Overview of Refugee Financial Inclusion

UNHCR

Livelihoods and Economic Inclusion Unit

22nd March 2022
Outline

• Overview of informal mechanisms and emerging issues
  - VSLAs
• Overview of formal financial services providers
  - Commercial Banks
  - Micro Deposit-taking Institutions
  - Microfinance Institutions
Informal mechanisms - Overview of VSLA statistics (Dec 2021)

### No. of VSLAs

<table>
<thead>
<tr>
<th>Location</th>
<th>No. of VSLAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palorinya</td>
<td>1,440</td>
</tr>
<tr>
<td>Bidibidi</td>
<td>896</td>
</tr>
<tr>
<td>Rwamwanja</td>
<td>809</td>
</tr>
<tr>
<td>Adjumani</td>
<td>602</td>
</tr>
<tr>
<td>Imvepi</td>
<td>554</td>
</tr>
<tr>
<td>Rhino</td>
<td>385</td>
</tr>
<tr>
<td>Kyanyandongo</td>
<td>338</td>
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<tr>
<td>Kyangwali</td>
<td>260</td>
</tr>
<tr>
<td>Kyaka II</td>
<td>208</td>
</tr>
<tr>
<td>Palabek</td>
<td>159</td>
</tr>
<tr>
<td>Nakivale</td>
<td>31</td>
</tr>
<tr>
<td>Oruchinga</td>
<td>16</td>
</tr>
<tr>
<td>Lobule</td>
<td>13</td>
</tr>
</tbody>
</table>

### No. of Members

<table>
<thead>
<tr>
<th>Location</th>
<th>No. of Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palorinya</td>
<td>5,711</td>
</tr>
<tr>
<td>Bidibidi</td>
<td>149,255</td>
</tr>
</tbody>
</table>

### VSLA membership by Gender

- **Male**: 149,255
- **Female**: 68%
- **Male**: 32%

#### No. of Members by Location

- Palorinya: 5,711
- Bidibidi: 149,255
- Rwamwanja: 809
- Adjumani: 602
- Imvepi: 554
- Rhino: 385
- Kyanyandongo: 338
- Kyangwali: 260
- Kyaka II: 208
- Palabek: 159
- Nakivale: 31
- Oruchinga: 16
- Lobule: 13

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The UN Refugee Agency
Historical Comparison

- Since 2018, the number of VSLAs has grown **3.5** times.
- VSLA membership has increased nearly **4** times.
- Both savings and loans have grown.
Savings and Loans per Location

- Rwamwanja had the highest VSLA savings- US$1.2M, US$58 savings per member.
- Bidibidi has the largest loan portfolio estimated at over US$687,000 followed by Palorinya and Adjumani with US$569,000 and US$259,000 respectively.
- Rwamwanja had a very small loan portfolio of about US$137,000 representing only 11% of the total group savings.
- In contrast, Nakivale and Oruchinga had limited savings, but with the highest loan to savings ratios with over 96 percent of VSLAs’ savings loaned out to members.
Emerging Issues

- Safety of cash kept in boxes by VSLAs
- Digitalization
- Quality of VSLA training
- Limited Operational capacity
- Low Investment Capacity of VSLAs
- Greater demand for multi-year programs
Inclusion of Refugees into Formal Financial Service Provision

- **Sida, UNHCR and Grameen program**
  Multi-faceted programme – debt funding, guarantee funding and technical assistance to the FSPs and beneficiaries. By 3rd quarter 2021,
  - Vision Fund had lent to 3,600 individual through 183 VSLAs in Moyo and Yumbe
  - UGAFODE had disbursed over $1.2m to 1,302 borrowers and mobilized over $128,000 from 3,355 clients in Nakivale.
  - VSLAs playing the critical role managing the last-mile lending
  - Vetting members,
  - Disbursing loans to and collecting repayments from members
  - Opportunity Bank followed suit in opening a Branch in Nakivale. As of June 2021, over $1.2m mobilized in savings and $167,800 disbursed as loans.
  - Bank accounts - 48,789, including 694 for hosts (cash working group)
  - Mobile money accounts - 96,869, including 27,151 for hosts (cash working group)
Thank you