile states to fragile communities and states with a focus on:

- highly vulnerable and marginalised communities
- refugees/IDPs
- urban poor
- nomadic pastoralists

The overarching objective is to provide opportunities for the extreme poor and highly marginalised to better leverage financial services to help graduate them from extreme poverty.
FSD Africa is a specialist development agency working to build and strengthen financial markets across sub-Saharan Africa.

**Why refugees?** Financial inclusion remains a challenge for the refugee population, with few FSPs aware of or interested, preferring to focus on more traditional banking clients.

FSD Africa’s approach to refugee financial inclusion:

1. Market assessment & design sprint
2. Innovation competition
3. Financial support and TA

Current interventions in:

1. Rwanda
2. Democratic Republic of Congo
3. Nigeria
4. Uganda
FSD Africa FDP Theme Overview

The programme aims to address market failures – supply side, demand side, rules and incentives and challenge the prevailing humanitarian status quo

Inclusive Financial Services
Mobile solutions to improve access to financial services for refugees/IDPs.

Inclusive Financial Services
Financial Literacy Training
FSP capacity building to extend financial services to refugees and host communities.

Catalysing Innovation for IDP Reach
Support innovative solutions to increase access to financial services for FDPs.

FSD Regional Program

Rwanda

Uganda

DRC

FSD Role

Technical Assistance

Technical Assistance/Advocacy

Technical Assistance

Expected Outcomes

100,000 refugees access to savings, loans, remittances and insurance services through their mobile phones

Offer financial services to over 300,000 refugees, loans to entrepreneurs, farmers and businesses and create jobs

Develop and pilot financial services and payment solutions for FDPs.

Program End-Date

November 2021

September 2021

March 2022

*USSD - Unstructured Supplementary Service Data - a critical piece of infrastructure used to provide mobile financial services on most phones, at low cost.
FSD Uganda and the FI4R Project in Uganda

FSD Uganda is an independent not-for-profit company committed to achieving a deeper, broader and more inclusive financial sector with a focus on low-income individuals and businesses.

**Broad objectives of refugee intervention**

- Demonstrate refugees as an economically viable market for FSPs and other providers by offering a combination of technical support and grants to FSPs to develop relevant financial services for the refugee and host community in Uganda.
  
  Products and services designed to respond to key financial market failures:
  
- Reduce vulnerability for 40,000 low income refugees and hosts (within the project period)

- Generate and replicate project learnings in other jurisdictions with FSD, DFID presence (and other donors)

**Market failures observed prior to FI4R**

**Supply-side** – *among financial service providers.*

- Low risk appetite: Limited appreciation of refugees as a potential market by banks and other providers

**Demand-side** – *among the refugee client group.*

- Underdeveloped ecosystems: High reliance on VSLAs for financial services; limited adoption of formal financial services

**Rules and incentives** – *policy and regulatory environment.*

- Lack of clear policy signals and a high-risk perception of the refugee community w.r.t AML and terrorist financing
Project Overview

The Financial Inclusion for Refugees (FI4R) project was launched by FSD Uganda and FSD Africa in collaboration with BFA Global to support financial service providers (FSPs) to offer financial services to refugees and host communities.

The project will also conduct refugee financial diaries in Uganda and provide insights into the financial strategies employed by refugees over time to build their livelihoods and manage their finances.
Project Overview

Project partners

Implementing partners
Research papers

1. March 2018 - Refugees and their money: assessing the business case for providing financial services to refugees
2. March 2018 - Refugees and their money – understanding the enablers of the camp economy in Rwanda
4. June 2020 - Assessing the demand for goods and services among refugees and IDPs in the Democratic Republic of Congo

Coming soon:
Blog and highlights from 1st and 2nd round of financial diaries