

ID VERIFICATION CHALLENGES FOR REFUGEE IN ACCESSING INTERNATIONAL REMITTANCE AND FINANCIAL SERVICES



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CEO UGAFODE**

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INTRODUCTION TO UGAFODE



Established as an NGO in **1994**

Became MDI in **2011**,
regulated by Bank of Uganda

Vision

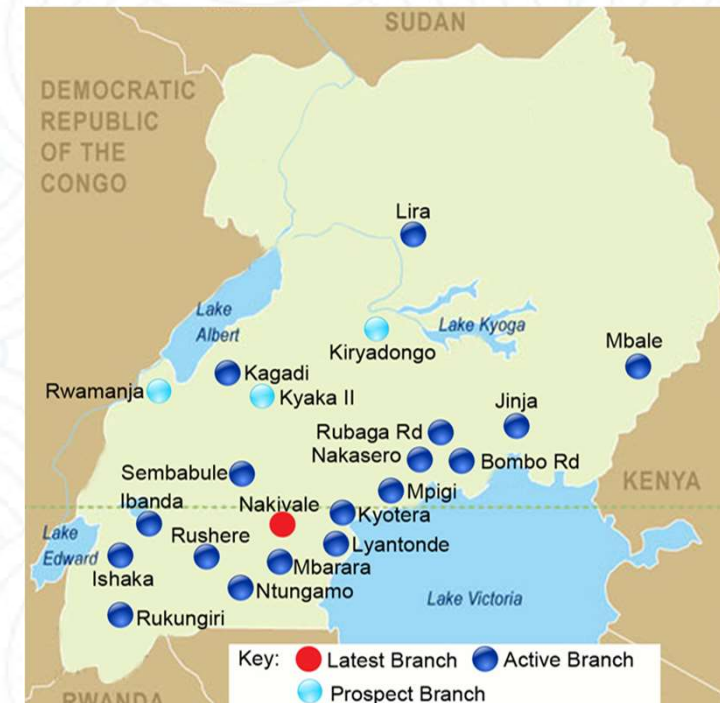
“Preferred financial solutions provider for the happiness of our customers.”

Mission

“To transform the lives of our customers economically and socially by providing inclusive financial solutions.”

Core Values

Integrity, Innovation, Teamwork, Respect



23

Branches

117,110

Savers

13,499

Borrowers

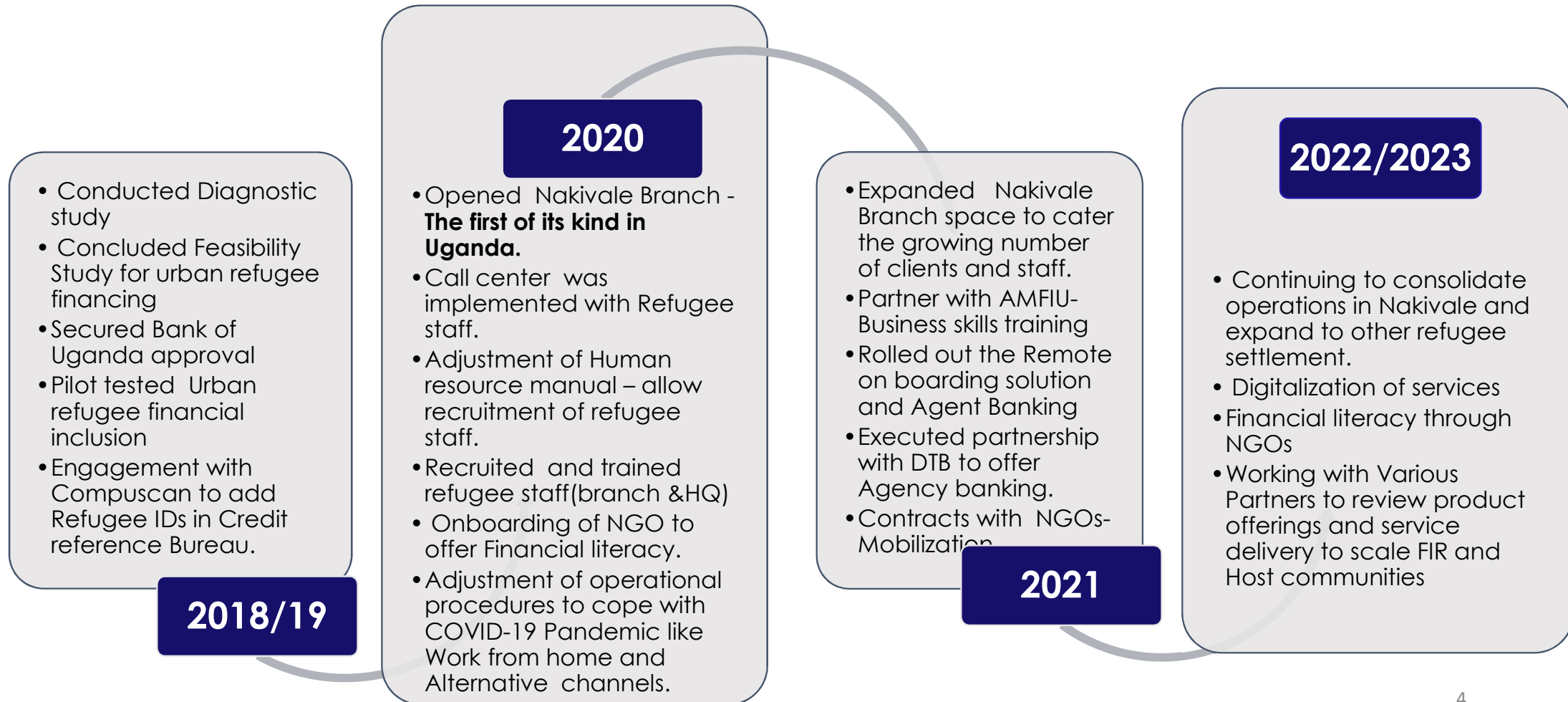
9.4Bn
Refugees
Disbursements

40.5Bn
Deposits

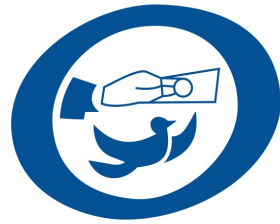
71.2Bn
Loan
portfolio

93.9Bn
Total Assets

Financial Inclusion Journey for Refugees



Partners



UGAFODE
Microfinance Limited (MDI)



Sida



GRAMEEN CRÉDIT AGRICOLE
Microfinance Foundation



THE REPUBLIC OF UGANDA

OFFICE OF THE PRIME MINISTER



UNHCR
The UN Refugee Agency

kiva

02 FIR Products and Services

Financial Literacy

- ❑ **Business Management Skills**

This allows an individual to make effective savings and borrowing decisions about their finances.

- ❑ **Training on sales and booking**

- improves business monitoring

- ❑ **Power to negotiate and protect themselves**, in terms of interest rate.

Money Remittances

In partnership with Money Gram, Western Union, World Remit.

- ❑ Refugees are able to send and receive money at any of our branch locations.

N.B

Don't have any cash transfers although we have the ability (have 4,999 savings accounts with UGAFODE)

Loans

- ❑ **Agriculture business loans**

(For SME Agribusiness and Smallholder Farmers).

- ❑ **Business loans** (for SME and Micro loans)

- ❑ **Asset Acquisition and Salary loans;** this enables client accumulate assets

Savings

- ❑ **Target Save;** Funds kept for future use with 8% interest rate per annum

- ❑ **Fixed deposit;** Kept for future investment

- ❑ **Group save** by people of common goal

- ❑ Institutional/Sacco savings

03 | Products Offered

SAVINGS PRODUCTS

- Ordinary Savings Account
- Fixed Deposit Account
- Target Savings Account
- GroupSave Account
- Junior Savings Account
- Institutional Savings Account

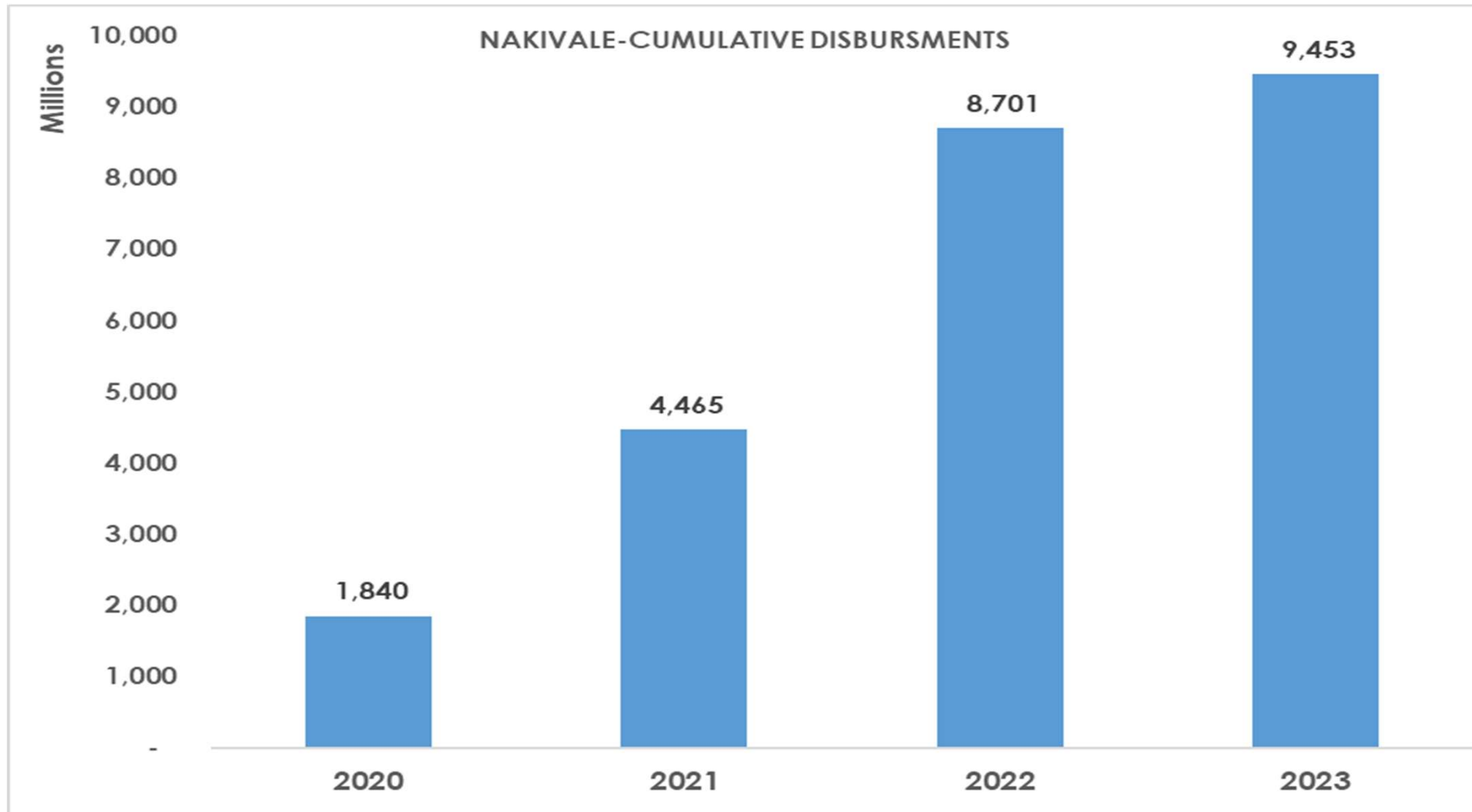
Toll Free: 0800 223 900
www.ugafode.co.ug

LOAN PRODUCTS

- Agriculture Loans
- Education loans
- Business Loans
- Housing Loans
- Personal Development/
Asset Acquisition Loans
- Smart Woman Loan



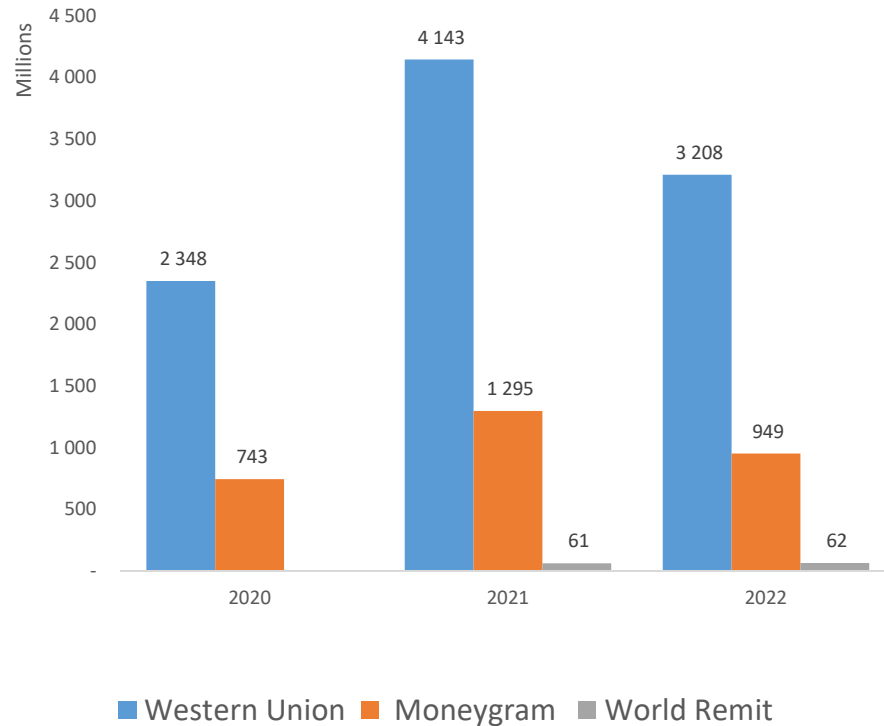
PERFORMANCE OF NAKIVALE



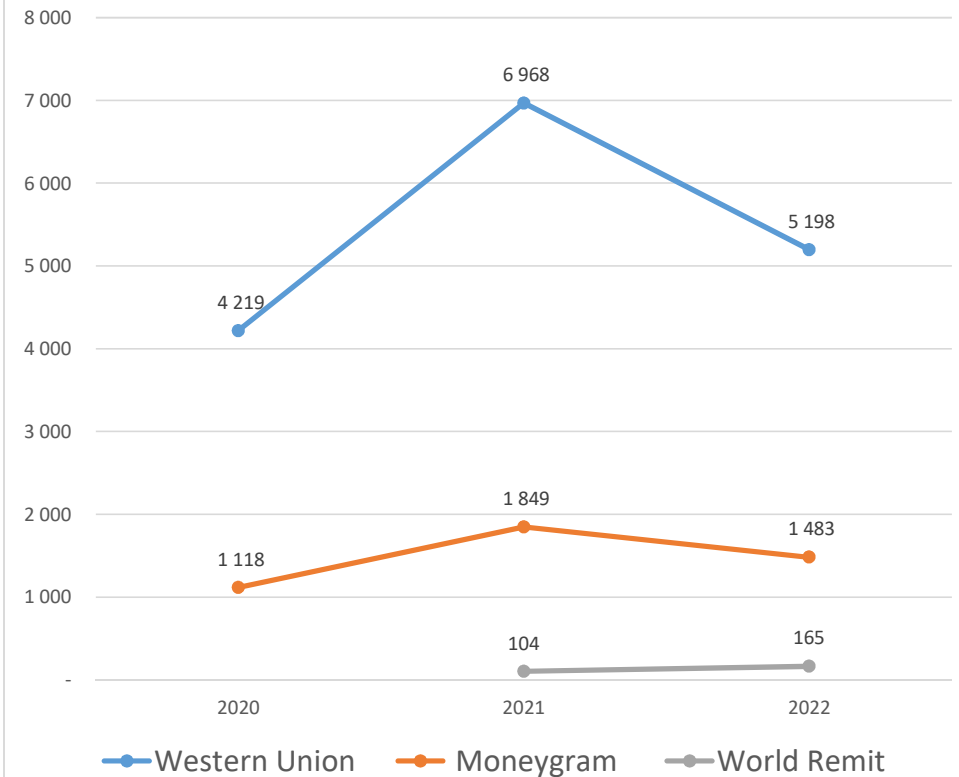
MONEY REMITTANCE PERFORMANCE OF NAKIVALE



Value of Money Remittance transactions per product



Number Of Money Remittance Transactions



04 UGAFODE Document Requirements

Account Opening

- Family Attestation
- Refugee ID
- 1 Pass photo
- 5000/= minimum balance for activation
- Next of Kin information

MTS Requirements

- Family attestation
- Refugee ID
- Details from the sender
- Details of the receiver
- Amount to receive

N.B

It's only family heads to access funds

Access to Loans

- Must be having a business
- Recommendation from RWC
- Family attestation
- Refugee ID
- 2 guarantors
- Active account
- Enrol for Financial Card

ID VERIFICATION CHALLENGES

- Dependence on OPM to verify the refugee IDs which takes some days,
- New IDs don't show the information required once the QR code is scanned,
- Refugee ID don't have unique Identification security features,
- Refugees IDs issued at verification always have errors (names, dates of birth and ID numbers)
- Low enrolment to mobile banking due to shared telephone numbers,
- Money transfers are sent in names different from the expected receiver which contravenes the requirements,
- Credit Reference Bureau verification is still a challenge since only NINs are synchronized with the system.

SERVICE CHALLENGES

- Refugees do not own property, thus, lack collateral to qualify for big loans,
- Many refugees do not have permanent addresses for both homes and business premises,
- Refugees are always in transit, processing papers to settle abroad or going back to their homes loan repayments,
- They take advantage of their status and the safeguarding policies in place to default on their loan repayment.
- Some default deliberately and report institution to OPM
- Mind-set of receiving handouts from development partners and NGOs (both local and international).
- Cultural differences between nationals and refugees.

**THANK YOU VERY MUCH FOR
THE PARTNERSHIPS**



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Microfinance Limited (MDI)