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Forcibly Displaced People (FDP) summary

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Exchange Working Group

Fragile States and Communities

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

Challenge

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

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 FDP Programme

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

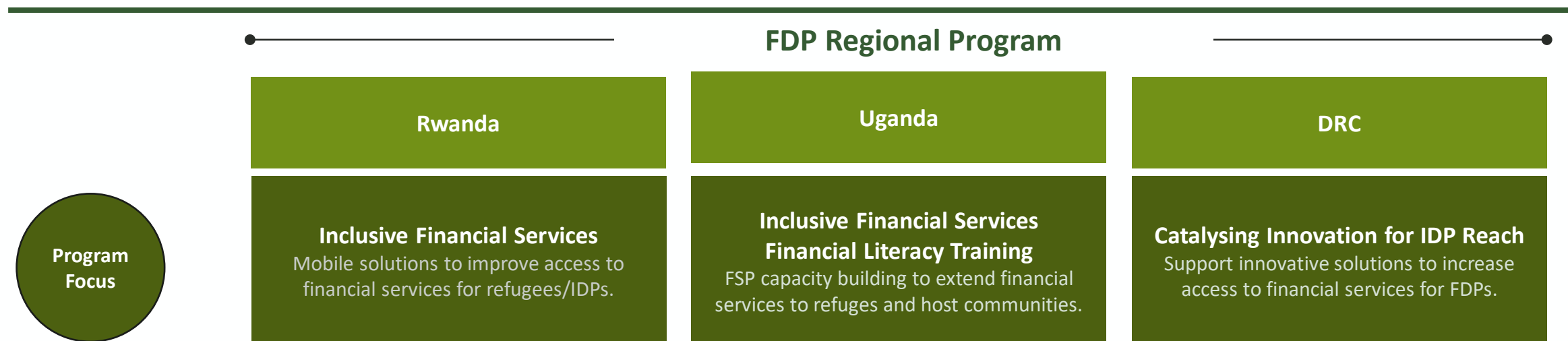
Current interventions in:

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



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 . Support enterprise development.
Program End-Date	November 2021	September 2021	March 2022

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](#)
3. March 2020 - Financial inclusion for refugees in Uganda: [baseline report](#)
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
