

CASH AND ECONOMIC INCLUSION UPDATE

Nigeria, June 2021



OVER 1,500 CAMEROONIAN REFUGEES RECEIVE UNHCR-FACILITATED ATM CARDS

Digital bank platform facilitates simple and direct support by other organizations



HIGHLIGHTS



- ▶ More refugees become bank customers.
- ▶ Over 400 IDPs and IDP returnees received vocational & business training.

Martin Ogwaza, 49 years, farmer and father of six withdraws money with his UNHCR-provided ATM card in Cross River State. © UNHCR/Lucy Agiende

Banking like back home

UNHCR, the UN Refugee Agency, just facilitated the first 1,500 Cameroonian refugees to receive an ATM card through the UN Refugee Agency's programme. They now make bank transactions like their Nigerian neighbours.

Refugees can now make bank transactions like back home, several years ago. Many Cameroonians were **farmers, traders, business people** who had their houses, properties, cars and economic activities. Many lost everything when they had to run for their lives and found safety in Nigeria.

An ATM card restores a bit of normalcy in their lives. UNHCR's support to the roll-out of ATM cards, together with Standard Chartered and First Bank of Nigeria, is the last step of an approach for the financial inclusion of refugees in the Nigerian economy. It became possible after **over 9,000 bank accounts** had been opened or pre-opened for refugees with UNHCR support since May 2020.

An ATM card restores a bit of normalcy in the lives of refugees.

With the first successful withdrawals, the digital platform behind the ATM cards has passed its main test. The bank platform will make it easier for other partners to channel their support to refugees. UNHCR hopes that the digital platform will now broaden the number of humanitarian and development actors who support areas that host the over 67,000 Cameroonian refugees. With the digital platform support will become more systematic and easier to monitor.

Banking without going to the bank

For refugees, life also becomes easier. Once registered and verified as recipients of cash assistance, e.g. for basic needs in the case of the most vulnerable, they will now receive their **UNHCR cash assistance at any ATM machine**, 24/7. There is no need to queue up at a distribution point.

And with their ATM cards, refugees – just like anyone in Nigeria – can make payments at points of sale (POS), e.g. when topping up their SIM cards at a POS in a settlement. This saves them a lot of trouble in places without ATM machines like the Ikyogen settlement in Benue State.

The digital bank platform behind the ATM cards will allow a major transformation of assistance since the Cameroonians arrived in 2017 and 2018 when they had to restart their lives in communities and the settlements that UNHCR built on government-provided land in Benue, Cross River and Taraba States. Back then, they received food in kind which led to complaints about its quality, as established by a joint high-level assessment mission of WFP and UNHCR in 2019 and which did not meet everybody's needs. Cash-based interventions, as they become possible now at a new scale, give back to refugees a bit of control over their lives. Ultimately, they are the experts for their needs. Cash assistance is not limited to food. Multipurpose cash can be used for clothes, hygiene items, etc.

As a next step, UNHCR prepares to move away from blanket to targeted distribution of cash assistance in the second half of 2021, which will be based on needs. Assessments are ongoing, including on how hard different refugee families' economies have been hit by the COVID-19 pandemic.

Challenges

UNHCR staff and other humanitarians find it challenging to explain why the cash assistance of 3,700 Naira (less than US\$ 8) was reduced to 2,600 Naira (over US\$ 5) despite the **increasing food prices**. Persistent underfunding of the Cameroonian refugee response along with the economic down-turn in the COVID-19 context made it impossible for UNHCR to offer enough livelihoods activities to balance the necessary reduction of cash.

Other refugees were disappointed as the UNHCR ATM card initiative became a victim of its own success – the banks simply could not keep up with the demand for the cards. The machines required for activating the cards could not service more than 50 people per day. UNHCR therefore advocated First Bank of Nigeria to put more than one machine in branches in Cross River State to keep client satisfaction high from day one. As a result, the number of beneficiaries served per day has doubled.

WHAT WE WANT WITH CASH

UNHCR's Strategy on cash-based interventions and economic inclusion is based on the conviction that harmonious relationships between refugees and Nigerians are possible if everybody's contribution to economic development is visible.

Therefore, the Agency launched its cash for food programme in Nigeria which injected over 150 million Naira (some 375,000 USD) into the local economy, boosting the development of markets and exchange of goods in refugee-hosting areas.

Now, UNHCR is gradually replacing the cash for food programme by multi-purpose cash grants for basic needs (with an equal amount as the national social safety net standards foresee for most vulnerable Nigerians).

This strategic transformation aims at laying the foundation for the self-reliance of refugee men and women.

Cash assistance is not limited to food. Multipurpose cash can be used for clothes, hygiene items, etc.

THE RESTAURANT OWNER WHO BECAME A STREET VENDOR

“When COVID-19 hit, I lost my restaurant.”

A mother of six from Côte d'Ivoire, Diomande Manman received a cash grant as part of a UNHCR livelihood project and started selling hot meals in a shop in Ajah, Lagos State, in 2019. The lockdown dried out demand. COVID-19 cash assistance provided to the refugee by UNHCR helped her feed her family in 2020. However, the assistance was not enough: Diomande was forced to sell drinks to car drivers in the noisy streets of Lagos.

She never gave up. Thanks to some family help she rented a “more attractive” place in 2021. She hopes a UNHCR-facilitated micro-credit will help her “build bigger and sit more people”, with one goal in mind: “I can send my older children to university”.



Covid-19 hit this restaurant owner hard, but she never gave up.
© UNHCR/Emmanuel Campos

Micro-loans for urban refugees

In 2020, UNHCR and partner, Justice, Development and Peace Commission (JDPC) worked to increase access to financial services for urban refugees who live in Lagos and Ogun States. A collaboration was established with a financial service provider to support access to financial services including micro-credits or small scale loans through a revolving fund. In preparation, JDPC ran an entrepreneurship and financial management training for 89 refugees in September 2020.

Since then, 13 refugees with existing businesses have applied for loans from the financial service provider to expand their businesses. As they recover from the economic impact of COVID-19, the loans help them buy key assets and meet major expenses. Several refugee clients who received loans in December 2020 have started paying back regularly with interest on a weekly basis.

Loans help business owners among refugees recover from the economic impact of COVID-19.

Internally displaced people benefit from business support

Over 400 vulnerable IDP and IDP returnee families in Borno and Yobe States, North-East Nigeria, see a silver lining at the horizon: Entrepreneurship and vocational trainings, delivered by UNHCR so far in 2021, along with start-up input allow them to put their new skills in action with the hope to get back on their feet. They just kicked off their businesses as tailors, ICT technicians, carpenters etc. independently in the local government areas of Bama, Ngala, Maiduguri, Damaturu and Gujba (Borno, Yobe States). 150 internally displaced people benefited from the skills training in cap making, 80 per cent of whom were women. 120 IDPs got support for livestock production.

To make sure UNHCR supports the most vulnerable IDPs to ensure they face fewer protection risks thanks to economic empowerment, the Agency uses specific criteria to select them for livelihoods activities such as skills training. The vulnerability screening database is the principal tool for determining the pool of candidates for such a training, based on specific needs and vulnerabilities. Also, survivors of gender-based violence are prioritized through the selection criteria.

Before someone can join a training, her or his capability is assessed by UNHCR's livelihood partner, such as the American University of Nigeria for Borno State. Once graduated from the training, they receive the tools or kits to start their new business.

Key figure

US\$ 5 MILLION



In 2021, UNHCR needs this funding to help refugees and vulnerable IDPs in Nigeria get back on their feet with livelihood support.



Yagana Alhaji, IDP, heads a household with eight children. With UNHCR support she became a successful fish farmer.
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