

PROVISION OF FINANCIAL SERVICES TO REFUGEES AND THEIR HOST COMMUNITIES

PROJECT TARGET

3,000 

Refugees and their host communities **accessing and using digital and non-digital financial services.**

PROJECT PERIOD



>2 years

Oct
2018

Nov
2020

PROJECT BUDGET



USD 366,905
Total budget

USD 123,740
Budget disbursed

IMPLEMENTING PARTNERS



Umutanguha Finance Company



Frankfurt School of Finance



MTN Rwanda

BACKGROUND

The project is a result of a joint strategy between the Ministry of Emergency Management (MINEMA) and the United Nations High Commissioner for Refugees (UNHCR) to support the economic inclusion of refugees in Rwanda. The strategy objective is to ensure that all refugees will be able to fulfill their productive potential as self-reliant members of Rwandan society by the year 2020. This would contribute to economic development of their host districts.

Therefore, Access to Finance Rwanda (AFR) in partnership with FSD Africa, UNHCR and MINEMA are supporting the development of market-based innovative solutions to address the financial needs of Forcibly Displaced People (FDP) and their host communities. The intervention started with a research conducted by Bankable Frontier Associates (BFA) in July 2017 to provide market intelligence that would build a sound business case for the Financial Service Providers (FSPs) to profitably serve refugees.



[Click here to read the research*](#)

The study was followed by an innovation competition among different players in the financial sector and the best four proposals/institutions were selected. These include; Umutanguha Finance Company, MTN Rwanda, Equity Bank, and MFS Africa. AFR is supporting Umutanguha Finance Company and MTN Rwanda, and FSD Africa is supporting Equity Bank and MFS Africa.

*<https://www.fsdafira.org/wp-content/uploads/2019/08/Compressed.pdf>.

THE PROJECT HYPOTHESIS

The project leverages on the shift from giving out food and non-food items to providing cash to refugees by UNHCR and World Food Program. FSPs can, therefore, provide affordable financial products to the refugees to help them start or grow their businesses. As a result, refugees will become self-reliant and contribute towards Rwanda's economic development.

The project starts with a pilot phase in Mahama and Kigeme Refugee Camps and will eventually be scaled up to Mugombwa and Gihembe refugee camps.

SUCCESS STORY



The partnership attracted the interest of an FSP – Umutanguha Finance Company (UFC).



UFC is opening an office in Mahama camp, which was not in their initial plan to be able to serve the refugees effectively.



The project created the partnership between the public and private sector, where they are all going to work in the same camp for the interest of the refugees.

PROJECT MILESTONES REGISTERED SO FAR



AFR signed a Letter of Understanding with UNHCR and MINEMA to become an operational partner to the joint strategy of economic and financial inclusion of refugees.



Development of a saving and loan product named as "Twigire" (loosely translated as being self-reliant) to meet the socio-economic conditions of refugees.



300

refugees provided with clients mobilisation and training on financial education.

Selection of 20 refugees



to undergo a Training of Trainers (TOTs) on financial education.



10

in Mahama Refugee Camp

10

in Kigeme Refugee Camp



120

bank accounts opened by refugees to date.

KEY LESSONS LEARNT

There is an assumption that refugees are not a profitable segment to serve because financial institutions are not aware that refugees can have regular source of income. However, the assessment conducted demonstrates that:



Some refugees are involved in business activities, and if they are appropriately supported they can expand their business and create jobs for others. A case in point, Kigeme refugee Camp has about 300 entrepreneurs, mostly women involved in small businesses.



A majority of the adult refugees used to have bank accounts in their respective countries, so they have a notion on how banks operate. Therefore, there is a need to provide refresher training on financial education.



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