

Refugees and IDPs in times of Global Crisis

18th June 2020

Q&A from the Panel Discussion

1. Noah, what was the basis for selecting the 3 settlements for your project in Uganda? Out of 30 settlement why did you narrow down to Kiryandongo, Nakivale and Rwamwanja?

Noah, Opportunity International: Our intervention aims at enabling refugees become resilience and self-reliant. We mainly target refugees in protracted situations – those refugees that have been in the country for at least three years and are established. As such, we considered Kiryandongo, Nakivale and Rwamwanja because they are the refugee settlements with most protracted refugees. In Nakivale for example, some refugees have been in the settlement for over 20 years, while in Kiryandongo for up to 10 years. However, as we learn and refine our interventions, we looking at scaling our interventions to other settlements such as Bidi Bidi in the near future.

2. Mike, why fund transfers are slow? Are you charging for transactions? Have you considered free transactions for customers?

Mike, Mercy Corps: The fund transfer itself is not slow (i.e. technically sending the money once you're ready). What is slow is having to manage disbursements to 27k people while maintaining social distancing, and minimising contact. This is why we reduced them from monthly to every two months and are keeping it under review.

3. Given the network penetration, access to mobile SIM cards etc. in the Ethiopian context, can refugees have easy access to saving service and access to branches and cash out agents at the nearest and safe points in refugee camp or surrounding at the is COVID-19 restrictions in Somali and Gambella region of Ethiopia? What will be the major challenge for expanding digital financial service?

Mike, Mercy Corps: In the examples I've used, in Nigeria and Ethiopia, we were referring to IDPs and refugees in host communities rather than on camps, so I can't comment on that specifically. However, I think some of the major challenges in expanding digital services to these population segments are on the demand and supply side. On the demand side, we need to strengthen digital literacy, and ensure people are equipped with suitable tech. On the supply side, we need to ensure products are better designed to meet their needs (perhaps bundled with relevant services), and that the spread and density of CICO agents is sufficient to make it convenient to use them. Savings groups will not shift to a digital model if they have to walk 5km to cash the savings at the end of a meeting!

4. Are you planning to digitalize the whole process of the Savings Group activities or only financial transactions?

Noah, Opportunity International: Our intention is to maintain the social elements of the Savings Groups while leveraging digital solutions. As such, we intend to digitize the financial transactions of the groups as well as the record keeping processes. The digital

solution will replace the manual recording keeping, reconciliation as well as transactions record as get the VSLA formally banked with the FSP. However, the physical meetings of the groups will continue and their other activities that happen on meeting days such as handcraft, literacy classes will continue as is.

5. Since agricultural activities are still ongoing in the areas of your intervention, do you have any efforts in place on reducing climate change vulnerabilities, especially micro index crop insurance.

Noah, Opportunity International: Part of our intervention is to create market linkages for refugee farmers, businesses etc – which we intend to do through training in agronomic practices (already piloting a passion fruit farming activity with a local refugee group in Nakivale). On the other side, we are working with our FSPs to develop new specific products for our beneficiaries – and happy to consider micro index crop insurance as one of the products to prototype.

6. Why are they refugees? Can you suggest some ideas for India on this COVID-19 – considering the population of India?

Noah, Opportunity International: People become refugees for several reasons ranging from political and ethnic conflicts as well as natural disasters like floods, famine among others. Refugees in Uganda for example have fled their countries due to internal conflicts in their countries (DRC and Southern Sudan), while others have had to flee due to ethnic conflicts (Burundi). When these refugees flee their countries, they leave with almost nothing – and so have to start new lives in the country of refuge.

At this point, organisations like Opportunity International play a role of helping these people survive, and develop self-resilient livelihoods. Unfortunately, we are not able to suggest any ideas for India, but all what we can say is always stay safe and observe guidelines from the authority in order to fight Covid-19.

7. One really important point coming from SEEP best practice on this is that banks and MFIs must not let group money get deposited into individual accounts even as an emergency measure. We are working on respectful ways of questioning the source of monies being deposited because we are having real problems with getting town-based officers out into rural areas because villagers are very suspicious of anyone coming out of town. Does anyone have any experience in this field?

Mike, Mercy Corps. Interesting challenge. Trust is certainly a critical component of providing any financial service. In my experience, hiring staff from the communities (or type of communities) they serve can create a much stronger bond and level of understanding with clients. This ultimately leads to better customer service, and due to the higher frequency of contact, more transparency/insight into customer behaviour (what's happening on their farm, or with their business etc).

Roselyne, UNCDF: I think the best way to address this issue is to support the digitalisation of Saving Groups operations. This approach will remove the two challenges you mentioned of having group's monies deposited into an individual account or having a loan officers who is not from their neighbourhoods collecting their money. Another solution, can be to use the service of an agent to support in the deposit and withdraw of funds.

8. Mercy Corps seems to have done quite a bit on Sharia-compliant finance. Given that the majority of the world's refugees hail from Muslim majority countries, what can "conventional" FSPs do to provide such culturally responsive instruments?

Mike, Mercy Corps. Firstly, I think recognising this as a major need/demand from your clients is an important step, so you can then design around it. One effective move at Mercy Corps has been to ensure even a small number of staff become particularly well trained and qualified in this area so they can provide solid advice internally, and are a trusted advisor externally and with clients.

9. How are the financial diaries collected and what kind of data did you ask for? Was it just income and expenditures or more? And was it collected through a fixed set of questions repeated over time or in a different way?

Noah, Opportunity International: Financial Diaries are collected through a set of questions repeated over time, asked to the same respondent by the same researcher. The diaries are collected bi-weekly by a group of trained researchers who are refugees themselves. Data is collected using mobile smart phones using the Survey-to-go application. Respondents are asked about their incomes, expenditures, savings, relations in the community, accessibility to services such as banks, schools, etc. Some diary questions are fixed as these help us measure change in respondents' financial behaviours – while others are flexible. For example, with the outbreak of Covid-19, we were able to add questions relating to how respondents are affected by the Covid-19 lockdown in Uganda, and the coping mechanisms they have.

10. Anything in your findings on how did they cope with the crisis? Any particular tools or services they used to manage through? And do you have views on how access/ lack of access to financial tools has affected their financial situation?

Noah, Opportunity International: According to the diaries, refugees have considered a variety of coping strategies during the crisis. For example, respondents we talked to informed us that they reduced the amount of food they eat, while others withdrew all their savings to buy and stock food at home. Even without the crisis, the lack of access to financial tools affects refugees' ability to attain self-reliance and resilience. With access to tools such as financial literacy, digital payment services, accounts, loans among others, refugees are able to invest in meaningful income-generating activities, increase their incomes and better their livelihoods.

11. I'm an HCD specialist who has been working in Uganda for several months this year on developing a micro-loans product. What is the biggest challenge you have in streamlining loan decisions since lock down and have you evolved some processes that you will wish to keep when lock down lifts?

Noah, Opportunity International: The biggest challenge has been getting to the clients to educate them about the loan products and terms. With the lockdown, and with limited movement for people, meeting groups has always been a problem – this also affects the ability for the FSP to get the required KYC documents to be able to process the loans. As a result, our FSP partners have resorted to organising tele-conferences with the groups and get them educated about the loan products. While this has been hindered by network issues, it has proved to work during this period – and it is an idea that we can move

forward with. The FSP has also considered group recommendation letter from the office of the prime minister in charge of refugees to support loan applications. This makes loan processing easier for the refugees and, we hope it could continue even after the lockdown.

12. I appreciate the difficulty in use of technology for remote learning. How can the use of community safe groups help school going children and youth to continue learning and keep up-to-date especially in Uganda?

Noah, Opportunity International: Good question and I'm not sure we have a definitive response at the moment. As part of the new education project we're designing in Uganda, this is part of what we'll be looking at. It's important to engage the community so that they see not only the value of the project but also in children's (especially girls') education. There is then the potential for communities to set up their own community 'school' in times of need. This aids in informal education and different members of the community can teach children different skills and also act as role models. This obviously requires the community to be invested in the children's education.

In the new project, we'll be looking at using alumni networks to provide mentoring support to children and there is also the potential for them to support with remedial education (for example, you could have former students teaching current students numeracy and literacy skills during school holidays (or any future lockdowns). Our EduQuality team has also been putting together a package on how schools can support remote learning and provide advice to parents – they share a lot of this over their WhatsApp groups.

13. With the economic activity downturn and loss of income generating activities, how likely is that the host communities will become over-dependent on development partners and thus compete for support meant mostly for refugees?

Noah, Opportunity International: Everyone across the country has been affected by the Covid-19 pandemic in a way or the other – and so are the host communities. The government of Uganda requires that 30% of the development partner interventions for refugees should go to their host counterparts. As such, despite the fact that the host communities have been equally hit by the pandemic, we do not foresee any change cases of increased dependency on the development partners for support outside the allocated 30% vote for them.

14. Social cohesion is a significant area of concern when it comes to relationship between refugees/IDPs with host communities. How that has been impacted in COVID-19 scenario, especially when financial services are less targeting host communities?

Noah, Opportunity International: The outbreak of Covid-19 and the subsequent lock down in Uganda has meant that there is limited interactions between the refugees and the host communities. In Nakivale for example, the refugee settlement was closed and no outside visitors such as hosts would be allowed to enter the settlement nor were refugees allowed to move out. However, as the government lessens the lockdown, it is our hope that nationals and refugees will interact freely moving forward. As a financial service provider, our services target both refugees and nationals – that even the products designed for refugees are consumed by the nationals in and around the refugee settlement.

15. With the current effects of Covid-19 taking a major hit on all if not most countries that are Refugee settlement grounds, what measures are being taken by the key stakeholders to keep the refugees surviving? Key case in point is Uganda/Ugandan government.

Noah, Opportunity International: The government of Uganda, UNHCR and WFP have pledged their continued support to refugees to ensure they continue to survive even during the pandemic. As such, all refugee services such as access to water, food, cash continue to be provided to the refugee communities. Indeed, development partners have designed emergency cash programs for refugees to enable refugees survive during the lockdown. For example, UNHCR delivered cash assistance to over 10,000 urban refugees in Kampala, DanChurch Aid plans to deliver emergency cash to over 2000 refugees categorised as “Persons with Special Needs”, GiveDirectly delivered cash to refugees in Kiryandongo and around.

16. Does UNCDF put in place a particular mechanism to support agents in terms of liquidity because they are the one working directly with refugees for their cash in and cash out?

Roselyne, UNCDF: That’s a strong need we noticed during this period of Covid-19 crisis and we are in discussions with our financial institutions partners to see how to establish such mechanism, but as this was not in our project plan , we need to secure funds for it.

17. Why do you think that the NGOs sector haven't prepared for such emergency by introducing digital transactions before like UNHCR cash transfer model?

Roselyne, UNCDF: I think discussions had started slowly and some NGOs were looking for ways to introduce this technology approach but on a slow pace, reasons being that they did not want to pressurize the SG members, Covid-19 crisis has pressed them to move faster on the discussions and implementation of the digital solutions.