

Overview of Refugee Financial Inclusion



UNHCR

Livelihoods and
Economic Inclusion Unit

22nd March 2022

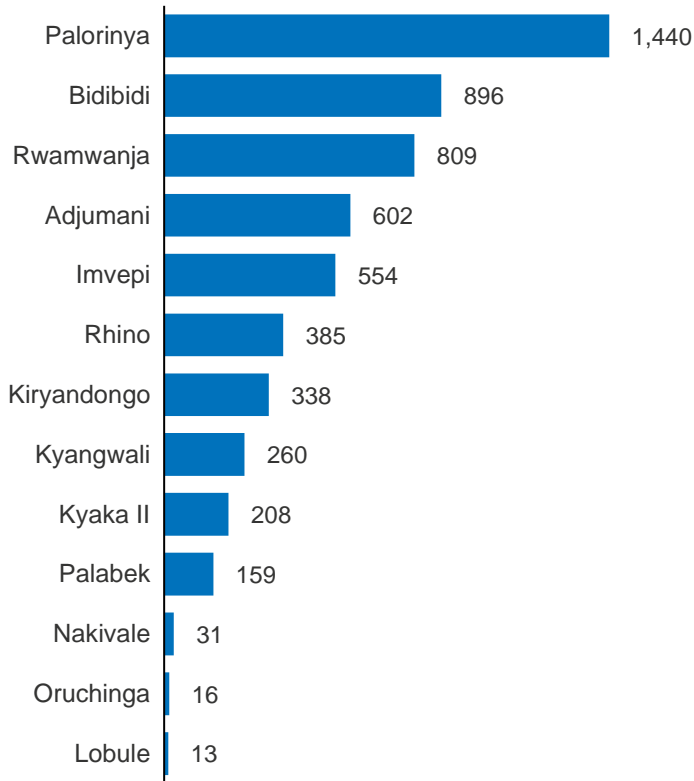
Outline

- 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

5,711

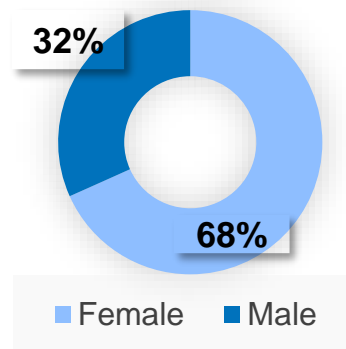
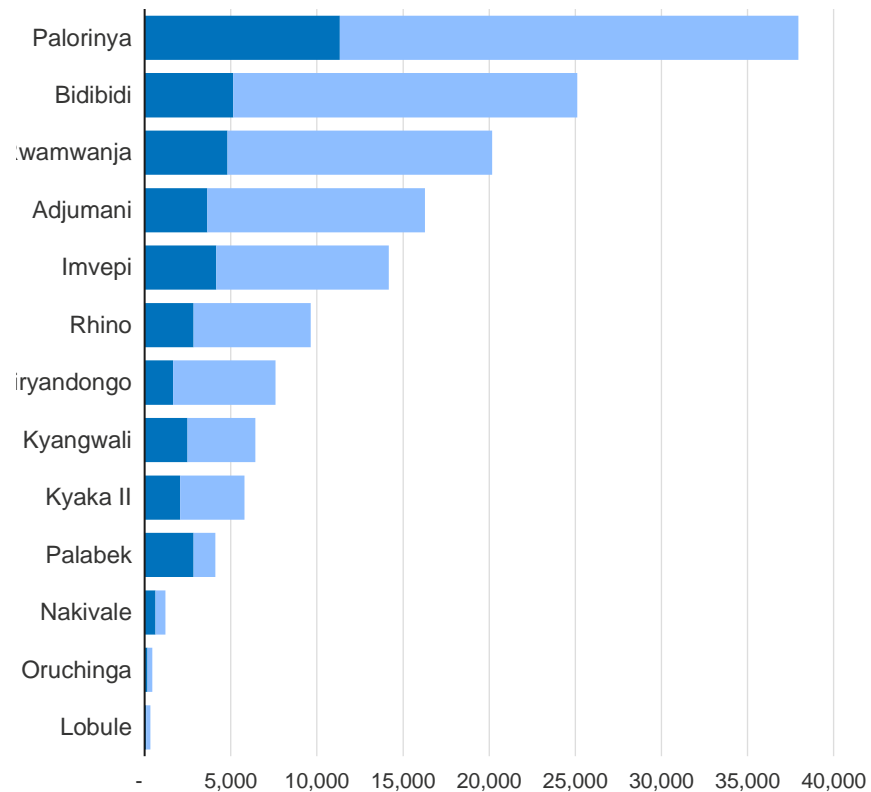


VSLA membership by Gender

149,255

No. of Members

■ Male ■ Female

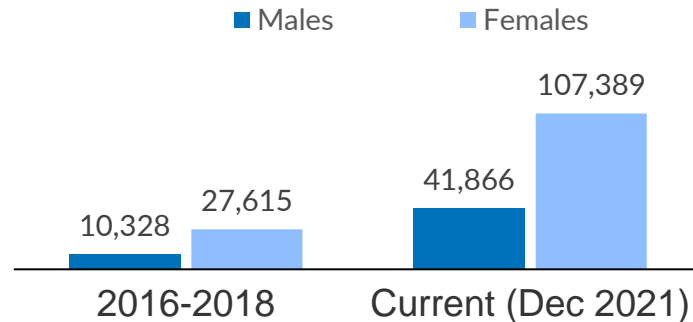


Historical Comparison

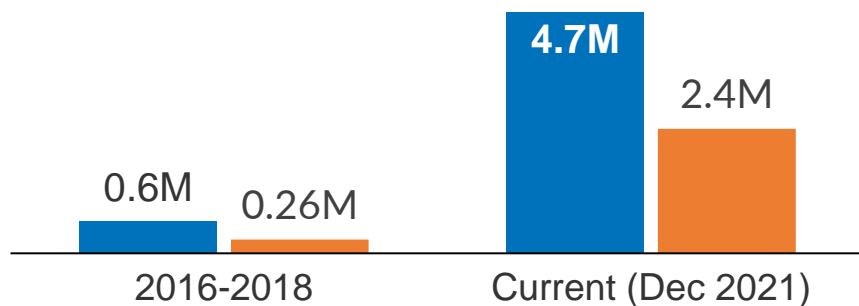
No.of VSLAs

1 640
(2018)

5,711
(2021)



■ Total Savings (US\$) ■ Total Loans (US\$)



- Since 2018, the number VSLAs has grown **3.5** times
- VSLA membership has increased nearly 4 times
- Both savings and loans have grown

Savings and Loans per Location

Loans



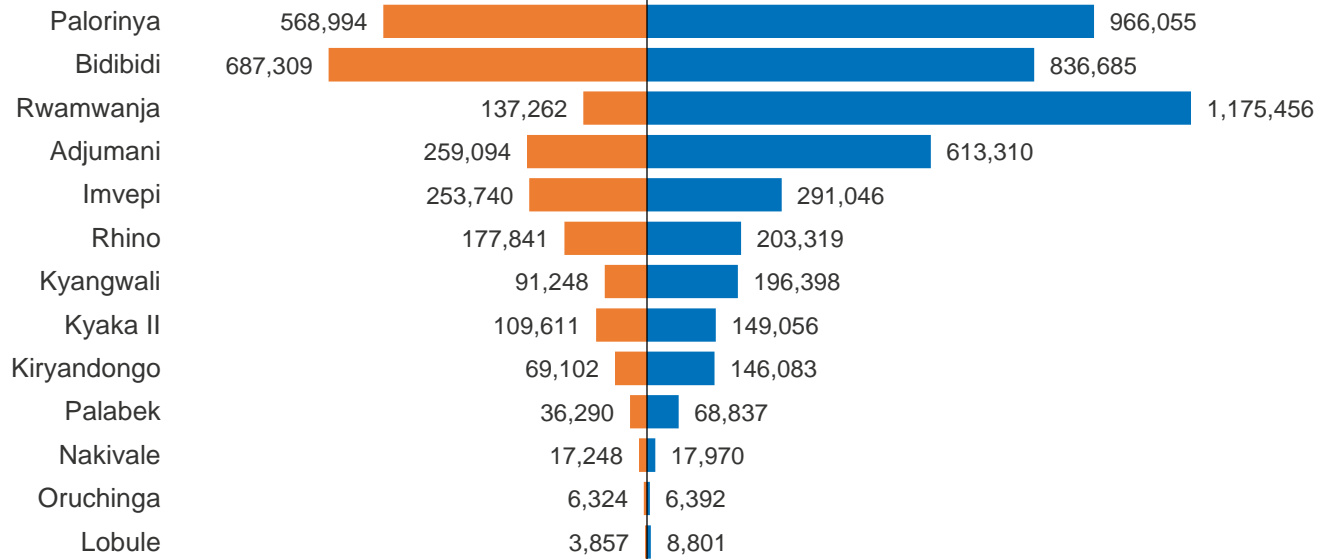
USD 2.4M

Savings



USD 4.7M

■ Total Loans ■ Total Savings



- 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

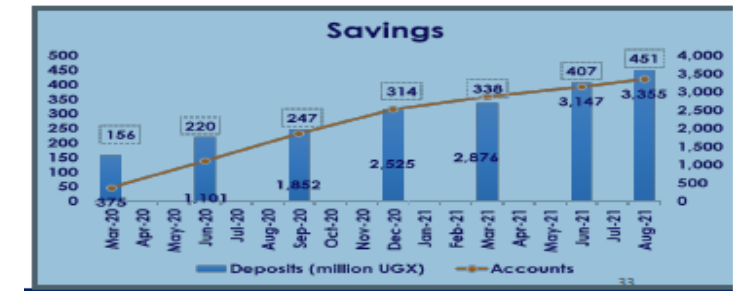
❖ Opportunity Bank followed suit in opening a Branch in Nakivale. As of June 2021, over \$1.2m mobilized in savings and \$167,800 disbursed as loans.

❖ Bank accounts - 48,789, including 694 for hosts(cash working group)

❖ Mobile money accounts - 96,869, including 27,151 for hosts(cash working group)



Category	Refugees		Host Communities		Total
	Female	Male	Female	Male	
Loans Disbursed	247	579	148	328	1,302
Volume Disbursed (USD)	234,742	550,266	140,655	311,723	1,237,387
Active Loans (USD)	130	305	78	173	686
Portfolio	72,780	249,743	53,961	166,673	543,157
PAR 30					6%
Accounts	778	1,755	275	547	3,355
Deposits (USD)	23,749	52,333	6,025	45,996	128,102
Financial Literacy by NGO	4,999	7,819			12,818



Thank you