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Background

During the 3rd quarter of 2021, the refugee response in Uganda has seen a significant scale up of cash-based assistance, as markets expand to provide basic food and non-food items. With the increase in cash-based transfers, more Financial Service Providers and Mobile Network Operators are supporting cash transfers through mobile money transfers and agent banking by establishing a wide network of mobile money and bank agents respectively at settlement levels.

During this period:

- **205,858** households received some form of cash-based assistance out of a target of 221,000 households representing 93% of targeted households.
- **24,349** households received multi-purpose cash-based assistance out of target of 83,000hh representing 29% of the targeted households.
- **12.3bn UGX** multipurpose cash and voucher assistance was disbursed; representing 39% of the annual target of 31.6 billion UGX.

51% of the cash recipients were Congolese, 43% were South Sudanese refugees, 5% were Burundian Refugees and 1% of the host community received cash transfers.¹²

Key highlights

Financial Literacy Training (FLT) learning brief published

With support from U-Learn, the CWG published the [Financial Literacy Training \(FLT\) Learning Brief](#)³ in November 2021. The brief documents FLT practices and experiences in the Uganda refugee response and includes recommendations that were made during the learning event (on the 15th of September). It looks at which actors currently implement FLT, what curricula are in use, how the trainings are rolled out, how participants are targeted, among others.

As a next step, the Cash Working Group (CWG) is developing **minimum standards for FLT in the Uganda refugee response** to ensure the provision of quality training. This will be done by defining the scope of FLT in relation to cash-based transfers, setting common principles, providing good practices, and strengthening coordination.

The FLT Learning Brief is the first of a number of resources that U-Learn will publish in collaboration with the Uganda CWG under the [Financial Inclusion Learning Review series](#)⁴. The series is aimed at supporting in-country learning and exchange on Financial Inclusion in order to increase the uptake of evidence and good practices in the Ugandan refugee response.

¹ UNHCR CBI dashboard, Q3 2021

² https://impact-initiatives.shinyapps.io/REACH_UGA_Dashboard_CBI_062021/

³ <https://ulearn-uganda.org/financial-literacy-training-in-ugandas-refugee-response-learning-brief/>

⁴ <https://ulearn-uganda.org/tor-financial-inclusion-learning-review-series/>



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Discussing digital Financial Literacy Training (DFLT) in the Uganda refugee response

[The Digital Financial Literacy Training \(DFLT\) webinar⁵](#) took place on December 8th, 2021. It was one of the follow up pieces of the FLT Learning Review and part of the Financial Inclusion Learning Review Series.

U-Learn, in collaboration with the Uganda CWG and Smart Communities Coalition (SCC) organized the webinar for refugee response actors to discuss DFLT in practice, learn from each other, and connect with actors already engaging or planning to engage DFLT implementers.

The webinar was attended by 138 people, and included experts from UNCDF, Grameen Foundation, Strategic Impact Advisors -SIA and the Central Bank of Uganda.

The DFLT learning brief will be published in February 2022. It concludes the DFLT learning review and provides an overview of what DFLT is already in place; it reflects the exchange of experience, practices and learning that happened between existing implementers; supports the harmonization and standardization of DFLT in practice by providing lessons from the experience in the

Uganda refugee response. If you would like to be alerted when this brief is published, email U-Learn on info@ulearn-uganda.com.



Mapping of Financial Service Providers and Cash and voucher assistance in Uganda

Humanitarian organizations involved in the implementation of CVA have to navigate a complex landscape of available Financial Service Providers (FSPs) and delivery mechanisms in order to produce the most effective outcomes. In support of this, **REACH conducted an assessment of FSPs and delivery mechanisms** to identify

opportunities and key challenges.

The report, commissioned by USAID’s Bureau for Humanitarian Assistance (BHA) and supported by the CWG, draws on key informant interviews with FSPs, their agents, representatives of local communities and humanitarian organizations.

It was found that the operational presence of FSPs varies by location and type of FSP. Banks had a stronger presence in or nearby settlements in the South-West Region compared to the West Nile Region. Mobile Network Operators further reported to have larger

⁵ <https://ulearn-uganda.org/digital-financial-literacy-training-in-ugandas-refugee-response-webinar-recording/>



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agent networks inside refugee settlements compared to other types of FSPs such as banks and micro-finance institutions.

The lack of operational presence or long distance to agents and branch locations was reported as the main barrier to accessing financial services and assistance.

Mobile money was most frequently reported as a preference for receiving CVA, followed by cash-in-hand distribution. Preferences for modality and delivery mechanisms vary by location and are likely influenced by communities' familiarity.

Low levels of literacy and digital literacy remain challenges associated with all digital delivery mechanisms such as mobile money, bank transfers and prepaid/smart cards. Great distances, the threat of COVID-19, and time-consuming distributions were reported as the main challenges associated with cash-in-hand delivery.

As response actors in Uganda are increasing their coordination and collaboration, with the intention to harmonize their approach to CVA, this report aims to provide humanitarian organisations with the information they need to continue to navigate this process for the benefit of the communities they serve.

Learn more: <https://www.impact-repository.org/document/reach/8aa83b71/UGA2103-Assessment-of-FSPs-CVA-in-Uganda.pdf>⁶

Updates from Cash Working Group members

1. Multi-Purpose Cash Assistance to the Most Vulnerable Refugees in Uganda - UCC

The Uganda Cash Consortium (UCC) is led by the Danish Refugee Council (DRC) in partnership with The Lutheran World Federation (LWF) and the Uganda Red Cross Society (URCS).

Operating in Imvepi, Kyaka II, Kyangwali, Nakivale and Rhino Camp refugee settlements, the project aims to improve the ability of extremely vulnerable refugee households to meet their non-food basic needs and increase the resilience and protective environment through a people centered and the basic needs approach using multi-purpose cash assistance distributed.

Through the current phase of the project, which started in May 2021, **the UCC supports over 49,000 individuals (about 12,000 households)** with cash transfers distributed monthly over the course of 8 months. The UCC measures the extent to which people can meet their needs and increase resilience.

The UCC puts effort in digitalization of cash transfers, trying to minimize direct cash (“cash on wheels”) through cooperation with other partners and financial service providers, being an active member of the Common Cash Task Force and providing financial literacy training.

⁶ UGA2103-Assessment-of-FSPs-CVA-in-Uganda

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2. World Food Programme - WFP

Financial literacy training (using the WFP/UNCDF curriculum) was extended for 6 more months from November 2021 to May 2022 **targeting 120,920 beneficiaries** from 62,460 households across all 13 settlements. This will cover both the foundational course and advanced course, the latter primarily targeting women in Nakivale settlement under the Bill and Melinda Gates Foundation D3 initiative. WFP held a stakeholder workshop, attended by district officials, the Office of the Prime Minister (OPM) and partner organizations from all refugee settlements in West Nile and Acholi regions. This was in preparation for the introduction, scale up

16,018
Number of HH trained on
financial literacy by WFP in
2022

of cash for general food assistance (GFA), and digital cash (Mobile money and agent banking) in the course of 2022.

Jointly with other partners, WFP conducted market assessments in November 2021 to inform expansion of the cash assistance caseload in Adjumani, Kiryandongo, Rhino Camp, Palorinya and Imvepi, and introduction of cash assistance in Bidibidi, and Palabek settlements.

Market price monitoring by WFP on General food assistance indicates the following:

- **Overall, prices of key commodities have increased in West Nile (WN) relative to the South West (SW).** For example, the price of maize increased from 582 UGX to 1,141 UGX in WN between May and November 2021 (vs. 1,041 UGX in Jan and 1,127 UGX for WN)
- Over the same period, the price of beans has reduced in WN (3,310 UGX in May vs. 2,212 UGX in Nov) but remained relatively stable for the SW
- **These changes increased the cost of the Food MEB for the SW from UGX 227,585 in May to a peak of UGX 282,028 in October (higher than in WN) before reducing to 230,479 UGX in November.**

WFP and the CWG facilitated the visit of the Central Bank of Uganda (BoU) to Nakivale refugee settlement in November 2021. The visit aimed at witnessing various refugee cash interventions, observing financial literacy trainings, appreciating the role of BoU in cash programming and refugee planning, understanding the role of BoU in financial inclusion as well as providing a case for refugee advocacy by the regulators.

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Bank of Uganda visit to Nakivale Nov 2021

The following were the key outcomes of the visit as provided by BoU:

Key Uptake from BoU visit:

- Planned financial literacy Training of Trainers - ToT for Development Partners and Microfinance Deposit-Taking Institutions (MDIS) in the refugee settlement in partnership with UNCDF – planned for May 2022.
- Agent Banking Regulations Review Meetings Ongoing; Key aspects incorporated to accommodate the refugee centric considerations – Update by June 2022.
- More considerations for the Financial Literacy Trainings; Mindset Change, DFL, Material for the blind, –updates by March 2022

Recommendations:

- Extend the Finnish Refugee Council - FRC training to reach not only the heads of the households, but the youth too.
- Need to reduce women barriers to financial services. E.g. need to grow number of female mobile money agents in Nakivale given that only 2 out of 59 agents are women.
- The need for timely and effective reporting to BOU by financial literacy trainers with clear recommendations. Forms need to be submitted to financialliteracy@bou.or.ug
- Collaboration with key stakeholders and co-branding for financial literacy initiatives by implementing partners, with BOU (as advised) was recommended.

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BoU On-going discussions with National Financial Inclusion Strategy - NFIS Working group:

- Improvement of connectivity to ease usage of DFS
- The need for access to free or affordable digital devices
- Innovative financial institution products for VSLAs and groups.
- Flexible KYC requirements. Acceptance of the Refugee ID to access the financial card.
- Lower rates for DFS

Upcoming Events

Digitalising VSLAs: learning review started with UNCDF, CWG and livelihoods WG. Webinar expected at the end of March.

The CWG and the Livelihoods Working Group, in collaboration with U-Learn and UNCDF, are embarking on a Learning Review on ‘Digitalising VSLAs in the Uganda refugee response’.

Existing evidence and practice will be reviewed (desk review and KIIs), the results will be presented and discussed with all stakeholders during a webinar (tentatively scheduled for 31st of March), and finally all learning will be made available through a learning brief in April.

Please reach out if you have experience or information to share on this topic (resources or through a discussion)!

Financial Services in the Uganda refugee response (An assessment of User Perspectives. Report to be published on 24th of February)

The CWG and U-Learn assessment looks at user perspectives on financial services and assistance mechanisms in the Uganda Refugee response. The report will provide actors with robust information on how financial services and assistance are currently being used, what challenges exist to accessing and using them and which mechanisms users prefer and why. *The report will be published on 24th of February.*



A U-Learn enumerator conducts an interview in Rwamanja settlement, Uganda. September 2021

Primary data collection for this assessment ran from August to October 2021 and included both qualitative and quantitative data.



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Workshop on Harmonizing Cash and Voucher Assistance (CVA) in the Uganda refugee response.

The CWG and U-Learn are organizing a workshop on harmonizing Cash and Voucher Assistance (CVA) in the Uganda refugee response. The workshop will focus on the contribution of the latest evidence on user preferences and financial service providers to a common cash approach in Uganda.

It is scheduled for Thursday 24th of February from 8:30am to 1pm and will be hybrid (both in-person and online). The workshop will be interactive and engaging, one of the sessions will be a panel discussion that will bring together leading Financial Service Providers and Humanitarian Actors in the refugee space.

The workshop's outcome will be the development of a policy brief to inform and influence CVA policy, decision making and practices in the Uganda refugee response, including the ongoing decision making process on the Common Cash Approach.

You can register to participate at the workshop through this link:

<https://us06web.zoom.us/meeting/register/tZEtf-2hqzljH92l38qC1bdxjn5GO4C8e9gr>

Key dates:

Workshop on harmonizing CVA delivery in Uganda – User preferences and service availability – 24th February 2022

Regional / global cash working group: Tuesday 8th February 2022

National Cash Working group – 23rd February 2022

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