

IMPROVING LIVELIHOODS FOR REFUGEES AND HOST COMMUNITIES THROUGH COOPERATIVES IN UGANDA



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Refugees: Global context



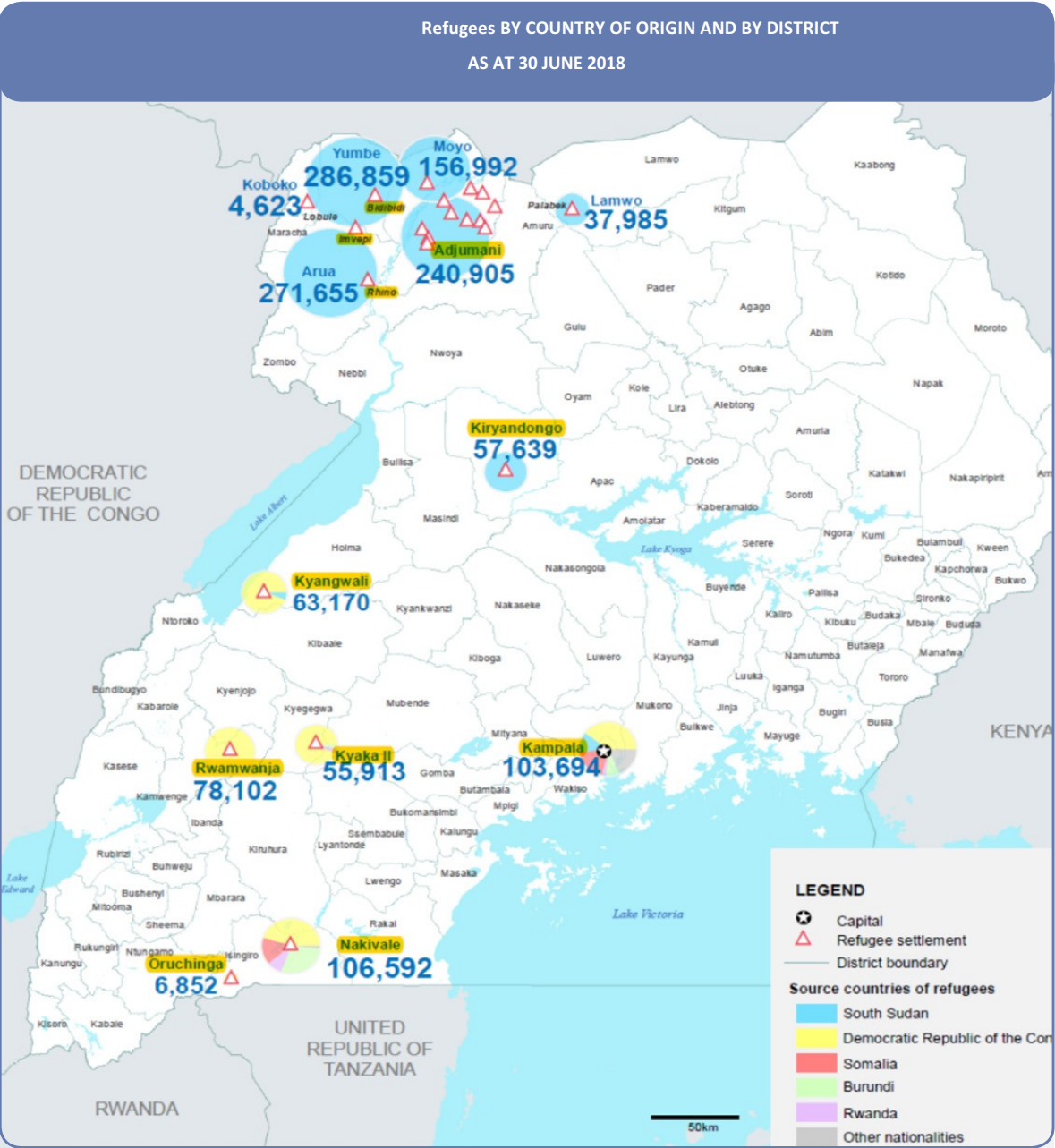
Refugees: Global Context



Refugees: Global Context

- At least **79.5 million** people around the world have been forced to flee their homes. Among them are nearly **26 million refugees**, around half of whom are **under the age of 18**.
- **There are also millions of stateless people**, who have been denied a nationality and lack access to basic rights such as education, health care, employment and freedom of movement.
- At least **1 per cent of the world's population have fled their homes** as a result of conflicts or persecution

Refugees: Global Context



Refugees in Uganda

Uganda is one of the largest refugee-hosting nations in the world, with over 1,400,000 Refugees (***as of February 2020***). The vast influx of Refugees is due to several factors in Uganda's neighboring countries, especially war and violence in South Sudan and the Democratic Republic of Congo), and associated economic crisis and political instability in the region. Uganda has relatively 'friendly' policies that provide rights to the refugees, such as rights to education, work, private property, healthcare and other basic social services.

Refugees in Uganda

South Sudan alone is the source of more than one million refugees, with 86% of these comprised of women and children. They occupy settlements in rural districts in Northern Uganda such as Adjumani, Moyo and Arua. This make it home world's biggest refugee camp, Bidi Bidi, which hosts a quarter of a million refugees.

Twelve of Uganda's districts host most of the refugees. About 94% live in settlements alongside the local communities, mainly in northern Uganda or West Nile (Adjumani, Arua, Koboko, Moyo, Lamwo and Yumbe) with smaller numbers in central Uganda or Mid-West (Kiryandongo and Hoima) and in the south and south west (Kyegegwa, Kamwenge and Isingiro).

Role of coops. in forced displacement contexts

Uganda has long been known for its progressive policies towards refugees, who are guaranteed fundamental rights including the right to work and establish business, access to education, freedom of movement and access to documentation for identification. Furthermore, refugees are allocated land for shelter and agricultural use. Refugees are also allowed to freely associate with the Host communities. Because of such, refugees together with the Host communities have formed Cooperatives for social-economic empowerment.

This has been possible due to good working relationship between refugees and the Host communities and with support from UNHCR, Government of Uganda through the office of Prime Minister and other partners.

Role of coops. in forced displacement contexts

What is a Cooperative?

- A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise (ICA & ILO).
- Cooperatives are enterprises that place people before profit. They uphold values of self-help, self-responsibility, democracy, equality, equity and solidarity. Cooperatives practice honesty, openness and social responsibility in their operations.

Role of coops. in forced displacement contexts

Refugees and Host communities in Uganda have formed Cooperatives especially Savings and Credit Cooperatives (SACCOs) to provide better services to themselves as members and mainly focussing on improving their livelihoods. Host communities and Refugees mobilized their little resources through small groups (VSLA's) that later registered/transformed into SACCOs. Some of these SACCOs are linked to Agricultural Cooperatives for both input and output marketing. Thanks to UNHCR, Government of Uganda (**Office of Prime Minister**) and development partners for the significant support.

Formation of SACCOs in refugee camps: Driving force

Like any other human beings, Refugees and Host communities need access to financial services: Savings and Credit to meet their basic needs. However, refugees being aliens with no permanent residence, collateral securities and guarantors, Commercial Banks and other Financial institutions could not extend financial services to them and hence financially excluded. Many people in the Host communities also lacked the capacity to transact with commercial Banks. Because of continued financial exclusion, refugees and host communities formed the SACCOs as a way of accessing financial and other services. At least Ten (10) SACCOs have been formed in refugee camps.

What these SACCOs offer to their members

SACCOs are offering a wide range of services/products to their members including:

- ✓ Safe custody of member deposits: Savings, Fixed deposits
- ✓ Agricultural finance/credit
- ✓ Business loans
- ✓ School fees loans
- ✓ Asset acquisition loans: Motorcycles, land, mortgages
- ✓ Seed capital
- ✓ Emergency loans
- ✓ Linkages: Markets, Agricultural service providers, Banks, Buyers & Partners

Case scenarios

Katalyeba SACCO in Rwamwanja refugee camp in Kamwenge District- Western Uganda.

- ✓ Started as VSLA, members pulled resources together and registered as a SACCO in 2017
- ✓ Current membership is over 1,000: 70% Refugees, 30% Host community
- ✓ Member composition: 70% women % 30% Male. Has Youth as members
- ✓ Have leadership structures, Management and operational policies
- ✓ Provide wide range of services/ products to their members
- ✓ It is a member of the refugee SACCOs Union

Case scenarios

MOBAN (*Moral Brotherhood and Neighborhood*) SACCO in Nakivale refugee camp- Isingiro District- South-Western Uganda.

- ✓ Started in Dec. 2007 as VSLA and in July 2013, it registered as a SACCO
- ✓ Membership is over 3,600: **60%** Refugees, **40%** Host community.
- ✓ 20 groups (VSLAs) majority women in different activities pulled resources together and agreed to register a SACCO.
- ✓ Offer a wide range of products and services to their members
- ✓ Have leadership structures, Management and operational policies

Case scenarios: MOBAN SACCO

- ✓ It is a member of the refugee SACCOs Union, the umbrella Union
- ✓ Transferred staff salaries on behalf of International NGO supporting refugees
- ✓ Has successfully managed revolving fund provided by UN to refugees
- ✓ Provides seed capital/ revolving fund to women groups for Business (Buying and selling Produce etc.)
- ✓ Working on the Nakivale Orukinga refugee settlement women empowerment Cooperative- NOWECO.
- ✓ Linked to War child Canada to support 75 women groups of 10 each

Case scenarios: MOBAN SACCO

- ✓ Requirements for loans are favourable to refugees since they do not have collateral securities.
- ✓ Have a bigger savings and loan portfolio with good recovery rate
- ✓ Use refugee welfare councils (RWC) to handle issues of loan default and other SACCO disputes
- ✓ The SACCO has opened outreach programs to reach out to many members in the camp and Host community

Impact of Cooperatives on refugee livelihoods

- ✓ Social cohesion/Brotherhood: Both refugees and Host communities work together in economic activities in Agriculture, Trading etc.
- ✓ Access to credit for different economic activities
- ✓ Increased food production and hence food security
- ✓ Input and out put marketing by the refugees and Hosts reduces exploitation by the middlemen men
- ✓ Improvement in education of their children due to school fees loans
- ✓ Women and youth are engaged in many economic activities through groups
- ✓ Staff of support organizations are able to receive salaries through the SACCOs

Impact of Cooperatives on refugee livelihoods

- ✓ Member access to capacity building especially in financial literacy, extension etc
- ✓ Low spending by the refugees since they have an opportunity to save in a SACCO
- ✓ Access to support from UNHCR, Government & partners since they are organized
- ✓ Linkage to big Banks through linkage banking
- ✓ Networking has been made possible using refugee SACCO Union
- ✓ Contribution to addressing challenges of psychological effect of displacement since refugees are now engaged in activities
- ✓ Reduced malnutrition especially among children due to food production
- ✓ Reduced dependence on refugee support agencies and Host government

Impact of Covid-19 pandemic on the SACCOs

Like any other Businesses, SACCOs in the refugee camps have been negatively affected by Covid-19 pandemic: In March this year when the lock down was declared, many SACCO members rushed and withdrew their savings/ deposits. Those with loans could not pay back on time due to closure of businesses. However, these SACCOs have put measures to stabilize their businesses: They have embarked on massive sensitization, mobilization of member savings and loan rescheduling among other measures.

END



Cooperatives are demonstrating their value in helping Refugees and Host communities. Cooperative organizations can be natural partners in global, national and local refugee response to give hope and rebuild lives, in support of peace. Therefore the cooperative enterprise model needs to be better integrated into refugee response strategies.