

Financial Literacy Training in the Uganda Refugee Response

Discussion Paper

Introduction

Following a research and learning consultation of the Cash Working Group (CWG) members on the 24th March 2021, the CWG - in collaboration with the U-Learn Learning Hub - is working on a [Financial Inclusion Learning Review series](#).¹ The objective of this Learning Review series is to increase the uptake of evidence and good practices on Financial Inclusion in the Ugandan refugee response.²

The Financial Inclusion Learning Review series will:

- Promote and showcase good practices in financial inclusion with the view of harmonising practices of delivering financial inclusion in Uganda.
- Cross learning amongst peers (across stakeholder groups - including local actors and private sector actors) on the practices currently in place and the diversity in approaches, and to allow sharing on challenges and successes.
- Develop Uganda refugee response specific lessons learned and recommendations.
- Showcase examples from the Ugandan context at regional and global cash forums.

The first theme of the series is **Financial Literacy Training (FLT)**. FLT resources from the Uganda context were collected (around 30 resources, private as well as public) and discussions were held with 16 of the key actors engaging in FLT.³ This information was then analysed and part of it summarised into this discussion paper.

This FLT Discussion Paper provides an overview of the existing FLT practices and evidence in the Uganda refugee context; its objective is to outline key areas that will be explored during the learning discussion on 15th September 2021, to allow for in-depth discussion. The discussion paper is not a research paper and it is not exhaustive.

Context

In Uganda, forty percent (40%) of the 1.5 million refugees⁴ rely on institutional support as their main source of livelihoods, which has, until recently, been in-kind support. However, to encourage refugee self-reliance and independence, Uganda's refugee response actors are increasingly moving to Cash-Based Interventions (CBIs) with 24 actors currently providing CBIs in ten settlements and 46% of refugees receiving cash-based food assistance.⁵ However, it has been recognised that "there is a poor savings culture" with "a lack of practice of recording the income and expenses" highlighting the need for FLT to increase alongside the CBIs.⁶

¹ see <https://ulearn-uganda.org/download/tor-financial-inclusion-learning-review-series/>

² For the purpose of this paper, financial inclusion is understood as *the availability and equality of opportunities to access financial services*; in the context of Uganda, financial inclusion means that all Ugandans and refugees have access to and use a broad range of quality and affordable financial services which helps to ensure their financial security.

³ Over 50 actors, all active in some aspect of FLT, were identified during the data collection phase. Of these, four are donors, five fintech/micros grantees, one government, 15 INGOs, three NGOs, nine private sector, one research organisation, one RLO, two SACCOs, four social businesses and four UN/Intergovernmental organisations.

⁴ see UNHCR - <https://data2.unhcr.org/en/country/uga>

⁵ 46% of refugees received cash-based food assistance in Q1 2021 and almost 200,000 HH were receiving some form of cash-based assistance - see OPM/UNHCR "Performance Snapshot - Uganda Refugee Response Plan (RRP) 2020-2021- Quarter 1, January-March 2021" available at <https://data2.unhcr.org/en/documents/download/87074> and "Cash-Based Interventions Dashboard - Uganda Refugee Response Plan (RRP) 2020-2021 - Quarter 1, January-March 2021" Available at <https://data2.unhcr.org/en/documents/download/87059>

⁶ PHB/UNCDF/WFP "Summary of findings from the research phase - Developing a financial literacy curriculum and delivery tools for refugees and host communities in Uganda" May 2019

Over the last fifty years, Uganda has seen influxes of refugees, most of whom remain in a protracted situation, creating a vast range of self-reliance and financial literacy needs that should be addressed from basic “*survivalihoods*” through to business development. A refugee’s financial literacy journey should be seen as a spectrum rather than a definitive end, from the basic - managing limited personal finances, through engaging with informal and community financial products and services to improve their personal situations, to starting and maintaining successful business opportunities and eventually to fully engaging with formal financial services on both a personal and professional basis and full financial self-sufficiency.

As such, refugees need different interventions and advice at different stages of their financial literacy journey and based on their different backgrounds. Regardless of their pre-exile background, most new refugees can only focus on meeting their day-to-day, basic needs. Over time, different for each person, they can start thinking about how to improve their basic situation and create more [aid] independence, financial track record and finally, full financial independence, integration and /or return, should the reason for flight be diminished.

The FLT landscape

FLT is key to achieving two of the Comprehensive Refugee Response Framework’s (CRRF) objectives - to ease pressure on host communities and to enhance refugees’ self-reliance. In Uganda, this is further identified in Pillar Three which states that “investing in skills development is essential to help communities better cope with future shocks.”⁷

In the short-term, FLT is important to enable individuals to “manage their, and their family’s, personal finances” and, in the longer-term, “to access a broad range of quality and affordable financial services appropriate for their financial needs and security thus attaining financial inclusion.”⁸ In Uganda’s refugee response, there is a general understanding that for refugees this equates to the “sound use of cash-based transfers” in the short-term and “inclusive development, equitable empowerment, and financial inclusion” in the longer-term.⁹

The Bank of Uganda’s (BoU) [Strategy for Financial Literacy in Uganda](#) includes refugees and displaced persons in one of its five priority groups: Youth; Women; Work Place; Rural Outreach and Special Interest Groups (namely; Children below 15 years old, People with Disabilities (PWDs), Forcibly Displaced Persons/*Refugees* and Digital Financial Technology).¹⁰

A wide range of actors provide FLT in the Uganda refugee response, from grass roots organisations through to Financial Service Providers (FSPs), from nonprofit, non-governmental organisations (NGOs) through to for-profit companies and consultancies.

Most of the FLT implementers seem to target either refugees or Host Communities with very few providing training to both and even more rarely, both together. Some of this will be in part due to their location and/or programming objectives, however, the need and benefit are the same.

Few, if any, FLT implementers are providing FLT in and of itself. Most are providing it as a necessity or adjunct to enable and support other programmatic activities i.e. as a tool to enable and/or support another activity, such as: 1. Cash-Based Interventions, 2. group saving activities, such as Village Savings and Loans Associations (VSLAs), and 3. loans, such as from microfinance institutions and banks. FLT is widely acknowledged as an intrinsic part of these activity groups to assure the efficacy, quality

⁷ see UNHCR - <https://data2.unhcr.org/en/documents/download/63267>

⁸ see Simplify Money - <https://www.simplifymoney.co.ug/>

⁹ see U Learn - <https://www.responseinnovationlab.com/matchmaker-solution-packs-1/uganda-financial-literacy>

¹⁰ see Uganda Bankers - <https://ugandabankers.org/wp-content/uploads/2019/10/Strategy-for-Financial-Literacy-in-Uganda-August-2013.pdf>

and success of these activities. As such, the objectives of the programme within which the FLT sits, are crucial in defining its shape, objectives and content.¹¹

In general, the objective of all FLT actors is for recipients to gain the knowledge and skills necessary to become financially literate in the short-term, “the trainings are really key in enabling the beneficiaries to use the knowledge and skills in improving their attitude towards financial matters”.¹² But there are many, nuanced, understandings of what that is, based on individual organisational objectives, funding criteria, capacity, and resources. Objectives include:

- Ensuring that participants have basic financial skills, enough to manage their cash aid/cash disbursements,
- Encouraging basic knowledge of the importance of saving to help weather day-to-day shocks, or assist participants with bigger saving goals.
- Enabling beneficiaries to start and maintain basic income-generating activities (IGAs)
- Taking participants along a path to setting up savings groups (for example VSLAs) or engage with a SACCO.
- Enabling refugees to become entrepreneurs, building, running, and growing sustainable businesses and accessing and managing credit through microfinance initiatives.
- Creating a viable pathway to creating new clients/customers for, or engaging in, formal, private sector FSPs.

As such, FLTs are as diverse as the actors active in this space, varying in objective, participants, qualifying criteria, content, format, and trainers. The amount of collaboration, duplication, and use of linkages to other FSPs or services also varies.

These different objectives, therefore, result in the variation of the FLT content, format, focus, and outcomes. Often the focus is on ensuring the FLT facilitates the associated programmatic objectives rather than achieving a high standard of financial literacy or visible and practical steps towards self-reliance, although this may also be a coincidental or secondary outcome.

All FLT implementers are ultimately working towards the long-term goal of enabling refugee self-reliance, to, for example, lead independent, resilient, productive, and self-sufficient lives, although the exact pathway to, and understanding of this is very varied.

FLT for refugees process: participants

Within the Uganda context, technically every refugee is eligible to receive FLT, however, in reality, the practicalities of who ultimately ends up receiving the FLT varies with each FLT implementer. Presently, the number of individuals and households (HH) receiving training is still relatively small compared to the need which far exceeds the number of training opportunities available.

Participation selection is usually in line with the overall objectives of the overarching activity/programme or implementor. For example, some provide FLT only to *those receiving (WFP) cash-based food assistance*, whereas others prioritise participants based on their *pre-existing financial experience*. Such criteria may include people involved in VSLA or other forms of community savings groups, pre-existing financial services customers, those with pre-existing businesses, or those that have already undergone some FLT. Lastly, there are those that target beneficiaries based on a *vulnerability criteria* – i.e. those who are identified as most impoverished or in need, with these participants always part of a broader programme that includes regular financial assistance and/or cash-based transfers/a lump sum alongside the FLT.

Within this programmatic criteria, FLT implementers identify the participants using existing UNHCR/OPM lists, or through consultation with the community to be engaged, for example working with “[r]egional

¹¹ For the purpose of this paper content is defined as the material (and the detail of the material(s)) used in the training - in each session/module - to impart the information

¹² FLT actor - SouthWestern Uganda

district local governments and district refugee leaders” to identify participants, or by asking participants themselves to volunteer after community sensitisation.

In general, voluntary participation / participant motivation seems to be a qualifying criterion of all participant selection processes; some organisations go as far as to remove any form of incentive (transport money, pens, books etc.) – the theory being that only those who are proactive and/or are “really motivated” will attend. Whilst this does help identify those who want the training it also presupposes a level of comprehension of the content and need for the training as well as the ability to participate without those incentives. To the contrary, other organisations provide financial incentives to enable participants to put FLT in practice - for example, the money can then be used to supplement day-to-day activities, for savings or business development.

Literacy is used by some as a qualifying criterion, however, others found that, subject to what training methods are being used “the literacy levels of participants are not closely looked at because [...], all trainees are able to implement what’s being trained as long as they have the desire to” and that the participants with low levels of literacy are still “able to perform well after the training.” One FLT implementer did note, however, that an understanding of the literacy levels of the participants is necessary (though not exclusionary) to ensure participants can equally benefit from the training.

Many FLT implementers, especially those providing FLT as part of cash-based interventions, try to ensure two participants per HH (of which one is literate) to prevent discord within the HH and to ensure that the HH financial decision-making is shared. In addition, most aim for participants to be over 18 or the “breadwinners.” Younger participants are included when acting as informal translators, as literacy support or to assist persons with disabilities (PWDs). Most FLT have predominantly female participants, even when this is not a specific organisational/ programme aim.

After participants are selected, many FLT implementers use an intake questionnaire (pre-training test) or other engagement to assess the level of knowledge and understanding of financial literacy prior to the commencement of the training. This does not appear to be exclusionary; however, a few organisations - who provide non-geographic specific trainings (see below) - use this to group those with similar education or knowledge together. Few seem to use it to tailor the training per se but most do use it to get an understanding of the pre-existing capacities of the participants (in terms of literacy and financial literacy) - i.e. as a pre-training monitoring and evaluation (M&E) tool.

All provide group training, ranging between 10-30 participants, in part because it is “cheaper to train...in [a] group” but it is also recognised that this had additional benefits as “group trainings provide for group learning and sharing of ideas” and can be more easily transformed into VSLAs/saving groups.

After grouping by preferred language as a first step, further grouping is usually done. One approach is to group those with basic knowledge and those with more advanced knowledge together – often in line with programmatic objectives; another is to group participants by geography (for example, by village or zone). For those grouped *by programmatic objectives/level*, the training can be more targeted and specific, however, the downside is that trainings are often held in “a central venue”, requiring participants to travel for the training, which if not financially supported, may be a problem for some. This can also result in a reluctance to commit to, or absences from, the training due to other commitments that mean extended periods during the day away from home are problematic, (for example, schooling, childcare among other home responsibilities etc.). This is especially the case with female participants who often have childcare and other household responsibilities.

For those grouped *by geography*, for the participants, a training located nearby means less time away from other commitments and no real travel time or costs. For the FLT implementer, it is often easier and cheaper to provide the training in terms of resource use. In addition, the geographical link can also make it easier to establish and sustain VSLAs or other post training saving mechanisms and/or follow up support or M&E.

The last grouping is for those already *in pre-existing financial relationships* i.e. VSLAs or other savings groups. These trainings are often tied to the prearranged saving group meetings, avoiding duplication of effort in terms of organising and coordinating as well as reducing the time away from other chores and activities. However, trainings are often shorter and necessitate, from the outset, more than a basic financial literacy understanding.

FLT process: Curriculum

The curricula¹³ (for example, the modules¹⁴ used and their contents) that are currently in use, can be roughly divided into four groups.¹⁵ The one often used is the one designed by *PHB* and rolled out by *WFP/UNCDF*. Other FLT implementers are using curricula designed by their own organisations¹⁶, some of which are inspired by existing curriculum designed by INGOs, for example, *Freedom from Hunger, or Catholic Relief Services*. A third group of organisations use adapted versions of the *Bank of Uganda Financial Literacy Trainer's Guide*. Finally, a minority of organisations use a curriculum based on the training programme from the *International Labour Organisation (ILO)*.

However, it's important to note that whilst there may be a number of different curricula being used, the content often has similarities – for example, basic income and expenditure management, how to plan and manage your money etc, - though the detail and delivery vary.

Even when using the same, or similar training content, the length of the training varies. For those delivering a standalone FLT activity, most spread the training over 6-8 weeks with sessions of one to two hours, once or twice a week. Others combine their FLT with other pre-existing activities, such as VSLA meetings, aid collection etc, in which case the FLT is delivered over a longer period of time (anywhere between 7-12 months), - often once a week, but in a less condensed manner, for example provided during a regular VSLA meeting. Some curricula have built flexibility into their content delivery “You can choose to use these modules in any number and order that fits your training needs” and in terms of when the training is given “[the participants] decide which day is really comfortable for them to attend the trainings.”

The length of the training clearly impacts on the content and the depth and repetition that is achieved during the training. Some adapt the training to fit the level of the participants, others adapt the curriculum based on a broader assessment of need, products offered, programme/project funding and/or programme/project end goal.

There are also other different methods and tools used to deliver the training content and allow for successful learning and ultimately behaviour change. Most curricula involve role-plays or other participatory elements and many encourage ‘homework’ for participants to complete involving utilising and implementing the content between sessions. Some FLT implementers think that a fully participatory “human-centred” approach is best i.e. removing the trainer and trainee dynamic. For example, it is suggested that the training be held in a circle, not a traditional classroom set up with the trainer at the front. Another found that an effective method for delivering the training is through the use of pictures on a flip chart with supporting text for use by the trainer, who is in front of the participants, explaining the picture to them. Another FLT implementer felt strongly that a single training process is not sufficient and that repetition of the same training over an extended period is essential to ensure the learning is fully embedded.

Regarding training content, many curricula include an introduction module that presents the very basics of financial literacy– what it is and why it is important, then move onto how to manage personal finances on a day-to-day basis – income vs. expenditure etc. Most then cover why it's important to save and

¹³ For the purpose of this paper, ‘curriculum’ means the totality of the training - from the start to the finish and includes all the modules and their content i.e. what is being delivered not how, when or where or to whom.

¹⁴ For the purpose of this paper, ‘module’ is how the curriculum is broken down, with each module including/capturing one distinct aspect of the training. Modules can therefore be made up of a number of sessions or can be completed in one session. The combined modules make up the curriculum.

¹⁵ Although almost all curriculums are adapted and customised by the organisation before use

¹⁶ With at least one more being designed as this paper is published

how to go about doing that, including different saving mechanisms and vehicles and why it's important to have saving goals and plan.

Within that basic curriculum, some FLT implementers expand or vary the content, for example including digital platform knowledge at an early stage or additional issues such as loan management, financial negotiations, access to financial services, life skills, agricultural practices, business skills, health and family planning, insurance planning for old age, pensions, retirement and investments, and MSME training. One FLT implementer makes the training very specific i.e. to the individual Income Generating Activities (IGA) need for example, goat keeping and another has an advanced course for business owners that contains training on "advanced business skills; record-keeping, bookkeeping [and] customer care" while another includes "financial plans; planning, investment, to enhance their business growth and performance."

FLT process: Training of Trainers (ToT)

For the most part FLT implementers provide a trickle-down/cascade approach to ToT – with trainers being trained at a central level HQ/regional level, then going out to the settlements, training community based trainers or community members there who provide training directly, or at a minimum, ongoing support.

The training of, and criteria for selecting, trainers is as varied as the curricula. There "is no current universal delivery of ToT for financial literacy" and where identified/specified, the length of the ToT can last from a few hours to up to three days. Some ToT programmes are one-off, stand-alone trainings whereas others provide on-going support, meeting and training the trainers every two months for one day. Trainers are sourced from the refugee community, host community, existing staff members or the BoU database of accredited trainers.

Many FLT implementers emphasise the practical and emotional benefits of using refugees as trainers. They are better able to "understand the community dynamics so they have the confidence of the communities/participants" and they speak the local language of participants. In addition, they are likely to have less distance to travel to provide the training and are more accessible during and post training for ongoing support and M&E. Last, it can be an IGA for the individual trainers, which is, in and of itself a good thing.¹⁷

Those using host community trainers do so because they have "the qualifications and capacity to be trainers and deliver the curriculum" removing some of the ToT requirements, but as most do not live near to the settlements, it is necessary to have available funds to pay for their travel.

When FLT implementers are not specific i.e. the trainers could be refugees or host community members, the criteria is then that "they are at least able to communicate in the local languages for example, Kinyarwanda, Kinyabwisha, Kiswahili and then secondly, someone's ability to work under minimum supervision to deliver the trainings", or that they are local to the community and had "O level education" and are ideally either "teachers" or had been trained or worked with an NGO.

At least one implementer uses existing staff members, due to their familiarity with the training content and pre-existing capacities, but mostly due to financial constraints and the lack of ability to pay additional individuals. One remedy to this financial constraint, utilised by another FLT implementer, is by initially paying "facilitators" but graduating them to be paid by the groups and another to have VSLAs to pay trainers directly.¹⁸

FLT process: Coordination & Collaboration

¹⁷ Though of course this is also applicable to host community trainers.

¹⁸ It's important to note this wasn't in a refugee context

Until recently, despite the existence of the CWG, a coordination forum for all cash related assistance to refugees, many organisations providing FLT have been working independently and in silos – even when apparently sharing resources – for example, using the same curriculum. It is recognised that “we need to have spent a bit of time to reflect and see how to create better synergies and coordination.” With others recognising the benefits of collaborations: “we would probably think of linking up with other NGOs that are supporting persons with disabilities to support us with trainers who know sign language”, even if it has not yet happened.

Even though “[s]ome of the participants have gone through a series of training from elsewhere” this apparent duplication doesn’t, yet, appear to be a major problem for FLT implementers. But as the need for, and application of, FLT increases, this will only increase and there is a recognition that if “there was some regulatory body or agency coordinating all FLT players in the space [...] we would be able to compare our curriculum...” and “forge some kind of synergy at the start for us to be able to learn, complement and draw lessons from one another.”

Barriers to better coordination include the lack of certificates/graduation criteria, the lack of “a system to record beneficiaries” so that FLT implementers do not “keep training the same people and other programmes and actors do not have to train the same people” and the lack of harmonised learning criteria making it hard to compare the training received. However, it is also clear that some of the poor coordination is due to a lack of will and/or capacity, for example one FLT implementer held open inception meetings prior to commencement of the FLT and invited all the partners operating in that locale however “most partners did not attend.” Another organisation makes their platform available for others, but how many are utilising this opportunity for synergy is unclear.

That is not to say that collaborations do not happen. Some implement trainings for others, staff are being sent to be “part of the [WFP] master trainings” or to “the FRC ToTs that they do regionally for their main trainers” and FLT implementers have “reached out to various FSPs...” especially with regards to trying to link FLT graduates with more formal financial services.

Conclusion

The variation in organisational and programmatic objectives, curricula, frequency and delivery of FLT, recruitment, training has resulted in a FLT landscape in the Uganda refugee response that is well motivated but disparate. In preparation for the event on 15th September, we encourage all attendees to think about the following questions and ideas which will lead the discussion.

- Do we have a common understanding of what financial inclusion and self-reliance are, and how FLT contributes to their achievement?
- How do organisations ensure minimum standards for FLT? Would there be value in establishing these?
- Which targeting approach has the potential to yield the most impact in terms of financial literacy? Are we leaving anyone behind?
- Does it make sense to group participants by geography, by programmatic objectives/level, or pre-existing financial relationship? What are the pros and cons of each?
- Can we envisage a future where one training curriculum dominates/is agreed upon? Is it the right way to go and is it possible? If not, can we agree on minimum standards, practices, and learning goals that must be met when implementing various curricula?
- Is there a need for a differentiation between basic and advanced levels in FLT curricula?
- How do we assure quality when a ToT approach is used? Would there be value in establishing a shared certification system and database for trainers?
- Can existing trainers can be trained further to become advanced FLT trainers?
- How often do actors coordinate and collaborate on FLT, and why? How can we improve coordination and avoid duplication?