



Contextual and Financial Assessment of Savings Groups in West Nile, Uganda

Period of Assessment: September – December 2018

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I. Executive Summary

During the period of September to December 2018, VisionFund assessed 215 groups¹, representing more than 6,700 members in West Nile, Uganda to analyze their savings and lending activity, the primary sources of income and livelihood activities, and the opportunities and challenges the population faces. Because of the increasing importance of mobile payments, we also looked at the presence of mobile money agents as well as their liquidity in each of the locations (Arua, Adjumani, Moyo and Yumbe).

The assessment results and business opportunities in West Nile merit providing financial services to host population and refugees, especially in those areas where there is currently limited or no presence of formal financial institutions. Due to the oversight of OPM (Office of the Prime Minister) and UNHCR, as well as the implanting partners (NGOs) in the settlements and villages, we have seen strong support for future investment, capacity building of refugee and host population and a strategic shift from humanitarian response to self-reliance, which includes improving access to financial services and boosting livelihoods and income of families. For the next few months, VisionFund Uganda (VFU) will engage in product development, capacity building and investment in opening a branch office in order to bring financial services for the population in West Nile.

Number of Savings Groups assessed:

	# Host Groups ²	# Refugee Groups ³	Total # Groups	Total # Members
Moyo	29	50	79	2,026
Yumbe	16	38	54	1,408
Arua	12	27	39	1,032
Adjumani	14	29	43	2,247
Total	71	144	215	6,713

General findings on the set-up and workings of the savings groups across all the locations:

- Membership varies between 20 – 30 members
- Members save weekly, amounts range between 1,000 – 10,000 UGX⁴ per person
- Members usually also save 500 – 1000 UGX into a social welfare fund per person
- Members lend to each other with 10% interest, with a max loan period of 3 months
- Members are usually allowed to borrow two to three times the amount they have saved
- Savings cycles are 12 months after which the money is shared out and a new cycle starts
- Share-out amounts increase with every cycle

¹ Acknowledging the similarities and differences of terminology, this report will use “savings groups” (SG) and “Village Savings and Loan Association” (VSLA) interchangeably. With the understanding that there is a group, with between 20 – 30 members who save regularly into a cashbox and lend amongst each other. “Farmers groups” are used here to refer to a group of individuals who do not necessarily save/lend together; but who have a similar interest, e.g. all work on one crop

² Majority of group members, or all of the group members are Ugandan nationals

³ Majority of group members, or all of the group members are non-Ugandan nationals, usually South Sudanese nationals

⁴ Through out this document, we are using the exchange rate of USD 1 = 3,800 UGX

General findings on challenges faced by refugee and host population across all locations:

- High transport costs to reach near towns or markets
- Lack of storage for the produce
- Insufficient capital for business
- Lack of security/collateral required by formal financial institutions
- Price fluctuations/unstable markets
- Drought, irregular weather patterns
- Lack of business skills

We found that “refugees” are not a homogenous group. Adjumani hosts the oldest settlements and therefore the oldest, or most mature refugee saving groups. These groups have saved together for years, and therefore have the largest share-out amounts. Rhino settlement (close to Arua) and Bidibidi settlement (close to Yumbe) are the most recently established settlements, most of the savings groups are in their first or second cycle and members are more reliant on humanitarian food distribution than the other settlements. Across all the locations, the major income generating activities are agriculture, retail business and selling of produce.

General observations on savings groups and NGO partners

Groups were and are trained by village agents, who have received training from NGOs. Those trainings usually include “group formation,” basic savings training and record keeping. The priority is usually given to the savings trainings, because that is how the group can start managing their small household shocks, keeping money aside for saver storage and future investment.

Some group members are not borrowing because of lack of knowledge on what to invest in, so there is a need to train these members on business skills, how to analyze the market and how to diversify income. Other members say they don’t borrow from the groups because they realize that the amount that they have to borrow is too little to start or boost a sustainable business hence a need for more capital.

Due to the seasonal nature of the major economic activity (agriculture), most members borrow at the beginning of the farming season when there is need to buy seedlings and clear the land. This trend has been observed in some of their record books.

Most groups require more training on record keeping. The savings are usually well recorded, but the loan book is lacking. It is difficult to trace who has paid and who has not and how much he/she should be paying back.

In addition, some partners have been giving cash grants to some groups as startup saving in addition to the saving tool kit. Unfortunately, this has weakened the group and their mindset, creating an environment where they wait for hand-outs. These groups are actually not as vibrant and active as those who were only supported with saving tools.

All partners struggled to provide records regarding their groups, including when they were established, how many trainings, or what trainings they had received. We believe reporting methodologies could be improved, which has also been reiterated by UNHCR.

During discussions with partner NGOs, the following concerns were raised around working with VSLAs:

- Some groups do not use the official record keeping book which makes their internal tracking difficult
- Compulsory loan-taking and executive members⁵ dictating the amounts the members should take, weakens the group
- Groups introduce loan terms or products that are not in the constitution such as loan top up
- Exploitation of illiterate members by the literate ones
- Gender imbalance of executive committees (male executive teams while members are majority female)

2. Methodology

This assessment was carried out between September and December 2018. The main purpose was to find out the maturity and capacity of the existing savings groups and farmers groups in West Nile based on their records and the savings cycle they are in. VisionFund Uganda staff worked with stakeholders in West Nile to gather information of savings groups. Stakeholders included implementing NGOs, as well as the coordinating organizations UNHCR and OPM.

VisionFund and World Vision interviewed representatives from 215 host groups and refugee groups with the excellent support of the implementing partners in the settlements throughout West Nile. To make mobilization more time efficient, we decided not to meet with the whole group, but interviewed the executive team (usually chairman, treasurer and secretary). Depending on the group size, the team spent one to two hours with the participants. Questions centered around a questionnaire (see annex) but were discussed with the whole group, not with individuals.

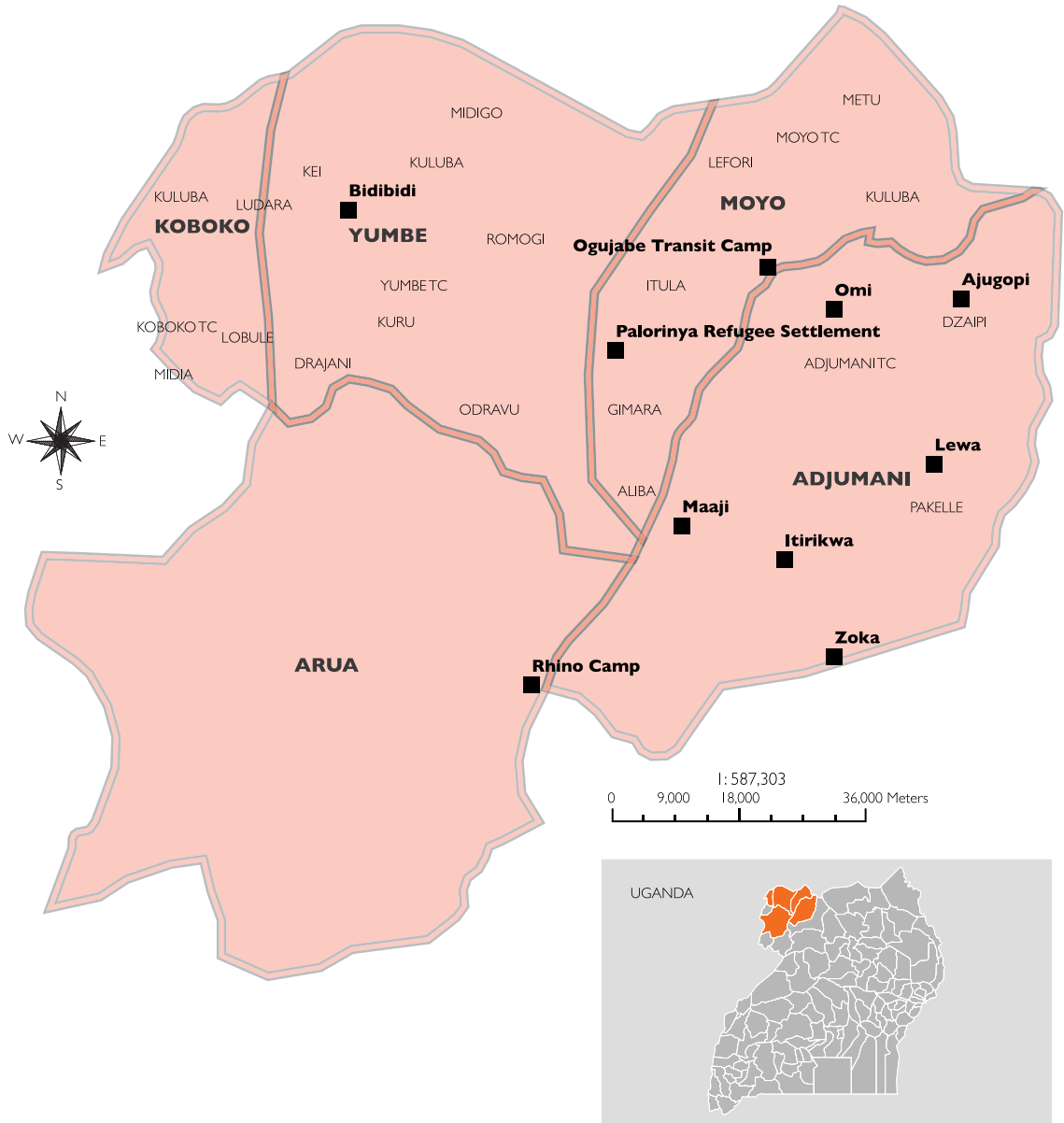
In addition, the representatives brought the groups' record books, so the team also analyzed the record keeping skills of the group. Special attention was given whether the group correctly accounted for the savings and borrowing within the group. The team looked at records on attendance, savings, and borrowing ledger.

In addition, a few focus group discussions were held with entire savings groups, not only their representatives, to complement the picture of their context. We focused questions and observations on livelihood activities, mobile network availability, presence of mobile agents and presence of financial institutions or branches/outlets.

The context analysis below gives an overview and summary of the findings, while subsequent sections dive into more detail for each location, divided into findings for refugees, host community and the major town.

⁵ Executive members are usually the Chair Person, Treasurer and Secretary

Map of West Nile with major Settlements



3. Context Analysis

Assessment of Locations in West Nile (September – December 2018)

	Arua	Yumbe	Moyo	Adjumani
Context	District has two settlements: Rhino and Imvepi, which added an extension called Omugo.	Bidibidi settlement is the second largest settlement in the world divided into 5 zones.	One settlement called Palorinya with four zones.	18 settlements, these are some of the oldest refugees in the country and they have mature groups with most of them in second cycle and above with experience in saving and lending. Some are as old as the 11th cycle
Population	Refugees: 151,349 Host: 846,491	Refugees: 223,088 Host: 584,221	Refugees: 118,404 Host: 147,997	Refugees: 202,854 Host: 170,029
Presence of financial institutions	12 commercial Banks, four MFIs, SACCOs and money lenders.	No banks and MFIs except for Post Bank which has set up but had not begun operation at time of this assessment.	The nearest financial institutions are Stanbic Bank and Moyo SACCO in Moyo town which is about 30 Km away from Palorinya settlement. Stanbic Bank offers mainly salary loans and big business loans that require security. A South Sudanese MFI called RUFU, recently registered in Uganda, is also providing loans in Palorinya settlement.	The financial institutions (Stanbic, Centenary, Equity) and the SACCOs are in Adjumani town and have no presence in the settlements.
Presence of mobile money agents and connectivity	Connectivity is very good with the preferred network MTN having about 450 mobile money agents within town, Airtel has about 310 agents. Each of them has a service centre that deals with large transactions. The settlements have 22 mobile money agents with a maximum withdrawal amount of UGX 5Mn.	Connectivity is ok with 35 small agents that operate with a float of about UGX 2Mn and three major mobile money agents that operate beyond that.	Connectivity is good with MTN as the preferred network and there are 26 mobile money agents.	Connectivity is good within the town with about 50 small and 3 big mobile money agents. However, connectivity is very poor in the settlements with very few mobile money agents compared to the size of the settlements.

	Arua	Yumbe	Moyo	Adjumani
Economic activity	In Arua town, activity is focused on retail trade in general merchandise; in the settlements focus is on farming and sale of produce.	Farming - major crops are sunflower, sim-sim and ground nuts.	In Moyo town, retail trade is most common, and in the settlement, farming and fishing since they are closer to River Nile.	In Adjumani town, retail trade is common and, in the settlement, farming and sale of produce.
Savings cycle	90% of refugee groups are in the first cycle and 50% from the host community	50% of refugee groups beyond the first cycle	50% of refugee groups were beyond first cycle and 70 % from the host community	70% of refugee groups were beyond first cycle and 90% from host community
Average amount of share-out	In the first cycle and for those past the first cycle, the share out ranges from 2m-4m UGX	Cycles vary and share out between 3m – 7m UGX	Cycle ranges from first – third share out from 2m- 8m UGX	Cycle varies hence share-out ranged from 2m – 15m UGX
Savings/ borrowing	Average saving is 1k-5k per week, lending at 10% per month for a maximum period of three months	Average saving is 1k- 5k weekly, lending at 10% per month for a maximum period of three months	Average saving is 1k-10k weekly, lending at 10% per month for a maximum period of three months	Average saving amount 1K-10k UGX/week, lending at 10% per month for a maximum period of three months
Main challenges	<ul style="list-style-type: none"> - Small capital base - High competition in the markets that leads to price fluctuations - High transport costs - No access to financial institutions within the settlements - Lack of financial literacy - Bad road network 	<ul style="list-style-type: none"> - Drought - Pests and diseases - High transport costs - Inadequate capital - Shortage of land for agriculture - Lack of agricultural expertise - Lack of financial literacy - Low prices for produce dictated by the buyers. - Poor quality seeds 	<ul style="list-style-type: none"> - High transport costs - High cost of accessing loans especially with the SACCOs. - Inadequate capital - Distant land for agriculture - No access to financial services - Price fluctuations - Limited float from MM agents. - Lack of financial literacy - Most businesses are operating informally 	<ul style="list-style-type: none"> - Bad phone network or poor connectivity? - Transport to near markets - Storage - Access to capital - Lack of financial literacy capacity and business decisions

	Arua	Yumbe	Moyo	Adjumani
Opportunities for financial institutions	<p>Arua town is a busy town and is the business hub of West Nile region with very many FIs. There is a big bankable population engaged in business, but the concern is that a large portion of them are multiple borrowers given the number of FIs there.</p>	<p>Established markets for sunflower, ground nuts, and sim-sim and at the moment the demand is greater than the supply. Therefore, farmers from both refugee and the host community need capital to buy seeds and clear land for production.</p> <p>Yumbe is a fast-growing district due to the refugee presence. To serve the growing population, there is need for financial empowerment of the people to boost their businesses.</p> <p>There is a need for financial services both for the host community and the refugees. There are only two SACCOs in the town. With an interest rate at 15% per month, they are perceived as expensive. More so, the clients require an interface given that they now must travel all the way to Koboko or Arua if they need to find a bank branch.</p>	<p>There is a need for financial services both for the refugees and the host community. They have only one commercial bank present. SACCOs/VSLAs. They are not able to meet the bank requirements to access loans yet the cost of accessing loans from SACCOs is perceived as too high and therefore a need to bridge that gap.</p> <p>Given its location, Moyo district has access to a large market of the population in South Sudan, North and Eastern DRC with the potential for booming business. Even the large population of refugees doing business in the camps is a ready market that requires a financial boost to expand to meet the market demand.</p> <p>Supportive Local Government Structures – there is a strong political will to support investors.</p> <p>Moyo is strategically located between Yumbe and Adjumani and both have great potential, so it makes it easier to scale to the other two areas.</p>	<p>Adjumani District is one of the first districts to host refugees from South Sudan and has the oldest group of refugees particularly in Maaji settlement. They therefore have mature groups that have acquired experience in managing their VSLAs through a number of saving cycles and have also undergone a number of trainings.</p> <p>There is a need for financial services for refugees and the host community. Much as there are Banks and SACCOs, they are all in Adjumani Town and don't have branches outside that, therefore the refugees and even the host community can't access them given the long distance to the town.</p> <p>The high cost of accessing financial services from the SACCOs can position us as the next best alternative or solution to the client's financial needs.</p> <p>Enabling environment (accessibility) - The District has a bad road network linking most parts of the district. These roads provide access to the rural areas. Adjumani and Moyo districts are linked by ferry services across the River Nile.</p>

4. Adjumani

Introduction

Adjumani district is bordered by Moyo district to the north, South Sudan to the northeast, Amuru District to the southeast, Arua district to the southwest and Yumbe district to the northwest.

With 18 settlements, Adjumani is one of the major refugee hosting districts in Uganda. By 2016, the total population of the district stood at 228,000, with 138,471 refugees. Over the years the number of refugees and asylum seekers has increased substantially, almost equal to the local population. Today, the refugee population in Adjumani district alone has now reached 257,104 per the UNHCR refugee portal. The refugees in Adjumani are mainly from South Sudan and are of diverse ethnic backgrounds; Dinkas, Kuku, Nuer, Kakwa, Madi, and Siluk. They have some similar ethnicity with the locals who are Acholi, Kuku, Madi and Lugbara.

Refugees in Adjumani generally depend on humanitarian assistance to meet their basic needs. They are also involved in economic activities such as farming, retail businesses and working as casual laborers to generate income.

Refugee Community

In Adjumani, we assessed 29 refugee groups, with an average of 30 members, in Maaji Settlement which comprises three zones. Around 90% of the groups are in the second cycle of saving and above. Their average share out in the previous cycle was about UGX 7,000,000 (\$1.84 USD⁶) and once they share out they leave an average of UGX 100,000 (\$26 USD) as management fees for the next saving cycle. The members of all the groups save once a week and the minimum saving amount is UGX 1,000 (\$0.26 USD) and maximum of UGX 20,000 (\$5.26 USD).

A member is able to access a loan that is three times the amount of the savings with the group. The loan interest rate is 20% per month and in case of default, after three months the principle and interest are rolled over. However, there are very few defaults with groups reporting an average of two members per group. The default is usually due to sickness and the member not being able to raise the money, or when business is not doing well due to lack of market. The mitigation they use in this case is that they take the savings as security or also cattle, if available.

The business activities for these groups are boda boda (motorbike taxis) for youth, food vendors, alcohol brewing, construction (casual labor), retail shops for general merchandise, sale of produce, vegetable growing, grinding mills. However, the most common is the sale of produce which they get as beneficiaries and they sell to the host community in the markets.

The major challenges encountered by members include:

- High transport costs e.g. from Maaji to Adjumani markets, a commuter taxi costs about UGX 30,000 (\$7.89 USD).
- Lack of storage for the produce
- Insufficient capital for business
- Price fluctuations/unstable markets
- Drought
- Lack of business skills

⁶ Throughout the report, the exchange rate \$1 USD=3,800 UGX is used

There are no financial institutions/branches in Maaji Settlement. The closest branches are in Adjumani, which is about 33km away.

There are only two mobile money agents operating in this vast area and they only handle transactions of up to UGX 100,000 (\$26.32 USD). People have to go all the way to Adjumani for bigger transactions. The connectivity is also poor in this area.

The nearest market is Obongi market which is about 3.5km away and it operates daily. The other markets are Awindili in Adjumani town that is 33km away and Maaji 2 Central market that is about 7.6km away.

The distance from Maaji settlement to Adjumani town is about 48km and takes about two hours on bad road.

Network connectivity is very poor, and, in some areas, it is not available at all. This makes people move distances to access mobile money services and where it is accessible, MTN is the preferred network. In addition, it affects the business people trying to connect with the buyers of their produce.

The financial institutions people use to access services are Pakele SACCO, Amani SACCO, Centenary Bank, Stanbic Bank and Equity Bank in Adjumani Town which are about 20km away.

The communities are very far apart, and the road network is very bad especially during the rainy season and this hinders accessibility when it comes to serving them.

Host Community

In Adjumani, 42 groups were assessed, with an average of 30 members per group. Group maturity levels vary in Adjumani, with young groups in their first cycle, and some groups in their eighth cycle and above. Data for five villages in Dzeipi and Okusijoni sub counties:

Location	# groups assessed	Avg. # members	Saving cycle	Average of previous share out UGX
Dzeipi subcounty				
Dzeipi village	5	28	Between first and second	4,436,500
Pagirinya village	8	25	Between first and second	8,400,000
Ajulumini village	8	30	Between second and fifth ⁷	9,342,500
Liria Village	8	30	Between second and fourth	4,928,571
Okusijoni subcounty				
Okusijoni village	13	40	Between third and eighth	9,977,778
Total	42	30		7,417,070

⁷With one exceptional group who was in its 11th cycle

Dzeipi Village

The major business activity for these groups is agriculture involving cultivation of maize, soya beans, cassava, sun flower and vegetables and poultry keeping, goat rearing. They are also involved in the sale of produce which they buy from the refugees. Produce includes maize and beans.

Their nearest markets are Pagirinya, Nyumanzi, Paratuku, and Ayiuro which are located in the settlement and they operate daily. Other markets include Dzeipi subcounty market which also has an auction day once a month and the Adjumani Town Council main market. (More information on village level can be found in the Annex.)

Pagirinya Village

The major businesses here are alcohol brewing, retail business, produce dealing, poultry keeping, piggery and farming of vegetables, maize, ground nuts and cassava. The most common is produce dealing which they buy from the refugees and sell in the local markets. The nearest market is Dzeipi market that is about 2 km away.

They have limited defaulters because they insist on taking security for their loans which includes things like cattle, guarantor ship, furniture and fittings. The reason for the few defaults is because of small business returns, poor business choice and planning.

The distance from Pagirinya Village to Adjumani town is about 25 km and takes about 1 hour on bad road.

Ajulumini Village

The business activity for these groups include: fishing, retail business, stone quarry crushing, operation of the grinding mill, sale of tick trees, local alcohol brewing. Of these the retail business was the major business that involves the sale of general merchandise. These businesses are operated at different markets which include: Paratuku, Dzeipi, Pakere and Nyumanzi which is the nearest about 3km away.

The distance from Ajulumini Village to Adjumani town is about 34km and takes about 1 hour 20 minutes on bad road.

Liria Village

The business activities here include farming of cassava, maize, sorghum, sim-sim), retail business, brick laying, local bakery, boda for mostly the youth, salon and dealing in produce (maize and beans). Of all these the major activity is dealing in produce.

The groups carry out their business transactions in Pakele market, Boroli and Ayilo which is the nearest (4km away).

The distance from Liria Village to Adjumani town is about 38km and takes about 1 hour 30 minutes on bad road.

Okusijoni village

The major businesses here include fish farming, smoking and selling; cultivation of maize, ground nuts, sim-sim, cassava, beans millet, sorghum; retail business in general merchandise; animal farming (piggery,

goat and cows); local alcohol brewing; dealing in spare parts for bicycles and motorcycles; sale of firewood.

The dominant business is agriculture and the nearest market is Okusijoni which is 2km and takes about 25 minutes to walk there. The others are; Maji 1, Maji 2 and Awindiri in Adjumani town. All these are daily markets apart from Masa market which operates twice a week.

The distance from Okusijoni Village to Adjumani town is about 45km and takes about 1 hour 45 minutes on bad road.

Challenges Faced by the Host Community

It is important to note that all the groups in the host community have similar challenges in doing business:

- High costs in transporting produce to and from the nearest market on a motorcycle or to Adjumani town which is the busiest. In addition to this the roads are very bad during the rainy season.
- Lack of capital to expand businesses because what they borrow from the groups is not enough.
- Price fluctuations due to increased competition.
- High market dues charged, over 10% of the sales.
- Lack of skill in making business choices as well as financial literacy in general.
- High cost of veterinary services when their animals fall sick. This includes transport, consultation and medicines.
- Most villages especially in Okusijoni subcounty have no network which makes mobile money transactions impossible.
- Lack of market for their products since they are concentrated in the near markets for fear of high transport costs.
- Lack of storage for their produce.
- Lack of good quality seeds to produce good quality products.
- During the harvesting season the supply is high affecting the price for the produce as the prices get lower
- Unfavorable climate due to long drought.
- Challenges related to borrowing:
 - The interest rate is at 10% per month.
 - The period to get a loan is often as long as three months.
 - Some FIs like SACCOs do not have enough capital and a cost of processing a loan is high. To access a loan from a SACCO one pays 1% loan processing fee, loan insurance of 1%. Local Council recommendation is 0.5% of the loan, monthly interest rate is 4%, account opening is UGX 30,000 (\$7.89 USD).
- Banks require security such as land titles or other collateral, which they do not have.

Adjumani Town

Adjumani is the main municipal, administrative, and commercial center of Adjumani District, the district headquarters are located here.

The team carried out a town drive and also met with the District Commercial Officer who shared some helpful statistics.

Adjumani has three banks namely Stanbic, Centenary and Equity. These don't have branches outside the town, but they do have Agency Banking and one ATM outside the town. There are also three non-deposit taking financial institutions: Bayport, BRAC and Platinum credit.

There are 11 operational SACCOs of which four are more vibrant, and they include:

- Adjumani Town Council SACCO with 5,238 members and a loan portfolio of UGX 2.7 billion (\$710,526 USD) and 193,600,000 shares.
- Pakele Town Council SACCO with 2,090 members with 126,440,000 shares and UGX 933,400,000 (\$245,631 USD) loan portfolio
- Dzeipi Town Council SACCO with 973 members and 44,468,000 shares with a loan portfolio of UGX 96,613,700 (\$25,424 USD).
- Amani farmers SACCO with 885 members and 31,960,000 shares with a loan portfolio of UGX 64,764,000 (\$17,043 USD)

The PAR for the above mentioned SACCOs is less than 5% however the major causes for default are:

- Poor appraisal/assessment by the lenders at the very beginning.
- Staff fraud – use of ghost clients.
- Loan Officers ask for commissions from clients to process their loans faster and this increases the cost of the loan and therefore the client decides to default.
- Interference by the Boards as they always want to recommend their own to get loans from these SACCOs.
- People attitude – when government gives funds to SACCOs as support, the clients always believe they should not pay back.

There are about 50 mobile money agents operating in the area, however there's a problem of network and float with most of them operating an average float of UGX 500,000 (\$131 USD) which is not sufficient. However, there are three big agents that never run out of float and these are: Adjumani Town Council SACCO, Oasis Dynasty and Equity Bank. These transact amounts of up to UGX 5,000,000.

The major business activities in Adjumani Town include retail and wholesale shops, hardware shops, mobile money agents, welding, and restaurants. Of these, the major activity is the retail business dealing in general merchandise and their loan expectations are UGX 5,000,000/\$1,326 USD to UGX 50,000,000 (1,315 USD) depending on size (kiosks, medium and mini supermarkets). Adjumani Town has three major streets with an average 60 shops for retail and wholesale business which is the dominant business.

The busiest markets are Awindili which deals in agriculture produce and Adjumani Central Market that has a variety. These are within the town.

The major highlighted challenges faced by the people of Adjumani are:

1. High market dues determined by the tenderer that manages the market.
2. Improper allocation of stalls in the markets implying that the vendors don't have permanent stalls.
3. Lack of financial literacy and poor business choice.
4. Operating informally as the businesses are not registered because the business owners think it's an expensive venture. Only 60% are registered.
5. The Banks cannot serve clients because of lack of security since they have customary land.

6. The market is available however the business people have an attitude of determining their own prices and therefore chase away customers.
7. High cost of financing e.g. to access a loan from a SACCO one pays 1% loan processing fee, loan insurance of 1%, Local Council recommendation is 0.5% of the loan, monthly interest rate is 4%, account opening is UGX 30,000 (\$7.89 USD)

5. Moyo

Moyo District is located in the northwestern corner or West Nile region of Uganda. The Nile River forms its southern and eastern borders, South Sudan in the north and Yumbe district in the western side. As per the 2014 census, the population of Moyo was 137,489 with 50.6% of them female. A more detailed analysis of markets in Moyo can be found in the Annex.

Moyo is one of the Ugandan districts that is hosting refugees who fled and continue to flee from South Sudan because of politically triggered violence. After the refugees are registered in a reception center, refugee households are allocated plots of land in a refugee settlement to farm and build homes. They are also encouraged to interact freely, set up shops and other retail businesses. Palorinya Settlement in Moyo hosts 118,000 refugees.

About 80% of the households in Moyo district are engaged in subsistence agriculture as their main economic activity. Fishing in the River Nile is also an important economic activity in the district, in addition to livestock such as cattle, goats, sheep, poultry and pigs. Bee keeping for honey production, is gaining popularity in the district.

The preliminary assessment involved a visit to Moyo Town and Palorinya Refugee Settlement where there are VSLAs supported by World Vision, Mercy Corps, URDMC, Diocese Kajo-Keji and LWF.

Palorinya Refugee Settlement

This is a refugee settlement that was established in 2006 to host refugees from Southern Sudan and it is divided in to four zones; the implementing partner is Lutheran World Federation. Other partners such as Caritas, Mercy Corps, Diocese of Kajo Keji, Seed Effect Uganda and others are implementing activities in Palorinya as well. We assessed 50 refugee groups and 29 host community groups, totaling 2,026 members. Refugees and host community live in the settlement, across the four zones.

Zone I - Host Community Groups



The groups have an average membership of 24 members and they are in the second cycle of saving and above with an average share out of UGX 3,800,000 (\$1,000) in the previous cycle. Once they share out they leave a membership fee of UGX 10,000 per member and these funds are used for management of the Group. They then begin the next saving cycle immediately.

The group members save once a week and the minimum saving amount is UGX 1,000 (\$0.26 USD) and maximum of UGX 5,000 (\$1.32 USD) except for two groups that have a minimum of UGX 2,000 (\$0.53 USD) and maximum of UGX 10,000 (\$2.63 USD). The saving box usually has an average of UGX 150,000 (\$40) for the first 6 months because most of the members have borrowed and the amount increases in the next half as they pay back.

A member is able to access a loan three times the amount of the savings they have with the group. The loan interest is 10% per month. In case of default, after three months the interest and principle are considered as a new loan for the next month. However, there are very minimal defaults with members reporting an average of two members per group and this is usually due to sickness and the member is not able to raise the money, multi-borrowing by members, members divert the borrowed funds to other needs like school fees. They are mitigating these risks by asking for collateral such as livestock (goats and cows).

The business activities for these groups include retail shops, boda boda (motorcycle taxi service) especially by the youth, sale of vegetables, sale of produce, agriculture (rice, livestock for beef and milk), fishing and sale of fish, brewing of local alcohol (malwa), brick laying, small restaurants and making of liquid soap. The major activity is fishing since the host community is very close to River Nile, followed by agriculture and brewing of local alcohol which is done mainly by women. The major challenges they face include:

- High costs in transporting their produce – it cost UGX 15,000 (\$3.95 USD) on a boda boda to Obongi which is the nearest trading center and UGX 25,000 (\$6.58 USD) to Moyo town. In addition to this the roads are very bad during the rainy season.
- Lack of capital to expand their businesses because what they borrow from the groups is not sufficient.
- Price fluctuations due to increased competition.
- High market dues- they are charged 10% of the sales.
- Lack of market for the produce.
- Lack of skill in making business choices as well as financial literacy in general.
- Long droughts and high cost of veterinary services that includes transport, consultation and medicines.

The nearest financial institutions are Stanbic Bank in Moyo town which is about 30 km away and Moyo SACCO with a branch at Palorinya center which is 25 km away. The major market that operates daily is Konyokonyo market, which has an office by RUFI, a South Sudanese MFI which as recently registered in Uganda. Konyokonyo market has a variety of businesses ranging from salons, mobile money, garage, sale of food items, and restaurants.

There are about 26 mobile money agents operating in the area, however there's a problem of float with most of them operating an average float of UGX 1,000,000 (\$263) which is not sufficient. The connectivity is good, and the preferred MNO is MTN.

Zone 3 East

The groups have an average of 24 members and they are all in the first cycle of saving and they had not shared out at the time of this assessment, but they will share out after 12 months of saving. Once they share out they will leave a small amount of money for management of the groups and will then begin the saving cycle immediately.

The members of all the groups save once a week and the minimum saving amount is UGX 1,000 (\$0.26 USD) and maximum of UGX 5,000 (\$1.32 USD) except one group whose minimum is UGX 2,000 (\$0.53 USD) and maximum UGX 10,000. The average savings for the groups is UGX 3,500,000 since they are still in the first cycle with less borrowing. The savings box is kept by one trusted person in the group and the keys held by three people of different ages living in different areas.

A member is able to access a loan three times the amount of their savings with the group. The loan interest rate is 10% per annum and in case of default after the three months the interest is increased to 15% per month. However, there are very few defaults with groups reporting an average of two members per group and this is usually due to sickness and the member is not able to raise the money or when business is not doing well due to lack of market.

The business activities for these groups are agriculture (maize, sim-sim, cassava, vegetables), tailoring, sale of food items in the market, sale of fish, sale of produce, retail shops and milk processing. The major activity is vegetable growing followed by sale of food items and fish.

The major challenges they face include:

- Lack of market for their products for example with tailoring, market is only available during school season when there is demand for school uniforms.
- High transport costs to other markets where they could easily sell their produce. For example, transport from Palorinya refugee settlement to Moyo is UGX 25,000 with a boda boda and UGX 10,000 with a commuter taxi, which are very few.
- The money borrowed by the members from the groups is not sufficient capital to boost their businesses.
- Lack of storage for their produce.
- During the harvesting season the supply is high affecting the price for the produce as the prices get lower.

The nearest financial institutions are Stanbic Bank in Moyo town which is about 30 km away and Moyo SACCO with a branch in Obongi trading center which is 19 km away. They have about five markets that operate daily with the biggest being Konyokonyo market with a variety of businesses ranging from salons, mobile money, garage, sale of food items, restaurants. The others are Dongo, Kinyiba and Bongo.

There are about 20 mobile money agents operating in the area, however there's a problem of float with most of them operating an average float of UGX 1,000,000 which is not sufficient. The connectivity is good, and the preferred MNO is MTN.

Itula Subcounty-IBAKWE – Refugee and Host Community Groups



These groups save between UGX 1,000 and UGX 10,000 once a week. Groups in the second cycle shared out after 12 months and immediately began the third cycle. They are very careful when giving out loans, they consider the member's behavior and get collateral attached in case of default, they can sell the item. The maximum loan repayment period is three months at an interest of 10% and since they understand each other well they prefer borrowing as a group.

They face challenges when some people take loans and they later fail to pay due to sickness, death, or some disappear to other settlements while others inject the money in nonproductive businesses. However, because of the current verification process by UNHCR, they are able to locate them using the station number while others sell the attached securities.

The major business is farming: vegetables, sim-sim, maize and ground nuts. Other activities include retail business, restaurant, firewood, grass for roofing, local brewing, dealing in produce, salon, boda-boda cyclists, and fish mongers since they live near River Nile.

Challenges include high competition since all farmers grow the same items, unfavorable climatic changes, pests and diseases, unfair landlords that change their minds in the middle of the season before refugees harvest their crops hence losing their produce. Also, high transport costs that eat up their profits and small capital base.

The markets they go to include Ndirindiri weekly market which is 3km away, Lefoli weekly market 6km, Konyokonyo daily 12km, Obongi weekly market 30km and Moyo central market 35km.

The network is fine and MTN is the most preferred for MM although there are challenges with float that is not sufficient enough to serve the people since it never goes beyond UGX 500,000. The nearest option for banking is Palorinya SACCO, Stanbic Moyo and Stanbic Adjumani.

Moyo Town

Moyo is the main municipal, administrative, and commercial center of Moyo District, the District headquarters are located here.

The business activities in Moyo Town include retail and wholesale shops, hardware shops, mobile money agents, betting shops, welding workshops, honey processing and grain millers. Of these, the major business is retail shops followed by the welding workshops due to increased construction of residential houses in the outskirts of Moyo town.

There are about 30 mobile money agents operating in the area, however there's a problem of float with most of them operating an average float of UGX 800,000 which is not sufficient. However, there are three big agents that never run out of float: Nile Com (MTN Service Center), Adgasco and Refasul. The connectivity is good, and the preferred MNO is MTN.

There is only one bank in Moyo and that is Stanbic Bank which offers mainly salary loans and big business loans. However, there is agency banking that is a new service on the market where customers can deposit and withdraw from their accounts like they would with a bank teller. There are four bank agents: Centenary Bank (one), Equity Bank (one) and Stanbic Bank (two).

The other financial Institutions available to the Moyo people are the SACCOs and the major ones are⁸:

- Moyo SACCO which is the biggest with about 10,000 members, a portfolio of 720 million shares with each share going for UGX 10,000 and savings of UGX 7.2 Billion.
- Mt Otce SACCO with 5,292 members, a portfolio of 243,650 shares with each share going for UGX 10,000
- Moyo District Local Government SACCO that was previously for only staff of Moyo Local Government but has now been opened up to the public.

There is also quite a number of savings groups formed under different programs such as Uganda women entrepreneur group and Youth livelihood program.

The major challenges faced by business in Moyo Town are:

- Lack of financial literacy. There are poor business choices and most people start the same business that someone else is already doing.
- Low capital base to expand. There is a potential market however the small businesses are not able to meet the demand.
- High cost of accessing loans especially with the SACCOs and VSLAs which makes up about 30% of the requested loan. As an example, one has to pay UGX 30,000 to open an account with a SACCO. The interest rate for most of them is 10% per month and then there are processing fees and compulsory savings.
- Businesses are not able to access loans from Stanbic Bank because the security is informal (customary land that doesn't have land titles).
- Most businesses are operating informally- they are not registered due to lack of sensitization on the registration process and the mindset of thinking that the cost of registration is high.

The main market is Moyo Main market which is easily accessible within the center of town and open daily, there are mainly food items sold there.

⁸ Information from the District Commercial Officer

6. Yumbe

Yumbe District is one of Uganda's most northern districts. The district is bordered by South Sudan to the north, Moyo District to the east, Adjumani District to the southeast, Arua District to the south and Koboko District to the west. The district headquarters at Yumbe are located approximately 75km (47 mi), by road, north of Arua, the largest town in the sub-region.

The population in Yumbe District is mainly Muslim (76%), which is a big exception for Uganda where 80% of Ugandans are Christians. The majority (89%) of the people in the district are ethnic Lugbara. The Lugbara in Yumbe District speak a dialect called Aringa, which has no written form; it is only spoken. Other ethnicities include the Kakwa, Madi and the Alur. The Acholi (about 2% of the district's population) are scattered along River Nile and mainly engage in fishing and hunting.

Yumbe is one of the Ugandan districts that is hosting refugees who fled and continue to flee from South Sudan because of politically triggered violence. After the refugees are registered in a reception center, refugee households are allocated plots of land in Bidibidi refugee settlement to farm and build homes. They are also encouraged to interact freely, set up shops and other retail businesses. Bidibidi Settlement in Yumbe is the second largest settlement in the world and hosts over 270,000 South Sudanese refugees. It is divided into five zones for easy management. Zone 1 and 5 are located in the northeastern side of Yumbe district; Zones 3,4,5 were subdivided into smaller sub zones. In Yumbe, 54 groups were assessed, representing 1,408 members – including 16 groups from host community, and 38 refugee groups.

Yumbe Refugee Community

Examples of groups and their share-out throughout the settlements:

Location	# Groups	# Members	Cycle	Average share out
Bidibidi – Zone 1	6	30	Between first and second	3,610,500
Bidibidi - Zone 2	10	30	Between first and second	5,519,000
Bidibidi – Zone 5	6	30	Second cycle	6,466,667

These groups save once a week, between UGX 1000 to UGX 10,000. They share out once in 12 months although a few groups shared after eight months in the first cycle but also prepared to share after 12 months. Once they share out most of the groups leave money in the social fund, which is for emergencies.

Members can borrow three times the savings they have in the box, but due to the challenges faced in recovery, some groups decided to lend out half of one's savings. The interest is 10% and the maximum repayment period is three months.

The challenges faced in loan recovery include relocation of some borrowers to another camp or back to South Sudan. That is why some groups decided to lend out less of what someone has saved, others attach guarantors to monitor each other. Others ensure proper assessment of existing business.

Their major business activity is farming which involves cultivation of ground nuts, sun flower, eggplant, onion, tomatoes, cassava, cabbage, maize and beans. Other activities include butchery, retail shops, restaurant, tailoring and sale of produce and boda boda for the youth.

The challenges they face during their business transactions include insufficient market for their produce, high transport costs to the markets, unfavorable climate due to drought, lack of financial literacy, limited financial capital from the VSLAs and high competition in the markets.

In all these zones there are about 12 mobile money agents with an average float of UGX 600,000, the network is too poor although MTN is the preferable network.

Zone 2 and 5 have Sowinga market as the nearest at about 4km while Zone 1 has Reception Market which is about 1km away. They all operate daily.

Yumbe Host Community



The host have mingled well with refugees in both the farming and VSLA activities. The host community is ready to provide land in case there is need for extensive farming. The groups prefer borrowing as a group because their activities are done as a group and farming is the major economic activity. The ratio of men to women is 1:4 respectively.

However there a number of challenges they face:

1. There is not enough land for commercial farming.
2. Wild animals destroy the crops.
3. Lack manpower to farm extensively.
4. Before GADCO came in there was no proper market for their produce.
5. Some areas are rocky making it difficult to cultivate.
6. The capital is not enough to run the farms.
7. Some seeds given to them are of poor quality.
8. Unfavorable climate characterized by long drought.
9. Lack of proper agricultural expertise.

However, farmers from Bidibidi settlement have practiced extensive farming producing sim-sim and cotton and are ready to prepare more land since GADCO will buy their produce.



This farmer cultivated three acres of sim-sim and one acre of ground nuts.

Apart from farming, members have personal businesses like brick laying, sale of fish, local brewing, salon, sale of second-hand clothes and all general merchandise items like sugar and salt, soap etc. They have a number of challenges in their businesses such as inadequate capital, unfavorable climate, high transport costs, lack of agricultural skills, pests and diseases, lack of financial literacy and high market dues together with exploitation from business people who come to buy their produce at low prices.

They have a number of markets where they sell and buy their products like Okubani market on weekly basis, Panyamuru, Kubara 60 km away, Ayibu, Naddi, Ajumani and Yumbe main market. Others include Maracha which is 50km, Obama 10 km, Koboko, and Arua. There is no micro finance, banks and SACCO in Ariwa subcounty. The network is fine and the preferred network is MTN for mobile money although the maximum amount for withdrawal is UGX 1,000,000 (\$265USD).

Yumbe Town

Yumbe town is the main municipal, administrative, and commercial center of Yumbe District, the District headquarters are located here. The district has 13 sub counties. Yumbe town is growing at a terrific

speed because of the refugee settlement. Since Bidibidi is becoming the biggest camp in the world, it has attracted many NGOs, and this has increased and improved businesses in Yumbe town.

We met the District Commercial Officer and also did a town drive. The observable businesses include: hardware shops, welding workshops due to the increased construction at the moment, wholesale shops and retail shops for general merchandise, grinding machines, honey processing, restaurants and boda boda for the youth. The commonest being the retail shops for general merchandise. There are three major streets with the main one having about 80 retail shops and the other two streets with 60 retail shops.

Yumbe has 2 SACCOs: The Taxi Operators SACCO and Yumbe Teachers SACCO. There is no micro finance institution and the only Bank is Post Bank which has set up a branch but not started operations yet. The other banks like Centenary, Stanbic, Equity and KCB have bank agents. There are also private money lenders like Platinum Credit Ltd.

We visited the market which is managed by the market vendors through their cooperative society and 80% are women. They also have savings groups initiated by themselves and they borrow from these same groups. Their groups are categorized according to their business sectors e.g. tomatoes sellers, fish sellers, food sellers etc. According to them, they have never had a chance to be considered by any lending institution.



The market vendors are grouped according to the commodities they deal in. There are 20 groups with a total of 229 members. All of them save once a week with a minimum 200 UGX (\$0.05) and maximum 500 UGX (\$0.13).

The major network operators are MTN and Airtel and the connectivity is very good here. There are around 35 small MM agents with a float of UGX 2million though they claim business has slowed down due to the increased tax.

The three major mobile money agents include:

1. MTN Service Center that operates up to UGX 10m
2. Abumali agent that serves beyond UGX 5m
3. Orange international serves beyond UGX 3m

Challenges:

- High transport costs due to the bad roads (Yumbe to Koboko).
- Lack of capital due to lack of access to financial services.
- Many of the businesses in Yumbe are operating informally therefore difficult to monitor.
- High costs of operation - insufficient electricity to run some of the businesses like welding and they have to resort to generators which are quite expensive.
- Negative attitude of the locals towards opening up bank accounts thinking it's expensive. Except those that want to get contracts are the ones that open up.

Observations:

- There is no financial institution apart from the SACCO that lends to the market vendors.
- There is need for mobilization and training of these groups on the VSLA component so that they have a constitution to follow and they were very positive to this new idea.

7. Arua

Rhino Camp

Rhino camp was originally established in 1980 and expanded during the South Sudan war to host the refugees. This settlement hosts more than 116,000 refugees, most of them from South Sudan. It continues to receive new arrivals due to a continuous influx of refugees into northern Uganda. In August 2017, it was expanded with the establishment of Omugo zone extension area.

Rhino camp is located in Arua (northwestern Uganda) at Madi Okollo which is at the edge of Uganda's largest game park. Rhino Camp has six zones: Zone I-Ocea, Zone II-Siripi, Zone III-Eden, Zone IV-Tika, Zone V-Odobu, Zone VI-Ofua. The general topography of the project area is hilly with deep valleys which creates interconnected drainage systems in a dendritic pattern.

We have assessed 13 VSLAs in Rhino. These VSLA groups are in the first and second cycle. They save once a week between UGX 1,000 and UGX 12,500. They share out once a year and never share to zero balance since they leave a social fund to cater to emergencies. The box is never left empty and has three people safeguarding it with each one allocated a key in terms of triple control. Groups have different opinions on the amount borrowed. While others lend out half the savings, others lend

100% savings and others lend out three times the savings one has in the box. Also, the interest charged depends on the group, the majority charge 10%. The repayment period is between one to three months.

Their major activities are farming in vegetables, sim-sim and ground nuts, goat rearing, and dealing in produce. However, they also have other businesses from which they earn income, and these include tailoring, transport, salon, cosmetics, second hand clothes, phone charging, brick laying and sale of sand.

The challenges affecting their businesses include low capital base, high competition, high transport costs to and from the markets that eat up their profits, unreliable weather, lack of financial literacy, sometimes there is no market for their goods.

The groups have other activities apart from the savings and borrowing that bring them closer to each other and these include coming together in times of sorrow, contributing some money for the sick to get treatment and doing community work together as well as providing psychological support to those in need.

Rhino does not have any banks or micro finance therefore any financial assistance apart from mobile money can only be accessed in Arua which is 63.4 km which is 1 hour and 23 minutes and the road is bad. The network connectivity is okay and they have seven mobile money points with the maximum withdrawal amount of UGX 5,000,000 on either MTN or Airtel.

The camp has eight markets and the nearest market is found at Ofua 5, Ofua 4, Omugo 6, Ofua 3 and these are daily markets yet Golbara and Achodi markets operate twice a week and Siripi market for animals like cattle, goats and this operates once a month.

Imvepi Settlement

Imvepi refugee settlement is found in Odupi subcounty in Arua district. One of the newer settlements in Uganda, Imvepi was opened in February 2017 to accommodate South Sudanese refugees after the Palorinya settlement in Moyo District quickly reached its capacity. Although the settlement no longer receives new arrivals, many refugees are registered at the reception center in Imvepi before being transferred to another settlement, such as the Omugo zone extension in Rhino Camp. It has three zones.

We assessed 26 groups. The groups have an average size of 28 members and 85% of them have just moved to the second saving cycle while the rest are in the first cycle. The average share-out of those groups is UGX 3,000,000. Once they share out, some groups will leave a small amount of money for management of the groups and will then begin the next saving cycle immediately.

These groups save once a week and the saving cycle is 12 months. Some groups leave some money in the box and this is usually the social welfare, or the penalties collected from defaulters. The minimum saving is Ugx1,000 and maximum saving is UGX 10,000. It is also important to note that all the groups have 90% women who are very active and with high levels of integrity.

The maximum loan amount differs with different groups, some lend three times the saving while others lend an amount equivalent to half the member's savings as a mitigation measure in case of default. The maximum period given to borrowers is three months at a monthly interest rate of 10%.

Challenges faced during the group collections include:

- Some members adopt to alcoholism after taking the loans.
- Others may disappear and move to another settlement or town.
- Others begin absenting themselves from the group meetings.
- When a member falls sick, the money is diverted to treatment.

The people of Imvepi are business oriented even though the capital isn't sufficient. The businesses include: retail shops, food vending, salon, local alcohol brewing, stone quarrying, sale of produce, restaurant, cultivation of sim-sim, ground nuts and cabbages. The major business is retail trade dealing in general merchandise and also sale of produce.

Business challenges include:

- High transport costs to Koboko and Arua where they purchase most of their merchandise; this reduces their profit margins.
- Businesses are concentrated in the same market and this creates high levels of competition.
- Lack of business skills.
- High market dues that are unfair.
- Lack of capital to boost their businesses.
- Little money in circulation thereby affecting the purchasing power.

Arua Town

Arua municipal council is an administrative, commercial educational and social center of the district. The district is strategically located at the vanguard of two countries namely South Sudan and the Democratic Republic of Congo. It lies in the north western corner of Uganda. It is bordered by the Maracha district to the north west and Yumbe district to the north east and Democratic Republic of Congo to the west, Nebbi to the south and Gulu district to the East. Arua district has 28 sub counties, 166 parishes and 1,373 villages with two municipal councils called Oli division and Arua hill division. Due to the influx of refugees in the region, the population grew to around 862,700 and this called for more food production since the present capacity could not accommodate the entire population.

As a commercial center, it has very many businesses ranging from wholesale to retail. These include produce, hardware, restaurants, bars, transport center like bus parks, stationary, food markets, banks, SACCOs, micro finance institutions, the referral hospital and the private health centers, pharmacies, supermarkets, fuel stations, communication centers and mobile money agents, car garages, forex bureaus, guest houses and rental houses.

From the interaction we had with several traders, there is easy accessibility to financial services given the variety of financial institutions to choose from, however the only difficulty is that they require security like land titles, which is hard to get. Also, because the processing time is quite long (usually a month) traders who want instant short-term facilities to purchase goods, end up borrowing from money lenders at exorbitant interest rates of 20% - 30% per month.

The banks found in Arua include: Stanbic, Centenary, Equity, Orient, Barclays, Diamond trust, DFCU, Bank of Africa, Post Bank, Finance Trust Ltd and Housing Finance bank. All these have an ATM at the branch except for Centenary that has another ATM on the main street. Stanbic, Equity and Centenary also have several Bank agents. The Micro finance institutions include Pride Uganda, Finca, Letshego and Brac. Also observed are the private money lenders such as Kebra (U) Ltd, Parlmart Consult Ltd, Creative Consult Ltd.

There are three main network operators; MTN, Airtel and Africell. They all have service Centers in Arua town. The biggest being MTN with about 450 mobile money agents, Airtel with 310 mobile money agents and Africell with 50 mobile money agents (figures came from the respective service centers). A money agent with a small kiosk operates with float of about UGX 250,000, a medium kiosk uses a float of about UGX 2 million while the service centers operate with float of UGX 20million and above.

Challenges:

- Climatic changes that do not favor food production, yet the high population can only be sustained if there is increase in food production.
- The roads are too bad apart from the central. When it rains they become impassable making transportation of agricultural products from villages difficult and costly.
- Many businesses operate informally which makes revenue difficult to get yet the roads and other sectors need maintenance.
- Right now, the main market is under construction, so the market vendors are spread all over the town and therefore an inconvenience and also difficult to monitor them.
- Lending institutions face a problem of borrowers relocating to the neighboring countries of Congo and South Sudan when they fail to pay the loans and emphasized that we should be careful and ensure proper KYC and assessment.
- There is also lack of capacity building of youth groups and community development officers prior to implementation of projects and minimal supervision thereafter.
- Another challenge is associated with power which is always on and off. This is too destructive to the production sector.

8. Conclusion and Key Findings

“Refugees” are not a homogenous group: there are differences in their economic activity, capacity to save within the savings groups and different financial services needs. The longer the savings group has saved together, the more mature the group is and the higher their share-out. Refugees in Ajdumani have lived there for years, have integrated with host community and needs for capital are different than for refugees recently arrived in Imvepi, for example.

Challenges and opportunities for refugees and host community are similar: savings groups in similar cycles have similar needs whether they are refugee groups, host groups or mixed groups. As the government has settled the refugees in and around existing villages in West Nile, host community and refugees have generally integrated well.

The financial capacity is similar among refugee and host community groups: there is a consistent increase of the share-out amount across all the groups, confirming the assumption that refugees have means to save and borrow.

NGO partners work with savings groups/VSLAs: while the models might vary a bit, almost all NGOs are implementing activities with saving groups. Activities range from forming and setting up the groups, strengthening them during the start-up and providing trainings. The monitoring and follow-up with the groups varies significantly among the different NGOs. Poor-record keeping was one major finding across all the VSLAs.

More female participation in VSLAs: the majority of the refugee population in West Nile is female, and there is a high interest among women to join VSLAs. There are many NGO programs that focus on women's economic empowerment, which has resulted in VSLAs reaching a high number of vulnerable women.

Cash flow issues amongst more mature groups: groups have been stating that there is insufficient money to borrow at the beginning of the cycle as compared to the end. Towards the end, there is a lot of money in the cash-box, which raises security concerns.

Varying membership in VSLAs: We have already observed multiple membership and forced membership in the VSLAs which leads to low attendance of members and weak savings and borrowing culture. Some groups also have inflated their numbers to benefit from VSLA programs, such groups have high expectations and will be very active in the beginning of a program, but then have high turn-over.

Supportive government and camp management structures: we have seen consistent support by both OPM and UNHCR to move away from humanitarian hand-outs to activities aiming at self-reliance of the refugees and support for income-generating initiatives and increased financial inclusion.

Lack of presence of formal financial institutions: apart from Arua town, which has a high presence of financial institutions including bank, MFIs and SACCOs, the other towns such as Yumbe, Moyo and Adjumani lack presence of such institutions. The near settlements are not served at all, with only one operating MFI in Moyo/Palorinya settlement.

Presence of markets: we have seen daily to weekly markets which operate in the settlements, sometimes as big if not bigger than in the close by towns. Facing high transport costs, both host community and refugees face challenges accessing bigger or more distant markets, leading to surplus of the same goods in one location.

Network coverage, presence and liquidity of mobile money agents: as donors and implementors are increasingly looking into cash programming instead of in-kind, the issue of connectivity, mobile money agents and their liquidity becomes of increasing importance. Across West Nile, we have experienced good network coverage, except for Adjumani which was lagging behind. There is a decent presence of mobile money agents which could allow easier access to financial services for populations in the settlements and rural areas, rather than travelling to a branch in town (if one is present there). Liquidity of the agents can go up to UGX 2 million, but most agents have assured us they could get more if needed.

9. Annexes

Questionnaire

Used for Focus Group Discussion interviews

1. How many SGs are in the Village?
2. What's the name of the SG?
3. How many members are in the SG?
4. What saving cycle is the SG?
5. What was the share out in the previous cycle?
6. On average, how much do you keep in the box? Have you had an instance where the box was empty and for how long was this?
7. What is the minimum and maximum savings amount for a member?
8. What is the maximum loan amount that can be given to a member?
9. What percentage of the savings is given to a member as a loan?
10. What is the interest rate charged on the loan?
11. What is the loan repayment period? - Min/Max
12. What challenges do you face with loan recovery and how do you mitigate them?
13. What are the major business activities and how many members per business? E.g boda -5, retail shop-2, sale of food items – 3 ...etc
14. What challenges are affecting the business?
15. What are your expectations in terms of loan size that can boost your business?
16. Do you prefer borrowing as a group or as individuals within the group?
17. Does WV operate within the area?
18. How many MFIs/Banks are within and the branches per MFI/Bank?
19. How far is the nearest MFI/Bank (miles)? What's the name?
20. What is the nearest market and how many days is it open a week?
21. What is the number of MM agents within the area?
22. What's the average float used by an MM agent? – What is the maximum one can withdraw at an agent within the area?
23. Do you have connectivity? – What is the preferred MNO?
24. How far is the nearest town (miles)? – and the time it takes to reach the nearest town
25. How far is Arua/next bigger town? – and the time it takes to reach Arua/next bigger town
26. Is it tarmac or murrum road?

Detailed Market Information - Moyo

Market	Auction day	No. of businesses	Distance to Moyo (miles)	BodaBoda cost (UGX)	Connectivity (Y/N)	No. of MM agents	Average float per day (UGX)	Comments
Metu – Metu Town Council	Tuesday & Sunday	229	5	4,000/-	Y	5	2.5M	They have 2 big saving groups in the market that have existed for 6 years with membership of 30 each.
Ramundugitu - Oluba village	Daily	149	7	7,000/-	N	-	-	Has no network; MM done at Metu Trading Center
Dongo -Dikiri village	Sunday	99	25	20,000/-	Y	2	1M	Not so busy except for Sunday.
Obongi – Obongi Sub county	Friday	595	39	-	Y	7	3M	It's a very busy market that is closer to Adjumani than Moyo with traders from Gulu, Adjumani, Yumbe and Moyo. It's 6 miles to Adjumani and 1 mile to the ferry point.
Konyokonyo -Palorinya settlement	Daily	1,065	27	25,000/-	Y	15	3M	The biggest and busiest in Itula sub county and within the settlement. They have a big market that is expanding.
Lefoli	Wednesday	324	8	10,000/-	Y	6	2M	Found along Moyo - Yumbe Road and attracts traders from Yumbe, Moyo and Adjumani via Obongi
Ndirindiri – close to the base camp	Monday	184	18	15,000/-	Y	5	2.5M	Major economic activity is fishing since it's closer to River Nile. It's about 1 mile to the base camp and most staff shop here.
Pasu –within Palorinya settlement	Tuesday & Friday	110	20.5	20,000/-	Y	-	-	This market is only open on auction days and all the businesses there are makeshift. There isn't any MM agent given that it isn't a daily market.
Keguru – within Palorinya settlement	Daily	251	20	20,000/-	Y	1	3M	Quite a busy market and only 1 MM agent who faces challenges with float because there are so many withdrawals.

Detailed Market Information - Moyo								
Market	Auction day	No. of businesses	Distance to Moyo (miles)	BodaBoda cost (UGX)	Connectivity (Y/N)	No. of MM agents	Average float per day (UGX)	Comments
Belameling – within settlement	Thursday	172	25	25,000/-	Y	4	1.5M	Most cash withdrawals are done on auction day and month end when workers are paid and that's when they boost their float amount.
Larope landing site	Sunday	340	22	10,000	Y	8	3.5M	This is a very busy market on auction day with traders from Gulu, Amuru, Yumbe, Koboko, Adjumani and South Sudan. The boda boda fare from Moyo is small because there are so many transport options like buses and taxis.
Palorinya East Trading Center	Daily	70	19	12,000	Y	4	500,000	The most common business is fishing and boda boda who have formed their own saving groups.