



Photo: Kate Holt

PROJECT BRIEF | FINANCIAL DIARIES | JUNE 2020

The Financial Lives of Refugees Living in Uganda

Learnings from applying the financial diary methodology in refugee settlements and preliminary insights on the impact of COVID-19.

PROJECT BACKGROUND

Ugandan Government's Response to Refugees

The Government of Uganda maintains very progressive policies towards refugees, as well as a comprehensive refugee response framework allowing for integration of refugees within host communities and providing refugees access to the same services (education, health, water and sanitation) as nationals. Refugees are also afforded freedom of movement, the right to work, and the right to establish a business. To sustain and expand this progressive and generous refugee approach, the Government of Uganda seeks to strengthen the resilience and self-reliance of refugees and their host communities.

About the RISE Project

Opportunity International and its partners launched Refugees, Innovations, Self-reliance and Empowerment (RISE) project in June 2019 to help integrate and financially include refugee and host communities, promote self-reliance among refugees, and stimulate local economic activity in refugee settlements and surrounding host communities. Opportunity is working with Opportunity Bank Uganda, Limited and FINCA in two settlements in Uganda, Nakivale and Kiryandongo (and will start in a third in July 2020), to extend financial products and services, as well as financial literacy training, to refugees.

Opportunity International's Approach

Opportunity's approach is a phased one. First, in order to make informed and appropriate investment decisions, Opportunity is gathering quantitative and qualitative data on refugees' financial needs and behaviours using financial diaries and other human-centered design approaches. This will be followed by testing and development of financial products tailored to refugees' needs and realities, and then distributing these services through adapted delivery channels.

Opportunity is working to strengthen refugees' financial and digital literacy, equipping them with the skills and knowledge to climb the financial graduation ladder, including digitization to reduce needs for physical cash. To date, we have trained 950 saving group members in financial literacy and, prior to COVID-19, began opening bank accounts for refugees and disbursing loans. Ultimately, Opportunity aims to demonstrate that this population can be served sustainably and responsibly.

Similarly to broad demographic categories like youth, women, and farmers, refugees are far from homogeneous. They come from different countries and circumstances, and have diverse abilities and skills. They are young and old, businessmen and women, farmers, teachers, health workers and pastoralists. Many have also accessed financial services before, and many save. Studies across Uganda show that up to 75% of refugees save; Opportunity's baseline of 397 refugees showed 90% save.



Photo: Kate Holt

BY THE NUMBERS

1.4M

Refugees now live in Uganda, now the largest host country in Africa

8 countries

Refugees come mostly from 8 surrounding countries: South Sudan, Democratic Republic of the Congo, Burundi, Rwanda, Somalia, Eritrea, Sudan, Ethiopia

14

Settlements throughout Uganda host refugees

7 years

Average length of time refugees will stay in Uganda

Data from UNHCR Refugees Statistics Dashboard, May 2020

Lenghe Musabouoa, a 30-year-old refugee from the Democratic Republic of the Congo, now owns a small hair salon in the Nakivale Refugee Camp, in the Isingoro District, Uganda. Nakivale is home to more than 120,000 refugees from east and central Africa. Every week, an estimated 400 new refugees arrive from the DRC as violence escalates among rebel groups.



Photo: Kate-Holt

RISE OUTREACH as of May 2020



950

refugees have been trained in financial literacy



90%

reported they actively save earnings



200

refugees are participating in financial diaries

COVID-19 UPDATE

The United Nations Global Humanitarian Response Plan for COVID-19 has identified refugees, internally displaced people, and their host communities as highly vulnerable groups and has prioritized this population for protection and assistance.

Socioeconomic impacts of COVID-19 are disproportionately high for the forcibly displaced and Stateless whose access to formal labour markets, education and public health services is often not on par with citizens of a country.

-UNHCR Global COVID-19 Emergency Response, April 17, 2020

Food rations are a major form of social safety net support for most refugees, so it is understood that the COVID-19 impact, specifically restrictions on travel, will be felt more acutely by refugees. Scale-up of cash-transfers using mobile money, with accompanying livelihood assistance, have been identified as gaps in the current situation. These have not yet started in Uganda.

President Museveni announced a two-week nationwide lockdown in Uganda on March 31, which was extended a further seven weeks. These restrictions have affected all private and public transport, food, labour, farming, and business activities. Alongside the lockdown, the World Food Programme announced in April a 30% reduction in relief funding to refugees and asylum seekers in Uganda.

INSIGHTS FROM REFUGEES' FINANCIAL DIARIES

This brief is one in a series to explore ongoing financial diaries that are getting collected in two settlements in Uganda. Below, the diary methodology is introduced with some preliminary insights on how the COVID-19 crisis is affecting refugees' financial lives.

About the Financial Diary Methodology

The financial diary methodology was first developed in the early 2000s by a team of international researchers consisting of Daryl Collins, Jonathan Morduch, Stuart Rutherford and Orlanda Ruthven. Their work culminated in the publication *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*.

The methodology includes frequent interviews with household members, during which the same questions are asked by the same interviewer to the same household member over time. The data offer evidence-based insights about participants' wellbeing and financial lives.

This method also builds trust and relationships with the participants — the frequency helps provide reliable and intricate findings as repeat interviews reveal insights into the fluctuations of income and expenses over time. The interviews also help capture complexities and fluctuations that only happen occasionally, which helps improve the design and delivery of services to refugees.

How Financial Diaries are Improving Lives and Insights

The process of the research is also a self-exploration and awareness-raising process for the participants themselves. By answering repeat questions, respondents have been shown to gain control and agency over their own livelihood and financial lives. An example of this from the RISE project was when a female respondent who, after six weeks of answering “zero” for income earned, felt motivated to start earning income and persuaded her husband to lend her capital to start a small market business so she had something tangible to report.

The methodology, through repeated data collection, also provides insights into participants' behavior change, perceptions relating to women's empowerment, as well as data on jobs that are created and types of income-generating activities. Additionally, ongoing insights allow project implementers to adapt objectives and project activities according to reported changes or needs expressed by participants.

Finally, as the threat of COVID-19 became more acute in early 2020, the diaries offered real-time insights into refugees' perceptions and realities on the ground, and how the pandemic affected their lives.



Therese Nezehose (front) is a newly-arrived refugee from the Congo whose husband was killed by rebel soldiers, and who fled to Uganda with her 7 children. She and her neighbors queue for food in the reception centre in Nakivale Refugee Camp.

Photo: Kate Holt

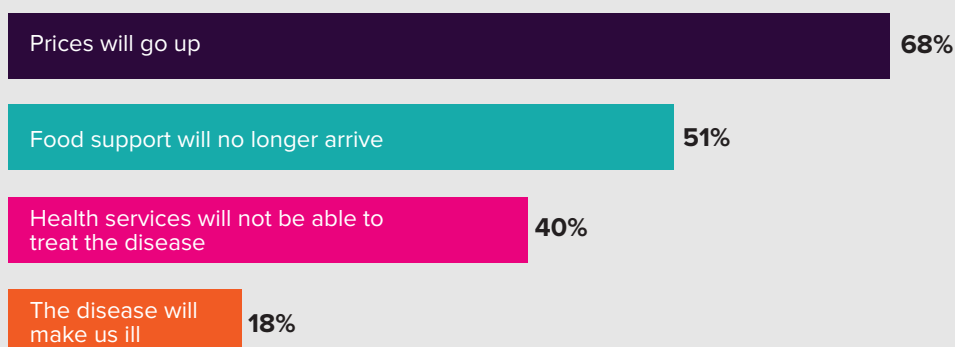
Background: Financial Diary Participants

In Uganda, Opportunity's financial diary work is implemented with the support of PHB Development, which is an organisation with expertise in delivery and product development of digital financial services, human-centered design research, and provision of financial literacy training. Data collection with the diaries started in October 2019, and baseline information was collected on 397 participants in Nakivale and Kiryandongo settlements. The diary researchers themselves are all refugees from the settlements where they are conducting the interviews.

The financial diary work was established prior to the spread of COVID-19, and have since offered an effective way to understand how the lock down in Uganda is affecting refugees living in the settlements. Throughout the crisis, Opportunity and PHB have been able to maintain regular communication with 200 refugees, who have offered responses to questions just before and after the lock down was implemented in Uganda.

Responses as of mid-March, 2020 (Pre-lockdown)

What are you most worried about during the COVID-19 lock down?



What measures are you taking to mitigate the spread of COVID-19?*



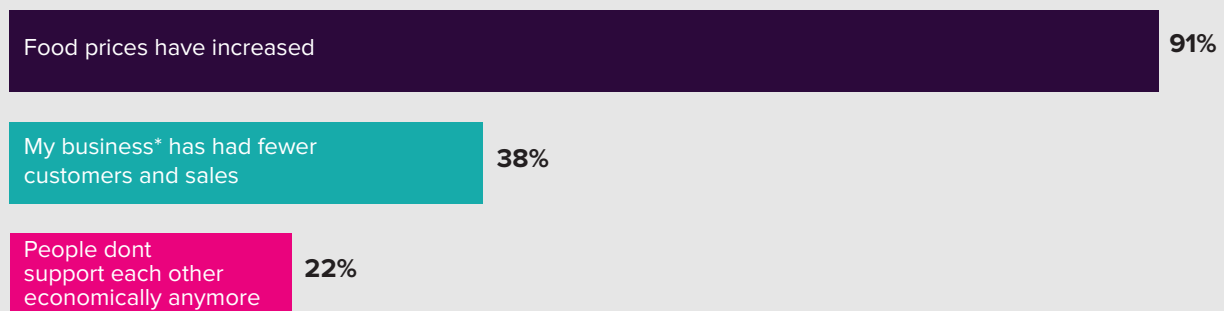
*These measures match what the local awareness-raising campaigns are promoting and what WHO recommends.

“Here in Nakivale, things are hard if you are here with your family. I get my food ration every month, but that is not enough to survive on. We get maize and sometimes oil and salt, but not always... If I could get a loan I would set up a business so that I could generate an income for me and my children.

-Mary, Burundian refugee (from cover). For Mary, food insecurity was a major issue that has been exacerbated during COVID-19.

Responses as of April 8, 2020 (During lockdown)

How has the lock down affected you?



*Fewer than half of all respondents have a business, so this indicates almost all businesses have been affected

COVID-19 Ramifications for Refugees

The Ugandan government instated a lockdown starting March 31, 2020, in response to the spread of COVID-19. The same questions asked of respondents just before the lockdown were asked in mid-April 2020, which was several weeks after the lockdown during which the government suspended travel, banned public gatherings, closed schools and initiated local awareness campaigns to help educate Ugandans on how to prevent the spread. Responses from participants indicated some of the fears expressed by refugees several weeks prior were realised, specifically the increase in food prices, which was reported by 91% of respondents.

The Kiryandongo settlement is next to a trading center and Nakivale, the other settlement, is 20 kilometres from a small market town and 65 kilometres from Mbarara, a major town. Since the lockdown started, virtually no transportation was available within or to or from Nakivale to these towns, significantly inhibiting commerce activities.

Under normal circumstances, refugees are deemed to be a more vulnerable group, with fewer societal safety nets on which to fall back. The responses from the participants demonstrate that most are far more worried about the lockdown measures, rather than contracting the disease, affecting their ability to survive — a common theme emerging from developing countries.

Conclusion

As additional information is gathered on how COVID-19 is impacting refugees, Opportunity will continue to share these learnings. Follow-up briefs will hone in on specific aspects of the dairies, including the effects on food prices, businesses and incomes, livelihoods, and agriculture. In the midst of the COVID-19 pandemic, our goal remains the same: deepen our understanding of the financial lives of refugees to inform solutions that can effectively help refugees build sustainable livelihoods for themselves. Regardless of what the future holds, we hope our continued engagement at the community level will provide valuable insights into the financial needs of refugees and help us adapt and be equipped to respond to those in the future.

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