

# Creating jobs and expanding financial inclusion in refugee settlements: Using an inclusive market systems approach



This case study shares lessons and outcomes from Be-FINE 2, a Grameen Foundation-led project supporting women and young people from refugee and host communities in Uganda to set up mobile money businesses and enhance the demand and supply side of the mobile money ecosystem.

**Project dates:** January 2022 - June 2023

**Location:** Northern Uganda

**Partners:**

**Grameen Foundation** is a global non-profit that uses technology and innovation to transform ecosystems to enable women and girls to claim their full power. One of Grameen's key strategic focuses is empowering rural people (usually women) to become Community Agents – entrepreneurs who bring financial services, agricultural services, and information to last-mile rural communities through digital technologies.

**MTN Uganda** is a leading mobile network operator (MNO) in Uganda, with a vision to lead the delivery of a bold, new digital world to their customers and a belief that everyone deserves the benefits of a modern connected life.

**Nilecom Limited** is one of MTN Uganda's biggest franchisees, delivering products and services through a chain of MTN-branded outlets and sub-distributors, including the management of local agent networks.

**Funding:**

The core Be-FINE 2 project, implemented by Grameen Foundation, was funded by the **Keith V. Kiernan Foundation**.

The GSMA Mobile for Humanitarian Innovation team, as well as the evaluation of the Be-FINE 2 project, are funded by UK Aid from the UK Government.

**MTN Uganda** provided substantial in-kind support to the project in the form of staff time, reduced business registration requirements, and other market support.

LEAD PARTNER

PARTNERS

FUNDING





# 60

## women and young people

supported to become mobile money agents



# 4,599

people received digital financial skills training from the agents



2,933 women



1,666 men



# 43%

The average monthly income of Ugandan agents increased 43% after four months of operation



# \$61

Ugandan agents were making an average of **226,000 UGX (\$61)** in commission each month after four months of operation



# \$38

Refugee agents were making an average of **141,000 UGX (\$38)** in commission each month after two months of operation

## Project summary

Uganda boasts one of the most progressive refugee policies in the world, granting refugees the right to work, freedom of movement, land, and social services. The goal is to ensure refugees have what they need to start businesses for their own self-reliance. However, limited access to financial services prevents most from taking their businesses beyond a micro-level. Mobile money agents have the potential to close this gap by bringing financial services closer to rural communities. An assessment by Grameen and GSMA in refugee settlements in northern Uganda found insufficient agents to adequately meet community needs, and it was difficult for mobile network operators (MNOs) to recruit and maintain additional agents in the settlements.

To address this gap, Grameen Foundation worked with GSMA and private sector partners, MTN Uganda and Nilecom Limited, to implement the **Building an Enabling Financial Services Ecosystem for Refugees Phase 2 (Be-FINE 2)** project in Bidi Bidi and Palorinya Refugee settlements. Be-FINE 2 aimed to improve financial inclusion through awareness, access and uptake of digital financial services via the establishment of new mobile money businesses and digital financial literacy training. The project took a market facilitation approach, addressing the barriers and gaps MNOs face to recruiting and retaining agents in refugee settlements; as well as the challenges refugee women and youth face to starting mobile money agent businesses.

Be-FINE 2 started with an assessment and gender analysis to identify bottlenecks faced when recruiting refugee women and youth agents. The project then recruited 60 women and young people (20 refugees, 40 host community), and provided them with a package of training, mentorship and market support, as well as negotiating reductions in business registration requirements with MTN. Agents were recruited based on a 'recruiting profile' that Grameen had developed in similar women's agent network projects in India and the Philippines; and tailored to the local context.

Women and Youth (WAY) Agents recruited onto the program also worked as 'Digital Literacy Change Agents', providing training to people in their communities on the uses of mobile money, how to use digital financial services, and how to detect and prevent scams/fraud. In this way the project aimed to improve financial inclusion by increasing the level of awareness, demand, and uptake of digital financial services. The training used a Digital Financial Literacy guide previously developed by Grameen Foundation and supported by GSMA.

The initial cohort of agents from the host community were onboarded in January 2022. However refugee agents were not able to start their business operations until July 2022, due to changes in laws surrounding who could and could not become a financial services agent.

# Project lessons and outcomes

## Outcome

### Improved sustainable livelihoods for agents

The third-party evaluation found that the project was successful in creating and enhancing sustainable livelihoods for women and youth agents. Host community agents earned an average of 226,000 UGX (\$61) per month from their mobile money business after just four months of operation, and refugee agents earned 141,000 UGX (\$38) after just two months. Additionally, **the evaluation found that agents with just one additional business activity earned incomes 21% higher than the average for northern Uganda.**

When looking at agents' total monthly income, host community agents had seen their income grow by an average of 29% on average in the four months, notably higher than the average income for households in Northern Uganda.<sup>1</sup> After two months of running their mobile money businesses, refugee agents had an average total monthly income of 342,000 UGX (\$91), boosted by the fact that the vast majority run other businesses which seem to have strong synergies with their mobile money agent business and is notably higher than the average incomes of refugees in the two settlements.<sup>2</sup>

## Lesson

### Mobile money agent businesses work well in synergy with other businesses

At the endline survey, 26 of the 55 interviewed agents (14 refugees and 12 host community) reported running another business alongside their mobile money agent businesses. These businesses are incredibly varied, ranging from stores and airtime sales through to grain milling or growing crops. During the project period, those who maintained secondary incomes saw the value increase quite dramatically; for host community agents the income from other sources increased by 71%. Some of the agents reported that this was because their mobile money agent business helped them to grow their other businesses. For example, an agent who operates a retail shop can attract more customers into the shop through providing mobile money services and an agent who also makes money growing crops can use mobile money commission to buy more equipment or seeds.

This is not always preferable, however, throughout the project the number of host community agents running other business declined from 29 to 12, with agents saying it was because they felt their mobile money businesses were more reliable and sustainable income sources.

## Lesson

### Trained agents show signs of long-term commitment to their businesses

The project evaluation showed signs that the participating agents were committed to running their business for a long time, with 100% of those surveyed saying they intended to do so for the next 20 years. Most of the agents also reported having invested additional capital into their businesses to improve their level of working cash and liquidity. This indicates that the project is likely to have had an impact on the availability of mobile money services in the refugee settlements and host community villages for years to come.

1. UGX 230,448 [Uganda National Household Survey Report](#), 2021.

2. UGX 160,000 (Bidi Bidi), UGX 90,000 (Palorinya) [GRIT, SKILLS AND LUCK: EXAMINING THE FINANCIAL LIVES OF REFUGEES IN UGANDA](#), 2020.



### Outcome

#### Increased digital financial literacy

Research with refugees and host communities in northern Uganda has often found lack of digital and financial skills to be a barrier to their meaningful digital and financial inclusion. To help address this, each participating agent was required to train members of their community in digital financial skills, using a curriculum developed by Grameen Foundation, supported by GSMA. Overall, the project led to 4,599 people receiving this training.

Qualitative interviews with both agents and people who received the training revealed it was felt to be successful in raising awareness and interest in mobile money and giving people the confidence to use it. The journey to digital financial literacy continued as they started to become users, with several of the agents saying they continue to provide ad-hoc training and support to their customers because of the training they themselves received from Grameen Foundation and Nilecom.

*“I learnt a lot from the training for example withdrawing and sending money, buying airtime. A day after the training, I sent money to my friend, and I did it without any problem. I told her the good things about mobile money and even helped her open a mobile money account that day”*

**Trainee, Bidi Bidi Refugee Settlement**

### Outcome

#### Increased demand for and uptake of mobile money

The project set out to try and galvanise uptake of mobile money by addressing both supply and demand side barriers. Whilst the team did not have access to a counterfactual to validate causality, service data from MTN showed that during the project period there was a notable increase in the number of people registering for mobile money. In the project areas more than 12,000 people opened a new MTN mobile money wallet. This indicates strong demand coming from new customers in the area.

Regardless of whether this increase can be directly attributed to the work of the project, it is a positive sign as it indicates a potential for further growth in and sustainability of the incomes of the agents the project has trained. If the trend continues, it may well be that future cohorts of agents may also be able to be recruited to help meet this need.

*“Previously, we were getting between 5 and 10 customers in a day but now I can get up to 40 customers. So the awareness about mobile money services has increased”*

**Project agent**

## Human stories



**Faith\*** lives with her two children in Bidi Bidi. She came to Uganda in 2016 as a refugee from South Sudan, where her husband still lives. Since arriving in Bidi Bidi, Faith spent the money she was able to save constructing a house and starting her businesses; she made money as a tailor as well as making soap and selling cosmetics.

Faith had wanted to be a mobile money agent for a while, since seeing friends having success running their own businesses, however the barriers made her feel this would be impossible. After she signed up for this project, Faith enjoyed the training she received from Nilecom and relayed this information to members of her community.

Faith serves about 40 customers a day with mobile money transactions and customer enquires. She spends a substantial amount of time helping people address challenges with their phones, mobile money account and understanding fees properly. She feels that becoming an agent has improved her life, and she has invested some of her earnings into her cosmetics business, meaning she can be better stocked and improve her income potential here as well.



**Okello\*** is in his late twenties and is the Youth Chairman of a village close to Bidi Bidi where he lives with his wife and children. Before becoming a mobile money agent he was already running a small shop, which included selling airtime, though this was heavily affected by COVID-19. He had saved for two years when working as a caregiver and teacher for an International Non-Governmental Organisation (INGO) in order to get the capital needed to start his shop.

He heard about the opportunity to become a mobile money agent through a friend who was a trainer for Grameen Foundation. Initially he suggested other people in the community who might take up the opportunity, however he later realised a mobile money business would make a nice addition to his shop.

Okello now provides mobile money services in his community from 7am to 8pm daily, and it has helped him to greatly expand his income. A local bank asked him to add their financial services to his mobile money agency ones so that he can become a hub for financial services. He has also used money from his mobile money income to start a secondary business grinding grains. He estimates that the commission from MTN alone is more than twice what he earned working for the INGO.

\*Names have been changed.



## Next steps

As of May 2023, 55 of the WAY agents continue to run their businesses, providing transformational access to financial services within their communities. Whilst the remaining five people have since returned to South Sudan, their businesses remain active as other people have assumed responsibility for them.

Following on the success of this project, Grameen and MTN Uganda are planning to recruit an additional 100 WAY-agents in at least two refugee settlements in Uganda, under the USAID Uthabiti and Kiernan Foundation Be-FINE Phase 3 projects. The new agents will provide an integrated package of financial and non-financial services through private sector partnerships with a number of companies.

Additionally, building on the lessons learned through the Be-FINE 2 project, Grameen piloted a similar project in rural areas of northern Ghana through funding from the U.S. Department of State Global Women's Initiative. This project, entitled the 'Women Entrepreneurs Gain Access to Integrate Networks' (WE GAIN) worked in partnership with MTN Ghana and three local civil society organizations. Similarly to Be-FINE 2, the project recruited female to deliver a range of different services, including mobile money, renewable energy access, and more, across under-served rural communities.

### Data sources

- Grameen Foundation data, monitoring and documentation.
- MTN transactional data.
- Third-party project evaluation designed and conducted by FRIENDS Consult consisting of data collection at four points in time: a **baseline assessment** (58 surveys with project agents; in-depth interviews with project agents; and key informant interviews with project partners); a **post-training assessment** (in-depth interviews with 60 project agents; 15 in-depth interviews with people who received digital literacy training); a **midline assessment** (surveys with 38 project agents); and an **endline assessment** (surveys with 55 project agents and 20 non project agents; in-depth interviews with 16 project agents and 16 non-project agents; and key informant interview with project partners).