

UNLOCKING FINANCIAL INCLUSION FOR REFUGEE WOMEN IN UGANDA & KENYA

A MARKET SYSTEM ANALYSIS OF BARRIERS AND ENABLERS

RESEARCH REPORT | DECEMBER 2025



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Key terms and definitions

Digital Financial Services (DFS): Financial products and services accessed and delivered through digital channels – including mobile phones, internet platforms, or payment cards. DFS encompasses mobile money, digital credit, digital savings, remittances, insurance, and payment systems. They enable lower transaction costs, broader reach, and real-time service delivery for excluded populations.

Financial access and usage: *Access* refers to the availability and ability to open and use financial accounts or services (e.g., proximity of service points, documentation requirements, affordability). *Usage* captures the frequency, regularity, and diversity of financial transactions or products actively used, reflecting meaningful participation in the financial system.

Financial inclusion: The process of ensuring that individuals and businesses have access to useful, affordable, and responsible financial products and services – such as savings, payments, credit, and insurance – delivered in a sustainable way. True inclusion goes beyond access to also encompass quality of usage, appropriateness of products, and empowerment outcomes.

Fintech: Abbreviation for “financial technology,” fintech refers to the use of innovative digital tools, platforms, and data-driven models to deliver financial services more efficiently and inclusively. Fintechs encompass start-ups and established institutions leveraging technology to improve access, lower costs, and tailor products to underserved populations.

Host community: Populations residing in areas where refugees or displaced persons settle. Host communities often share infrastructure, markets, and public services with refugee populations and play a key role in fostering (or constraining) social cohesion, economic exchange, and inclusion in local markets.

Informal economy: Economic activities not regulated or protected by the state and often not captured in official statistics. These include microenterprises, casual labour, and community-based financial practices. For refugee women, the informal economy is a primary source of income and a space for collective financial practices such as rotating savings groups (ILO 2025).

Know-Your-Customer (KYC): Regulatory requirements mandating financial institutions to verify the identity of customers before providing services, to prevent fraud, money laundering, and terrorist financing. KYC processes typically require government-issued identification or proof of residence, which can be a significant barrier for refugees lacking formal documentation.

Market Systems Development (MSD): An approach to economic development that focuses on understanding and improving how systems of interconnected actors – such as firms, regulators, consumers, and supporting functions – work together. In the context of financial inclusion, the MSD approach identifies market constraints, incentives, and relationships that hinder or enable access to inclusive financial services, aiming to achieve systemic, sustainable change rather than isolated interventions.

Migrants: In this report, “migrants” refers to persons who have moved voluntarily, whether for economic, social, or family reasons, as distinct from forcibly displaced refugees. This distinction is analytically significant: voluntary migrants generally retain greater agency over their mobility and livelihood choices, maintain closer ties to their countries of origin, and are not subject to the same legal protection frameworks (e.g., the 1951 Refugee Convention) as refugees. While both groups may face financial exclusion, the nature, severity, and institutional context of those barriers differ substantially. This report focuses specifically on refugee women and does not extend its findings to voluntary migrant populations, except where comparative literature explicitly addresses both groups.

Mobile money: An electronic wallet service that allows users to store, send, and receive money using a mobile phone. Mobile money operates through accounts linked to a user’s SIM card rather than a traditional bank account, enabling financial transactions via agents or mobile applications. It supports payments, savings, credit, and remittances, often accessed through USSD or app-based interfaces

Mobile Network Operator (MNO): Telecommunications companies that provide mobile phone services (voice, SMS, data) through their cellular networks. In East Africa, MNOs such as Safaricom, MTN, and Airtel have become key players in financial inclusion through their mobile money platforms (e.g., M-Pesa, MTN Mobile Money, Airtel Money).

Refugee women: Women and girls who are officially recognised as refugees or registered asylum seekers under the 1951 UN Refugee Convention and its 1967 Protocol, as operationalised by UNHCR and host governments. This report distinguishes analytically between refugees and voluntary migrants: the forced nature of displacement exposes refugee women to fundamentally different conditions, including heightened vulnerability, legal uncertainty, restricted mobility, barriers to formal identification, and exclusion from national financial systems (see Section 1.4). Refugee women experience intersecting vulnerabilities arising from displacement, gender inequality, and socio-economic exclusion, but also demonstrate strong resilience and agency in sustaining households and communities through informal and microenterprise activities.

Refugees: Persons who have been forced to flee their country due to persecution, conflict, violence, or human rights violations and who, owing to such fears, cannot return home. Refugee status is defined under the 1951 Refugee Convention and its 1967 Protocol, which guarantee protection and the right to seek asylum.

Rotating Savings and Credit Association (ROSCA): A ROSCA is an informal financial arrangement in which a group of individuals regularly contribute a fixed amount of money to a common fund, which is then allocated to one member of the group in rotation. The cycle continues until all members have received the pooled sum once. They are particularly prevalent among low-income and marginalized populations, including refugees and women, who may lack access to formal financial services.

Unstructured supplementary service data (USSD): A communication protocol used by mobile network operators that enables real-time, interactive data exchange over basic GSM phones without requiring internet connectivity. USSD allows users to access mobile money, check balances, transfer funds, or pay bills through simple numeric codes (e.g., *123#).

Village Savings and Loan Associations (VSLAs): Community-based savings groups where members regularly contribute small amounts into a collective fund, from which they can borrow at agreed terms. VSLAs provide savings, credit, and social support functions – especially for populations excluded from formal financial systems – and are widely adopted among refugee and host community women.

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About the Partners



Impact-Linked Finance Fund (ILFF)

The Impact-Linked Finance Fund (ILFF) is the specialised service provider for Impact-Linked Fund Managers — a plug-and-play implementation partner providing the operational, legal and financial back-end infrastructure for Impact-Linked Finance programmes.

For more information, visit <https://ilf-fund.org/>



iGravity

iGravity is an advisory firm specialized in impact investment and innovative finance solutions established in March 2017 with the mission of connecting disruptive ideas, visionary people, institutions, and capital to address some of the most pressing social issues. Most of iGravity's Research & Advisory Services center around the design and development of innovative financing structures and partnerships that mobilize resources to achieve the SDGs.



Refugee Investment Facility (RIF)

iGravity manages the RIF. The RIF is an open-ended investment facility lending to private enterprises that contribute to addressing the key livelihood and self-reliance challenges faced by refugees and their host communities in Sub-Saharan Africa, MENA, and South America



Swiss Agency for Development and Cooperation (SDC)

The Swiss Agency for Development and Cooperation (SDC) is the agency for international cooperation of the Federal Department of Foreign Affairs (FDFA). The SDC is responsible for the overall coordination with other federal authorities of development cooperation and cooperation with Eastern Europe, as well as for humanitarian aid delivered by the Swiss Confederation. Learn more at

<https://www.eda.admin.ch/deza/en/home/sdc/portrait.html>



Austrian Development Agency (ADA)

Austrian Development Cooperation supports countries in Africa, Asia, South Eastern and Eastern Europe, in their sustainable development.

The Federal Ministry for European and International Affairs plans its strategies. The Austrian Development Agency (ADA), the operational unit of Austrian Development Cooperation, implements programmes and projects together with public institutions, civil society organizations and enterprises.

Executive summary

Context and purpose

Refugee women are central to household resilience and local economic activity across East Africa, with 85–90% of their income generated in the informal economy. Yet they remain disproportionately excluded from formal financial systems due to barriers around documentation, restrictive gender norms, limited digital and financial literacy, and fragmentation in the institutional coordination around refugees between humanitarian, commercial and governmental actors. Commissioned by SDC and ADA and building upon experience from the Impact-Linked Fund for Gender Inclusive Fintech (ILF-GIF), this study examines how fintech innovations can accelerate financial inclusion for refugee women in Kenya and Uganda. Using a Market Systems Development (MSD) framework and drawing on primary interviews with refugee women, financial service providers, humanitarian actors active in the refugee space, as well as ecosystem actors, the research maps the systemic constraints and leverage points that shape women's access to, and usage of digital financial services.

Key findings

Refugee women are active economic agents, not passive beneficiaries. Across both countries, women sustain households through diverse entrepreneurial endeavours (mostly micro-enterprises) and participate extensively in community savings groups such as Village Savings and Loan Association (VSLAs) and Chamas¹. However, years of consistent saving and repayment generate no verifiable financial footprint (i.e., credit history), leaving them unable to access formal credit. This is largely because community-based financial practices rely on informal systems built around trust, social relationships, word-of-mouth verification, manual record-keeping, and phone messaging, which are not formally recognised by financial institutions. As a result, refugee women's financial reliability and economic activity remain largely invisible within formal financial systems.

Digital finance has significantly lowered entry barriers but has not delivered meaningful inclusion to financial solutions for refugee women. Mobile money penetration exceeds 89% in Kenya and 73% in Uganda, yet refugee women's usage remains limited – basic transfers and cash receipts – due to inconsistent KYC enforcement, high transaction costs, digital fraud eroding trust in digital financial solutions, and product interfaces that assume literacy and access to technology.

Kenya and Uganda present contrasting but complementary challenges. On the one hand, Kenya offers advanced digital infrastructure but is undermined by fragmented KYC enforcement and camp-level connectivity gaps. Uganda, on the other hand, has progressive refugee policy that enables mobility and entrepreneurship. Yet high mobile money taxes, sparse agent networks in settlements, as well as banks' persistent refusal to operationalise refugee ID acceptance prevent it from having the in-depth integration to reach refugee women consistently.

Exclusion of refugee women is systemic, not demand-driven. The study identifies four root causes: infrastructural gaps (connectivity, agent density), capability constraints (literacy, trust and understanding of the products), gendered power dynamics (device control, household decision-making), and weak institutional coordination between humanitarian, regulatory and commercial systems.

Fintech leverage points

The study identifies five (5) interconnected leverage points where fintech solutions can drive systemic change: (1) alternative identity and tiered KYC solutions to overcome documentation barriers; (2) savings group digitisation to build verifiable credit histories; (3) cross-border wallets and low-cost remittances to reduce transaction friction; (4) risk-sharing facilities and alternative lending models that can expand access to finance for refugee populations while reducing perceived risk for financial institutions; and (5) embedded digital literacy and women-centred design to strengthen women's digital financial capability and trust in formal financial services. These leverage points are interdependent: identity solutions enable digital access, digitised savings create the data needed for risk-sharing to function, and women-centred design ensures interventions address rather than reinforce existing power imbalances.

¹ Chamas are informal saving groups that are normally used to pool and invest savings, mostly among women.

Recommendations

The report proposes seven sequenced recommendations organised by their respective time horizons. In the short term (12–18 months), donors and humanitarian agencies should invest in layered financial and digital capability programmes – ideally delivered through existing community structures and support the digitisation of community savings groups like VSLAs and Chamas to create formal ways of accessing credit. In the medium term (2–4 years), central banks should harmonise and enforce proportional KYC for refugees, governments should pursue pro-poor pricing models to reduce the costs of using mobile money, and DFIs should invest in last-mile agent infrastructure in refugee-hosting areas. Over the long term (5+ years), the focus should lie on systemic coordination between humanitarian, regulatory, and financial actors to bridge parallel systems and enable the structured graduation from aid wallets to commercial financial services. Ideally, gender-responsive design should be embedded as a cross-cutting standard across all interventions and time horizons.



Introduction

This report focuses on providing guidance for the acceleration and strengthening of financial inclusion for refugee women in informal economies in East Africa. In this comparative case study analysis, we focus on fintech-enabled solutions to enhance financial inclusion, using Kenya and Uganda as key examples. Refugee women are economic actors at scale. Across East Africa, they represent roughly half of all displaced populations and are central to household resilience, community finance, and local economic activity - with between 85% to 90% of their income-generating activities occurring in the informal economy (Seedstars, 2024; AFI, 2024; UNHCR Global Trends, 2025). Yet despite this fundamental role, refugee women remain disproportionately excluded from financial systems. Deep-rooted gender norms restrict women's financial decision-making power (Seedstars, 2024; Mercy Corps, 2020). They often lack formally recognised identity documentation needed to access financial services, and refugee women have had limited education in digital and financial literacy, complicating the navigation of mobile banking (IFAD, 2023; GSMA, 2023, 2024). Moreover, women are often overrepresented in the informal economy, exposing them to potential hardships when engaging with financial systems. Enhancing their access to safe, affordable financial services tailored to their needs could make their finances more predictable, better allocated, and easier to manage.

Both Kenya and Uganda host significant numbers of refugee women who participate in the local economy intensively, although almost exclusively informally. As of 2025, Uganda hosts approximately 1.74 million refugees and asylum seekers, the largest number in Africa. Around 49% of this population are women and girls, with the majority living in 12 settlement areas such as Bidibidi, Kyangwali, and Nakivale. Kenya hosts around 850,000 refugees and asylum seekers, of whom approximately 47% are women and girls. Most reside in the Dadaab and Kakuma–Kalobeyei camps, while an estimated 13% live in urban centres such as Nairobi and Mombasa (UNHCR Uganda Strategy, 2025; UNHCR Kenya Statistics Package, 2025). Although women are active in small-scale and cash-based entrepreneurship (food vending, retailing), formal employment opportunities remain "virtually non-existent due to mobility restrictions, documentation barriers, and labour market discrimination" (Seedstars, 2024: 15; GCAF, 2018).

The digital financial ecosystem in Kenya and Uganda has played a transformative role in expanding financial access, helping refugee women overcome some of the key challenges they face. Both countries are recognised regional leaders in digital finance: in Kenya, mobile money penetration exceeds 83% of adults, driven by platforms such as M-Pesa, Airtel Money, and Equitel. In Uganda, about 73% of adults use mobile money services, and coverage in refugee-hosting regions reaches over 90% of the population (GSMA, 2023; 2024). This in comparison to the 33% in Sub-Saharan Africa, and 10% of adults worldwide holding some form of mobile money account (World Bank 2022).

Digital finance has begun to alleviate some structural challenges refugee women face. Mobile wallets and agent networks have enabled safer money transfers, remittance receipt, and small-scale savings without requiring proximity to a bank branch (GPFI 2020; FSD 2019). Partnerships between humanitarian organisations (UNHCR, IOM, Danish Refugee Council), mobile network operators (Safaricom), and financial institutions (Equity Bank) have introduced refugee-friendly accounts, including simplified Know-Your-Customer (KYC) processes based on UNHCR or Office of the Prime Minister (OPM) identification in Uganda. Moreover, the digitisation of group savings mechanisms (such as Village Savings and Loan Association (VSLA) apps) and access to digital microcredit and insurance products have shown potential to formalise and scale informal financial practices (Seedstars 2021).

Despite this progress, significant knowledge and practice gaps persist in understanding and addressing the specific needs of refugee women. Existing research and policy analyses have highlighted many challenges yet remain insufficient for several key reasons:

- **Refugee women.** Most studies² conflate refugee women with broader migrant or displaced populations, obscuring the gendered dimensions of exclusion, the additional constraints refugee women face compared to migrants, and the distinct financial behaviours of women within refugee contexts.
- **Financial practices.** While it is widely recognised that women play a central role in local and refugee economies, there is limited analysis of how their financial practices (how they earn, save, borrow, and manage financial risk) function within informal market systems. Available studies often focus on access rather than usage, providing little insight into how and why refugee women use (or discontinue using) financial services once they gain access (World Bank, 2022; Seedstars, 2021; UNHCR, 2021). This constrains our understanding of the behavioural, relational, and systemic factors shaping financial decisions

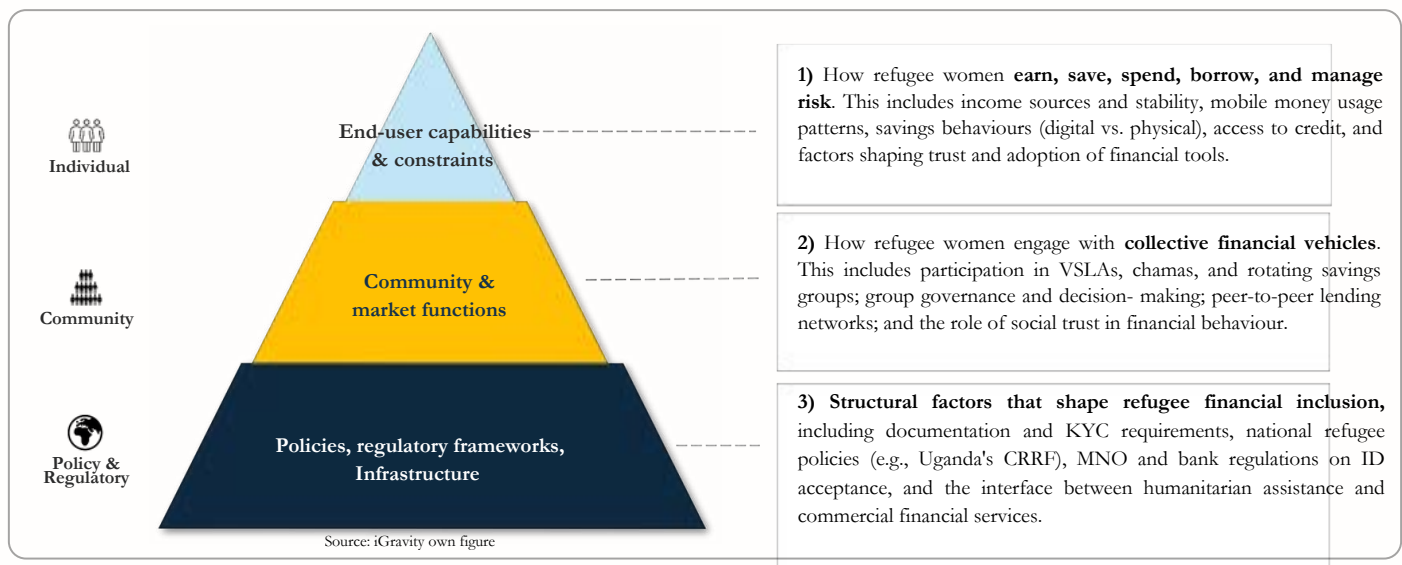
² See, for example AFI (2024); CGAP (2019); World Bank (2023); Village Capital (2022); ILO & UNCDF (2022), among others

- **Informal economy.** The informal economy, where most refugee women operate, remains insufficiently understood, making it difficult for fintech actors, regulators, and humanitarian organisations to tailor solutions to their specific needs. Few analyses unpack the interconnected nature of informal financial practices, gender norms, and policy constraints that define this space.
- **Data and visibility.** Reliable, sex-disaggregated data on refugee women's financial behaviour remains scarce in both countries (World Bank 2022; CGAP 2019). National financial inclusion surveys do not routinely sample refugee populations, and UNHCR registration data does not capture financial indicators (FSD Kenya 2017). This creates a feedback loop in which FSPs and policymakers design products and strategies on the basis of market intelligence that systematically underrepresents refugee women's needs and demand patterns (Seedstars 2024, 2021). The gap is most acute for populations outside formal registration, including self-settled refugees in Uganda who are economically active but statistically invisible.

In summary, the existing evidence base remains fragmented, often descriptive rather than systemic. For donors, investors, and policymakers seeking to deploy capital and design interventions in this space, the absence of inclusive market-systems level analysis limits the ability to identify where investment can achieve the greatest impact. Addressing these gaps requires deeper analysis of how financial ecosystems function for refugee women, an area this study seeks to advance.

To address the identified gaps in existing knowledge, this report aims to centralize refugee women as the key subject by studying their realities in engaging in financial activity. To do so, we analyse refugee women's realities by focussing on 3 levels that influence women's day-to-day financial activities (see graph 1). First, the individual experiences and engagement in financial activities. Second, community-based mechanisms of refugee women engaging with financial groups and community-based financial vehicles that they use for their savings, spending, insurance behaviours. And third, the policy and regulatory level outlining the structural barriers that regulate and guide the behaviour of refugees in general, and refugee women in particular.

Figure 1: Pyramid outlining the three levels of analysis applied in the research.



The following research objectives are framed around these three levels to provide a comprehensive understanding of refugee women's financial realities and identify key bottlenecks to effective adoption and use of digital financial solutions:

- **Objective 1: Examine the financial practices of refugee women.** Explore how refugee women earn, save, and manage finances within both formal and informal systems, highlighting how displacement, gender norms, and access constraints shape their financial behaviour.
- **Objective 2: Evaluate pathways for digitising informal financial practices.** Identify and assess opportunities to integrate community-based mechanisms such as VSLAs and chamas with digital financial systems, enhancing accessibility, resilience, and agency for refugee women.
- **Objective 3: Assess policy, regulatory, and structural barriers.** Analyse how regulatory frameworks, infrastructural limitations, and institutional coordination affect refugee women's financial inclusion, and identify reforms that could enable equitable participation in the digital finance ecosystem.



1. Methodology and scope

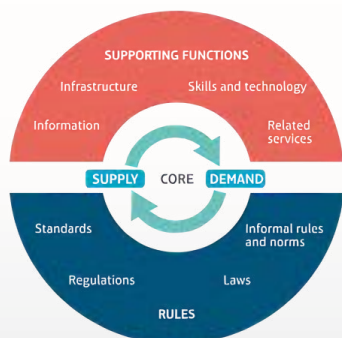
1.1. Analytical framework: Market Systems Development (MSD)

This study applies a Market Systems Development (hereafter, MSD) approach to diagnose and address the systemic barriers affecting refugee women's financial inclusion in Kenya and Uganda. The MSD framework originates from the Making Markets Work for the Poor (M4P) methodology and seeks to identify not just the symptoms of exclusion but the underlying constraints that prevent markets from functioning effectively and inclusively for marginalised populations (Springfield Centre, 2015).

In addition, the study applies a women-centred lens within the MSD framework, focusing specifically on the experiences, constraints, and behaviours of refugee women as primary economic actors. While the analysis recognises that financial inclusion outcomes are shaped by broader gender relations, including intra-household and community-level dynamics, it does not constitute a fully relational gender analysis. Rather, the emphasis is on understanding how market systems function for refugee women, and how systemic constraints and incentives affect their access to and use of financial services³.

At its core, MSD views a market as an interconnected system comprising three components: core functions (the central exchange of goods and services), supporting functions (infrastructure, information, and related services that enable the core), and rules and norms (formal regulations and informal social conventions that shape market behaviour) (Sida, 2021).

Figure 2: MSD Framework: Core functions, supporting functions, and rules & norms



Source: M4P Operational Guide

Key functions of the MSD framework

- The **core functions** are the transactions and relationships through which value is exchanged. In this case, how refugee women access, use, and benefit from financial services such as digital payments, savings, and credit.
- The **supporting functions** include infrastructure, information, literacy, and enabling services that facilitate these exchanges. This includes digital and financial literacy training, fintech innovation ecosystems, and collective finance mechanisms.
- The **rules and norms** consist of both formal regulations (e.g., KYC, licensing frameworks) and informal institutions (e.g., gender norms, community trust, and mobility restrictions) that govern how market actors behave and who participates.

The MSD approach focuses on catalysing change at the system level, rather than delivering services directly. This means identifying the actors responsible for underperforming functions, understanding their capacities and incentives, and finding ways to realign these incentives to create a more inclusive system. Sustainability and scalability are achieved by encouraging the local actors best suited for instigating change, such as financial institutions, fintechs, and community groups, to adopt and internalise more inclusive behaviours, supported by a catalytic role from development partners (Sida, 2021)⁴.

MSD is a suitable approach in the context of this study because most of the existing research focuses on addressing the needs of specific actors and intervening on symptoms, rather than addressing the systemic barriers underpinning most of these surface-level problems. For interventions and programmes to generate sustainable results, a more thorough understanding of the market system is needed and interventions must target the system itself to create lasting and effective change.

Operationalising the MSD Approach

In line with the Springfield Centre's guidance (2015), the research proceeds through three key diagnostic steps:

1. **Market mapping:** Identifying how the financial ecosystem currently functions for refugee women in Kenya and Uganda, mapping actors across core, support, and rule/norm layers.
2. **Constraint identification:** Analysing the root causes of system underperformance, such as restrictive KYC rules, limited digital access, or gendered norms around mobility and decision-making.
3. **Leverage point prioritisation:** Determining feasible entry points for change, such as fintech partnerships, regulatory reforms, or literacy interventions that align incentives across the system.

1.2. Data Collection

The study employs a qualitative, comparative case study design, drawing on both primary and secondary data sources to triangulate findings and obtain a well-rounded view of the realities on the ground.

Primary data collection for this study comprised:

- **5 Stakeholder interviews** with financial service providers, fintech companies, and humanitarian/development agencies operating across Kenya and Uganda.
- 44 in-depth interviews with refugee women active in informal markets (e.g., entrepreneurs in trade, services, micro-agriculture), capturing behavioural, relational, and gendered experiences in the financial space. Of these, 26 interviews were conducted in Kenya (Kakuma and Nairobi) and 18 in Uganda (Kampala and Kyaka II settlement)

These interviews form the basis of the qualitative analysis presented in this report.

Secondary data includes desk-based reviews of academic and grey literature, UNHCR and AFI reports, policy frameworks, and programme documentation (e.g., ILF GIF, Seedstars FIWAM). These sources provide comparative insights into financial inclusion models, blended finance mechanisms, and gender-responsive innovation pathways.

Sampling Approach

The in-depth interviews (n = 44) with refugee women were selected through purposive convenience sampling, targeting refugee women with some level of entrepreneurial activity and engagement with financial services - whether formal or informal. The sampling strategy sought diversity across two dimensions: geographic context (both camp/settlement environments and urban areas) and demographic variation (age, country of origin, household composition, and business type)⁵. In Kenya, interviews were conducted in Kakuma camp (n = 23) and Nairobi (n = 3); in Uganda, interviews spanned urban Kampala (n = 10) and refugee settlements including Kyaka II (n = 8). This approach aimed to capture a range of financial behaviours and constraints across different livelihood contexts, while acknowledging the practical limitations of access in refugee-hosting areas.

³ This distinction is intended to clarify the analytical scope and limitations of the study. The report applies a women-centred perspective to better understand refugee women's interactions with financial systems, rather than conducting a comprehensive gender-transformative or relational gender analysis examining broader gender relations across all actors within the system.

⁴ MSD frameworks have inherent limitations when applied to refugee contexts: they were developed for stable development settings rather than humanitarian environments where displacement is ongoing and market systems overlap with aid delivery (Sida, 2021). Moreover, they may underweight situations requiring direct service delivery, whereas systemic change is difficult to measure within typical (development) programme timeframes.

⁵ Cf. Appendix II for details on the interviewee's demographic variation.

Urban interviews were conducted exclusively in capital cities (Nairobi and Kampala), which represent the most developed financial ecosystems in each country. The study did not include refugee women in secondary cities such as Mombasa, Nakuru, Arua, or Gulu, where agent network density, digital infrastructure, and the range of available financial services are likely to differ from capital city contexts. This means that the urban findings presented in this report reflect the capital city experience specifically, and may overstate the level of financial access, service diversity, and institutional support available to urban refugees more broadly. Secondary cities may present a distinct intermediate context, combining some urban advantages (proximity to markets, greater mobility) with infrastructure constraints more commonly associated with settlement environments.

While the sampling strategy aimed to capture geographic and contextual diversity across Kenya and Uganda, the final sample reflects certain asymmetries that shape the interpretation of findings. Primary data collection was concentrated in Kakuma (Kenya) and Kampala (Uganda), with more limited representation from other locations such as Dadaab, Nairobi, and Ugandan settlements. As a result, the comparability of findings across countries and contexts is inherently constrained. In addition, the relatively small and uneven distribution of interviews limits the extent to which findings can be generalized across all refugee populations or geographic areas within each country. Some insights, particularly those relating to specific locations, should therefore be interpreted as context-specific rather than nationally representative.

These limitations also introduce a potential analytical bias, whereby comparisons may reflect differences between urban and camp-based contexts rather than purely country-level dynamics. To mitigate this, the study triangulates primary data with secondary sources and anchors key findings in the broader literature. As such, the analysis should be understood as providing indicative insights into systemic barriers and enablers, rather than statistically representative conclusions.

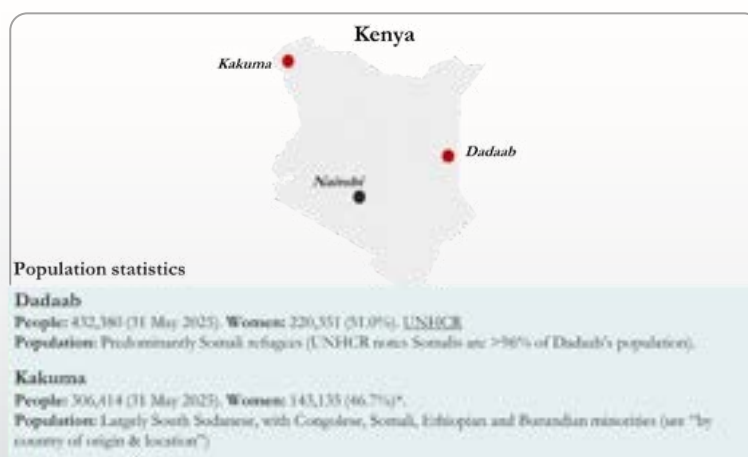
In addition to refugee interviews, the study included stakeholder interviews to capture supply-side and ecosystem perspectives. These interviews were conducted with financial service providers, fintech companies, and humanitarian and development organisations with operational presence in Kenya and Uganda. Stakeholders were selected based on their direct engagement with refugee populations or their role in shaping financial inclusion interventions in refugee-hosting contexts. While limited in number, these interviews provide important system-level insights across both countries and help to contextualize and triangulate findings from refugee respondents.

1.3. Geographic scope: Kenya and Uganda

The study covers two primary geographies: Kenya and Uganda, featuring diverse policy, infrastructural, and market system contexts for refugee inclusion.

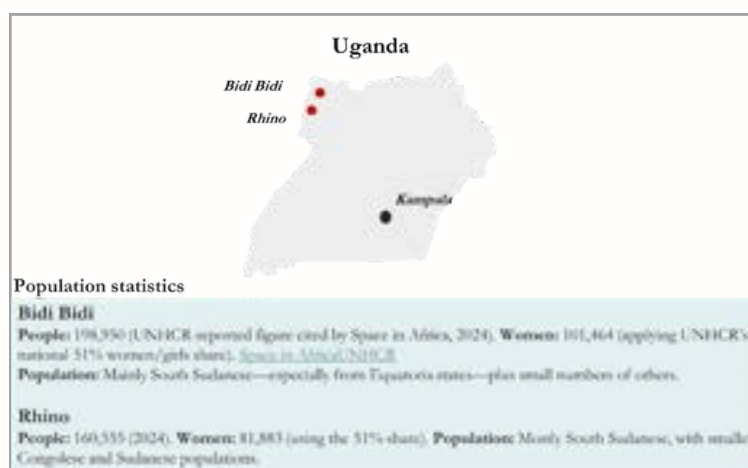
Kenya features one of Africa's most advanced fintech and mobile money ecosystems, with widespread M-Pesa adoption and a strong base of fintech innovation (Seedstars, 2024; Open Capital Advisors, 2023). The country hosts large, protracted refugee settlements such as Kakuma and Dadaab, where financial service delivery intersects with humanitarian programming and private-sector experimentation. While the Refugee Act (2021) and the Shirika Plan signal a policy shift away from the encampment model toward a more integrated settlement approach, their operationalisation remains limited. As a result, Kenya's refugee policy environment remains restrictive in practice: de facto limitations on freedom of movement persist, and refugees face constrained legal rights to work or access formal financial services. Alien IDs and refugee "mandates" are inconsistently accepted by MNOs and banks, creating documentation barriers that prevent many refugee women from registering SIM cards or opening accounts (AFI, 2024). This tension between advanced digital infrastructure and the limited ability of refugees to access and benefit from it in practice makes Kenya a valuable case for examining how regulatory barriers interact with technological opportunity to shape women's financial behaviours and access in both camp and urban contexts.

Figure 3: Map of Kenya with main refugee camps and population statistics



Uganda, by contrast, offers a progressive policy environment under its Self-Reliance Model, granting refugees freedom of movement, the right to work, and formal access to national financial systems (AFI, 2024; IFAD, 2023). Key policy frameworks include the Refugee Act 2006, the Comprehensive Refugee Response Framework (CRRF), and the National Financial Inclusion Strategy 2017-2022. Refugee settlements such as Nakivale, Kyaka II, and Rwamwanja are integrated with host communities, and community-based finance mechanisms such as VSLAs coexist with expanding mobile money adoption through MTN and Airtel Money. However, Uganda's digital financial infrastructure remains less developed than Kenya's: mobile money penetration is growing but network coverage in rural settlements is weaker, transaction costs and mobile money taxes erode savings, and banks frequently reject refugee IDs despite official policy permitting access (GSMA, 2023). This creates a different tension: enabling policy undermined by infrastructure gaps and policy-practice disconnects in the banking sector.

Figure 4: Map of Uganda with main refugee camps and population statistics



The table below summarises the key contrasts across the three analytical levels:

Table 1: Comparative outlook of refugees and DFS access/usage in Kenya and Uganda

	Kenya	Uganda
Individual	Refugee women's incomes derive primarily from informal micro-enterprises such as petty trade, food vending, and services (UNHCR, 2025; primary interviews 2025). M-Pesa is widely used for transactions and short-term savings, with high familiarity even among camp-based populations (FSD Kenya, 2017; GSMA, 2023). Saving behaviours combine digital and physical methods, with women often maintaining both mobile wallets and cash reserves (interviews 2025). Access to formal credit remains limited, with most borrowing occurring through informal community channels (AFI, 2024; interviews Kakuma, 2025).	Refugee women engage in diverse livelihoods including small-scale farming, trade, and services, with income levels varying significantly between urban and settlement contexts (UNHCR, 2025; interviews Uganda, 2025). MTN and Airtel Money are used for transactions and savings, with adoption growing particularly in urban areas (GSMA, 2023). Hybrid saving practices (combining mobile money with physical cash) are common (interviews Uganda, 2025). Formal credit access is constrained, with most women relying on savings groups or informal networks for borrowing (AFI, 2024; interviews Uganda, 2025).
Community	Chamas (informal savings groups) and VSLAs are widespread, with a long tradition of community-based finance (FSD Kenya, 2017; interviews, Kakuma, 2025). NGOs and humanitarian actors have supported savings group formation in refugee camps, and peer-to-peer financial support is culturally embedded (UNHCR, 2025; CARE International, 2024).	VSLAs and community savings groups are deeply rooted, often with strong integration between refugee and host communities (CARE International, 2024; interviews, Uganda settlements, 2025). Group-based lending models are common, and savings groups frequently serve social functions beyond finance (FIWAM, 2021). Multiple NGOs support group formation and training (UNHCR, 2025).

	Kenya	Uganda
Policy & Regulatory	Kenya has a mature regulatory environment for fintech and mobile money, with the Central Bank of Kenya providing clear frameworks (AFI, 2024). However, refugee policy follows an encampment model with restricted movement and limited formal work rights (UNHCR, 2025). KYC requirements create barriers for refugees with non-standard documentation (AFI, 2024; interviews 2025). Current shifts in policy, particularly the Shirika Plan aim to ease these restrictions and enable refugees access financial services.	Uganda's refugee policy is among the most progressive globally, granting freedom of movement, the right to work, and access to public services under the Refugee Act 2006 and CRRF (AFI, 2024; IFAD, 2023). The Bank of Uganda has developed financial inclusion strategies, though implementation in refugee-hosting areas varies (UNCDF, 2022; primary interviews, Uganda, 2025). Infrastructure investment in rural areas lags behind policy ambition (GSMA, 2023)
Key Tension	Advanced digital rails alongside restrictive policy.	Progressive refugee policy alongside infrastructure and implementation gaps

This comparative lens - Kenya's digitally mature but restrictive system versus Uganda's inclusive but less technologically developed one - enables deeper analysis of how individual capabilities, community mechanisms, and structural factors interact to shape refugee women's financial inclusion pathways (Seedstars, 2024; IFAD, 2023).

1.4. Conceptualization

Before delving further into the key relationships underpinning the financial activity of refugee women, this section highlights what we understand with the key terms and concepts used in this report, including their underlying definition, as well as operationalizations used in the context of this research.

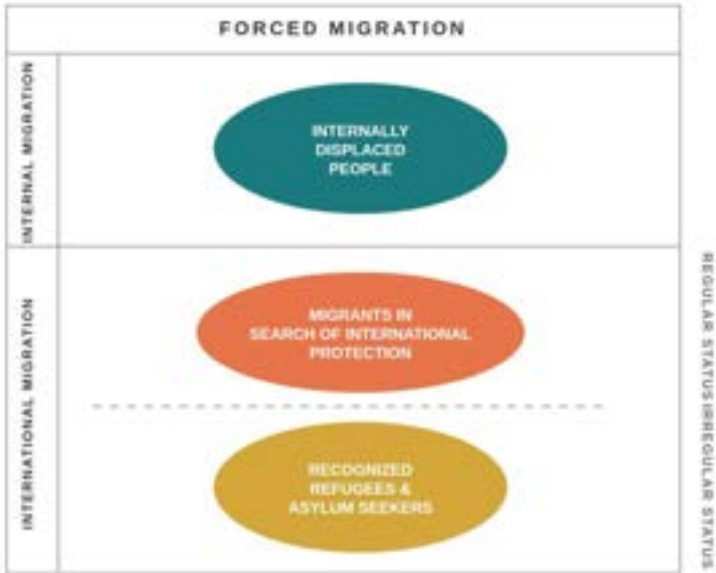
Refugee Women

In this study, refugee women refer to women and girls officially recognised as refugees or registered asylum seekers under the 1951 UN Refugee Convention and its 1967 Protocol, as operationalised by UNHCR and host governments (UNHCR, 1951; UNHCR, 1967). This includes both camp-based and urban refugees, given the distinct opportunities and constraints each setting presents for accessing digital financial services. Camp residents (e.g., Kakuma-Kalobeyi in Kenya; Nakivale in Uganda) often rely on humanitarian aid with limited mobility and market access, while urban refugees (e.g., in Nairobi or Kampala) engage more actively in informal trade and services (UNHCR Kenya Statistics Package, 2025; UNHCR Uganda Multi-Year Strategy, 2025). Refugee women represent roughly half of all displaced populations and are central to household resilience and economic activity (UNHCR Global Trends, 2025).

In comparison to other research on the financial access and usage of women (Seedstars, 2021; CGAP, 2019; Village Capital, 2023), we distinguish analytically between voluntary migrants and forcibly displaced refugees. The forced nature of displacement exposes refugee women to fundamentally different conditions: heightened vulnerability, legal uncertainty, and limited control over mobility and livelihood choices (UNHCR, 1951; 1967; 2025a). Refugee women face additional layered constraints: restrictions on movement, barriers to formal identification, and exclusion from national financial systems. These barriers are not only financial but also legal, social, and structural (AFI, 2024; ILF, 2022). This research therefore focuses specifically on refugee women to capture the institutional, regulatory, and lived realities that define their access to financial services and economic participation.

It is important to note that the market system analysed in this report does not serve refugee women in isolation, host community women interact with many of the same financial service providers, agent networks, and community finance structures. The analytical decision to focus exclusively on refugee women reflects the study’s interest in understanding how displacement-specific conditions create distinct patterns of financial exclusion within a shared market system. This does not imply that host community women are well-served by the same system. Rather, it reflects a deliberate scoping choice to examine the intersection of displacement and gender as a specific analytical lens, enabling a more targeted contribution to both the evidence base and to the design of interventions that address the additional and compounding barriers that displacement introduces.

Figure 5: Typology of refugees



Source: iGravity’s figure, adapted from GPFMD (Seedstars 2021)

Financial inclusion: access and usage

Financial inclusion in this research refers to the ability of refugee women to open, hold, and transact through formal or semi-formal financial accounts. This includes mobile money wallets, savings accounts, as well as micro-credit, under proportionate and inclusive KYC frameworks (AFI, 2024, pp. 4–5; ILF GIF Research Proposal, p. 2). Access, however, does not automatically imply usage. Financial usage captures the extent, interval, and relevance of these services to women’s day-to-day financial practices and livelihood. This includes how often refugee women engage in transaction, save money, or gain access to emergency or productive credit, as well as their ability to manage risk through insurance or group savings mechanisms like Chamas and VSLAs (Seedstars, 2021, p. 12). Since only 14 percent of Ugandan refugees held an account in 2021, well below the national strategy target of 59 percent (UNHCR Uganda Strategy, 2025, p. 14), it underlines the wide gap between access and effective usage.

Informal Economy

This research focuses on digital financial solutions within the informal economy. The informal economy is defined as economic activities by workers and enterprises not sufficiently covered by formal arrangements (ILO Recommendation 204, 2015). In refugee contexts, this encompasses home-based production, petty trade, casual labour, and unregistered micro-enterprises operating outside formal regulatory frameworks. Where 70% of refugee women's income derives from informal activities in Kenya and Uganda - the informal economy is a core market system where digital financial solutions can play a key role in improving outcomes for refugee women.

Financial technology (Fintech)

Fintech encompasses technology-enabled providers delivering digital payments, savings, credit, insurance, remittances, and financial capability tools. These include mobile money operators (e.g., M-Pesa, Airtel Money), digital credit and savings platforms, micro-insurance providers, cross-border remittance firms, and emerging models such as alternative credit scoring or embedded finance in pay-as-you-go systems (Seedstars, 2021; ILF, 2022). The study focuses on fintechs operating within or alongside regulated frameworks - either directly licensed or in partnership with banks, MNOs, or microfinance institutions - and excludes purely humanitarian cash transfers lacking a financial-service relationship. In Kenya and Uganda, fintechs represent a critical interface between informal financial behaviour and formal systems, offering scalable pathways to inclusion when combined with literacy, trust, and regulatory adaptation.





2. Literature review

Before delving into the analysis – outlining existing systemic barriers that constrain refugee women’s access and usage of digital finance – the following section will highlight a review of the existing literature and resources. In doing so, the review will provide guidance around the potential key barriers that exist, if and how they are applicable to the context of Kenya and Uganda, as well as surface initiatives that exist around addressing these key barriers.

Table 2: Key findings literature review Kenya vs. Uganda

	Key Insight	Kenya	Uganda
Individual	Adoption barriers stem from both user-side constraints and supply-side failures (product design, KYC rigidity)	Encampment policy and inconsistent KYC acceptance compound exclusion despite advanced fintech ecosystem	Self-reliance model and OPM-issued refugee IDs enable greater access to basic services
Community	Informal mechanisms (VSLAs, chamas) remain central but disconnected from formal DFS pathways	Community finance operates in parallel within camps due to regulatory restrictions	VSLAs more integrated into refugee-host economies under CRRF framework
Policy & Regulatory	Progressive frameworks exist but implementation gaps and infrastructure deficits limit inclusion	Near-universal coverage (98% 4G) but refugees excluded from national financial inclusion strategy	Inclusive refugee policies but connectivity gaps in remote settlements

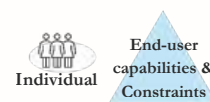
Financial inclusion is central to global development with the World Bank's Global Findex Database revealing that between 2011 and 2021, the share of adults worldwide with a financial account increased from 51% to 76%. This was primarily driven by digital financial services (DFS) adoption in low and middle-income countries. DFS include financial products delivered via digital channels such as mobile phones, internet, or cards. This allows unbanked populations to transact, save, and access credit with lower barriers. The evolution of DFS spans basic (mobile money, peer-to-peer transfers), intermediate (digital lending, online banking), and with current developments in banking also advanced services (AI-based credit scoring, blockchain-enabled savings). Notably, the simplicity of USSD technology, which does not require smartphones or internet connectivity, has been particularly critical in extending financial services to populations with limited digital infrastructure.

Refugee women occupy a particularly complex position within this landscape yet most studies reference refugee populations as a single analytical unit, thereby obscuring unique financial behaviours, access patterns, and constraints. While refugee women are frequently perceived as a homogenous group, their financial behaviours, opportunities and risks are shaped by multiple intersecting identities. Age, marital status, nationality, disability, education level, household composition, and legal status within host communities, all influence how women interact with financing systems. For instance, newly arrived refugees without documentation face different constraints from long-term residents who possess refugee identification but lack national IDs required for advanced financial services. Similarly, single women or widows often exercise greater autonomy over financial decisions than married women, who may face household-level restrictions on phone use, movement, or financial management. These intersecting factors shape both access to financial services and the risks associated with them. Women responsible for caregiving or informal livelihoods prioritize flexible savings mechanisms over formal accounts that require travel to agents or regular documentation processes. Younger women demonstrate greater digital confidence but lack independent income streams, while older women may possess stronger savings discipline but face lower digital literacy. Recognizing this diversity is critical for designing financial solutions that address refugee women's financial lives instead of assuming a homogenous user profile (UNHCR, 2023).

While digital finance has expanded financial access globally, refugee women continue to face layered barriers. These include gendered constraints in digital access, regulatory exclusion linked to documentation requirements, and broader socio-economic marginalization within host communities (GSMA, 2019). Although documentation barriers affect refugees broadly, they often disproportionately affect women, who may have lower rates of formal identification, reduced mobility to complete registration processes, or reliance on male relatives for documentation and account registration. These challenges are further exacerbated by displacement-specific challenges i.e., restricted movement, limited livelihoods, and dependency on humanitarian aid. As a result, refugee women frequently face specific barriers in accessing digital channels, which can limit their ability to sustain livelihoods and engage in income-generating activities (UNHCR, 2021; 2023).

The rest of the review is organized according to the three analytical levels, synthesizing evidence from a wide variety of countries, and specifically adapted to the Kenyan and Ugandan context. It draws on regulatory analyses, practitioner reports, humanitarian assessments, and financial inclusion surveys to construct a comprehensive understanding of the current state of knowledge and to identify critical gaps that this research will address.

2.1. Individual-level factors in digital finance adoption



The barriers to DFS adoption are often deeply rooted in individual-level circumstances, extending beyond structural issues like documentation and cost. This section explores how personal capabilities and vulnerabilities, including financial literacy, trust, mobility constraints, and intra-household power dynamics, critically shape an individual's, particularly a refugee woman's, ability to access and utilize digital finance effectively. These personal constraints are frequently compounded by the unique challenges of displacement, creating psychological and logistical hurdles that limit access and amplify risk.

Trust, literacy and barriers to access

Financial and digital literacy shape adoption but framing this solely as a user deficit obscures how poorly designed products contribute to exclusion. In both Kenya and Uganda, refugee women report abandoning mobile money after initial failed transactions. This is not due to inability to learn, but because interfaces were unintuitive, error messages were unclear, and recovery mechanisms were inaccessible (Seedstars, 2021). Fear of fraud compounds these challenges: in Kakuma camp, Kenya, women cited community stories of scams and lost funds as reasons for avoiding digital channels entirely, while in Uganda's Nakivale settlement, similar distrust drove women back to cash-based systems despite having registered mobile money accounts (Seedstars, 2021). Trust deficits are not irrational, they reflect lived experiences of institutional betrayal during displacement, asset confiscation, and inadequate recourse when digital transactions fail (Almeida, 2023). Effective adoption therefore requires not only literacy-building but also trust-responsive product design: transparent fee structures, accessible dispute resolution, and interfaces tested with refugee women users.

While digital financial services offer pathways to increased financial inclusion, emerging evidence suggests that their adoption may also introduce gender-specific risks and unintended effects. In some contexts, women's access to financial accounts or digital credit does not necessarily translate into control over financial resources and may be accompanied by intra-household tensions or appropriation of funds by other household members (World Bank, 2022; GSMA, 2023). In addition, increased access to digital credit can expose women to debt pressures, particularly where financial literacy is limited, or income streams are unstable. There are also concerns that greater financial visibility or autonomy may increase women's exposure to insecurity or social backlash in contexts where gender norms around financial decision-making remain restrictive (CGAP, 2021; GSMA, 2022).

However, evidence on these dynamics remains limited in refugee contexts, particularly in relation to digital financial services. This highlights an important area for further research and underscores the need for financial inclusion interventions to incorporate gender-sensitive risk mitigation measures, including safeguards aligned with "do no harm" principles.

Documentation and KYC requirements

Know-your-customer regulations, designed for financial integrity, often represent one of the most significant structural barriers. Documents currently accepted (driver's licenses, passports, electoral cards) present multiple challenges as refugees often lack the necessary official documentation from either their home or host countries, or their existing documents have expired or been confiscated:

Kenya: The Central Bank of Kenya's KYC framework accepts national IDs, passports, and alien certificates for account opening. However, in practice, refugee women in Kakuma and Dadaab camps report inconsistent acceptance of UNHCR mandate certificates and Department of Refugee Services documentation by mobile money agents and bank branches (AFI, 2024). This forces many to register SIM cards and mobile wallets under others' names, typically male relatives or Kenyan nationals, creating security vulnerabilities and limiting access to recourse when problems arise (CGAP, 2019).

Uganda: The Office of the Prime Minister (OPM) issues refugee identification that is formally recognized for SIM registration and basic mobile money accounts under Bank of Uganda regulations. This regulatory clarity enables higher rates of mobile money registration among refugees compared to Kenya. However, upgrading to full-service accounts or accessing formal bank credit still typically requires national IDs or passports that most refugees lack (AFI, 2024; UNHCR, 2025c).

Gendered constraints on access and control

Digital finance has the potential to enhance access for women by reducing travel needs, but continued requirements for in-person account opening, cash transactions, and problem resolution mean mobility requirements persist (Women's World Banking, 2021). Women's time poverty, from disproportionate unpaid care responsibility, limits time to learn technologies, travel to agents, or resolve problems. Within some communities, women may encounter challenges due to requirements for spousal permission or restrictions on mobile phone use. Intra-household power dynamics critically shape whether women can adopt and use digital financial services. The distinction between household and individual ownership is crucial: in resource-limited households, single phones typically belong to male household heads. Shared device-use limits privacy (transaction histories visible to others) creates time constraints (negotiating for access), limits skill development (irregular access prevents confidence building), and creates security vulnerabilities (cannot maintain sole knowledge of PINs) (FSD Kenya, 2017).

Kenya: Encampment policies in Dadaab and Kakuma restrict women's mobility, limiting their ability to travel to mobile money agents, attend training programmes, or resolve account issues in person. Women's time poverty, from disproportionate unpaid care responsibilities, compounds these constraints (Women's World Banking, 2021).

Uganda: The self-reliance model permits freedom of movement, theoretically enabling women to access agent networks and financial services more freely. However, in remote settlements like Bidibidi and Kyangwali, distances to agents and infrastructure gaps effectively recreate mobility constraints similar to Kenya's camp-based restrictions (UNHCR, 2025c).

While these constraints clearly shape women's access to financial services, their implications for intra-household dynamics, including differences in agency, decision-making power, and control over financial resources relative to male household members, remain less clear. Existing evidence suggests that access does not necessarily translate into control, but there is limited systematic analysis of how these dynamics play out in refugee contexts, particularly in relation to digital financial services.

This represents an important analytical gap, with implications for the design of financial inclusion interventions that seek to enhance not only access but also women's economic agency.

Gap (Individual level): Existing research documents barriers but rarely examines how product design failures drive exclusion. Evidence on gender-responsive fintech design for refugee women remains limited.

2.2. Community-level: community finance ecosystems



Informal financial mechanisms and their persistent appeal

Village savings and loan associations, chamas, and rotating savings and credit associations remain central to refugee women's financial lives despite formal DFS expansion (FINCA 2025). Accessibility without documentation bases membership on social relationships and community vouching, not bureaucratic verification, transforming access for refugees lacking legal documentation. Social capital and mutual support extend beyond financial transactions, with meetings serving as spaces for information sharing, networking, and mutual encouragement, helping rebuild social networks disrupted by displacement. However, VSLAs have inherent limitations. Geographic immobility means unlike digital accounts accessible anywhere, VSLA savings are tied to specific groups and locations. Record-keeping limitations mean handwritten ledgers can risk not being recognised by formal institutions, leaving women with years of consistent saving and repayment without formal credit histories.

Kenya: In Kakuma camp, chamas operate as both financial and social institutions, with meetings serving as spaces for information sharing and mutual support. However, camp-based restrictions mean these groups operate largely in parallel to formal financial systems, with limited pathways to formal credit or digital integration (UNHCR, 2025c).

Uganda: Under the Comprehensive Refugee Response Framework (CRRF), VSLAs in settlements like Nakivale and Kyaka II are more often embedded in integrated refugee-host community economies. Groups frequently include both refugee and Ugandan members, potentially offering stronger bridges to local financial ecosystems (AFI, 2024).

Integration with DFS: promise and limitations

The relationship between community-based mechanisms and formal DFS platforms represents a critical frontier for financial inclusion innovation, yet this intersection remains underdeveloped, with systems operating largely in parallel rather than integrated ways. Several integration models have emerged:

Digital record-keeping: In Uganda's Kyaka II settlement, digital record-keeping tools were introduced to VSLAs but later abandoned due to low digital confidence and technical challenges, with groups reverting to paper ledgers (Seedstars, 2021). Members found digital systems more complicated than physical records, and technical failures eroded trust.

Payment digitization: Mobile money integration with VSLAs shows greater promise, substituting digital transfers for physical cash while retaining social cohesion. In Kenya, Equity Bank's Eazzy Chama platform enables group savings accounts linked to M-Pesa, though uptake among refugee groups remains limited due to documentation requirements for group registration.

Agent networks: Mobile money agents represent critical infrastructure for bridging community finance and formal DFS. However, agent density in refugee-hosting areas remains lower than urban centres in both countries, and agents frequently lack training on refugee documentation acceptance (GSMA, 2023).

All in all, from a meso-level perspective, while community-based finance offers strong foundations of trust, accessibility, and social cohesion that could bridge the gap to formal inclusion, integration with digital systems remains limited by low digital literacy, weak interoperability, and fragmented coordination among actors.

Gap (Community level): While community finance mechanisms offer trust, accessibility, and social cohesion that could bridge gaps to formal inclusion, systematic evidence on successful integration models, particularly those designed with refugee women, remains sparse. Most pilots have been small-scale with limited documentation of what enables or constrains success.

Community-based financial mechanisms can play an important role in strengthening women's agency by providing access to savings, credit, and peer support networks, which may enhance confidence, financial decision-making, and participation in economic activities.

In some contexts, participation in VSLAs or chamas has been associated with increased bargaining power within households and greater involvement in financial decisions (Interviews, 2025).

However, these effects are not uniform and remain shaped by prevailing gender norms. Women’s participation in such groups does not necessarily translate into full control over financial resources, and intra-household dynamics may continue to limit their decision-making power, particularly in contexts where men retain authority over major financial decisions. As such, while community finance mechanisms can support pathways to greater agency, their impact is often partial and context-dependent, highlighting the need to consider underlying social norms alongside financial access.

2.3. Policy and regulatory level: frameworks, and humanitarian-finance linkages



Regulatory frameworks

Both countries have made policy commitments to financial inclusion, but explicit attention to refugees and translation into practice differ substantially:

Table 3: Regulatory frameworks for refugee financial inclusion

Framework	Kenya	Uganda
National Financial Inclusion Strategy	NFIS (2019-2023): Does not explicitly reference refugees as target population. However, the newly adopted <u>Kenya National Financial Inclusion Strategy</u> (2025–2028) explicitly includes refugees as a target population for financial inclusion, representing a significant policy shift. The <u>Shirika Plan</u> (2023–ongoing) further signals a new political and policy dispensation on Kenya’s refugee hosting model, moving away from encampment toward integrated settlement (municipalities) and self-reliance frameworks, with implications for refugees’ economic rights and financial access.	NFIS (2017-2022): Explicitly includes forcibly displaced persons as priority segment
Mobile Money Regulation	CBK guidance permits tiered KYC but implementation inconsistent for refugee documents. New Anti-Money Laundering Regulations and revised Telecommunications (SIM Card Registration – Kenya Information and Communications Regulation, 2025). Regulations are expected to have a positive impact on refugee access to SIM cards, with simplified KYC requirements (e.g, use of refugee ID for registration) reducing barriers that previously excluded refugees from mobile financial services.	BoU Mobile Money Guidelines (2013, rev. 2021): Recognizes OPM refugee IDs for basic accounts
Refugee Legislation	Refugee Act (2021): Grants right to work but does not address financial inclusion	•Refugees Act (2006) + CRRF: Grants rights to work, move freely, and access services including financial
Practice	M-Pesa at 83% adult penetration, although refugees largely excluded from gains (GSMA, 2024; AFI, 2024)	Only 34% refugees use formal financial services vs. 58% host population (UNHCR, 2025c)

It has to be noted that with the implementation of new refugee-focused and liberating policies, the Shirika Plan and the AMLR, both countries have shown a willingness to address some of the key barriers prohibiting financial access. A key problem persists in the implementation of regulation and its practical application in solving the day-to-day problems refugees face. A key rationale for this disconnect is the long history of countries adopting progressive policy frameworks to 'signal' their compliance with the demands of international community actors (UNHCR, as well as large donors) supporting national governments, while the incentives and capacity to enforce these policies remain absent (AFI 2024; Dhawan & Zollmann 2023).

For Kenya's Shirika Plan, it is yet to be seen whether the formal policy shift translates into changed incentive structures for regulators on the ground. In Uganda, the CRRF has been heavily sustained by international aid flows rather than domestic political demand for refugee inclusion, and its implementation reveals a structural mismatch: while the framework permits refugees to self-settle outside designated settlements, OPM registration remains tied to physical settlement presence (World Bank 2016). A growing number of refugee women relocate to Kampala or secondary towns such as Arua, Gulu, and Hoima, yet they are typically either still registered at a settlement they no longer inhabit or have fallen out of the system entirely. For these women, financial inclusion is constrained not by the policy/practice gap that affects settlement-based refugees (where IDs exist but are rejected) but by a prior problem of administrative invisibility: they lack current, location-appropriate documentation, and FSPs in their new locations have no reliable way to verify their status⁶. In both countries, the absence of a domestic support base within national governments remains a key factor explaining why progressive policy frameworks have not translated into practical implementation.

Digital infrastructure

Infrastructure fundamentally determines whether DFS can function in refugee-hosting areas.

Kenya: Near-universal coverage (98% 4G) but Kakuma and Dadaab camps historically experienced lower quality, with network congestion and limited 4G until recent investments (GSMA, 2024).

Uganda: 95% population coverage but the 5% gap disproportionately includes remote settlements. In Bidibidi (230,000+ refugees), connectivity is unreliable and high data costs limit usage. Electricity gaps further restrict device charging (UNHCR, 2025c).

Fintech proliferation vs. refugee access

A critical paradox emerges when examining fintech growth against refugee women's actual access:

Table 4: Fintech ecosystem vs. refugee women's access

Indicator	Kenya	Uganda	Refugee Women
Fintech companies	102	38*	Limited access
Mobile money	83% of adults	73% of adults	Est. 30-40%
Digital credit	50+ providers	20+ providers	Minimal
Refugee products	2-3 pilots	3-4 pilots	Small-scale

*The ones considered licensed
Sources: GSMA 2024; Seedstars 2021; AFI 2024; UNCDF 2022

This data validates a core tension: fintech innovation has proliferated rapidly, but refugee women have largely not benefited. Product design, distribution, and business models remain oriented toward documented, urban, banked populations.

Gap identified (Policy & regulatory level): Policy frameworks and fintech ecosystems have matured, yet translation into refugee women's access remains limited. Evidence on specific reforms or innovations to close this gap is underdeveloped.

⁶UNHCR estimates approximately 8% of Uganda's refugee population resides in Kampala (UNHCR, 2025c), with an unknown additional number in secondary towns. Future research should seek to quantify and characterise the financial behaviour of self-settled populations specifically, as their exclusions dynamics are likely distinct from both settlement-based and capital city refugees.

2.4. Synthesis: key gaps in the literature and areas for research

The reviewed literature underscores the paradox of progress in digital financial inclusion: while access to mobile and digital platforms has expanded rapidly, the benefits remain unevenly distributed. Refugee women, despite being among the most financially active within their communities (UNHCR Global Trends, 2025; AFI, 2024; Interviews 2025), remain systematically excluded from formal digital finance ecosystems. Their financial lives continue to be mediated through informal mechanisms that, while adaptive and resilient, limit pathways to scale, formal credit, and digital integration.

Existing research has examined refugee financial inclusion largely through fragmented lenses focusing separately on individual adoption barriers, community finance, or regulatory environments without capturing the interplay between these levels. The literature reveals that refugee women's exclusion from digital finance is not primarily a technological failure but the result of interacting barriers across individual, community, and systemic levels. These barriers reinforce each other:

- Individual-level documentation gaps prevent account opening, which limits credit history building
- Community-level informal mechanisms remain disconnected from formal systems that could recognize their savings records
- Policy & regulatory-level policy frameworks that exclude refugees from national strategies perpetuate parallel systems

This study seeks to fill that gap by analysing how refugee women in Kenya and Uganda navigate between informal and formal financial systems, and what systemic, social, and design factors enable or constrain that transition. Moreover, there is limited to no analysis on existing incentive structures to translate the willingness to change to practical improvements on the ground. This analysis, underpinned by structural power relations that fixes them, is a key factor in understanding why the identified problems persist with limited changes over time.

A last note should be mentioned about the fact that only few studies rigorously disaggregate the financial inclusion barriers experienced by refugee women from those affecting low-income host community women in the same geographies. While both populations contend with gender norms, limited literacy, and constrained access to formal credit, the literature lacks systematic evidence on the extent to which displacement-specific factors account for the additional exclusion that refugee women experience relative to their host community counterparts. This comparison is beyond the scope of the present study, but the absence of such evidence in the broader literature means that the relative contribution of displacement-specific factors versus gender and poverty dynamics to refugee women's financial exclusion remains limited understood - a gap of significant importance for future research should address.

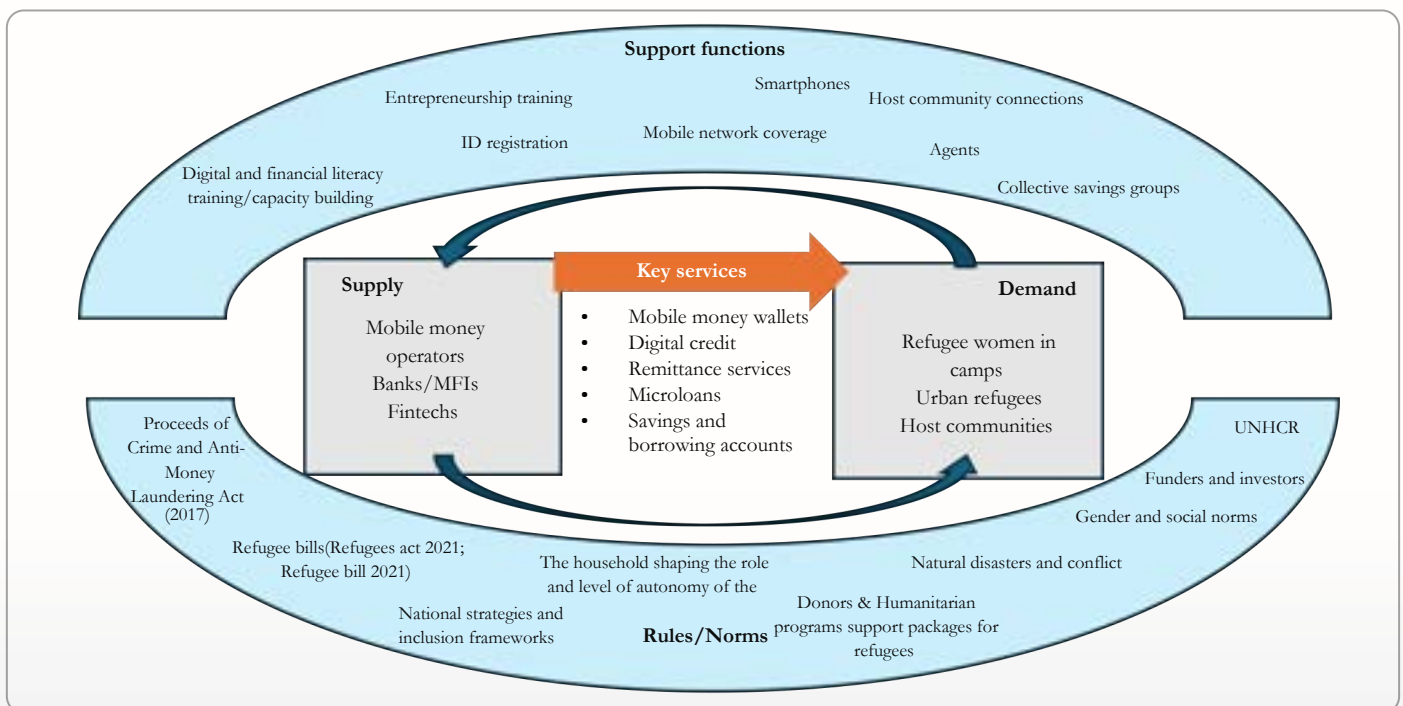


3. Analysis

3.1. MSD analysis of financial access and usage of refugee women

The research applies the Market Systems Development (hereafter MSD) approach to analyse the financial realities of refugee women in Kenya and Uganda. This section provides a comprehensive mapping of actors, functions, and interactions within the financial ecosystem, followed by an assessment of system performance in each country. The analysis first presents a generic overarching MSD framework, then examines country-specific challenges and constraints

Figure 6: MSD of the actors present in the financial ecosystem for refugee women in Kenya and Uganda



Market Mapping of the Financial Ecosystem for Refugee Women in Kenya and Uganda

The financial ecosystem for refugee women in Kenya and Uganda operates as a layered market system shaped by the interaction of commercial finance actors, humanitarian institutions, state agencies, and community structures. Although the two countries differ in policy orientation and settlement models, they share a broadly similar market architecture in which refugee women sit at the centre of a hybrid system linking formal financial markets and informal survival economies.

This study does not include a systematic comparison with host community women. While host community women in Kenya and Uganda face many overlapping financial inclusion challenges (including low digital literacy, gendered power dynamics, and limited formal credit access) a direct comparative design was outside the scope of this research. The study's interview instruments were tailored to capture displacement-specific dimensions of financial behaviour⁷ and extending the sampling frame to host community women would have required separate instruments and a significantly larger sample to produce meaningful comparisons within the study's resource constraints. The analysis therefore does not claim that the barriers it identifies are exclusive to refugee women. Rather, it argues that displacement compounds and reconfigures shared barriers in specific ways: documentation uncertainty creates KYC-related access barriers that host community women do not face; humanitarian cash systems generate parallel financial ecosystems with no host community equivalent; and the legal ambiguity of refugee status shapes FSP risk perceptions in ways that do not apply to citizens. Where a constraint is displacement-specific, such as inconsistent Alien ID acceptance or the humanitarian- to-commercial transition gap, this distinction is made explicit throughout the report (FSD Kenya, 2017; UNCDF, 2022).

Core functions

Table 5: Key actors performing core functions in Kenya and Uganda

Actor	Role in the System	Kenyan actors	Uganda actors
Refugee women	Primary users of financial services; manage household finances, micro-enterprises, savings, and credit activities		
Mobile Network Operators (MNOs)	Provide mobile money platforms and digital payment infrastructure	Safaricom (M-Pesa), Airtel Kenya	MTN Uganda, Airtel Uganda
Banks & Microfinance Institutions/Mobile Lenders (MFIs)	Offer savings accounts, loans, remittance services, and financial products	Equity Bank, KCB, Family Bank, Inkomoko, Tala	Centenary Bank, PostBank, FINCA Uganda
Fintech companies	Develop refugee inclusive digital payment, remittance, credit and wallet solutions	Leaf Global, Kotani Pay, M-Shwari	Ensibuuko/Chomoka, Patapia
Agent networks	Provide physical access to cash-in/cash-out and onboarding services	Safaricom agents, bank agents	MTN/Airtel Agents, PostBank Agents

⁷ Documentation status, interaction with humanitarian systems, cross-border financial flows, and camp/settlement-specific constraints

Table 6: Key actors performing support functions in Kenya and Uganda

Actor	Role in the System	Kenyan actors	Uganda actors
Humanitarian agencies (e.g. UNHCR)	Provide refugee registration, cash assistance, service coordination, and digital payment pilots	UNHCR Kenya, WFP, IRC	UNHCR Uganda, WFP, OPM
Training & capacity- building providers	Deliver financial and digital literacy training, entrepreneurship support	Inkomoko, RefuSHE, FSD Kenya	YARID, Ensibuuko, SINA
Digital infrastructure providers	Provide network coverage and data connectivity	Safaricom, Telkom Kenya	MTN, Airtel, Uganda Telecom
Donors & development finance institutions ⁸	Fund financial inclusion programs and infrastructure de-risking	World Bank, UNHCR, IKEA Foundation, IFC etc.	
Community savings groups	Provide informal savings and credit mechanisms	Chamas, VSLAs in Kakuma/Dadaab	Twitezimbele, Upendo, Hope Savings

Rules & Norms

Box 1. Shari'ah-compliant finance as a rules and norms dimension

Religion constitutes a critical, and often underexplored, dimension of the rules and norms layer of the financial ecosystem for refugee women. In Kenya and Uganda, a significant proportion of the refugee population is from Somalia or adheres to the Muslim faith. In these contexts, Shari'ah compliance can influence perceptions of acceptable financial products. Conventional financial products that involve interest (riba) may be viewed as incompatible with Islamic finance principles, which can shape engagement with formal financial services, including mobile lending products and savings instruments.

However, the extent to which these considerations consistently influence financial behaviour across refugee populations remains unclear. While some Somali and Muslim refugee women may avoid non-Shari'ah-compliant products, others may prioritise accessibility, convenience, or necessity in practice. Evidence from DRC and insights from the EMPOWER programme in Dadaab – co-funded by SDC and TechnoServe, implemented by Inkomoko (February 2026), and drawing on the DRC/iGravity Garissa Market Assessment (November 2023) – suggest that the absence of Shari'ah-compliant alternatives can represent a barrier to financial inclusion for certain segments of the population.

Religious and community leaders play an important gatekeeping and legitimising role: their endorsement (or rejection) of financial products may shape community-level perceptions and adoption patterns. The market mapping of actors should therefore consider religious leaders alongside community finance groups as part of the rules and norms layer, engaging them both as potential barriers and as strategic partners in the design and uptake of Shari'ah-compliant financial solutions.

⁸ Note on investors and funders: The research finds limited direct engagement from commercial or impact investors in refugee-focused financial services. Most refugee-serving fintechs rely heavily on donor de-risking or catalytic capital rather than commercial investment. This capital constraint shapes the market's ability to scale sustainable solutions. Notable exceptions include the Refugee Investment Facility (RIF), the IFC-Equity Bank Risk Sharing Facility and CARE International's strategic investment in Ensibuuko, which represent emerging models for blending commercial and development finance.

Table 7: Key regulatory, policy and household actors in Kenya and Uganda

Actor	Role in the System	Kenyan actors	Uganda actors
Central banks & financial regulators	Set rules on mobile money, banking, KYC/AML, and financial inclusion	Central Bank of Kenya	Bank of Uganda
Refugee affairs authorities	Manage refugee registration, legal status, and movement/work rights	Dept. of Refugee Services	Office of the Prime Minister (OPM)
National policymakers & ministries	Develop financial inclusion strategies and digital economy policies	National Treasury, CBK	Ministry of Finance
Households (male family members, extended family)	Influence women's access to devices, finance, and decision-making	Male relatives, extended family	

The interaction between these actors forms a dynamic but uneven system. While Kenya benefits from a more mature digital finance infrastructure and Uganda from a more inclusive refugee policy environment, in both contexts the market system for refugee women remains constrained by weak coordination, partial integration between humanitarian and commercial channels, and deep social and institutional barriers. Thus, refugee women's financial inclusion is not primarily limited by technological absence, but by how power, incentives, and institutional arrangements are distributed across the system.



3.2. MSD Analysis for Kenya and Uganda

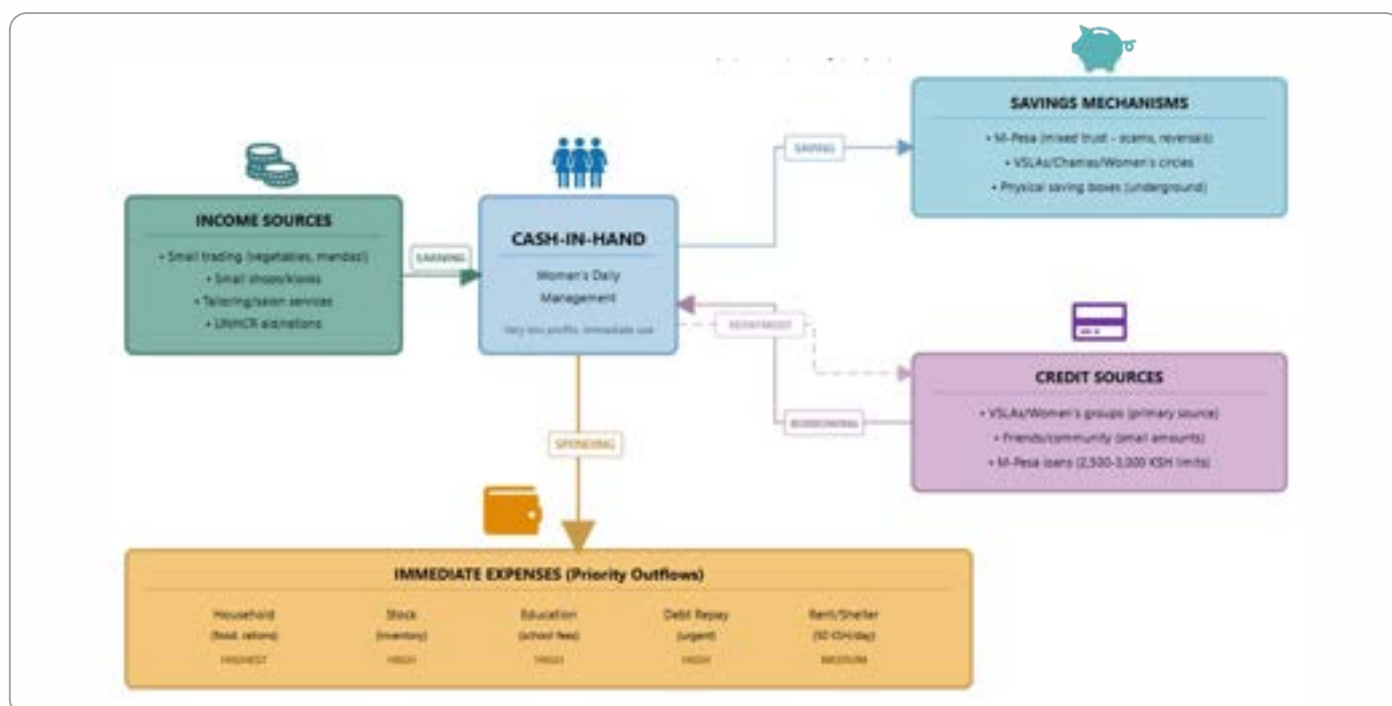
Kenya

Financial practices of refugee women in informal economies

Refugee women's financial lives in Kenya are anchored in low-capital micro-enterprise (food vending, tailoring, small kiosks, salons), often supporting extended households of 9 to 17 dependents (Interviews Kakuma and Nairobi, 2025). Financial behaviour is hybrid: M-Pesa serves daily transactional needs while physical saving boxes and chama participation persist due to fraud exposure, trust deficits, and intermittent KYC acceptance. Bamba chakula and informal credit through shopkeepers or microfinance providers such as Inkomoko cover working-capital needs; formal credit access remains exceptional.

The system's performance for refugee women is undermined by three interacting failures: (i) inconsistent acceptance of Alien IDs and refugee mandate documents by MNOs and banks, which blocks SIM registration, wallet upgrades, and account access (CGAP, 2019; AFI, 2024); (ii) infrastructure gaps in Kakuma and Dadaab, including network instability, sparse agent coverage, and high withdrawal costs (Seedstars, 2021); and (iii) persistent trust failures driven by digital fraud, PIN theft, and reversal scams, which particularly affect older or less digitally confident women (FSD Kenya, 2017). The result is heavy continued reliance on informal groups and limited progression from humanitarian cash systems into commercial financial services.

Figure 7: Flow of financial activity of refugee women in Kenya



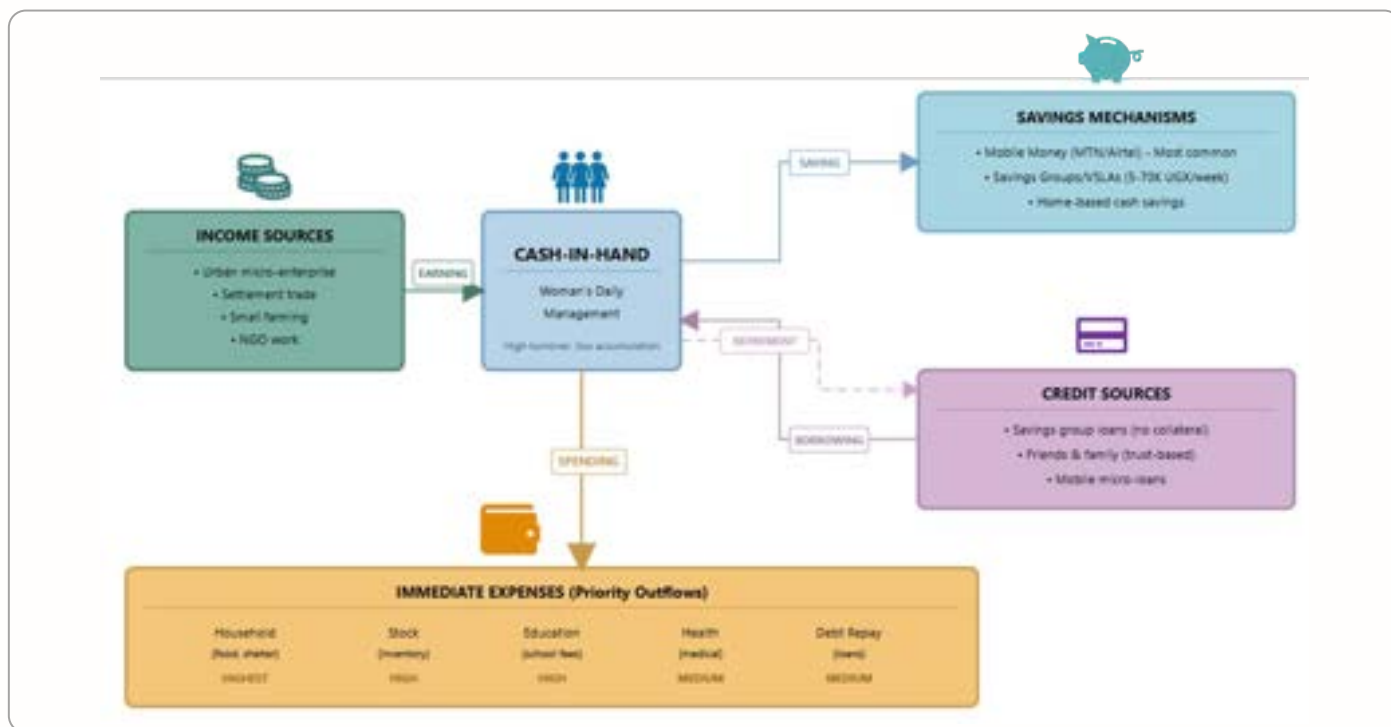
Note: Analysis based on an accumulation of secondary research and in-depth interviews with 23 refugee women in Kakuma, as well as 3 urban refugee women from Nairobi (Eastleigh and Kayole) in Kenya.

Uganda

Refugee women's financial lives in Uganda show a clearer urban–settlement divergence. In Kampala, women combine overlapping livelihoods (tailoring, hairdressing, retail, food vending) and sometimes supplement income through NGO-supported work (Interviews Kampala, 2025). In settlements such as Kyaka II, livelihoods narrow toward petty trade, small-scale farming, and casual labour, often reflecting asset loss and weaker market access (Interviews Kyaka II, 2025). Hybrid savings practices combine MTN and Airtel Money with women's savings groups, which remain the most trusted mechanism for pooling funds and accessing emergency credit. Formal credit is largely inaccessible: despite legal recognition of refugee status, banks routinely require Ugandan IDs or collateral.

Three failures undermine system performance: (i) high transaction costs and mobile money taxes that erode value at small ticket sizes (Seedstars, 2021); (ii) a persistent policy–practice gap in which refugee IDs, though legally recognised, do not reliably unlock account upgrades, formal credit, or cross-border services (UNHCR, 2025c; Interviews Kampala, 2025); and (iii) settlement frictions including patchy connectivity, sparse agent networks, and long distances to service points (GSMA, 2023). A further fault line affects self-settled refugees: those who relocate from settlements to Kampala or secondary towns such as Arua, Gulu, or Hoima typically remain registered at a settlement they no longer inhabit, falling into administrative invisibility with no current location-appropriate documentation that FSPs in their new locations will accept (World Bank, 2016; Hovil, 2018).

Figure 8: Flow of financial activity of refugee women in Uganda



Note: Analysis based on an accumulation of secondary research and in-depth interviews with 18 refugee women in Kyaka II settlement, as well as 10 Urban refugees from Kampala in Uganda.

Cross-cutting constraints: A comparison of Uganda and Kenya

Four interconnected categories explain why digital and formal financial access remains shallow in both countries. These map onto the MSD framework: technological infrastructure and capability sit primarily within supporting functions; power dynamics shape demand-side behaviour at the core; and institutional coordination operates within rules and norms.

Table 8: Comparative constraint matrix for Kenya and Uganda

Dimension	Kenya	Uganda
Technological Infrastructure	Inconsistent acceptance of Alien IDs and mandate certificates; weak camp infrastructure; persistent fraud and reversal scams	High mobile money taxes and transaction fees; sparse settlement agents; banks require Ugandan IDs despite legal recognition
Capability	Time poverty (16 to 18 hour workdays); negative peer learning amplifies fraud fears; absence of Shari’ah-compliant products excludes Somali refugee women	Sharp urban–settlement gap in training coverage; product interfaces assume baseline literacy; uneven digital trust
Power Dynamics	Persistent ubabedume in some households; documentation barriers create dependence on male relatives; high physical insecurity (phone theft, wakora attacks)	Urban–settlement divergence: Kampala women more autonomous; in settlements, men retain control over household resources despite women’s earnings
Institutional Coordination	No transition pathway from humanitarian wallets to commercial accounts; same ID accepted by one provider, rejected by another	Weak BoU enforcement of inclusive frameworks; centralised OPM processing; self-settled refugees fall outside the registration architecture

A single underlying dynamic links these four buckets: no actor in either system bears sufficient cost from inaction to drive coordination. Humanitarian agencies are accountable for disbursement and coverage rather than long-term financial integration. FSPs see limited commercial upside in onboarding humanitarian wallet users without de-risking, and AML/CFT compliance cultures penalise inclusion of non-standard customer profiles more than exclusion. Regulators face no political imperative to enforce the refugee-inclusive provisions of the CRRF, the Refugees Act, or related KYC frameworks. The result is a classic collective action problem in which refugee women bear the cost of a system that no single actor is responsible for fixing (Dhawan & Zollmann, 2023; AFI, 2024; Omata, 2022). This diagnosis provides the bridge to the Political Economy Analysis in Section 4.

Comparative assessment Uganda and Kenya

The preceding country analyses reveal that while both Kenya and Uganda have functioning digital finance ecosystems, refugee women's inclusion is shaped by distinct binding constraints. Using the three-level MSD 'pyramid' lens this comparative assessment identifies where interventions are most likely to unlock systemic change in each context.

INDIVIDUAL <i>End-user capabilities & constraints</i>		
<i>Women in both contexts navigate irregular incomes and heavy care burdens, but the frictions that shape DFS usage differ.</i>		
	Kenya	Uganda
Primary friction	Documentation unpredictability: Alien ID acceptance varies by provider	High costs: transaction taxes and fees erode small balances
Trust & security	Lower trust due to fraud, PIN theft, reversal scams	Higher trust in mobile money, but cost deters usage
Physical factors	Insecurity discourages public phone use	Settlement distance limits agent access

COMMUNITY <i>Informal mechanisms & market infrastructure</i>		
<i>VSLAs and savings groups act as the primary 'financial spine' in both countries, but surrounding infrastructure differs.</i>		
	Kenya	Uganda
Digital rails	Strong M-Pesa (83% penetration)	Mature MTN/Airtel infrastructure
Last-mile access	Weak in refugee-hosting areas (agents, network)	Sharp urban vs. settlement divide
Key barrier	Fragmented humanitarian–market pathways; women 'stuck' between aid and commercial services	Provider practice: banks require Ugandan IDs despite legal recognition of refugee documents

POLICY & REGULATORY <i>Frameworks, enforcement & systemic enablers</i>		
<i>Both countries have progressive frameworks, but implementation gaps differ in nature.</i>		
	Kenya	Uganda
Policy environment	Globally advanced DFS ecosystem	Progressive refugee frameworks (CRRF, right to work)
Implementation gap	Inconsistent KYC enforcement across providers	Policy–practice gap: banks don't honour refugee IDs
Systemic barrier	Weak humanitarian → commercial transition pathways	Cost structures erode value; weak BoU enforcement

The analysis reveals two distinct inclusion challenges shaped by each country's structural strengths and weaknesses. In Kenya, the binding constraint is *documentation unpredictability*. Despite world-class mobile money infrastructure with 83% M-Pesa penetration (GSMA, 2023), refugee women remain caught between humanitarian and commercial systems due to inconsistent KYC enforcement and weak last-mile infrastructure in refugee-hosting areas (AFI, 2024; primary interviews, Kenya, 2025). Trust is further eroded by fraud, PIN theft, and reversal scams (primary interviews, Kakuma, 2025). In Uganda, by contrast, the binding constraint is *cost*. Progressive refugee policy grants formal rights to work and access services under the CRRF framework (UNHCR, 2025), yet transaction taxes, high fees, and a persistent gap between policy and bank practice undermine the value proposition of digital finance for low-income users (AFI, 2024; primary interviews, Uganda, 2025). Banks routinely reject legally valid refugee IDs despite regulatory provisions permitting their use (interviews, Kampala, 2025).

The available data points illustrate where displacement-specific and shared barriers can be analytically distinguished. In Uganda, only 34% of refugees use formal financial services compared to 58% of the host population (UNHCR, 2025c). While some of the barriers documented in this analysis affect both populations, this gap suggests that displacement-specific factors account for a significant additional layer of exclusion. The documentation barriers (banks rejecting legally valid refugee IDs), the absence of structured pathways from humanitarian cash systems into commercial finance, and FSP risk perceptions associated with non-citizen status are not experienced by host community women. In Kenya, although comparable disaggregated data is more limited, the MSD analysis indicates that the binding constraints for refugee women are structurally distinct from the financial inclusion challenges facing low-income host community women, who may face affordability and literacy barriers but retain the fundamental advantage of recognised citizenship documentation. These observations are indicative rather than conclusive, given that a systematic comparative analysis was outside the scope of this study. However, they are suggestive of the fact that the displacement-specific constraints identified in this report are not reducible to broader poverty or gender dynamics.

Notably, in both contexts, informal savings groups (VSLAs, chamas) function as the de facto financial infrastructure for refugee women, filling gaps that formal systems fail to address (FSD Kenya, 2017; CARE International, 2024; primary interviews, 2025). This suggests that effective interventions must not bypass these community mechanisms but rather build digital bridges to them. The divergence in bottlenecks also implies that a one-size-fits-all fintech solution will underperform: Kenya requires regulatory harmonisation and trust-building, while Uganda demands cost reduction and enforcement of existing rights. What unites both contexts is the need for coordinated action across multiple levels of the market system (end-user, community, and policy) to translate access into meaningful, sustained financial inclusion (CGAP, 2021; AFI, 2024). The following section identifies five ecosystem leverage points where fintech innovation, policy reform, and market development can converge to unlock meaningful financial inclusion for refugee women in both contexts.





4. Political Economy Analysis

The MSD analysis presented in this report maps actors, constraints, and leverage points across the financial ecosystem for refugee women in Kenya and Uganda. However, a full understanding of why the system underperforms, and why interventions so frequently fail to achieve scale, requires an additional analytical layer: a political economy perspective (PEA). Policy frameworks such as the CRRF, national financial inclusion strategies, and refugee acts represent important formal commitments, but the report has noted repeatedly that implementation gaps persist. A PEA lens helps explain these gaps by unpacking the incentives, power relations, and institutional constraints that shape how state actors, financial service providers, and the private sector behave, as opposed to how formal frameworks intend them to behave.

Limited incentives for regulators and the private sector to prioritise refugee women

From a political economy perspective, a central question is why regulators, financial institutions, and mobile network operators have limited incentives to prioritise refugee women as a viable market segment, despite the existence of enabling policy frameworks. Several structural incentive dynamics constrain action. First, refugee women represent a small, geographically concentrated, and administratively complex customer segment. Their transaction volumes are low, their documentation is non-standard, and compliance costs associated with onboarding them are disproportionately high relative to short-term commercial returns. For profit-driven FSPs and MNOs, there is no compelling business case without blended finance instruments or regulatory pressure. Second, regulators operate in political environments where refugee inclusion is not always a priority, and in some cases may be actively deprioritised due to political sensitivities around refugee hosting. The incentive structure for central banks and financial supervisors is more aligned with systemic stability and broad financial sector development than with inclusion of specific marginalised groups. Third, operational partners (NGOs, humanitarian agencies) that do work with refugee women often face short project cycles, limited mandates to engage with private-sector actors, and weak accountability mechanisms for driving systemic change. Their incentive is to demonstrate impact within programme parameters, not necessarily to catalyse market transformation.

Political and security dynamics shaping refugee policy and private sector behaviour

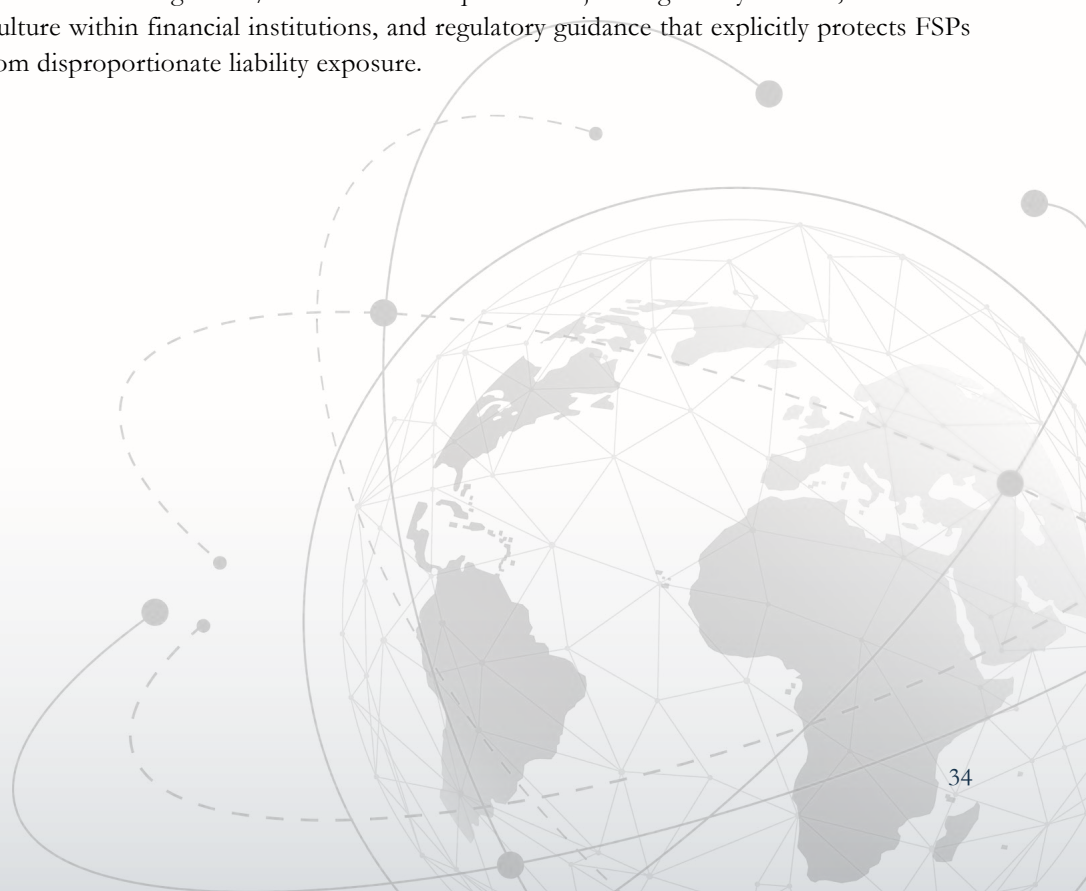
The political and security context around refugee policy (particularly in Kenya) has a direct bearing on private sector behaviour and investment decisions in refugee contexts. Kenya's historical encampment model, driven by national security concerns and political pressures related to the management of large refugee populations in Dadaab and Kakuma, has created a risk-averse environment for private sector engagement. Periodic policy reversals, threats of camp closure, and politically driven restrictions on refugee movement introduce significant uncertainty for any FSP or fintech considering sustained investment in refugee-serving infrastructure or products. Private sector actors weigh not only commercial viability but reputational and political risk: association with a politically contested population group can expose them to regulatory scrutiny or public backlash. This dynamic is less pronounced in Uganda, where the Self-Reliance Model and CRRF framework reflect a more stable political commitment to refugee integration, however, implementation is undermined by resource constraints and donor dependency that create their own political economy dynamics. The recent introduction of the Shirika Plan in Kenya signals a potential shift in this political landscape, but its ultimate impact on private sector incentives will depend on sustained political will and operationalisation at the implementation level.

AML/CFT regulations, risk perceptions, and compliance culture as constraints on FSP innovation

Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) legislation represents one of the most significant structural constraints on FSP innovation for refugee women, operating through three interconnected mechanisms (KNOMAD Working Paper 33, 2018).

- First, compliance culture within financial institutions leads to highly conservative interpretations of AML/CFT obligations when dealing with non-standard customer profiles. Even where regulators have introduced proportionate or tiered KYC frameworks, front-line compliance officers and risk teams tend to default to the most restrictive interpretation to minimise institutional liability. Refugees, particularly those from East African countries associated with regional conflict or informal remittance systems, are often stereotyped as high-risk categories, regardless of individual transaction profiles.
- Second, liability concerns discourage product innovation. FSPs that develop tailored refugee-inclusive products face the risk of regulatory sanction if any of their customers are later found to have engaged in money laundering or terrorism financing. In an environment where compliance functions are risk-averse and under-resourced, this creates strong institutional pressure to exclude marginalised populations rather than develop proportionate risk management approaches.
- Third, de-risking by correspondent banks further compounds these dynamics. In the remittance sector particularly, international correspondent banks have withdrawn from markets perceived as high-risk, including many in East Africa, raising transaction costs and reducing the range of formal remittance providers willing to serve refugee populations.

The PEA lens therefore suggests that addressing AML/CFT barriers requires not just regulatory reform, but active engagement with the compliance culture within financial institutions, and regulatory guidance that explicitly protects FSPs that serve refugees in good faith from disproportionate liability exposure.





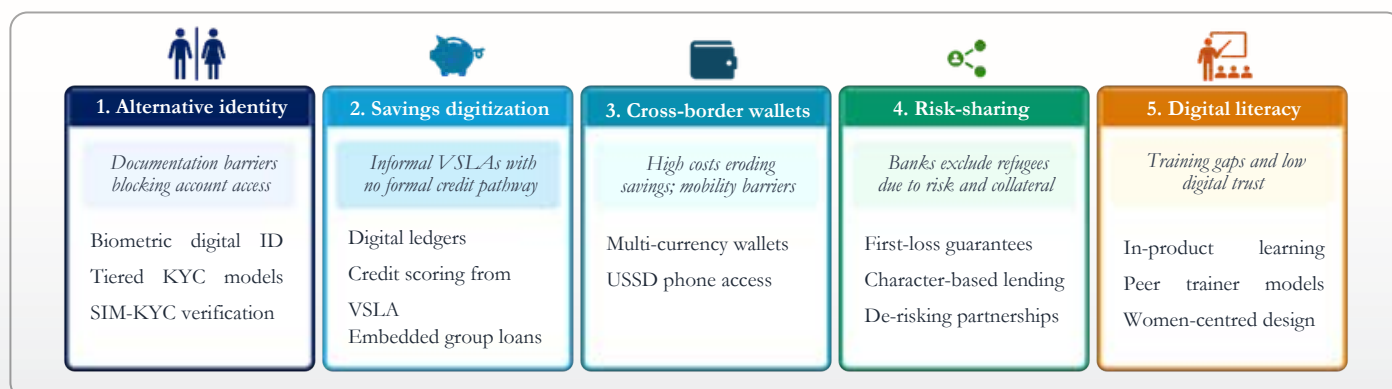
5. Ecosystem leverage points: fintech solutions

Within an MSD framework, leverage points represent strategic locations within a market system where targeted interventions can catalyse disproportionate, sustainable change. Rather than addressing symptoms of exclusion through direct service delivery, leverage points focus on shifting the underlying incentives, relationships, and capacities of market actors - enabling systemic transformation that persists beyond programme cycles (Springfield Centre, 2015; Sida, 2021).

Identifying leverage points requires understanding where constraints originate and which actors are best positioned to drive change. In the context of refugee women's financial inclusion, leverage points exist at multiple system levels: they may address *technological infrastructure* gaps (connectivity, identity verification, digital rails); *capability* constraints (literacy, trust, product understanding); *power dynamics* (gender norms, household control, mobility restrictions); or *institutional coordination* failures (fragmented humanitarian-market systems, policy-practice gaps, inconsistent enforcement).

The following leverage points identify where fintech solutions can address the systemic constraints documented in the Kenya and Uganda MSD analyses. Each leverage point is grounded in the constraint mapping presented earlier and illustrated with examples of actors already demonstrating impact in the East African corridor. These are not exhaustive prescriptions but rather evidence-based entry points where innovation, investment, and coordination can unlock meaningful, scalable change for refugee women's financial inclusion.

Figure 9: Key leverage points for addressing constraints in financial access and usage of refugee women in Kenya and Uganda



5.1. Alternative identity and tiered KYC solutions

Constraint addressed: Documentation barriers blocking SIM registration, wallet upgrades, and bank account access; inconsistent KYC enforcement across providers.

Documentation requirements represent one of the most persistent structural barriers to refugee women's financial inclusion. In Kenya, Alien IDs and refugee 'mandate' documents are inconsistently accepted by MNOs and banks, forcing women to register SIMs under others' names, thereby creating security vulnerabilities and limiting recourse when theft or fraud occurs. In Uganda, while refugee IDs are legally recognised, banks frequently require Ugandan national IDs or passports, effectively excluding refugees from formal credit despite progressive policy frameworks.

Fintech solutions:

- Biometric-backed digital identity systems enabling KYC without traditional documentation
- Tiered KYC models allowing basic account access with minimal information, upgrading with usage history
- SIM-KYC leveraging mobile number verification for simplified onboarding
- Blockchain-based portable identity enabling cross-border recognition

Key actors: *Smile ID* provides pan-African identity verification with 99.8% accuracy across skin tones and has partnered with Mastercard for scale (Smile ID, 2024; Mastercard Press Release, 2023). *Leaf Global Fintech* offers a blockchain-based wallet accepting alternative IDs with USSD access for feature phones (Leaf Global Fintech, 2024; Village Capital, 2023). Central banks in both Kenya and Uganda are developing regulatory frameworks for tiered KYC implementation that could formalise pathways for refugee inclusion (AFI, 2024). Yet the technology has outpaced the institutional willingness to adopt it. FSPs' compliance departments consistently default to the most restrictive interpretation of AML/CFT rules, and in the absence of explicit guidance from regulators protecting institutions that onboard refugees in good faith, tiered KYC remains a regulatory possibility rather than an operational reality (IFAD, 2024; AFI, 2024).

5.2. Savings group digitisation and credit history building

Constraint addressed: VSLAs and chamas operating informally with no pathway to formal credit; women lack credit history despite strong repayment records.

Community-based savings mechanisms - VSLAs, chamas, and rotating savings groups—form the backbone of refugee women's financial lives in both countries. These systems provide trusted savings, emergency credit, and social support in environments where formal services remain inaccessible. However, their informal nature means that years of consistent participation and repayment generate no verifiable credit history, leaving women unable to access larger loans from formal providers. Governance challenges including theft, leader exclusion, and contribution failures further limit their effectiveness.

Fintech solutions:

- Digital ledger applications creating verifiable transaction records for savings groups
- Automated share-out calculations reducing meeting time and increasing transparency
- Credit scoring based on VSLA participation history enabling formal loan access
- Embedded loans designed specifically for savings group members

Key actors: *Ensibuuko/Chomoka* serves over 131,000 users across six countries and holds a microfinance license in Uganda enabling direct lending to VSLA members (CARE International, 2024). *CARE International's* network of over 20 million VSLA members globally provides scale, and their strategic investment in Ensibuuko demonstrates commitment to bridging informal and formal finance (CARE International, 2024). *biveonline* uses blockchain technology to create digital track records that support MFI credit decisions (GSMA, 2023). Reaching scale, however, requires more than technology. Licensing, integration with national payment systems, and building trust with MFIs (who may view digitised savings groups as competitive threats to their own lending pipelines rather than as complementary infrastructure) remain significant barriers. Previous digitisation attempts in refugee settings, including in Kyaka II, have also faltered when digital confidence and technical reliability could not keep pace with deployment (Seedstars, 2021).

5.3. Cross-border wallets and low-cost remittances

Constraint addressed: High mobile money costs eroding savings; inability to transport value across borders; exclusion from formal remittance channels.

Refugee women in both countries face significant friction in cross-border financial flows. In Uganda, national mobile money taxes and high withdrawal fees erode the value of savings and remittances, with women reporting that they limit transactions specifically to avoid costs. Cross-border mobility barriers further constrain trade and remittance receipt, with bureaucratic delays in permit processing and lack of travel documentation creating structural exclusion from diaspora support networks.

Fintech solutions:

- Multi-currency digital wallets enabling cross-border storage and transfer
- USSD interfaces ensuring access for feature phone users without smartphones
- Integration with local mobile money for last-mile cash-in/cash-out

Key actors: *Leaf Global Fintech* operates a Stellar blockchain-powered wallet live in Kenya, Uganda, and Rwanda with both USSD and smartphone access. *Kotani Pay* provides USSD-based stablecoin access for unbanked populations, enabling feature phone users to benefit from blockchain efficiency without requiring smartphones or internet connectivity. Existing *M-Pesa* and *MTN Mobile Money* infrastructure provides the critical last-mile cash-in/cash-out layer.

5.4. Risk-sharing facilities and collateral-free lending

Constraint addressed: Banks exclude refugees due to perceived risk and lack of collateral; no formal credit products designed for displaced populations.

Despite progressive policy frameworks in Uganda and the scale of refugee economic activity in Kenya, formal credit remains largely inaccessible to refugee women. Banks cite perceived risk and lack of collateral as primary barriers, even when women operate viable businesses with years of trading history. The gap between policy recognition (particularly under Uganda's CRRF) and actual banking practice represents a systemic coordination failure that individual women cannot overcome.

Fintech solutions:

- Risk-sharing facilities de-risking bank lending to refugee populations
- Character-based lending focusing on capacity to repay rather than collateral
- First-loss guarantees incentivising FSP expansion into underserved markets
- Performance-based incentives promoting women-led business financing

Key actors: The *IFC-Equity Bank Partnership* represents a landmark \$20 million risk-sharing facility - the first globally dedicated to refugee financial inclusion - launched in Kakuma in February 2025 (see case study below) (IFC Press Release, October 2024; Equity Group Foundation, 2025). The *IKEA Foundation* has piloted loan guarantee funds in Kenya and Uganda (2021-2025) (IKEA Foundation, 2021). The *Women Entrepreneurs Finance Initiative (We-Fi)* provides 40% first-loss guarantees specifically for women-led businesses (World Bank We-Fi, 2024). *4G Capital* offers unsecured cash loans with integrated enterprise training for informal sector operators (4G Capital, 2024). Replicating these models beyond single-institution pilots faces a constraint: other banks require evidence that refugee lending is commercially viable at scale, yet only active lending programmes like the IFC-Equity facility can generate that evidence. Until portfolio performance data becomes a public good and regulators signal that refugee exclusion carries supervisory consequences, the commercial banking sector's risk calculus is unlikely to shift.



Case Study 1: IFC-Equity Bank risk sharing facility (Kenya)

Addressing: Collateral barriers, bank exclusion, fragmented humanitarian-market systems

Overview

In October 2024, IFC announced a landmark \$20 million Risk Sharing Facility (RSF) with Equity Bank Kenya, the first globally dedicated to financial inclusion for refugees and their host communities. Launched in Kakuma, Turkana County in February 2025, the facility targets 14 marginalized counties including Turkana and Garissa, which host the Kakuma, Kalobeyei, and Dadaab refugee camps.

Innovation Model

- Risk-sharing structure: IFC assumes 50% of exposure (\$10 million), de-risking bank lending to refugee populations
- Character-based lending: Focus on capacity to repay rather than collateral requirements
- Women's financing incentive: We-Fi provides 40% first-loss guarantee plus performance-based incentive for women-led businesses
- Non-financial services: Financial literacy training and agribusiness capacity building through Equity Group Foundation
- PROSPECTS Partnership: Additional \$4 million investment supporting long-term development for forcibly displaced persons

Constraints

Constraint	Solution
Banks require collateral refugees lack	Character-based lending, risk-sharing removes bank's first-loss exposure
High perceived risk deters FSP expansion	IFC de-risking creates proof of concept for commercial viability
Women excluded from formal credit	We-Fi guarantee specifically incentivizes women-led business financing
No pathway from humanitarian aid to market systems	Partnership positions refugees as entrepreneurs, not beneficiaries

Expected Impact

- Coverage: 14 counties, 28 branches serving marginalized communities
- Target: Contributing to ARRP goal of 5 million businesses and 25 million jobs by 2030
- Market context: IFC study identified \$56 million annual consumable market in Kakuma alone
- Replication: Expected to serve as model for similar initiatives across Africa

5.5. Embedded digital literacy and women-centred design

Constraint addressed: Training inaccessibility for working women; product interfaces assuming literacy; no gender-responsive service design.

Capability constraints extend beyond basic literacy to encompass digital confidence, product understanding, and trust. In Kenya, women working 16-18 hour days cannot attend standalone training programmes, while negative peer learning, where community fraud stories amplify fear - creates psychological barriers to adoption. In Uganda, older women in settlements avoid digital tools entirely, and the urban-settlement divide in training coverage leaves rural women systematically underserved. Product interfaces that assume literacy and smartphone access compound these exclusions.

Fintech solutions:

- Digital skills training embedded within financial products rather than separate programming
- Peer trainer models using 'Digital Transformation Agents' within savings groups
- Voice-based and icon-based interfaces for low-literacy users
- Women-centred design processes co-creating products with target users can go a long way in matching users with the right products.

Key actors: *Ensibuuko* has trained over 239,000 VSLA members in digital literacy through its Digital Transformation Agents embedded in each savings group (GSMA Mobile for Development, 2023). *GSMA Mobile for Development* funds digital skills training kits for rural customers. *CARE International's* Women-Centred Design methodology ensures products are co-created with refugee women rather than designed for them. *IRC Re:Build* implements a five-year project empowering 20,000 urban refugees in Nairobi and Kampala through integrated livelihoods and financial capability programming (IRC Re:Build, 2023).





Case Study 2: Patapia: Refugee-founded Fintech (Uganda)

Addressing: Refugee exclusion from traditional finance, lack of collateral, women's economic vulnerability

Overview

Patapia is a refugee-founded social enterprise providing digital microfinance solutions and business training to refugee women in Uganda. Founded by Rebecca Aime—a Congolese refugee who arrived in Uganda in 2010 and experienced firsthand the exploitation and barriers facing displaced women: Patapia operates as "a bank for the unbankable." The company has been supported by the Seedstars FIWAM program under ILF GIF, GSMA Mobile for Development, Echoing Green, and the Social Innovation Academy (SINA).

Founder's story

When Rebecca's family arrived as refugees, her mother - the sole provider - was injured working as a house-helper and could no longer walk. At 13, Rebecca dropped out of school to become the family breadwinner, working as a hawker where she experienced violence and exploitation. In 2016, she joined SINA, which empowers marginalized youth to transform challenges into social enterprises. "I wanted to support people like my mother so that their children don't go through the kind of life I had to," she explains. Patapia launched in 2020 with just \$2,000.

Innovation model

- Collateral-free microloans: Character-based lending through peer groups; group guarantee model
- Business training: "Start and Grow Your Business" program integrated with loan access
- Digital platform: USSD interface enabling savings groups, loan access, and training via mobile phones
- Field agents: Assigned agents provide ongoing support as women build businesses
- Innovation Academy: Trains refugee youth to become social innovators and entrepreneurs

Constraints

Constraint	Solution
Banks require collateral refugees lack	Group guarantee methodology; peer accountability replaces collateral
Women lack business skills to start enterprises	Integrated business training with every loan; mentorship from trained agents
Digital literacy gaps among older/less educated women	USSD interface in Swahili; field agents provide hands-on support
Humanitarian aid dependency with no pathway to enterprise	Market-based approach creating sustainable livelihoods beyond handouts

Impact evidence

- Scale: Over 1,000 refugee women financed; 1,020+ trained through Patapia Innovation Academy
- Repayment: 100% repayment rate using group guarantee methodology
- Geographic reach: Operations in Kampala; expansion planned to Rwamwanja and Kyaka II settlements
- Recognition: Echoing Green Fellow 2022, Acumen Fellow 2023, GSMA grantee
- Vision: To become a "global bank for refugees" across East Africa and beyond

From leverage points to systemic change

The leverage points identified above do not operate in isolation. Alternative identity solutions enable access to digital rails; digitised savings groups create the credit history needed for risk-sharing facilities to function; embedded literacy builds the capability to use cross-border wallets effectively; and women-centred design ensures that all interventions address rather than reinforce existing power imbalances. Effective intervention requires recognising these interdependencies and coordinating across leverage points rather than addressing each constraint in isolation.

The actors demonstrating impact in this space, from established players like Equity Bank and Safaricom to refugee-founded enterprises like Patapia, illustrate that commercial viability and inclusion are not mutually exclusive. Their experiences inform the case studies that follow, providing concrete evidence of how fintech innovation can bridge the formal-informal divide and contribute to sustainable, gender-equitable financial systems in refugee-hosting contexts.





6. Conclusion

This study set out to examine how refugee women in Kenya and Uganda earn, save, borrow, and manage financial risk within informal and formal systems; to assess opportunities to digitize community-based financial practices; and to analyse the regulatory and institutional barriers shaping their access to DFS. Using a Market Systems Development (MSD) lens, the research mapped the core functions, support functions, and rules that collectively shape refugee women's financial inclusion outcomes. By triangulating primary interviews with refugee women in camps and urban areas and extensive secondary documentation, we identified the systemic root causes that constrain access and effective usage, notably infrastructural gaps, capability deficits, gendered power dynamics, and weak institutional coordination across humanitarian, regulatory, and financial actors.

Across both countries, the study finds that refugee women are highly active economic agents who sustain households through diverse informal micro-enterprises, yet their financial practices remain shaped by volatility, low margins, and restricted access to formal credit and savings mechanisms. While digital finance has lowered barriers to participation, meaningful inclusion is hindered by inconsistent documentation acceptance, uneven digital literacy, high transaction costs, and the persistence of parallel humanitarian and commercial systems that fail to integrate or sequence financial access pathways.

Kenya's digitally advanced ecosystem provides strong rails for mobile money but is undermined by fragmented KYC enforcement, camp-level infrastructure weaknesses, and widespread digital fraud that erodes trust. Uganda's more progressive refugee policy environment enables mobility and entrepreneurship, yet structural constraints—high mobile money taxes, sparse agent networks in settlements, and banks' persistent refusal to recognise refugee IDs—prevent refugee women from transitioning beyond basic mobile money usage. In both contexts, gender norms and household power relations continue to shape control over devices, income, and financial decision-making, limiting the extent to which digital tools translate into real agency.

Overall, the findings underscore that financial exclusion is not driven by lack of demand, but by systemic misalignments between product design, institutional practices, regulatory frameworks, and the lived realities of refugee women. The coexistence of informal community finance and emerging DFS solutions represents both a constraint and an opportunity: these informal mechanisms remain the backbone of refugee women's financial lives, yet they are rarely leveraged as structured entry points into formal financial systems. Addressing the root causes identified across the MSD framework, rather than symptoms, will be essential for advancing sustainable, gender-responsive financial inclusion that strengthens resilience and enhances economic participation.



7. Recommendations

The recommendations below translate the study's analytical findings into a sequenced reform pathway for donors, investors, and operational partners. Rather than presenting a comprehensive menu of actions, they are organised by time horizon (short, medium, and long term) and assessed against four criteria: impact, feasibility, cost, and dependency on prior actions.* This structure reflects a core finding of the MSD and political economy analysis: that interventions targeting refugee women's financial inclusion are interdependent, and their effectiveness depends on the order in which systemic constraints are addressed. Short-term actions build the demand-side readiness and data foundations that make medium-term regulatory reform viable, which in turn creates the conditions under which long-term systemic coordination can take hold.

Each recommendation also identifies the action type (programmatic, regulatory, fiscal, or multi-stakeholder/political) and the lead actors best positioned to drive implementation. This differentiation reflects the reality that programmatic interventions can proceed within existing mandates, whereas regulatory and fiscal reforms require engagement with central banks, national treasuries, and political processes that operate on longer timescales

Table 9: Recommendation prioritisation matrix

Recommendation	Horizon	Impact	Feasibility	Cost	Dependency	Lead Actor
1. Capacity building	Short	High	High	Low	None	Humanitarian agencies, refugee-led orgs, donors
2. VSLA digitisation	Short	High	High	Low-moderate	Rec. 1	Fintechs, VSLA networks, NGOs
3. KYC harmonisation	Medium	Very high	Moderate	Low	Rec. 6	Central banks, UNHCR, AFI
4. Cost reduction	Medium	High	Moderate	Moderate	Rec. 3	National treasuries, telecom regulators
5. Last-mile infrastructure	Medium	High	Moderate	High	Rec. 3	MNOs, DFIs, agent network operators
6. Humanitarian/commercial coordination	Long	Transformative	Low-moderate	Moderate	All preceding	UNHCR, DRS/OPM, central banks, IGAD
7. Gender-responsive design	Cross-cutting	High	Moderate	Low incremental	All time horizons	FSPs, fintechs, donors (via conditions)

Green = short-term; Blue = medium-term; Orange = long-term / cross-cutting

Short-term (12 to 18 months): building demand-side readiness

1. Build layered financial and digital capability programmes tailored to refugee women

Action type: Programmatic | **Lead actors:** Humanitarian agencies, refugee-led organisations, enterprises, with donor funding

This is the most immediately actionable recommendation and a precondition for the effectiveness of subsequent interventions. Training delivered through existing community structures (VSLAs, chamas, refugee-led organisations) requires no regulatory change, limited new infrastructure, and can be operational within existing programme cycles. Short, modular, practice-based training tied to real transactions (using USSD securely, understanding fees, identifying scams) and delivered through trusted community structures can strengthen confidence and reduce fraud vulnerability. For example, Patapia⁹, a Uganda-based social enterprise working with refugee women entrepreneurs, combines access to micro-loans with business and financial capability training, demonstrating how integrated support models can strengthen both financial inclusion and livelihood resilience. Training models must reflect women's time constraints (16 to 18 hour working days documented in Kenya), language diversity, and low-literacy contexts. The evidence from both countries shows that negative peer learning (community fraud stories amplifying fear) is a significant barrier; structured capability programmes can counter this by creating positive peer learning loops. A key risk is sustainability beyond donor programme cycles; capability building should therefore be embedded in community structures (VSLA governance, refugee-led organisations) that can maintain peer learning independently of external funding.

Impact: High. **Feasibility:** High. **Cost:** Low to moderate. **Dependency:** None.

2. Digitise and formalise linkages with community finance groups (VSLAs, chamas)

Action type: Programmatic | **Lead actors:** Fintechs, VSLA networks, NGOs

Rather than replacing informal systems, fintechs and FSPs should integrate them. Digital record-keeping for credit histories, bulk group wallets, low-cost insurance layers, and group-based KYC for account opening can be piloted within existing savings group networks using available platforms. These models bridge the informal/formal divide, leverage existing trust networks, and critically create the verifiable transaction data that later enables formal credit access through risk-sharing facilities (Recommendation 5). Transition costs fall primarily on fintechs, which will require donor de-risking or catalytic capital to develop and scale refugee-inclusive platforms given the low short-term commercial returns. This intervention can proceed in parallel with Recommendation 1, using the same community infrastructure.

Impact: High. **Feasibility:** High. **Cost:** Low to moderate. **Dependency:** Effectiveness increases with Recommendation 1.

Medium-term (2 to 4 years): regulatory and infrastructure reform

3. Strengthen proportional and consistently applied KYC for refugees

Action type: Regulatory | **Lead actors:** Central banks (CBK, BoU), UNHCR, AFI. Risk and transition costs borne by FSPs/MNOs updating compliance processes.

Harmonised KYC enforcement is the single highest-impact regulatory lever. In Kenya, consistent acceptance of Alien IDs and UNHCR documentation should be mandated across MNOs and banks, building on the new NFIS (2025 to 2028) and recent AML regulation reforms. In Uganda, enforcement mechanisms are needed to ensure banks operationalise CRRF commitments and formally accept refugee IDs. A single, interoperable refugee-inclusive KYC tier would reduce SIM dependency and expand access to accounts and credit. Alongside KYC reform, regulators and FSPs should support the development of alternative credit scoring models that use non-traditional data (VSLA participation records, mobile money transaction histories, utility payments) to assess creditworthiness for refugees who lack conventional credit histories. As documented in Section 4.2, refugee women in both countries demonstrate strong repayment behaviour within community finance groups, but this track record currently generates no verifiable credit history; enabling FSPs to incorporate such data into lending decisions would create a structured pathway from account access to productive credit. This recommendation is placed in the medium-term because it requires sustained engagement with central banks, MNO compliance teams, and refugee affairs authorities, and because the political economy analysis indicates that compliance culture within financial institutions will not shift without explicit regulatory guidance and accountability mechanisms.

Impact: Very high. **Feasibility:** Moderate. **Cost:** Low. Primarily enforcement and guidance. **Dependency:** Political will and institutional coordination (Recommendation 6).

4. Reduce cost barriers through pro-poor pricing models

Action type: Regulatory and market-level reforms | **Lead actors:** National treasuries, telecom regulators. Balancing inclusion objectives with fiscal revenue considerations

In Uganda, particularly, mobile money taxes and transaction fees reduce the affordability and value proposition of digital financial services for low-income users. Refugee women in both settlement and urban contexts reported limiting the frequency and size of transactions due to cost considerations. Addressing these barriers requires a combination of macro-level and market-driven approaches. At the policy level, governments and regulators could explore proportionate pricing approaches for low-value transactions, while balancing fiscal sustainability considerations. At the market level, fintechs and MNOs can play a key role in improving affordability through product innovation, lower-cost transaction models, bundled services, and operational efficiencies that reduce costs for end users without relying solely on subsidies. Any pricing reforms would require coordination between regulators, governments, and private-sector providers, particularly given the importance of mobile money revenues to national fiscal systems. As such, this should be viewed as a medium-term reform agenda rather than a short-term intervention.

Impact: High. **Feasibility:** Moderate. **Cost:** Moderate. Revenue trade-offs for government. **Dependency:** Strongest impact when combined with Recommendation 3.

5. Invest in last-mile DFS infrastructure and agent network density in refugee-hosting areas

Action type: Infrastructure investment | **Lead actors:** MNOs, DFIs, agent network operators. Capital costs shared via blended finance

Connectivity challenges in camps and settlements (network fluctuations in Kakuma and Dadaab, long travel distances to agents in Kyaka II) severely limit adoption. Subsidised agent onboarding, liquidity-support schemes, and fintech/MNO partnerships can expand reliable cash-in/cash-out points and reduce transaction friction. These are capital-requiring interventions that take time to operationalise. Critically, infrastructure investment yields limited returns if women cannot use the expanded services due to KYC barriers, which is why this recommendation is sequenced after KYC harmonisation. The private sector will not invest in agent network expansion in refugee-hosting areas without de-risking mechanisms (first loss guarantees, volume guarantees from humanitarian cash programmes) that reduce the commercial risk of serving low-margin geographies.

Impact: High. **Feasibility:** Moderate. **Cost:** High. **Dependency:** Effectiveness increases when KYC barriers are reduced (Recommendation 3).

Long-term (5+ years): systemic coordination and normative change

6. Improve coordination between humanitarian, regulatory, and financial actors

Action type: Multi-stakeholder / political | **Lead actors:** UNHCR, DRS (Kenya) / OPM (Uganda), central banks, IGAD. No single actor bears cost, donor convening and conditionality may be needed.

No single actor bears sufficient cost from fragmented systems to drive integration unilaterally; donor convening and conditionality may be needed. This could include linking funding to demonstrated coordination between humanitarian and financial actors, requiring alignment on documentation standards and KYC acceptance, and incentivising interoperability between humanitarian cash delivery systems and commercial financial services as part of programme design and funding agreements.

Parallel systems and discontinuous programming undermine long-term inclusion. The political economy analysis identifies this as a collective action failure. Establishing public/private/humanitarian coordination platforms requires sustained multi-stakeholder commitment to ensure sequencing from aid wallets to commercial accounts, consistent messaging on documentation, joint solutions to fraud and consumer protection gaps, and interoperability standards between humanitarian and commercial payment systems. At the regional level, the IGAD Nairobi Process and its Thematic Declaration on livelihoods and economic development for refugees provides an existing multilateral framework through which cross-border dimensions of financial inclusion (remittance corridors, portable identity, harmonised KYC standards) could be advanced; donors should leverage this process as a coordination platform rather than establishing parallel regional mechanisms.

This is the most structurally ambitious recommendation but also the one that determines whether the preceding interventions produce isolated improvements or systemic change.

Impact: Transformative. **Feasibility:** Low to moderate. **Cost:** Moderate. Primarily, coordination costs.

Dependency: Benefits from all preceding recommendations being in motion.

7. Embed gender-responsive design as a cross-cutting standard

Action type: Cross-cutting design standard **Lead actors:** FSPs, fintechs in product design; donors via funding conditions; regulators via reporting requirements

Rather than a standalone intervention, gender-responsive product and service design should be treated as a design principle embedded across all preceding recommendations. Capability programmes should address gendered power dynamics; KYC reform should consider women's specific documentation disadvantages; infrastructure investment should prioritise safe access points; and coordination mechanisms should include gender accountability. FSPs and fintechs should embed gender insights into product features, including privacy protections, flexible micro-credit aligned with irregular incomes, and safeguards for women facing intra-household financial control or phone access restrictions.

Evidence from both countries suggests that without deliberate gender-responsive design, interventions risk reinforcing rather than reducing existing power imbalances. While these measures are critical for improving women's access, usage, and immediate financial capabilities, broader shifts in economic empowerment and gender relations are likely to require additional, targeted interventions and analysis beyond product and service design.

Accountability for gender-responsive design should be built into donor funding conditions and regulatory reporting, rather than treated as a voluntary good practice. This also highlights priority areas for further analysis, including comparative assessment of outcomes between refugee women and men, differences across sub-groups of refugee women (e.g., by age, legal status, or livelihood), and the gender-specific risks associated with digital financial inclusion.

Impact: High. **Feasibility:** Moderate. **Cost:** Low incremental cost when integrated from the outset. **Dependency:** Applies across all time horizons.





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9. Appendices

Appendix I: Background and context

At the end of 2024, UNHCR report 123.2 million people to be forcibly displaced around the world (incl. Refugees, asylum seekers, internally displaced people, etc.). Women and children represent 70% of displaced populations and often face heightened barriers in host countries, while also playing a central role in sustaining household resilience and livelihoods. Women are key economic actors, particularly in caregiving and small-scale entrepreneurial activities that underpin local economies (UNHCR 2025: 7).

Kenya and Uganda are two key host countries for refugees fleeing conflicts in the surrounding region. Kenya receives displaced populations from Sudan, Ethiopia, and Somalia, while Uganda hosts large numbers of refugees from South Sudan, the Democratic Republic of Congo, and other neighbouring states. Together, these two relatively stable countries provide an important context for understanding refugee women's access to financial solutions that support their daily financial management and livelihood needs.

Kenya

As of 2025, Kenya hosts around 850.000 refugee and asylum seekers – primarily located in the two main refugee camps Dadaab (430.000) and Kakuma (225.000). Besides the camp sides, Kenya has ample urban refugee population living in the three largest cities Nairobi, Mombasa and Nakuru (114.000) (UNHCR Kenya Statistics 2025: 1-2). As such, Kenya forms a critical place for refugees with a lot of activity in the finance sphere – in particular in both camp sites, as well as in urban areas.

Within the refugee population in Kenya, women take on an active role in economic life. The diversity of markets forms a space where women frequently participate in operating their enterprises and engage in (informal) trade to support the household. In addition, the income generated through their economic activity makes them active on the consumption side, as well as through sending money back home through remittances. This active and participatory role in economic life in Kenya, combined with the scale of the refugee population present in the country, makes it a critical case that can support in enhancing the understanding of key barriers to their engagement in financial behaviour, as well as connecting them with solutions that can support their engagement with this.

Uganda

Uganda, on the other hand, remains Africa's largest refugee-hosting country as of 2025 (UNHCR 2025). As of 2025, 1.74 million refugees and asylum seekers are residing in the country, with around half of them being women and girls. The majority lives in settlements (around 92%) across the 12 districts, with around 8% being located in Kampala (idem: 3). It is within these settlement areas – such as Bidibidi, Kyaka, Kyangwali – that key economic activities are concentrated.

Both countries and their refugee population reflect the key focus areas for this research: refugee women are active in economic life through entrepreneurship, consumption, sending out money home through remittances, and other day-to-day economic activity that fosters refugee women to engage in financial transactions such as savings, money transactions and use of mobile money that can support this behaviour (UNHCR Uganda Strategy 2025; Kenya Statistics Package 2025: 1-2)

Appendix II: List of interviews conducted

Respondent name/ID	Interview type	Country of origin	Location	Occupation
Respondent 1	Refugee woman	Uganda (born in Kenya)	Kakuma camp	Small informal retail business
Respondent 2	Refugee woman	Uganda	Kakuma camp	Small shop (vegetables)
Respondent 3	Refugee woman	South Sudan	Kakuma camp	Vegetable trading
Respondent 4	Refugee woman	Sudan (Jonglei)	Kakuma camp	Charcoal trading
Respondent 5	Refugee woman	Somalia	Kakuma camp	Trader (Kakuma-Nairobi)
Respondent 6	Refugee woman	South Sudan	Kakuma camp	Salon owner
Respondent 7	Refugee woman	DRC	Kakuma camp	Chips (food vending)
Respondent 8	Refugee woman	Congo	Kakuma camp	Informal trade
Respondent 9	Refugee woman	Burundi	Kakuma camp	Micro-retail
Respondent 10	Refugee woman	Rwanda	Kakuma camp	Petty trade
Respondent 11	Refugee woman	South Sudan	Kakuma camp	Small informal business
Respondent 12	Refugee woman	Uganda	Kakuma camp	Food vending
Respondent 13	Refugee woman	Ethiopia	Nairobi (Eastleigh)	Informal services
Respondent 14	Refugee woman	South Sudan (born in Kakuma)	Kakuma camp	Informal trade
Respondent 15	Refugee woman	Ethiopia	Nairobi (Kayole)	Micro-entrepreneur
Respondent 16	Refugee woman	Somalia	Nairobi	Retail trading
Respondent 17	Refugee woman	South Sudan	Kakuma camp	Informal trade
Respondent 18	Refugee woman	South Sudan	Kakuma camp	Small business
Respondent 19	Refugee woman	Somalia	Kakuma camp	Retail
Respondent 20	Refugee woman	South Sudan	Kakuma camp	Food sales
Respondent 21	Refugee woman	South Sudan	Kakuma camp	Micro-business
Respondent 22	Refugee woman	South Sudan	Kakuma camp	Informal trade
Respondent 23	Refugee woman	Not specified	Kakuma camp	Cakes, mandazi, and groundnuts
Respondent 24	Refugee woman	Not specified	Kakuma	Small business
Respondent 25	Refugee woman	Not specified	Kakuma	Small business
Respondent 26	Refugee woman	Burundi (Eliala)	Kakuma camp	Small business
Respondent 27	Refugee woman	Burundi	Kampala (Lungujja)	Mobile money agent & bakery
Respondent 28	Refugee woman	DRC	Kampala (Rubaga)	NGO receptionist & SRHR peer educator
Respondent 29	Refugee woman	DRC	Kampala (Nabulagaala)	Food supplements & multi-activity micro-enterprise
Respondent 30	Refugee woman	DRC	Kampala (Biira)	Fish, vegetables & charcoal trading
Respondent 31	Refugee woman	DRC	Kampala (Bakuuli)	Hairdressing salon (employs 5)
Respondent 32	Refugee woman	DRC	Kampala (Zana)	Clothes & fish selling
Respondent 33	Refugee woman	DRC	Kampala (Rusaaze)	Tailoring, fabric retail & training
Respondent 34	Refugee woman	DRC	Kampala (Nabulagaala)	Hairdressing, tailoring & baking
Respondent 35	Refugee woman	DRC	Kampala (Makindye)	Crafts, clothes & remittances

Respondent 36	Refugee woman	Burundi	Kampala (Lungujja)	Mobile money agent & bakery
Respondent 37	Refugee woman	DRC	Kyaka II (Sweswe)	Food stall & poultry rearing
Respondent 38	Refugee woman	DRC	Kyaka II	Small business & remittances
Respondent 39	Refugee woman	DRC	Kyaka II (Sweswe)	Petty trade in food staples
Respondent 40	Refugee woman	DRC	Kyaka II (Itambabiniga)	Grocery trading
Respondent 41	Refugee woman	Rwanda	Kyaka II (Sweswe)	Farming (hired land) & poultry
Respondent 42	Refugee woman	DRC	Kyaka II (Byabakora)	Farming & pig rearing
Respondent 43	Refugee woman	DRC	Kyaka II (Mukondo)	Casual farm labour
Respondent 44	Refugee woman	DRC	Kyaka II (Mukondo)	Crop cultivation (maize, Irish potatoes)

Interviews with Key Stakeholders in the refugee space in Uganda and Kenya

Stakeholder	Notes	Stakeholder Category	Location
Inkomoko	A pan-African social enterprise and Africa's leading investor in displacement-affected communities, providing capital, business advisory, and market access to refugee and forcibly displaced entrepreneurs across Kenya, Rwanda, Ethiopia, South Sudan, and Chad	Regional director of MLE	Uganda & Kenya
Danish Refugee Council (DRC)	Refugee-focused humanitarian organisation, delivering protection, shelter, livelihoods support, and legal assistance to refugees and internally displaced persons across more than 40 countries.	DRC Regional Economic Recovery Coordinator	Uganda & Kenya
Danish Refugee Council (DRC)	Refugee-focused humanitarian organisation, delivering protection, shelter, livelihoods support, and legal assistance to refugees and internally displaced persons across more than 40 countries.	DRC's Economic Recovery Specialist – Economic Inclusion	Uganda & Kenya
FINCA	A global microfinance institution with dedicated operations in refugee-hosting regions, extending small loans, savings, and other financial services to displaced populations and low-income entrepreneurs who are typically excluded from formal banking systems.	Program Associate-The Refugees, Innovations, Self-reliance and Empowerment (RISE) project	Uganda
UNHCR	The United Nations Refugee Agency, mandated to lead and coordinate international action for the protection of refugees and stateless persons, while advocating for durable solutions including voluntary repatriation, local integration, and third-country resettlement.	Senior Regional Economic Inclusion Officer	Eastern Horn and Great Lakes Region in Africa

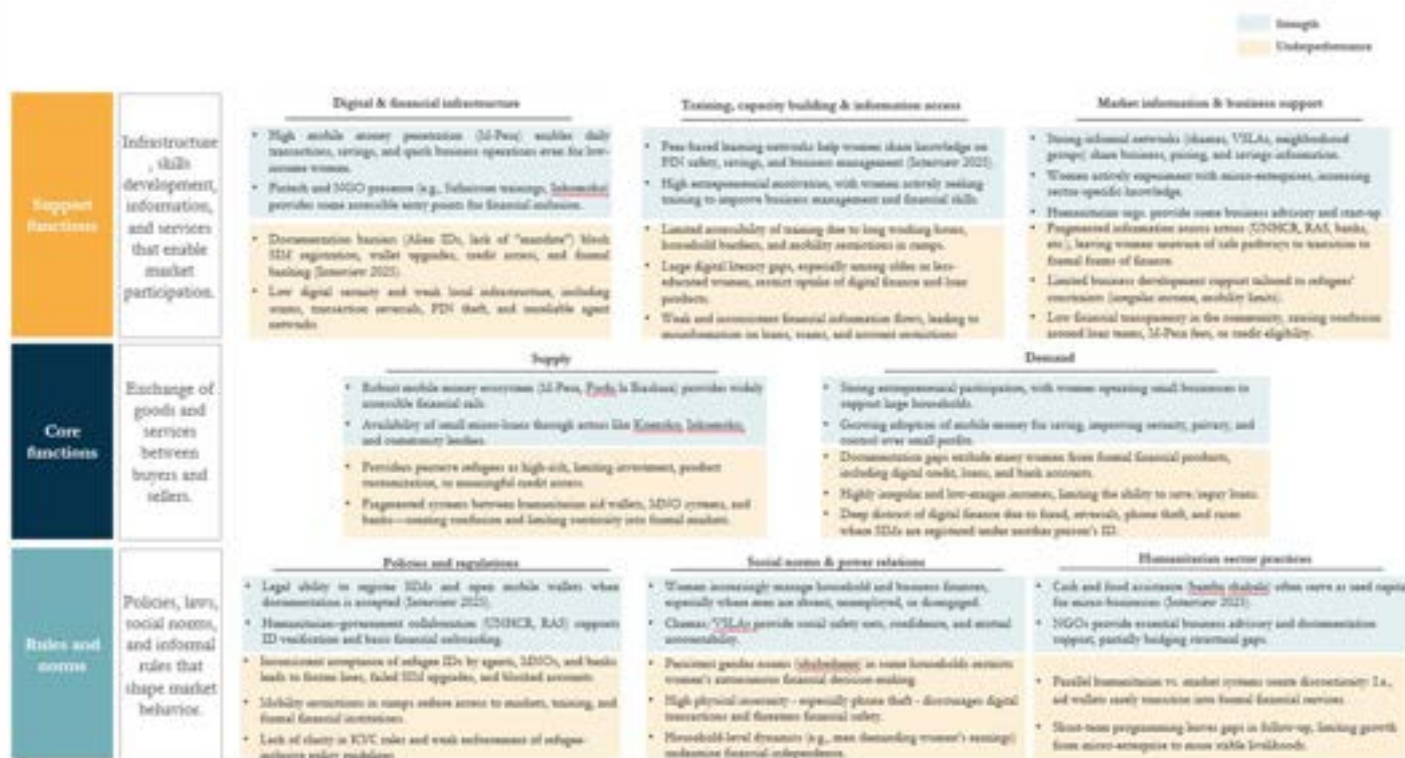
Appendix III: MSD Analysis Kenya & Uganda

MSD Analysis Kenya

Combining the insights from local challenges refugee women face on the ground with the key insights from the different functions currently at play in Kenya, the following MSD analysis provides key insights in what works well and points for improvement around enhanced access for refugee women. The following graphic showcases this analysis, outlining the key focus areas that from a systemic lens can contribute to bettering the situation of women

The MSD assessment for Kenya shows a financial ecosystem with strong digital foundations but persistent structural exclusion for refugee women. Kenya's mobile money system, one of the most advanced in Africa, provides an accessible platform for everyday payments, savings, and small-scale business operations (GSMA 2023; Seedstars 2021). Interview data confirm that refugee women widely rely on M-Pesa for secure saving, protecting money from theft, household appropriation, or impulsive spending (Interview, 2025). Support actors such as Safaricom, Inkomoko, and humanitarian organisations offer various training and microcredit opportunities (AFI, 2024; UNHCR 2025c). However, documentation barriers significantly restrict market inclusion: Alien IDs and refugee "mandate" documents are inconsistently accepted by MNOs and banks, blocking SIM registration, wallet upgrades, KYC verification, and access to formal credit (CGAP 2019; AFI 2024; Interview, 2025). Weak infrastructure in camps - limited agent networks, network instabilities, and high withdrawal charges - further undermines digital usage (Seedstars 2021; Interview, 2025). Fraud, PIN theft, and widespread distrust of digital systems also limit adoption, especially among older or less digitally literate women (FSD Kenya 2017; Interview, 2025).

Graph A: MSD analysis of key strengths and weaknesses in Kenyan market system



On the demand side, refugee women in Kenya demonstrate strong entrepreneurial behaviour, typically operating small, low-capital businesses to support households with 8–17 dependents (Interview, 2025). Their earnings remain highly irregular and survival-oriented, limiting savings capacity and reinforcing reliance on informal financial mechanisms. Chamas, rotating savings groups, and VSLAs form the backbone of financial participation, providing trusted savings and emergency credit in environments where formal services remain inaccessible (Seedstars 2021; Interview, 2025). Yet these systems remain fragile (vulnerable to theft, contribution failures, and liquidity constraints) and do not scale easily into larger credit opportunities (UNHCR 2025c). Gender norms show mixed patterns: while many women now independently manage finances, elements of ubabedume (male control) persist, influencing decision-making and limiting women's financial autonomy (Interview, 2025).

Overall, Kenya’s market system reveals strong digital rails but weak systemic integration, where regulatory inconsistencies, digital insecurity, and humanitarian–market fragmentation prevent refugee women from transitioning from informal survival strategies into stable, formal financial inclusion (AFI 2024; UNHCR 2025c; Seedstars 2021).

Kenya: systemic hurdles to DFS access and usage

The Kenya MSD analysis highlights how systemic barriers across technological infrastructure, capabilities, power dynamics, and institutional coordination collectively restrict refugee women’s ability to participate meaningfully in the digital financial system. Despite Kenya’s strong mobile money rails, inconsistent acceptance of refugee documentation by MNOs and banks continues to undermine access to SIM registration, wallet upgrades, and formal financial services (AFI 2024; CGAP 2019), with interviewed women reporting blocked lines or inability to open accounts in their own name. Weak camp-level infrastructure, including network instability, scarce agents, and high withdrawal charges, further reduces reliability (Seedstars 2021), while exposure to fraud, PIN theft, and reversal scams erodes trust, as illustrated by the interviewees who experienced significant financial losses.

Graph X: Analysis Kenyan system hurdles and key constraints

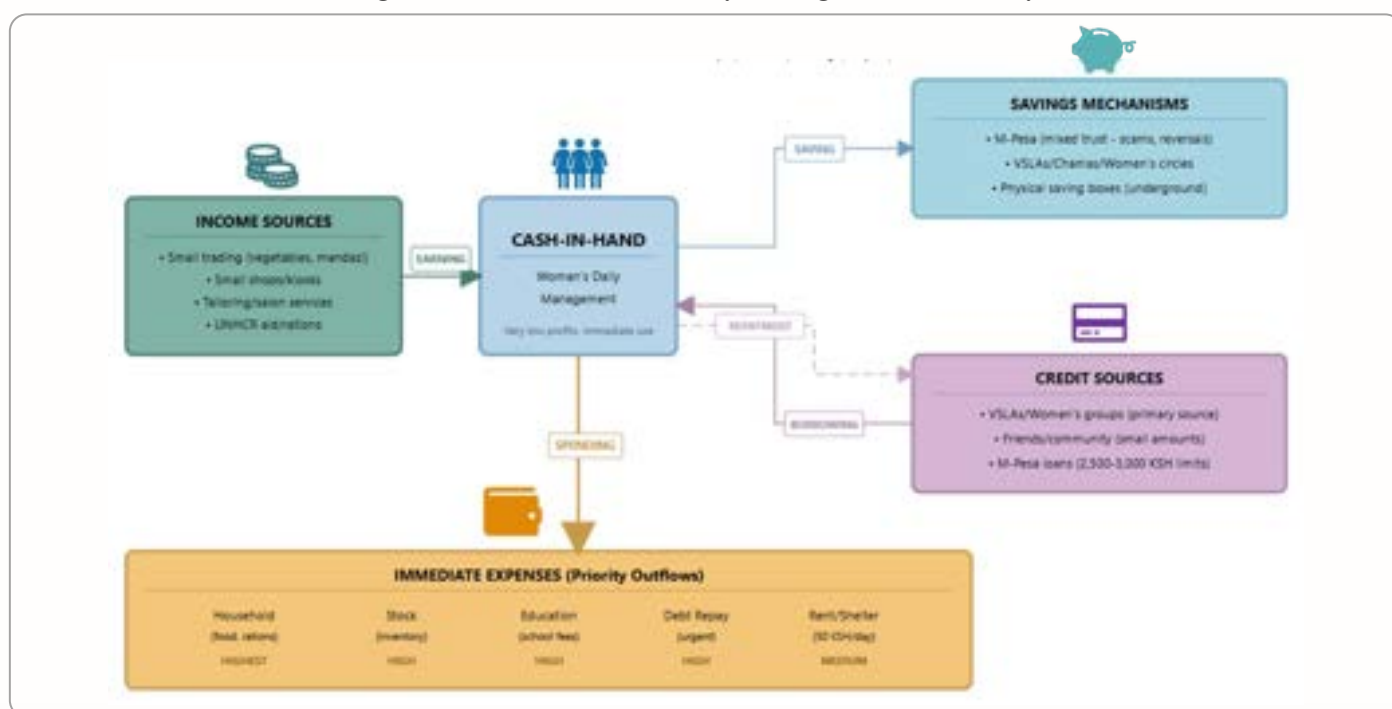
System hurdles	Power dynamics		Institutional coordination	
	Constraints		Root Causes	
	• Male control (“ubabedume”): Women must hand over earnings, while men make decisions despite women earning • Physical insecurity: Phone theft, “wakora” attacks scare women into avoiding using phones publicly • Financial dependency: Documentation forces reliance on male relatives • Hidden savings: Women bury money to prevent appropriation		• Fragmented systems: Aid wallets don't transition to commercial accounts limits credit history pathway • Inconsistent KYC: Same ID accepted by one provider, rejected by another showcases inconsistent integration • Short-term programming: Support ends abruptly with limited to no graduation pathways	
	• Entrenched gender norms from origin countries reinforced in camps • Weak law enforcement and economic desperation has shown to be driven crime • Documentation barriers create structural dependency • No gender-responsive service design		• No interoperable standards between humanitarian and commercial systems • Poor cross-agency communication • Donor-driven project cycles incentivize short-term delivery No regulatory enforcement of consistent KYC	
	Technological infrastructure		Capability	
	Constraints		Root Causes	
	• Documentation barriers: Alien IDs inconsistently accepted for SIM/wallet/bank access • Weak camp infrastructure: Transaction failures, network outages, sparse agents in Kakuma/Dadaab. • Persistent digital fraud exists: PIN theft, reversals, scam calls can and have led to significant losses (sometimes up to 50,000 KSH, as reported during an interview). • SIM dependency: Women's accounts registered under others'		• Digital literacy gaps: Women avoid M-Pesa due to fraud fear; older women are especially excluded • Training inaccessibility: long (16-18-hour) workdays prevent participation (interview 2015). • Weak product understanding: Confusion about loan terms, fees, and eligibility • Negative peer learning: Community fraud stories amplify fear	
	• Inconsistent regulatory guidance on refugee ID acceptance • Risk-averse compliance culture by key actors, especially banks and MNOs • Underinvestment in refugee-hosting regions • Weak consumer protection for mobile money • Low ROI perceptions deter agent expansion leading to a		• Limited formal education as displacement disrupted schooling • Training models not designed for working women • Fragmented humanitarian-provider communications • Product interfaces assume literacy which can be limited among refugees	

Capability challenges due to disrupted education, fragmented information flows, and limited digital literacy - create confusion around loan terms, eligibility, and safe mobile money use (UNHCR 2025c). Power dynamics such as *ubabedume* and high physical insecurity shape financial behaviour, forcing many women to hide money or avoid public phone use due to theft risks. Institutional coordination remains weak: humanitarian cash systems operate in parallel to formal finance, KYC enforcement is inconsistent across providers, and donor programmes often lack graduation pathways into commercial services (Seedstars 2021; UNHCR 2025c). Together, these systemic constraints explain why refugee women continue to depend on fragile informal mechanisms even within a digitally advanced national financial system.

Earning, saving, and accessing credit

Refugee women's financial lives in Kenya are anchored in informal, low-capital micro-enterprise, selling vegetables, chips, charcoal, tea, tailoring, or operating small kiosks and salons, often to sustain large extended households (commonly 9–17 dependents) (Interview, 2025). This pattern is not uniform across all refugee women: financial practices and options vary meaningfully by documentation status (e.g., “mandate” vs. non-mandate), location (camp vs. urban), age, and community networks, which shapes both livelihood opportunities and exposure to risk (Interview, 2025). Many micro-businesses are initiated through *bamba chakula*¹⁰ resources or neighbour support, but profits are typically absorbed immediately by food, school fees, healthcare, rent, and restocking, thereby leaving limited room for accumulation (Interview, 2025). Savings practices show a dual dynamic: some women rely on physical saving boxes due to distrust of digital tools, while many others use M-Pesa to store money securely, reduce theft risk, and protect funds from household appropriation or impulsive spending (Interview, 2025). Credit access remains largely informal or semi-formal, typically sourced through shopkeepers, chamas/VSLAs, or microfinance providers such as Inkomoko, and is generally small and working-capital oriented (Interview, 2025). Digital credit uptake is constrained by documentation barriers (especially lack of full refugee “mandate”) alongside fear of fraud and experiences of transaction reversals or PIN theft (Interview, 2025).

Figure 7: Flow of financial activity of refugee women in Kenya



Note: Analysis based on an accumulation of secondary research and in-depth interviews with refugee women in Kakuma, Dadaab, as well as Urban refugees from Eastleigh and Kayole in Kenya.

¹⁰ Launched in 2015, Bamba Chakula is WFP's electronic cash transfer programme for refugees in Kenya. It delivers cash assistance digitally, enabling beneficiaries to purchase food in local markets rather than relying exclusively on in-kind food distribution.

MSD Snapshot

From an MSD perspective, Kenya exhibits strong digital foundations alongside persistent structural exclusion for refugee women¹¹. Kenya's mobile money ecosystem is among the most advanced in Africa, enabling day-to-day payments and basic savings at scale (GSMA, 2023; Seedstars, 2021). Interviews confirm that many refugee women already treat mobile wallets as a "safe place" to hold small surpluses and manage business cashflow (Interview, 2025)¹². At the same time, the ecosystem's performance for refugee women is undermined by (i) **uneven implementation of KYC/ID acceptance**: Alien IDs and refugee documentation are not consistently recognised by MNOs and banks, blocking SIM registration, wallet upgrades, and access to formal products (CGAP, 2019; AFI, 2024; Interview, 2025); (ii) **camp and low-income area infrastructure gaps** (agent density, network reliability, and high withdrawal costs) that reduce reliability and push users back toward cash (Seedstars, 2021; Interview, 2025); and (iii) **persistent trust and security failures** (fraud, PIN theft, reversal scams) that particularly exclude older or less digitally confident women (FSD Kenya, 2017; Interview, 2025). As a result, women continue to rely on informal groups (chamas/VSLAs) as the core safety net (valuable but fragile and hard to scale into formal credit) while humanitarian and commercial systems often operate in parallel rather than providing a clear pathway from aid to stable financial inclusion (UNHCR, 2025c; Seedstars, 2021).

System constraints and root causes

The analysis reveals that refugee women's financial inclusion challenges are not isolated issues but symptoms of deeper, interconnected systemic constraints. These constraints consistently emerge across multiple levels of the market system - individual behaviour and capability, financial service provider practices, and broader regulatory and institutional arrangements. When synthesising evidence from interviews and documentation, four categories, or systemic conditions: technological infrastructure, capability, power dynamics, and institutional coordination, consistently appear as the most influential determinants shaping women's ability to access and use DFS.

Figure 6: Framework of key constraints in the MSD analysis for Kenya and Uganda

These four buckets capture the structural and behavioural factors that underpin the workings of the financial ecosystem functions for refugee women. They also align with MSD logic: they span supporting functions (infrastructure, information, skills); core functions (shaped by capability and power), as well as the rules and norms (institutional coordination and gender relations) - offering a holistic lens through which to compare Kenya and Uganda

The table below presents the four interconnected constraint dimensions limiting refugee women's financial inclusion in Kenya, along with their root causes. Despite Kenya's advanced digital infrastructure, these systemic barriers explain why refugee women continue to depend on fragile informal mechanisms.

	Technological infrastructure	Capability	Power dynamics	Institutional coordination
Description	The physical and digital systems required to host, process, and secure humanitarian data. Including hardware, software platforms, and interoperable data standards that enable the seamless flow of information.	Encompasses the gaps in financial and digital literacy, confidence, and practical knowledge that hinder refugee women's ability to use financial services effectively and independently.	Entrenched gender and social norms restrict refugee women's decision-making power, control over financial resources, and participation in formal or digital financial systems.	Refers to the lack of coordination and alignment among humanitarian, regulatory, and financial actors, resulting in parallel systems, duplicated efforts, and limited continuity from aid-based to market-based

¹¹ Appendix III provides a more in-depth MSD analysis for Kenya and Uganda, as well as a more comprehensive root-cause analysis.

¹² It should be noted that this urban financial picture is drawn primarily from Nairobi, which hosts the densest concentration of M-Pesa agents, fintech services, and NGO programming in the country. Kenya's urban refugee population extends to secondary cities including Mombasa and Nakuru (UNHCR Kenya Statistics, 2025), where agent coverage, network reliability, and the range of refugee-serving organisations are likely to be thinner. The financial inclusion experience of refugee women in these secondary urban centres may therefore sit between the relatively well-served Nairobi context and the more constrained camp environments documented in this study, though the absence of primary data from these locations prevents a definitive assessment.

Table 10: Summary of key constraints and root causes for the MSD of Kenya

Dimension	Key Constraints	Root Causes
Technological Infrastructure	Alien IDs inconsistently accepted for SIM/wallet/bank access; network instability and sparse agents in camps; persistent digital fraud (PIN theft, reversals, scam calls)	Inconsistent regulatory guidance on refugee ID acceptance; underinvestment in camp infrastructure; weak consumer protection for mobile money users
Capability	Digital literacy gaps (especially older women); training inaccessible for working women (16- 18hr days); confusion about loan terms and fees; negative peer learning amplifies fraud fears. Furthermore, the lack of Shariah-compliant financial products creates a major barrier to uptake among Somali refugee women, who represent a significant portion of the refugee population in Kenya. For these women, the absence of interest-free or faith-aligned options results in deep-seated hesitancy, as standard digital credit products often conflict with their religious values and cultural requirements.	Displacement disrupted formal education; training models not designed for time-poor women; fragmented humanitarian-provider communications
Power Dynamics	Male control (ubabedume) over earnings persists in some households; high physical insecurity (phone theft, wakora attacks); women hide savings or avoid public phone use; documentation forces reliance on male relatives	Entrenched gender norms from origin countries reinforced in camps; weak law enforcement; documentation barriers create structural dependency on men
Institutional Coordination	Aid wallets don't transition to commercial accounts; same ID accepted by one provider, rejected by another; short-term programming with no graduation pathways	No interoperability standards between humanitarian and commercial systems; poor cross-agency communication; donor-driven project cycles without sustainability planning

Technological Infrastructure

Despite Kenya's world-leading mobile money infrastructure, refugee women face significant access barriers. Documentation remains the central constraint: Alien IDs and refugee 'mandate' documents are inconsistently accepted by MNOs and banks, blocking SIM registration, wallet upgrades, and formal account access. Weak camp-level infrastructure compounds these barriers - network instability, scarce agents, and high withdrawal charges reduce reliability in Kakuma and Dadaab. Exposure to fraud, PIN theft, and reversal scams has eroded trust, with multiple interviewees reporting significant financial losses that discourage digital adoption (AFI, 2024; CGAP, 2019; Seedstars, 2021). The following root causes underpin these constraints:

- **Ecosystem constraints:** inconsistent enforcement/interpretation of refugee-inclusive KYC; uneven last-mile infrastructure investment and agent coverage in refugee-hosting areas; weak consumer protection and dispute resolution for low-income users (CGAP, 2019; Seedstars, 2021; AFI, 2024).
- **Constraints faced by refugee women:** documentation gaps and expiry; limited ability to travel safely to service points; heightened vulnerability to theft and fraud, reducing willingness to transact publicly (Interview, 2025; FSD Kenya, 2017). From a design perspective, these challenges are compounded by a lack of tailored financial solutions. Specifically, the absence of Shariah-compliant mobile lending products excludes a significant portion of the population whose religious or cultural beliefs prevent them from engaging with traditional interest-bearing credit models.

- **Constraints faced by fintechs/MNOs:** conservative compliance risk postures; limited commercial incentives to deepen agent networks and tailored services in low-margin refugee markets; limited ability (or incentives) to adapt onboarding and recourse mechanisms to refugee realities (AFI, 2024; Seedstars, 2021).

Capability

Digital and financial literacy varies widely among refugee women. Some confidently use M-Pesa daily and teach others PIN security; others avoid digital tools entirely after experiencing fraud, stolen PINs, or reversed transactions. Capability challenges stem from disrupted education, fragmented information flows, and limited training access, particularly for women working 16-18 hour days who cannot attend formal programmes. This creates confusion around loan terms, eligibility requirements, and safe mobile money practices. Negative peer learning also plays a role: community fraud stories amplify fear even among women who have not personally experienced problems (FSD Kenya, 2017; UNHCR, 2025c; Primary interviews, 2025). The following root causes underpin these constraints:

- **Ecosystem constraints:** fragmented information flows across humanitarian actors, MNOs, banks, and regulators; training offers that are intermittent and not embedded in ongoing user support; limited accessible consumer education and grievance channels (UNHCR, 2025c; Seedstars, 2021).
- **Constraints faced by refugee women:** disrupted education histories, low confidence with interfaces, limited time to attend training due to business and care responsibilities (Interview, 2025).
- **Constraints faced by fintechs:** limited investment in user-centred design and accessible customer support for low-literacy contexts; products and communication not tailored to irregular incomes and low-buffer households (Seedstars, 2021).

Power Dynamics

Power dynamics create uneven financial autonomy. While many refugee women now independently manage household finances, *ubabedume* (male control) persists in some households, with women required to hand over earnings or seek permission for financial decisions. Documentation barriers compound this: women lacking valid IDs may depend on male relatives for SIM registration or account access, creating structural financial dependency. **High physical insecurity** (for example, one interviewee particularly mentioned the rampant phone theft and 'wakora' attacks) shapes financial behaviour, forcing many women to hide money, avoid public phone use, or store savings underground in physical boxes rather than digital wallets (interview, 2025). The following root causes underpin these constraints:

- **Ecosystem constraints:** limited gender-responsive service delivery (e.g., safe access points, women-targeted agent models); insufficient protection and prevention measures around theft and fraud in high-risk environments (FSD Kenya, 2017; Seedstars, 2021).
- **Constraints faced by refugee women:** restricted mobility and heightened insecurity; intra-household bargaining constraints; unequal phone ownership and privacy (Interview, 2025; FSD Kenya, 2017).
- **Constraints faced by fintechs:** limited incentives to redesign channels for privacy, safety, and women's agency; weak last-mile trust-building mechanisms (Seedstars, 2021).

Institutional Coordination

Institutional coordination remains weak, creating a **humanitarian–market fragmentation** that prevents graduation from aid to commercial finance. Humanitarian cash systems (including bamba chakula) operate in parallel to formal finance with no structured transition pathway. KYC enforcement is inconsistent across providers- the same ID accepted by one MNO may be rejected by another or by banks. Donor programmes often operate on short project cycles without graduation pathways into commercial services. Poor cross-agency communication means refugee women receive conflicting information about documentation requirements and service eligibility (Seedstars, 2021; UNHCR, 2025c; Interview, 2025).

This fragmentation persists because no single actor in the ecosystem bears sufficient cost from inaction to drive coordination. Humanitarian agencies operate under institutional mandates and funding streams tied to the delivery of support, not to graduating beneficiaries into more sustainable support systems. Their accountability structures reward disbursement and coverage, not long-term financial integration outcomes. FSPs, for their part, see limited commercial upside in onboarding humanitarian wallet users without de-risking mechanisms or guaranteed transaction volumes.

This disconnect therefore results in a classic collective action problem: humanitarian actors lack the mandate to build commercial pathways, commercial actors lack the incentive to serve humanitarian populations, and regulators lack the enforcement mechanisms to bridge the two, while refugee women bear the consequences of a system that no single actor is responsible for fixing (Dhawan & Zollmann, 2022; AFI, 2024).

The following root causes underpin these constraints:

- **Ecosystem constraints:** siloed mandates and data systems; weak interoperability and coordination incentives; limited accountability for consistent refugee-inclusive implementation across providers; and the absence of institutional mechanisms that assign responsibility for the humanitarian-to-commercial transition (UNHCR, 2025c; AFI, 2024).
- **Constraints faced by refugee women:** limited navigation capacity across multiple systems and interfaces; low trust when rules appear unpredictable (Interview, 2025).
- **Constraints faced by fintechs:** high costs of interoperability and compliance alignment; uncertainty about viable business models for sustained refugee inclusion without blended incentives (Seedstars, 2021; AFI, 2024).

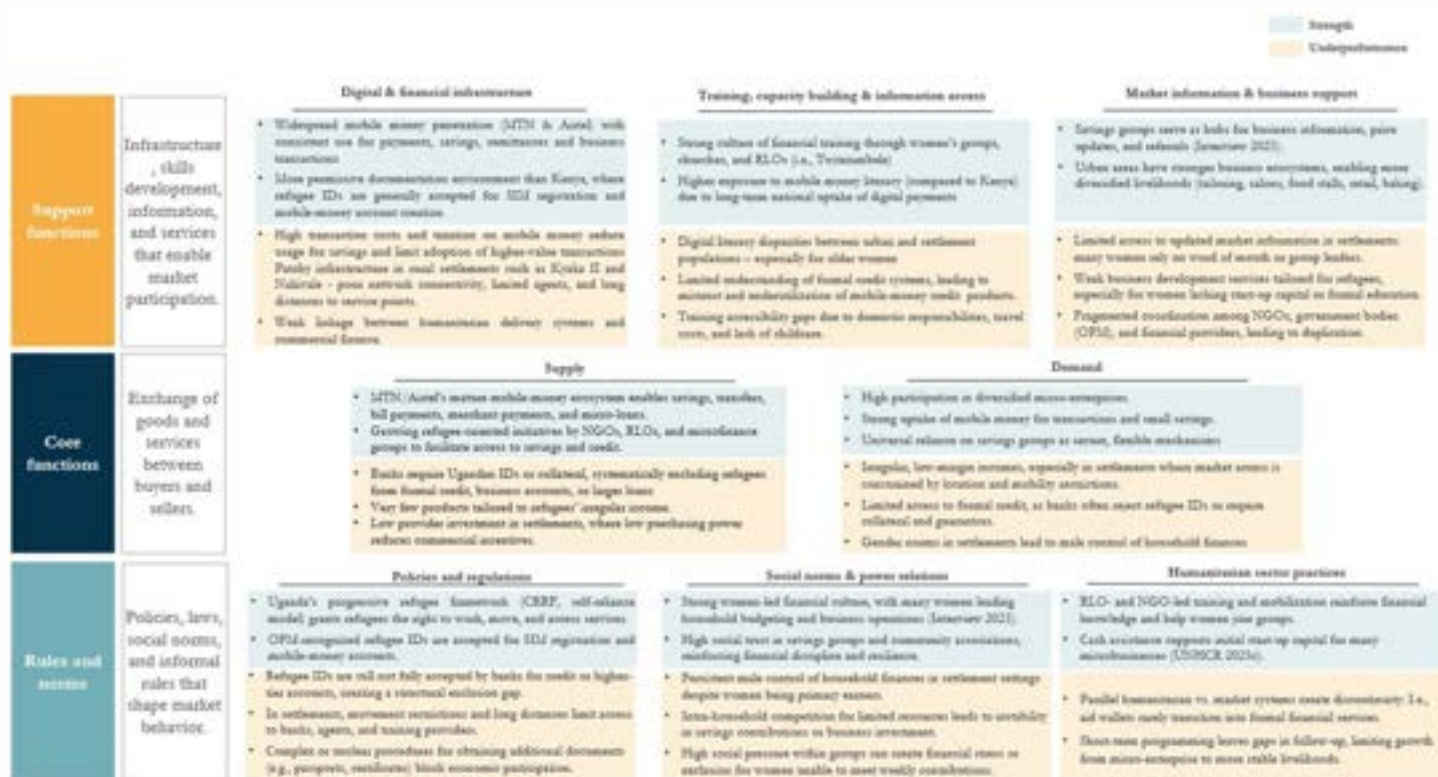


MSD Analysis Uganda

Drawing on the lived experiences of refugee women and the documented dynamics shaping Uganda's financial ecosystem, the following MSD analysis synthesizes how core market functions, support systems, and governing rules interact to shape women's access to and use of financial services. By combining insights from interviews with refugee women across Kampala and major settlements with evidence from the broader ecosystem mapping, this assessment highlights both the systemic strengths that enable participation and the persistent constraints that limit meaningful financial inclusion. The graphic below presents these findings in a consolidated MSD framework, illustrating where the system performs well and where targeted interventions could drive improved, gender-responsive access for refugee women.

The MSD assessment for Uganda reveals a financial ecosystem where mobile money and savings groups are central pillars of inclusion, but formal finance largely remains out of reach for refugee women. On the support side, Uganda benefits from mature mobile money infrastructure (MTN and Airtel) that underpins day-to-day transactions, small-scale savings and business payments, especially in Kampala and other urban centres (AFI, 2024; Seedstars, 2021).

Graph XX: MSD analysis of key strengths and weaknesses in Ugandan market system



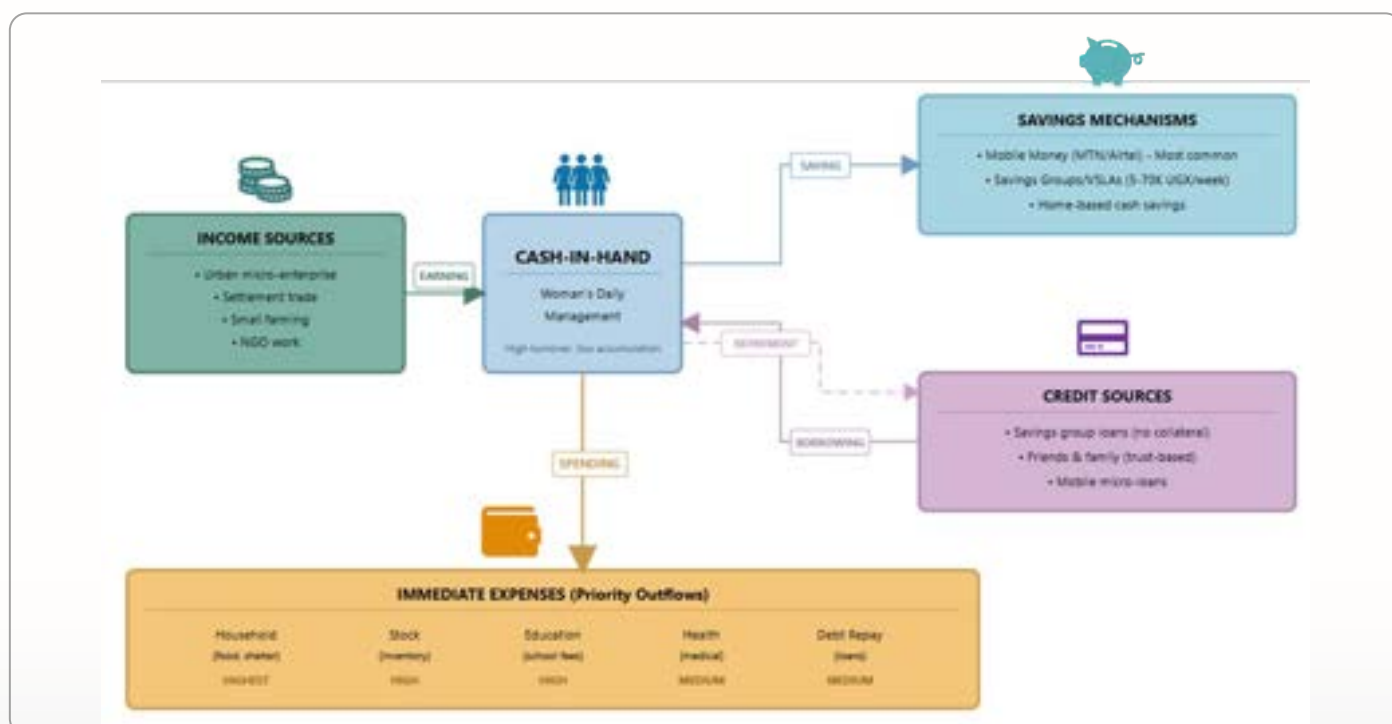
Many women report using mobile money for over a decade and describe it as convenient and generally trustworthy for sending, receiving, and storing money (interviews 2025). Refugee-led organisations and NGOs provide business training, mobilisation, and basic financial literacy, reinforcing women's ability to participate in markets (UNHCR, 2025c). However, high transaction fees and mobile money taxes, patchy network coverage, and long distances to agents in settlements such as Kyaka II undermine consistent use (Seedstars, 2021; interviews 2025). At the same time, banks and many formal providers still require Ugandan IDs, passports, or collateral, meaning that refugee IDs - although recognised in law - often do not translate into practical access to credit or higher-tier accounts (interviews 2025).

On the demand side, refugee women in Uganda display high entrepreneurial drive but operate under intense economic situations. In Kampala, many run diversified micro-businesses (tailoring, salons, charcoal and vegetable trade, cooked food, retail, among others) and often juggle multiple activities to stabilise income (interviews 2025). In settlements, livelihoods depend more on petty trade, small farming and casual labour, with lower and more volatile returns (interview 2025). Almost all interviewed women participate in at least one savings group, which act as their primary gateway to capital, emergency loans and social support (interview 2025). These groups work on the basis of social collateral and mutual accountability, but remain constrained by small capital bases, contribution fatigue and occasional governance problems, limiting their ability to finance business growth at scale (Seedstars, 2021). Gender norms differ across contexts: urban women more often control their own income and financial decisions, while in some settlements men still dominate household resource allocation even when women are the main earners (UNHCR, 2025c; interview 2025). Overall, Uganda's market system shows relatively inclusive basic access to digital payments and strong community finance, yet formal financial integration remains shallow, blocked by documentation practices at provider level, high costs, weak rural infrastructure and a heavy reliance on informal mechanisms that are resilient but structurally limited.

Earning, Saving, and Accessing Credit

Refugee women's financial lives in Uganda are anchored in informal micro-enterprise and hybrid survival strategies, with a clearer urban–settlement divergence than in Kenya. In Kampala, many women stabilise earnings by combining overlapping activities (e.g., tailoring, hairdressing, baking, charcoal/vegetable sales, retail kiosks, cooked food), and some supplemental income through NGO/refugee-led work (e.g., peer educators/trainers) (interviews 2025). In settlement contexts such as Kyaka II, livelihoods narrow toward petty trade, small farming, and casual labour, often reflecting loss of assets and weaker market access (interview 2025)¹³. Savings practices are typically **hybrid**: women frequently use **MTN Mobile Money and Airtel Money** for day-to-day transactions and sometimes for storing value, while **women's savings groups** remain the primary and most trusted mechanism for pooling funds and accessing lump sums or emergency loans (interviews 2025; Seedstars, 2021). Formal credit, however, remains largely out of reach: despite legal recognition of refugee status, women repeatedly report that banks and some providers require Ugandan IDs/passports or collateral, pushing them toward savings-group lending, informal borrowing, or avoiding digital micro-loans due to repayment pressure and mistrust (interviews 2025).

Figure 8: Flow of financial activity of refugee women in Uganda



Note: Analysis based on an accumulation of secondary research and in-depth interviews with refugee women in Kyaka II and Nakivale settlements, as well as Urban refugees from Kampala in Uganda.

¹³ In a similar vein as with the analysis of Kenya, the urban findings presented here are based on interviews conducted in Kampala, which is the primary destination for urban refugees in Uganda and the centre of most NGO programming, financial service provider activity, and livelihood support for displaced populations. Uganda's secondary towns in refugee-hosting districts, such as Arua, Gulu, and Hoima, host smaller but significant refugee populations who navigate urban or peri-urban economies with considerably thinner financial infrastructure than Kampala. Agent networks are sparser, FSP branch presence is more limited, and NGO coverage tends to be concentrated in nearby settlements rather than in the towns themselves (UNHCR, 2025c; Seedstars, 2021). The urban/settlement divergence documented in this analysis should therefore be understood as a Kampala/settlement divergence specifically; refugee women in secondary towns may experience a hybrid set of constraints that this study's sampling design did not capture.

MSD Snapshot

From an MSD perspective, Uganda combines strong basic digital rails and dense community finance with a persistent policy–practice gap that blocks progression into higher-tier financial services. On the enabling side, Uganda’s mobile money infrastructure underpins routine payments and small-scale business transactions, many women describe long-term usage and relative trust in MTN/Airtel channels (interviews 2025; AFI, 2024; Seedstars, 2021). Refugee-led organisations and NGOs also contribute to training, mobilisation, and basic capability-building (UNHCR, 2025c). Yet the system’s performance for refugee women is undermined by (i) **high transaction costs and taxes, plus settlement frictions such as patchy connectivity and long distances to agents** (interview 2025; Seedstars, 2021); (ii) **provider-level exclusion, where refugee IDs** (though recognised in principle), **do not reliably unlock bank accounts, account upgrades, or formal credit** (interviews 2025; UNHCR, 2025c); and (iii) **context-specific power dynamics**, where women in Kampala more often manage finances independently, while in some settlements men retain control over household resources and spending priorities (Interview 2025; UNHCR, 2025c). As in Kenya, these constraints reinforce reliance on savings groups as the “working core” of financial inclusion, resilient but structurally limited for growth capital (Seedstars, 2021).

System constraints and root causes

Table 11: Summary of key constraints and root causes for the MSD of Uganda

Dimension	Key Constraints	Root Causes
Technological Infrastructure	High mobile money costs and taxes; sparse agents in settlements; patchy network coverage in Kyaka II/Nakivale; banks require Ugandan IDs despite legal recognition of refugee documentation	National tax policy without pro-poor exceptions; underinvestment in settlement infrastructure; weak Bank of Uganda enforcement of inclusive frameworks
Capability	Settlement literacy gaps; uneven digital trust (confident users vs cash-only); uneven training coverage (urban served, settlements underserved); peer learning perpetuates misinformation	Education lost to displacement; NGO coordination gaps; product interfaces assume baseline literacy; training models not designed for settlement contexts
Power Dynamics	Urban–settlement divergence: Kampala women autonomous, settlement women face male control; men retain control despite women earning; tensions around alcohol/spending; mobility restrictions limit agent access	Stronger traditional norms persist in settlements; no gender-responsive service design; limited women-only financial spaces; documentation barriers create dependency
Institutional Coordination	Policy–practice gap: CRRF exists but banks still exclude; uneven NGO coverage; fragmented coordination; centralised OPM documentation processing creates delays	Weak Bank of Uganda enforcement; urban bias in humanitarian funding; no interoperability between aid and commercial systems; cross-border remittance barriers

Technological Infrastructure

While MTN and Airtel Money are well-established with long-term user trust, the infrastructure supporting refugee access shows significant gaps. High mobile money taxes and transaction fees erode the value of small transactions essential to refugee women's livelihoods. Agent networks remain sparse in settlements, requiring long travel distances for cash-in/cash-out services. Network coverage is patchy in Kyaka II and Nakivale, undermining consistent use. Most critically, documentation remains the central barrier: although refugee IDs are legally recognised, banks and some FSPs continue to require Ugandan national IDs, passports, or collateral, effectively excluding women from formal accounts and credit products (Seedstars, 2021; interviews, 2025). The following root causes underpin these constraints:

- **Ecosystem constraints:** national fee/tax environment makes small transactions expensive; underinvestment in last-mile infrastructure in settlement geographies; weak translation of refugee-inclusive intent into consistent provider practices (Seedstars, 2021; UNHCR, 2025c).
- **Constraints faced by refugee women:** low and volatile transaction volumes make fees more burdensome; settlement distance/time costs reduce usage and recourse-seeking; limited ability to absorb losses when services fail (Interviews 2025).
- **Constraints faced by fintechs/MNOs/FSPs:** limited commercial incentives to deepen agent density in low-margin areas; risk controls and cost-to-serve pressures lead to conservative service expansion and limited tailoring for settlement contexts (Seedstars, 2021).

Capability

Capability gaps further undermine inclusion. Digital literacy and trust are uneven: some women are confident long-term mobile money users, while others rely on savings groups or cash due to limited education, fear of digital theft, or high transaction costs. Many women in settlements lack digital literacy, face confusion around banking rules, or rely heavily on peer learning—which can perpetuate misinformation. Training coverage is uneven: urban refugees have greater access to NGO-provided financial literacy programmes, while settlement residents remain underserved. Product interfaces often assume baseline literacy that many displaced women do not possess (UNHCR, 2025c; Interviews, 2025). The following root causes underpin these constraints:

- **Ecosystem constraints:** training and consumer education often project-based rather than embedded; fragmented information across NGOs, MNOs, banks and government actors; limited user-facing dispute-resolution literacy (UNHCR, 2025c; Seedstars, 2021).
- **Constraints faced by refugee women:** disrupted education and time poverty; lower exposure to formal products in settlement areas; confidence barriers for women with limited schooling (Nyirahabimana Rizabera, interview 2025).
- **Constraints faced by fintechs/FSPs:** interfaces and customer support often assume baseline literacy; limited investment in low-literacy user journeys and settlement-appropriate onboarding/assistance (Seedstars, 2021).

Power Dynamics

Power dynamics show a clear urban–settlement divergence. Kampala-based women frequently manage finances independently, exercising financial autonomy over their income and decisions. In settlements, however, traditional gender norms persist more strongly: men often retain control over household money despite contributing little, with women describing tensions around alcohol use and spending prioritisation. Women may be the primary earners yet still face male dominance over resource allocation. Documentation barriers compound this: women lacking recognised IDs may depend on male relatives for formal account access. Mobility restrictions in some settlement contexts further constrain women's access to agents and markets (UNHCR, 2025c; interviews, 2025). The following root causes underpin these constraints:

- **Ecosystem constraints:** limited gender-responsive service delivery (e.g., women-friendly agent models, convenient safe access points); insufficient integration of gender dynamics into financial inclusion programming (UNHCR, 2025c).
- **Constraints faced by refugee women:** intra-household bargaining constraints, care burdens, and local social norms shape use of money and ability to act independently (Nyirahabimana Rizabera, interview 2025).
- **Constraints faced by fintechs/FSPs:** limited incentives to redesign channels around privacy, agency, and women's time constraints; limited settlement-specific gender targeting (Seedstars, 2021).

Institutional Coordination

At the institutional level, progressive refugee policies such as the CRRF remain weakly enforced, leading to a policy–practice gap where banks still exclude refugees despite legal recognition. NGO coverage is uneven, with urban areas better served than remote settlements. Fragmented coordination between humanitarian actors, financial regulators, and service providers creates inconsistencies in service delivery. Centralised documentation processing through OPM compounds delays, leaving women without the credentials needed to access formal services. This documentation challenge is compounded for self-settled refugee women, who have relocated from settlements to urban or peri-urban areas but whose OPM registration remains tied to their original settlement. These women are economically present but administratively absent, falling into a gap between the policy framework's inclusionary intent and the registration system's settlement-based design. Cross-border remittances remain difficult due to unrecognised documentation, cutting women off from diaspora support networks (UNHCR, 2025c; Primary interviews, 2025).

A central reason this gap persists is that enforcement incentives within the regulatory system are misaligned with the CRRF's commitments. Refugee financial inclusion is not a supervisory priority for the Bank of Uganda, and no commercial bank has been sanctioned for failing to accept legally valid refugee documentation. In the absence of regulatory consequences, the commercial banking sector's risk appetite is shaped by its internal AML/CFT compliance culture, which defaults to the most conservative interpretation of customer due diligence requirements, rather than by the inclusive provisions of the CRRF or the Refugees Act. FSPs that develop tailored refugee-inclusive products face potential liability exposure if any customer is later linked to financial crime, creating strong institutional pressure to exclude rather than adapt (AFI, 2024; Omata, 2022). As a result, the progressive policy architecture exists at the level of national signalling to the international community but lacks the domestic enforcement infrastructure to translate into consistent practice at the point of service delivery.

The following root causes underpin these constraints:

- **Ecosystem constraints:** siloed mandates and weak accountability for consistent refugee-inclusive implementation; limited coordination incentives between humanitarian and commercial systems; underdeveloped interoperability and referral pathways; and the absence of regulatory enforcement mechanisms that hold FSPs accountable for policy compliance (UNHCR, 2025c; Seedstars, 2021; AFI, 2024).
- **Constraints faced by refugee women:** difficulty navigating multiple institutions and inconsistent "rules in practice," which undermines trust and follow-through (Interviews, 2025).
- **Constraints faced by fintechs/FSPs:** high compliance/alignment costs and uncertainty about viable, scalable refugee business models without blended incentives or risk-sharing mechanisms; internal compliance cultures that penalise inclusion of non-standard customer profiles more than they penalise exclusion (Seedstars, 2021; AFI, 2024).





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