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Advancing Access to Financial Services for Refugees

Digital Solutions to Expand Access and Lower Cost

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UNCDF
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UNCDF's goal is **to empower vulnerable people to lead productive and healthy lives** by expanding access to and usage of digital services that contribute to achieving the **Sustainable Development Goals**

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Agenda

CBI Digitization in Uganda and Zambia

Savings Groups and Tablet and App-based Fin-Ed, Dig-Lit in Tanzania

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CBI digitization

Zambia

1.800 beneficiaries

- *UNHCR directly provides beneficiary list, along with bulk amount to Standard Chartered Bank Limited*

- *SCBZL makes payment through integration (and partnership with Airtel Money).*

- *Airtel Money on-boards beneficiaries, trains and supports the cash-out exercise by providing additional agents during the payment cycle.*
- *Airtel Money to set up permanent agent/ service centres within the settlement*

- *Beneficiaries are on-boarded and are able to cash-out during payment cycle at Airtel Money agents.*
- *UNHCR field team is on-hand to support entire process of on-boarding and during the payment cycle to address and issues that arise.*

Uganda

15.000 beneficiaries

- Established a Bulk Payments account with Airtel.
- Shared cash distribution schedule with Airtel
- Sensitized beneficiaries on new payment modality.

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CBI Disbursal in Zambia: Pre-digitization Process

1
- List of new arrivals generated from ProGres and consolidated by COR
- List sent by email to UNHCR Solwezi office

2
- Registration Officer at UNHCR Solwezi verifies the list and adds names of eligible vulnerable for CBI

3
- Approved list shared with MCDSS Solwezi office for processing.
- MCDSS project accountant gets approval and prepares cheque

4
- MCDSS CBI Social Welfare Officer travels to Solwezi, with police escorts, collects money and returns to Meheba
- CBI distributed from block to block, verification of beneficiary against Proof of Registration

5
- Reconciliation and post disbursement by MCDSS
- Report submitted to UNHCR

After digitization of steps 3-5: Time decreases from 50 days to 29 days, UNHCR's monthly cost decreases by 47%
Impact: CBI can be distributed monthly instead of once every two months; cost savings mean 748 additional beneficiaries can be reached.

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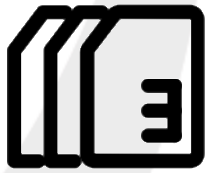
Results of Digitization Efforts in Uganda

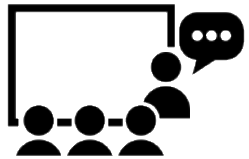
86,000 refugees purchased and registered for SIM cards



9 Mobile Network Operator Towers established

15,000+ beneficiaries received digital payments

100,000+ refugees and host community provided with phone usage and mobile money education



46 Cash In and Cash out agent points established

20,000 basic phones sold at a subsidy to refugees and host community

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CBI Disbursal Challenges

- Business case for MNOs, MNO distributors and agents is negative without donor subsidization because of low disposable income of refugees to spend on MNO products and services beyond cash-out.
- Changes in KYC regulations meant that many refugees were disenfranchised from ownership of a SIM card/bank account.
- Phone penetration amongst women was low yet women make up more the 60% of refugee population.
- Irregular network coverage and remoteness of MNO headquarters resulted in delays in query resolution and payment enablement.
- Low Agent penetration exacerbated by agent KYC regulations meant that some refugees still had to travel significant distances to the nearest agent point.
- Very limited value addition services make for weak value proposition for owning digital currency.
- Absence of formal banks nearby restricts rebalancing of mobile money agents.
- Stringent requirements for humanitarian organizations to open mobile bulk payment accounts.

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Key Learnings

- Overtime, refugees and host community members use the mobile wallet as a store of value.
- Mobile technology training and financial literacy should be conducted hand in hand for target populations.
- Focus on mobile money infrastructure investment needs to be matched with the scale up and sustainability of CBIs. CBI projects across most partners are short term, making them unsustainable and limited in scope. Consideration to be given to successor CBI projects, as the underlying push for infrastructural investments.
- Need to extend CBIs to cater for the untapped potential and all sectoral areas including livelihoods, food assistance, WASH, NFIs, etc.
- Need for more partner coordination and harmonization of CBI approaches, particularly in respect to digitization (Cash Working Group to be strengthened and sustained with involvement of government authorities).

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Overview of Nyarugusu Refugee Camp, TZ

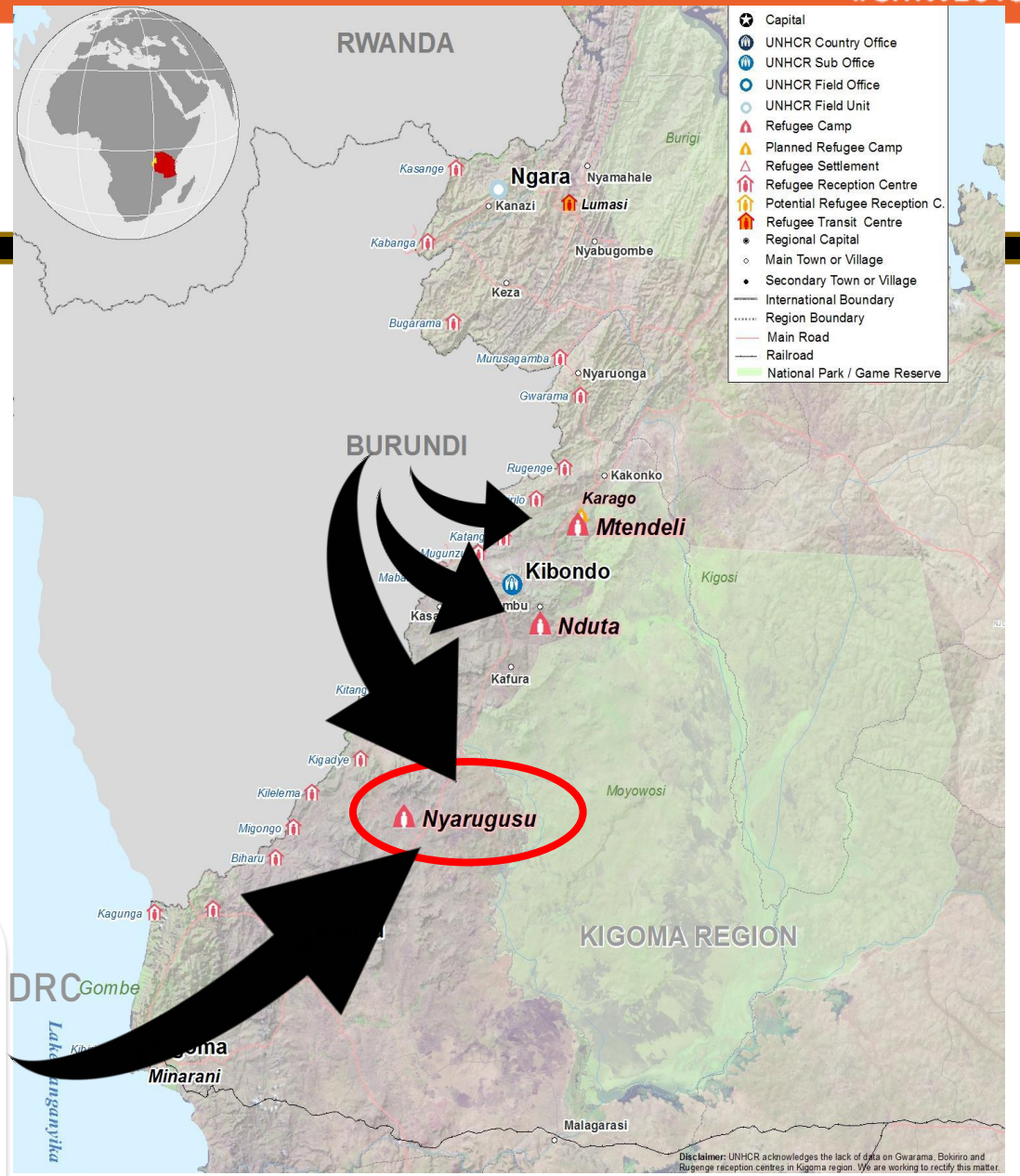
Country of origin	Pop before 2015 - Nyarugusu	Pop October 2017 - Nyarugusu	Total Refugee Pop in TZ (3 camps) as of Oct 2017
Burundi	2,369	69,065	278,801
Congo	61,841	80,080	80,176
Total	64,210	149,145	**358,977**

$30-35 USD Average HH expenditure

40,000 asylum-seekers in Tanzania

49% Female / 51% Male

76% Women & Children under 18



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Challenges & Opportunities in TZ

Restrictive Refugee Policy
- Mobility
- Employment
- Nat'l ID

Little access to markets & land for farming

No connection to electrical grid

Poor access to capital - informal & formal channels

Low access to cash/Cash-based transfer programme suspended

Low consumer protection awareness & DFS capability

Pilot project on national ID issuance for refugees

Common market established and flourishing

Savings groups present in the camps

Women's centers present in the camps

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Project Objectives & Activities

Objective: Deepen access to finance for refugees through savings groups with eventual digital linkage of groups to formal financial service providers.

Pilot Activities:

- Strengthen and establish savings groups in Nyarugusu refugee camps.
- Develop and implement financial capability and digital literacy programming using SMS messaging and tablet-based applications.
- Develop a roadmap for eventual scale up of efforts throughout the Kigoma region (camps and host community).

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Key Insights from Research

Nearly half of the refugees interviewed want to start businesses in the camp (46%). Only 11% want to leave the camp or go home.

~ Arifu

All of the respondents in savings groups improved their money management capabilities, save more frequently, have more income-generating ideas, and feel more socially empowered compared to respondents not in groups

~ *MicroSave*

No NGO or organization currently offers financial education in any of the 3 camps.

~ Key Informant Interviews

Digital devices "hit the eyes" of refugees. They are highly interested in tablet-based training.

~ Fundación Capital

Access to education is closely associated with aspirations and hopes for the future.

~ GSMA

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Digital and Financial Literacy in Nyarugusu Refugee Camp, Tanzania

Tablet-Based	Interactive SMS	Face-to-Face Supplementary
1. All About Mobile Money: Interacting with an agent safely and securely 2. Mobile Money Simulator: Practice sending money, buying airtime, keeping a password safe, and cashing out 3.-5. Saving, Budgeting, and Managing Money through a gamified approach Fundación Capital	1. Saving 2. Form or join a savings group (how to) 3. How to grow your SG shares 4. How to use M-Pesa 5. How to use M-Pawa 6. Tell your friends! Arifu	Face-to-face SG supplementary modules on: • saving, • mobile services, • and consumer protection. Objective is to fill gaps in implementing organizations' training of savings groups

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Jijenge & Kwiyubaka: Tablet-Based Financial & Digital Literacy Application

Developed by Fundacion Capital

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UNHCR-UNCDF Joint Programme to Financially Include FDPs and Host Communities

PURPOSE:

- Financial Inclusion Framework developed by UNCDF in response to UNHCR Comprehensive Refugee Response Framework (CRRF)
- The Joint Programme manifests One UN Operation model and a strong demonstration of global partnership between humanitarian-development UN agencies
- Concerted effort across UNHCR operational capacity and UNCDF technical and financial capacities towards a global sustainable livelihood agenda for FDPs

9 FOCUS COUNTRIES: Cameroon, Chad, DRC, Ethiopia, Kenya, Rwanda, Tanzania, Uganda, Zambia
Represents 10MM of UNHCR's 68MM people of concern worldwide

TIMELINE and BUDGET: 5 years, $50MM

REMITTANCES FOR REFUGEES TOOLKIT: Uganda country assessment complete; DRC beginning Nov 2018

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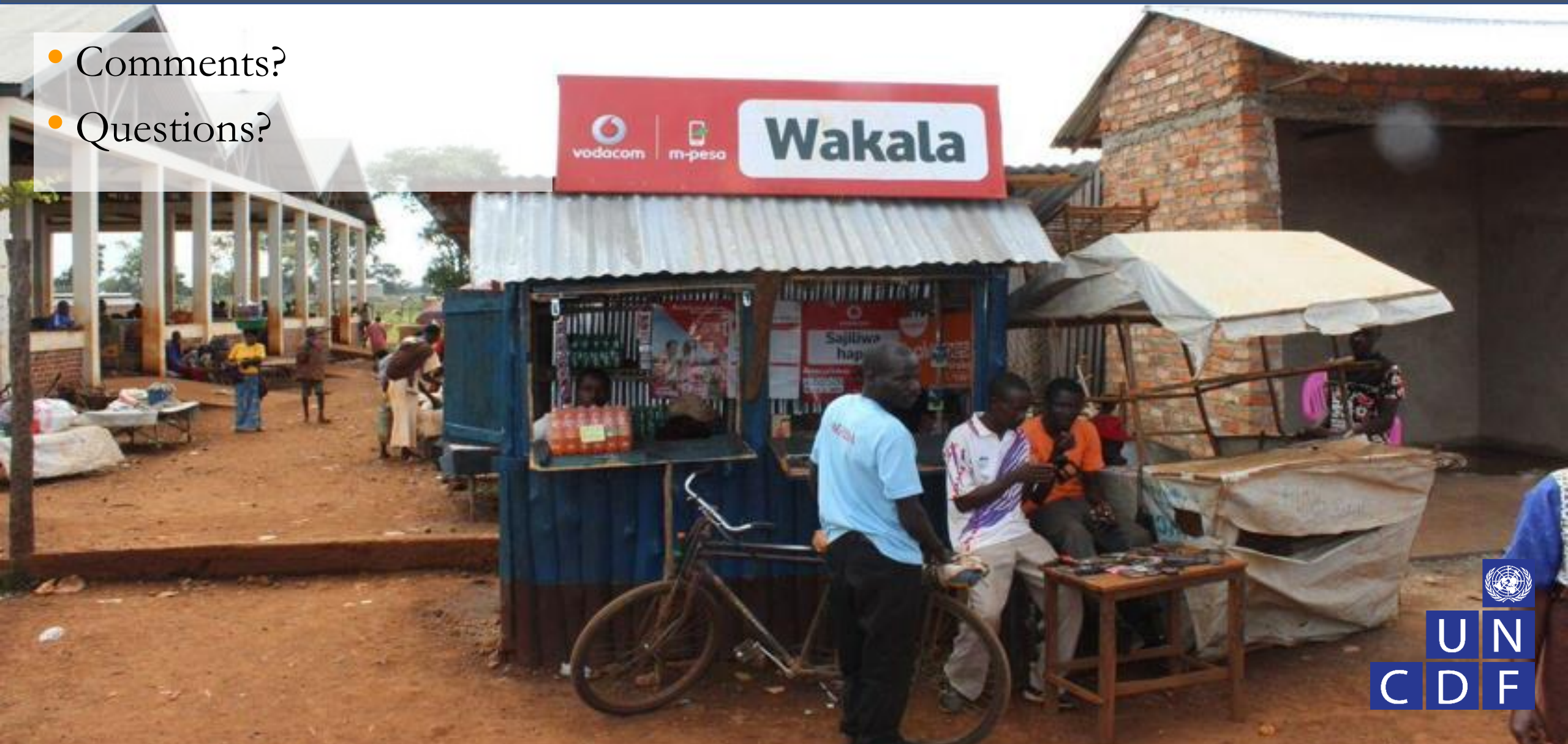
UNCDF Resources

- UNHCR-UNCDF Joint Programme Concept Note: www.uncdf.org/unhcr-uncdf-joint-programme-for-financial-inclusion-of-forcibly-displaced-persons-and-host-communities
- Uganda CBI digitization briefing note: http://www.uncdf.org/article/3725/digitizing-cash-based-interventions-through-a-mobile-wallet and video: http://www.uncdf.org/article/3726/mm4p-partnering-with-danchurchaid-and-airtel-uganda-to-digitize-cash-based-interventions
- Zambia CBI digitization case study: http://www.uncdf.org/article/3936/reaching-the-last-mile-introducing-digital-payments-for-refugees-in-meheba-zambia
- Tanzania Refugee Savings Group fin-ed and dig-lit blogs: http://www.uncdf.org/article/3767/world-refugee-day-innovation-facilitates-financial-inclusion-of-refugees and http://www.uncdf.org/article/3620/the-power-of-savings-groups-in-refugee-contexts-uncdfs-access-to-finance-pilot-in-kigoma-tz
- Remittances: 1. Affordable and Accessible Remittance Services for Refugees: A Toolkit
  2. Uganda country assessment report

Discussion

- Comments?
- Questions?