



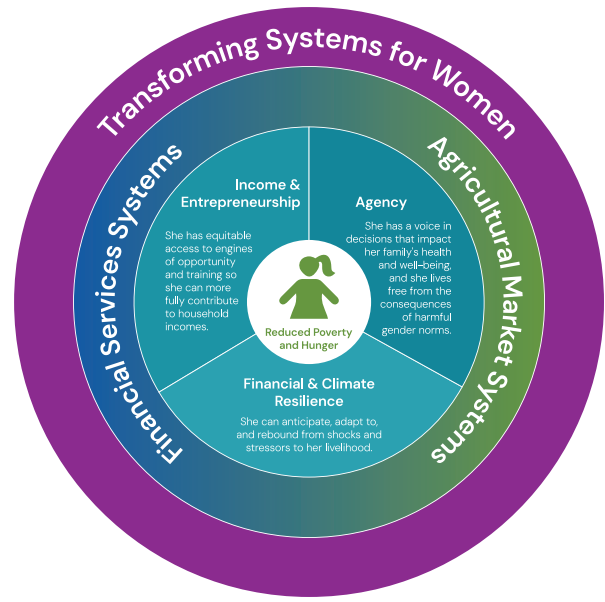
CASE STUDY: REFUGEE FINANCE

Five Years of Refugee Finance at Grameen Foundation:
Impact and Lessons

ABOUT GRAMEEN FOUNDATION

Grameen Foundation is a global nonprofit that seeks to end poverty by investing in women and other marginalized populations. Our approach is rooted in the belief that investing in sustained, systems-level, change for women is both a matter of social justice and a critical step towards building more sustainable and equitable societies.

Grameen Foundation supports women holistically, working at the household and community level to ensure all actors in a woman's life view her as an equal. We enable her with training and education to start and grow businesses. And by partnering with local financial service providers, we increase her access to finance and negotiate more affordable loans for her business growth. Our human-centered design approach ensures we create tailored and custom products that meet the needs of the women we support. By increasing income and opportunities for entrepreneurship, agency, and, ultimately, resilience, women and marginalized communities can create their own path out of poverty.



Why does Grameen focus on women? A wealth of evidence has shown that, across the world, existing social and economic systems exclude women from local economies and high-earning jobs. In fact, women and girls globally perform three-quarters of the labor on farms and in homes – but the vast majority of this labor is unpaid. This amounts to an estimated \$10.8 trillion of unpaid labor every year. At the same time, engaging women productively in the workforce through investments in economic gender equality would raise the global GDP by up to \$28 trillion. These combined contributions would end intergenerational cycles of poverty for millions.

In 2019, we launched our Refugee Finance Program to improve the lives and livelihoods of forcibly displaced people and those living in refugee-hosting communities. Focused especially on women and youth, we have expanded access to formal financial services, enabling financial resilience for thousands. The following case study shares the impacts and lessons learned from our Refugee Finance program.

THE PROBLEM: THE FINANCIAL EXCLUSION OF FORCIBLY DISPLACED PEOPLE, ESPECIALLY WOMEN

According to the 2022 [UNHCR Global Trends Report](#), over **108 million people worldwide** were forcibly displaced¹ due to climate change, persecution, conflict, violence, human rights violations, and other events disrupting public order by the end of 2022. Most people in the world who are displaced by war/conflict/climate change do not travel to the United States or Europe – they go to neighboring countries that often do not have the funds or capacity to meet all their needs. As a result, many forcibly displaced people barely get by.

With the number of forcibly displaced people soaring worldwide, along with dwindling aid support and attention, it is imperative that governments and aid organizations help refugees find ways to support themselves rather than depending on insufficient aid. Financial services (including business loans, agriculture loans, and savings accounts) have a crucial role to play here, by providing refugees the capital they need to start and grow income-generating businesses that meet the needs of their families.



In Africa alone, over 9 million refugees are women and children who have been forced to flee due to conflict or crisis.

¹ Forcibly displaced people, include refugees, asylum seekers, and internally displaced people

Unfortunately, most refugees, especially women, have little or no access to financial services and are inherently viewed as a riskier investment than other populations. In addition, harmful gender norms and other challenges, such as lack of collateral or land ownership, make gaining financing even harder for female refugees.

THE OPPORTUNITY: INCREASE ACCESS TO DFS FOR FDPs, ESPECIALLY WOMEN

Digital Financial Services (DFS) presents the opportunity to overcome many barriers by connecting refugees to financial institutions willing to serve them. However, many financial institutions in Africa, where nine million refugees are women and young girls, still have limited digital products, and the products that do exist are not created and tailored to the needs of FDPs. Another barrier is that many refugees do not have access to smartphones or experience using digital tools or applications. While the increase in digital financial services has been a boon throughout low-income countries, options and access for isolated communities still remain limited.

GRAMEEN'S APPROACH TO CHANGE

Since its inception, Grameen Foundation has been a leader in combining digital technologies with equity-focused design and financial education to provide customized financial services to low-income women living in isolated communities. With holistic approaches, we are catalyzing financial inclusion to ensure that low-income women can become savers, investors, and entrepreneurs to increase resilience and ultimately lead to a permanent exit from poverty.

Our approach connects women to the people and services she needs and works to remove the perception of risk when supporting FSPs that invest in women. By partnering with both local, in-country program leads and country-wide and global institutions, we operate at the household, community, and systemic level to ensure women have the support and resources needed to bring lasting change for themselves and their families.

Tackling gender biases and assumed gender roles that perpetuate harm and hinder success is a necessary first step in enabling financial inclusion for women. Through our household dialogues and power dynamics workshops, we teach communication skills and dialoguing strategies that reframe the role of gender and raise awareness of how some harmful assumptions can keep people in poverty. By additionally providing financial and technical training and education, we ensure women have an understanding of digital finance and entrepreneurship to launch or grow a successful business. Finally, we partner with local FSPs to create products tailored to a certain population and lower interest rates.

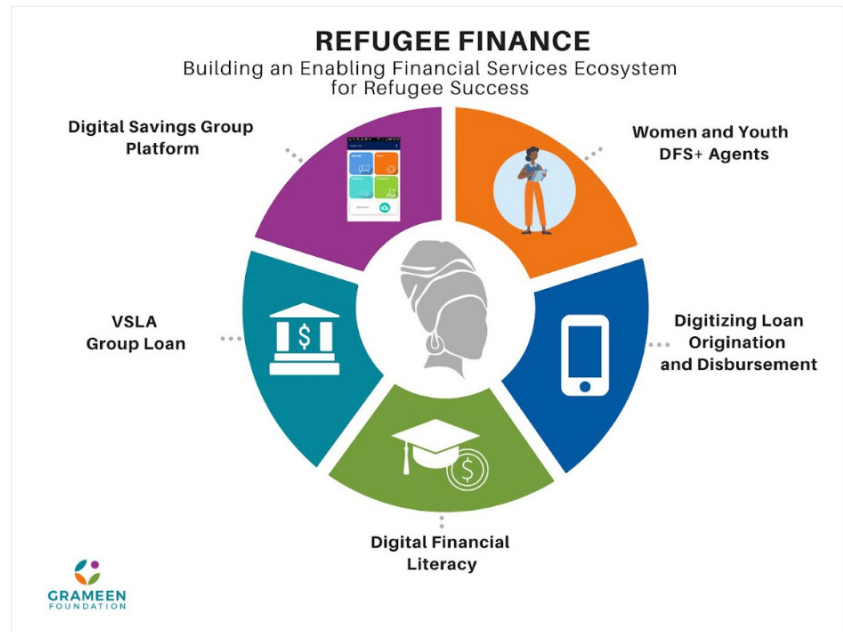
In just five years since we launched our **Refugee Finance Program**, we've expanded from one refugee settlement in northwestern Uganda to seven refugee settlements across northern and southwestern Uganda. **Most importantly, our work has improved financial access for over 109,000 refugees.**

By creating sustainable, market-driven solutions, we ensure private-sector businesses **offer equitable financial services, jobs are created, and a path for successful refugee entrepreneurship** is enabled.



Refugee Finance in Action: Challenges and Opportunities

Our focus on refugee finance began in 2018 when a **principal challenge** emerged: aligning the market incentives of FSPs with the unique obstacles refugees face. Most FSPs initially hesitated to engage with refugees due to perceived high risk and the impracticality of servicing small loans. Refugees also reported numerous barriers to receiving financial services, such as lack of access to collateral, land ownership, or formal credit history in Uganda. Moreover, gender dynamics further complicated matters, with women facing disapproval from husbands and women and youth facing security threats when endeavoring to start businesses. (See more on Barriers and Facilitators below.)



To tackle these supply—and demand-side challenges, we devised a holistic market systems approach centered around collaboration, training, and innovation. Grameen **partnered with FSPs** and other private sector entities to reframe the role of gender and break down harmful biases, co-create inclusive financial products, and foster new business practices and delivery channels attuned to the needs of very low-income refugee women.

Simultaneously, we **provided comprehensive training** to enhance refugee women and youth entrepreneurs' financial acumen, business skills, and resilience. Many already belonged to **Village Savings and Loan Associations (VSLAs)**, groups of 20 to 30 local people who save together and issue members small loans. However, because their activities were all conducted orally and in handwritten notes, they could not qualify for larger loans from formal financial institutions.



Grameen also used the proprietary LedgerLink technology to **digitalize VSLA transactions to combat the lack of credit history**. LedgerLink creates a record that FSPs may use to assess VSLA creditworthiness, which serves as a partial substitute for collateral, formal credit score, etc., in loan applications.

Meanwhile, we provided VSLA members with **business and digital skills training** to ensure their reliability as FSP business partners. Once formally connected to an FSP, VSLAs could qualify for larger loans and make more credit available to members and their small businesses.

Yet another challenge that needed attention was that there were not enough financial service agents to work with refugee communities. Grameen Foundation **recruited and trained women and youth** from refugee and host communities as **financial service agents**. Working for MTN Uganda, these agents, known as **DFS+ agents**, not only facilitate access to finance for community members but could also provide agriculture, energy, and health products and services to address local needs—all while building their own small businesses.

But, even before aspiring agents could begin their training, they had to overcome the objections of husbands and parents. Grameen hosted **gender dialogue workshops** with spouses and other family members to overcome gender bias, demonstrate the program's benefits for all, and garner support for women and youth entrepreneurs. By creating male champions in households and communities, Grameen ensures that women are surrounded by a foundation of equality and support and set up for success through every step of their journey.

REFUGEE FINANCE IN ACTION: STORIES OF SUCCESS AND PERSEVERANCE

JENIFER'S JOURNEY TO FINANCIAL RESILIENCE IN PALABEK REFUGEE SETTLEMENT

Jenifer is a member of a Refugee Finance VSLA and received a loan from Grameen's financial institution partner RUFU. Her journey started with fear and destitution as she fled conflict in South Sudan and was forced to rebuild her life as a refugee in Palabek Refugee Settlement in northern Uganda. Although her story began with challenges, Jenifer is now a powerful model of success and resilience for others in her community. Here is Jenifer's account of how her VSLA and formal loans changed her life:

"My name is Akot Jenifer, and I am a member of a VSLA in Palabek Settlement, Lamwo District. Our group was formed in 2022 by a group of traumatized women who lost much of our property and also witnessed a lot of atrocities before fleeing South Sudan. The purpose of the group was [initially] not to save money but to make rotational contributions of food rations to members on [a] weekly basis as well as provide emotional support to each other. Later, we realized it would be beneficial if the group started mobilizing and saving the little money we could get on a weekly basis and for a period of one year. Without any training, we started saving money in the box and later shared out at the end of the year. The benefit I got motivated me to start borrowing small loans [from the group] which I used to initiate a petty business of rearing and selling local chicken.

However, with the coming of Uthabiti project [one of the Refugee Finance projects implemented by Grameen], our group was digitalized, trained on VSLA methodology and received a VSLA Group Loan from RUFU Microfinance Institution. After appraisal, the group got 4,000,000 UGX and I was able to borrow 200,000 UGX which enabled me to buy 50 local chickens. At the moment, I have approximately 100 chickens and 40 are ready for sale with each selling at 30,000UGX. I used part of the profits to meet my household expenses, such as education, feeding, medication, shelter, and clothing. And also to re-invest in my business!

In the future, I intend to grow [my business] and become a major supplier of local chickens to bigger hotels like Bomah in Palabek and some in the neighboring Kitgum District."



CHARITY EXPANDS FINANCIAL SERVICES AND MAKES MONEY AS A DFS+ AGENT IN BIDI BIDI REFUGEE SETTLEMENT

Charity is a South Sudanese refugee with two children in Bidi Bidi Refugee Settlement in northwestern Uganda. She became a Woman and Youth (WAY) DFS+ Agent with Grameen and MTN Uganda in 2022. As a DFS+ Agent, Charity earns a living income delivering digital financial services and digital financial literacy education in her communities. Here is Charity's account of how becoming a Women and Youth Agent changed her life.

"In 2016, things were not good in South Sudan. There were many gunshots in the street, and if men got you, they might rape you. We traveled in September 2016 to Oraba [a refugee reception center in northwestern Uganda] to register as refugees. The authorities assigned us a place to stay in Bidibidi and gave us mats, blankets, jerricans, and saucepans. Being in Bidi Bidi, I feel safe and happy.

When I first came to Bidi Bidi, things were not easy. We spent the little money I came with on constructing a house. I had to save to buy a sewing machine to restart my tailoring business. I started doing tailoring, making soap, and operating a cosmetics business to make ends meet.

I saw my friends working as MoMo (digital financial services) agents, and I wanted to become one too, but it seemed impossible. Then I heard that Grameen was registering WAY Agents. I applied and I was registered with Grameen in 2021! I first got a two-day training in the MoMo business from Nilecom [Grameen's local implementing partner]. Then I received training in business skills and digital financial literacy. Later, I trained others in how to use MoMo.

A typical day as a WAY Agent involves depositing, withdrawing, and selling airtime. I also help people who don't know how to use MoMo. Some people only have SIM cards so I put their cards in my other phone and do their transactions. I do about 40 transactions a day.

There are people who are registered as People With Special Needs [and they get cash transfers from NGOs]. They are these old mamas. There was one old mama who came with just a SIM and her PIN [Personal Identification Number] written on a paper in a kavera [plastic bag]. I did the transaction for her then explained exactly the fees involved. She thanked me for the service, and told me that other Agents used to charge her more. I still hear from her, and she tells her family that 'this girl is the best Agent!'

Becoming a WAY Agent has really improved my life. I have a better income, and some of the money I get from my MoMo business, I use to stock my other [cosmetics] business."



JOSCA BUILDS HER BUSINESS AND SUPPORTS HER FAMILY IN PALABEK REFUGEE SETTLEMENT

In January 2023, Uthabiti provided financial and technical assistance to refugee-led microfinance institution Rural Finance Initiative (RUFi), to establish a satellite branch in Palabek Refugee Settlement. Previous to RUFi's expansion in the local area, there were no microfinance institutions and banks operating in Palabek, and just 5% of people in our initial market survey had accessed formal financial services. This is the account of Josca, a South Sudanese refugee and one of RUFi's new clients in Palabek.

Josca, aged 34 years old and living in Palabek Refugee Settlement, is one of RUFi's newest borrowers. Josca and two of her friends came together on 20 April 2023 to request a Small Group Loan from RUFi. Originally from South Sudan, Josca arrived in Uganda as a refugee with her husband and children in 2017 when the war made it impossible for her to stay in South Sudan. Josca and her husband care for 13 children in their household, including their own children and their family's children. Josca told us, "At first when I came to the settlement life was hard and I was in a miserable state relying on handouts from humanitarian organizations." Josca and her husband tried to make ends meet through food assistance from the World Food Programme, selling grains (maize, sorghum, millet, and beans) on a small scale, and selling snacks to other refugees on food distribution days. She struggled to provide enough food for all her 13 children and wanted to send them to better schools. But once Uthabiti and RUFi came to the settlement, she said, "there was hope for me and my household."

Josca applied for a 500,000 UGX loan with her two Small Group members (each member got 500,000 UGX) and invested it in more stock for her grains business. Currently, her business has expanded from a value of 1.1 million UGX before the loan to 2.5 million UGX now (a 227% increase), and she is hopeful about the future! Josca told us, "Now I am able to provide for the daily needs of my family and send them to better schools, and I have used some of my income to hire more farmland. In the future, Josca aspires to keep expanding her business and eventually become a wholesale cereal supplier in her local area. She also wants to start milling (processing) her maize into flour so she can make more money. As Josca said, "I am optimistic life will never be the same again."

RUFi also really appreciates Josca as well, saying "Her group has been so good in repaying their loans and all members have a positive attitude and clear understanding of the loan terms and conditions."



FINDINGS AND LEARNINGS

We have gained great insight from implementing the Refugee Finance Program through formal assessments and qualitative and quantitative findings from our clients, government organizations, and partners in the field.

Some Key Findings and Learnings Include:

The Barriers Refugees Face to Using, and Benefitting From, Financial Services

Barriers to the use of financial services by refugees can be viewed from two broad perspectives: supply-side barriers due to limited access and demand-side barriers that dampen the level of demand from refugee communities, typically due to a lack of knowledge or comfortability with digital financial services. Both barriers severely limit opportunities for refugees and the case for profitability for FSPs.

Supply-Side Barriers

- ✔ **FSPs' Perception Of Risk:** Many financial institutions perceive refugees as high-risk clients because they do not have formal collateral (land title) and could move back to their home country. However, most refugees are in a state of protracted displacement, and 64% have lived in Uganda for over one year (29% have lived in Uganda for over three years).² Refugee travel is typically brief and occurs during the farming season to work on faraway farms.
- ✔ **Lack Of Collateral And Formal Credit Histories:** Refugees lack collateral because they cannot formally own land or other capital assets. This makes FSPs who rely on collateral reluctant to offer them services.
- ✔ **Limited Understanding Of The Refugee/FDP Segment:** FSPs require a strong understanding of the potential market before expanding into a new area, but they typically have little to no information on refugees.
- ✔ **Network Connectivity:** DFS can be a game-changer in expanding access to finance for refugees, but uneven network connectivity in refugee settlements and low digital literacy amongst refugees limits this impact.

Demand-Side Barriers

- ✔ **Language Barriers:** Most refugees do not speak English or the local language, making it extremely hard to understand the financial services offered and how to obtain them.
- ✔ **Low Confidence:** Refugees often arrive in Uganda knowing no one, not speaking the local language, and unfamiliar with how things work. They may delay engaging with businesses or service providers until they establish trusted community connections or find supportive NGOs.
- ✔ **Limited Digital Literacy:** Low digital literacy amongst refugees and uneven network connectivity in refugee settlements limit people's ability to use DFS.
- ✔ **Long Distances And High Transport Costs:** Refugees often live far away from formal bank and microfinance branches, and the high transport costs to reach the branch discourage them from taking up financial services.

²Platform for Inclusive Finance, "Expanding Financial Inclusion of Refugees in Uganda Diagnostic Study", p.9.

Specific Gender-Related Barriers Faced By Women and Girls

- ✔ **Lower Access To Education And Literacy:** The refugee women we work with are often much less educated than the men and less likely to read, write, or do arithmetic. This is reflective of broader gender bias in many societies in which limited family resources for education go first to boys.
- ✔ **Mistrust Of Unfamiliar Financial Services:** Evidence shows that women are more risk-averse when selecting financial services, partly because they feel ill-equipped to make a good choice, and the stakes are high. Women in East Africa are primarily responsible for providing food and medical care for children. If they lose money on a bad loan, their children suffer.
- ✔ **Spouse's Interference And Economic Violence:** Women face threats to their ability to access loans or use them for their businesses. Some men oppose their wives going into business or sabotage their business. At other times, husbands force women to take loans that they seize for their own benefit.
- ✔ **Limited Time/Heavy Household Workloads:** Women have heavy workloads that include childcare, cooking, cleaning, gathering firewood, growing food crops, and sometimes operating a business. This leaves them little time to travel long distances or learn new skills to use financial services.

Facilitators That Can Drive Financial Inclusion

Despite seemingly insurmountable barriers, Grameen's Refugee Finance program has identified key opportunities to increase financial access and inclusion in refugee settlements.

- ✔ **Government Policies:** Uganda has one of the most enabling policy environments in the world for refugees to engage in business and provide for their own needs. Refugees in the country have the right to work, move about freely, own and register businesses, and access finance. Upon arrival, they receive a small plot of land from the government. Uganda's Refugee Policy should serve as a model for laws that uphold refugees' rights and dignity.
- ✔ **Engagement Of Private Sector Actors:** While NGOs often seek business involvement in refugee services, they sometimes overlook the necessity of a compelling business case. A sustainable business presence requires companies to maintain profitability. To attract private sector participation, it's crucial to consider how expansion could enhance their revenue and market position. On the other hand, excessive demands for an array of new products or extensive training can strain a company's resources.
- ✔ **Choice Of Partners:** Many FSPs are ready and willing to co-invest their time and money to expand into refugee settlements. We have worked with large companies like MTN that have expanded financial inclusion for refugees without realizing any immediate remuneration. Backing proactive Early Adopters—FSPs committed at the senior leadership level to grow through digital expansion and broader agent networks—is more effective than persuading Late Movers, who are cautious and often unwilling to engage with refugee services without donor incentives.
- ✔ **Provision Of Market information:** When Grameen asks financial institutions what they would need to enter refugee settlements, key requests revolve around market information: Who lives in the settlement? How many working-age adults are there? What kind of businesses do they run? What kind of services do they need? Are they willing to pay for financial services?
- ✔ **Value Of Digitalization:** Digitalization of financial products and delivery channels enables financial institutions to extend service to refugees who are far from their offices. At the same time, digitalization of VSLAs enables financial institutions to understand the financial performance of groups and develop alternative credit histories for them.
- ✔ **Engagement With VSLAs And Other Groups:** Thousands of existing VSLAs continue to be an effective platform to reach refugee and host community women. In addition, many refugees are also engaged in farmers' groups or other community groups whose members they trust. It makes sense to work with these existing groups rather than forming new groups that do not know each other and cannot trust each other enough to, for example, take loans or start businesses together.

✔ **Benefit Of Group Financial Products:** Group financial products, including Small Group Loans and VSLA Group Loans, are effective tools for overcoming the challenges of lack of collateral that deters lenders from extending finance to refugees. In addition, working with refugees in groups is much more cost-effective than reaching them individually.

✔ **Necessity Of Well-Designed Financial Education:** Well-designed financial education increases refugees' awareness of the financial services offered by local financial institutions and how to manage finance effectively.

✔ **Expansion Of Financial Agent Networks:** The existence of strong networks of local agents is a prerequisite for many businesses to expand into refugee settlements. These agents can help bridge challenges such as the low literacy and language barriers faced by many refugee clients.

✔ **Impact Of Marketing Campaigns:** Broad-based marketing campaigns in the local language are invaluable in building awareness of financial services amongst refugees.

GRAMEEN'S IMPACT

Grameen Foundation's Refugee Finance Program In Action:



109,265

People with Improved Access to Finance



9

Private Sector Financial Service Providers (FSPS) Engaged in the Program



782

Savings Groups Digitalized Using Ledgerlink and Other Solutions to Better Serve and Connect Their 19,550 Members



24,275

People Trained in Financial or Business Education



613

Individual and Group Loans Disbursed Worth Over 808 Million UGX (\$216,524 USD)



649

Individual and Group Savings Accounts Opened

130

Women and Youth Digital Financial Services-Plus (DFS+) Agents Onboarded, Providing Them with Sustainable Income And Opportunities for Business Growth

In one external evaluation, agents earned an average income of 204,516 UGX per month after two months. This was 29% above the average income for northern Uganda at the time. Overall income increased by 43% in the first four months of their business operating, and income from the DFS business represents 76% of their total income.

Supporting refugee-led microfinance institution RUF1 to open **the first microfinance branch in Palabek Refugee Settlement**. The branch opened in January 2023, offering a range of individual, small group, and Village Savings and Loan Associations (VSLA) Group financial services to refugees and host communities.

LOOKING AHEAD: PLANS FOR THE FUTURE

Grameen Foundation Will Expand Our Refugee Finance Program In Uganda To Reach 250,000 People By 2029 by:

- Piloting green finance products to enable households and businesses through renewable energy
- Digitalizing a new women's business loan product and onboarding additional DFS+ Agents to reach at least 20,000 additional refugee/host communities with digital financial services
- Expanding Refugee Finance services to additional refugee settlements and engaging new private sector partners
- Integrating agricultural market support and agricultural finance better to address the range of refugees' business needs
- Advancing localization through support to additional refugee-led organizations and other community-based groups

IN CONCLUSION

In just a few short years, Grameen Foundation has made it possible for 109,000 people to access financial services by urgently prioritizing investments in refugees and women. By creating holistic approaches and partnering directly with individuals, communities, and institutions, we are transforming the role of gender in local economies to end poverty in our lifetime.

As the number of global refugees surges, Grameen Foundation's innovative Refugee Finance Program, with its track record of success, becomes increasingly important.

Making a gift today will not only change the lives of thousands of women like Josca, Akot and Charity, but will help us expand our reach to 250,000 refugees by 2029.

With your investment, we are creating a world where poverty is not a life sentence but one chapter in a story of resilience and triumph.

PARTNERS

Main partners in this work have included:

