



INTERNATIONAL
RESCUE
COMMITTEE

ECONOMIC RECOVERY & DEVELOPMENT

Assessing the Social- Economic Situation of Refugee
Hosting Districts and the Karamoja Region – Uganda

By Ssempebwa William (MA. EPM, PGD M&E, BA. ED)
Team Leader

Key Topics

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 - *Agro processing in Karamoja & refugee hosting districts*
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Background to the assignment

- IRC has been implementing ERD programs in Uganda since 2005 under core program areas of cash initiatives, agriculture and rural livelihoods, and enterprise development and employment which aim at boosting the resilience of households and communities.
- The IRC's Livelihoods work focuses on increasing agricultural productivity, climate change and natural resource management, improving market access, increasing rural access to financial services, vocational skilling, entrepreneurship, and strengthening private sector institutions for a better business environment.

Background to the assignment ...

- The IRC hired GSI to conduct a comprehensive ERD – related assessment in Karamoja and some of the refugee hosting districts in Acholi, West Nile and South Western regions of Uganda.
- The assessment was intended to identify challenges and gaps in programming, existing needs, and current implementing partners in these regions.

Methods and Approaches

- The study applied a qualitative approach that involved extensive review of various documents from assessments and studies targeting the livelihood conditions conducted by various actors in the target regions;
- Primary data was collected from four regions, i.e. South Western (Kyegegwa and Kiryandongo districts), Acholi region (Kitgum and Lamwo districts; West Nile (Arua, Madi Okollo & Terego districts); Karamoja region (Abim and Moroto districts);

Methods and Approaches ...

- It also involved conducting key informants interviews with various stakeholders at the National level, LG level, NGOs, CBOs, Development partners, Private sector, among others;
- Focus Group Discussions were conducted in refugee settlements, the host communities of Kyaka II, Kiryandongo, Rhino Camp, Imvepi, Palabek, and in Karamoja region. The participants included vulnerable women, men and the youth.

Agricultural productivity & Production

- In the Western region, both crops and livestock are produced by refugee and host communities. For host communities, main crops grown include: maize, beans, cassava, groundnuts, and vegetables.
- In the Acholi region, both crop and livestock production common among refugee and host communities. Major crops grown include: cassava, sorghum, maize, simsim, cotton, groundnuts, peas, sunflower, soybeans, beans. Livestock farming is also carried out with local breeds

Agricultural productivity & Production

- In the West Nile region, crops grown include simsim, cassava, sorghum, millet, peas, groundnuts, bananas, and tobacco. Other strategic crops grown are: rice, mangoes, coffee, oranges. In refugee settlements, crops like sorghum, soy beans, sunflower, and simsim are grown.
- Livestock rearing is done by both refugees and host community farmers. Fishing in natural waters is also done.
- Apiculture or honey production is also commonly practiced.

Agricultural productivity & Production

- For people in Karamoja region, they are traditionally known as cattle keepers, reliant on the open savannah and free movement between the region's dry belt
- Generally, there's a transition to agro-pastoralism with the main crops grown include: sorghum, beans, maize, cassava, millet, peas, sweet potato, simsim, groundnuts, sunflower, cucumber.
- Karamoja region is also known for having started engaging in Apiculture

Factors affecting agricultural Production

- Inadequate land
- Soil Exhaustion
- Unreliable rainfall patterns
- Pests, parasites and diseases
- Counterfeit agro-inputs on the market
- Inadequate access to extension services
- Limited access to agro-inputs, esp. in settlements
- Low involvement of the youth in agricultural activities
- Limited access to agricultural finance
- Donor dependence syndrome

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Impact of Climate Change on agricultural Production

- In all the regions, climate impact has heavily manifested in unreliable rainfall patterns that have severely affected production. LGs have several interventions to mitigate climate change impacts and have set targets in DDPs;
- *Arua district is targeting to increase the proportion of Households practicing climate smart agriculture from 0.5% to 10% by the financial year 2024/25.*
- *Kitgum district is planning to Increase the proportion of farmers that are resilient to climate change related shocks from the current 5% to 50%.*

Impact of Climate Change on agricultural Production

- Development partners and stakeholders in the refugee settlements established a Working Group on Environment and Energy which ensures that all populations receive timely support to mitigate climate change effects.
- Several partners such as GIZ are supporting refugees and hosting communities with training and skilling in developing and use of renewable and energy saving methods such as improved energy saving cook stoves and the use of solar energy sources

Agro processing in Karamoja & refugee hosting districts

- Overall, there is little value addition and agro-processing taking place in the study areas. This is due to the unaffordable costs in acquisition of the agro-processing machinery, high costs of operation such as electricity and other operational costs, lack of skills and knowledge in value addition, lack of reliable farmers producing quality products and limited market for agro-products.

Agro processing in Karamoja & refugee hosting districts

- In Arua is relatively grown with various grinding mills for maize and cassava, honey processors, shea butter and oil processors, coffee pulping, food processing such as bakeries, drinks production especially wine and beverages, among others.
- In Madi Okollo and Terego districts, there are currently no significant agro-processing facilities in the district. The few agro-processors are in cassava and maize milling, cassava chippers, and squeezing sunflower for cooking oil production on small scale and community level

Agro processing in Karamoja & refugee hosting districts

- In Kitgum district, the industrial sector is still in its infancy and it is mainly characterized by small agro-processing industries mainly for milling of grains and oil seeds (maize, Sorghum, millet, rice, Sunflower) and cassava. Cotton produced is sold to Dunavant that has zoning rights.
- In Lamwo district, agro- processing is almost non-existent. Even though there are several agricultural products such as sesame, shea nut, groundnuts, among others. Only a few small scale rice mills are existing.

Agro processing in Karamoja & refugee hosting districts

- In Kyegegwa district, there are enterprises in beekeeping and honey processing, banana and pineapple dry fruit processing for the export market, wine production, and juice making, Maize millers and cassava, and coffee hullers, milk bulking, etc.
- In Kiryandongo, even though there were no agro processing, outgrowers of Sunflower, Maize and Soya bean sell it to Mukwano Group
- In Karamoja region, there are mainly a few maize milling, cassava chipper and sorghum grinding that exists.



Agricultural Financing and Insurance

- GoU is supporting various initiatives to unlock agricultural finance in the country. These includes the Agricultural Credit Facility (ACF) under BoU, development of the Microfinance Centre (MCF) with various Agricultural finance products, support to various local initiatives such as SACCO's, VSLA's and 'Emyooga' .
- The commercial banks also provide various products to the farmers. The study however, established that there's limited access to these products by the refugees and host community members.

Agricultural Financing and Insurance

- The requirements to access the products, esp. from commercial banks are very prohibitive to the refugees and host communities. They can hardly access the collateral required or guarantors. The refugees require to have documentations such an Identify Card, Credit Cards, etc.
- Commercial banks are skeptical of lending to the refugees because of their mobile nature; their long-term stay in the settlements is not guaranteed.
- In some districts such as Lamwo and Terego, there are no recognized financial institutions
- The refugees have thus turned to their self-owned SACCO's and VSLA's for support. However, these have little finances to meet the loan demands from all the members.

Challenges faced by FIs to provide Agricultural finance

- Lack of collateral/Security/credit history
- Low levels financial inclusion of refugees into the banking system.
- High levels of financial illiteracy of the refugees and host community members
- Un predictable agriculture production and productivity due climatic changes
- Limited knowledge among the financial institutions on the operations of the agriculture sector in refugee hosting districts.

Challenges faced by Farmers in accessing Agricultural finance

- Lack of collateral/Security/credit history
- Lack of required documentation
- Limited market due to low production that's unable to attract large off-takers
- High interest rates
- Family controls: For example, husbands think for their women and so they need to use their husbands land and also sign for them which is very difficult.

Employment opportunities for youth and women

- Majority of the refugees are engaged in agriculture practicing subsistence agriculture. Studies indicate that 78% of the refugees are employed in the agricultural sector, which is higher than the national average of 68% of Ugandans employed in the sector.
- The other alternative employment opportunities available to the refugees are no different from those done by the hosts, except for Karamoja region.

Employment opportunities for youth & women ...

- In Acholi region, refugee women are engaged mainly in petty businesses such as selling general domestic merchandise and brewing and selling of alcohol, handicrafts. Their counterparts, the hosts add on selling of charcoal.
- Youths from host communities are mostly engaged in casual labour, petty trade, Bodaboda, sand mining, brick laying carpentry, bricklaying, chapatti, welding fabrication, masons while the refugee youth are mainly in casual labour and petty business. The youths in Karamoja are involved in artisanal mining while the women are in petty business, selling of alcohol, etc..

Employment opportunities for youth & women ...

- In West Nile region, the youths in settlements are doing work that is slightly different from those of the host communities. The youth in host communities are engaged in farming, transport, carpentry, mechanics, trading, road side foods vending, and petty businesses.
- The refugees are only engaged in arts and crafts, baking, petty business and subsistence agriculture.

Employment opportunities for youth & women ...

- In South Western, particularly in Kiryandongo settlement, many people in host communities particularly women engage in activities as farming, selling road-side groceries, market vending, restaurants, hairdressing, and health care clinics. Men also engage in wholesale and retail merchandising, metal fabrication, carpentry work, motor vehicle repair workshops, taxi driving and boda boda (motorcycle and bicycle) transportation. The youths are involved in informal petty businesses for example shops, vending. Others that have some skills are engaged in carpentry, welding and tailoring.
- In order to supplement their incomes, the refugee women engage in selling food items in the market, much of which they produce themselves on the small plots and gardens around their homesteads.

Employment opportunities for youth & women ...

- Generally, in both refugee and host communities, the selling of alcohol and food items seems to be the most common business and more successful compared to others, mentioned in almost all groups in West Nile, Acholi and Kyaka II.
- Most small retail businesses are owned and managed by mostly women. They sell general merchandise, mainly for domestic use including food stuffs.
- The general lack of alternative employment opportunities is attributed to lack of vocational skills amongst the youths.



Adoption and utilization of Technology and Digitization in improving Livelihoods

- The country has developed various policies and plans to promote the adoption and utilisation of technology and digitalisation in the livelihoods of Ugandans.
- The local governments too, have followed suit and developed various plans to that effect.
- The level of adoption and utilisation is however still low in refugee settlements, host communities and Karamoja region.
- This is particularly attributed to the high costs of acquiring the required devices, high cost of the internet, and poor network connection in rural areas.

Adoption and utilization of Technology and Digitization in improving Livelihoods

- The refugees also lack approved documents necessary for acquisition and registration of SIM cards.
- High illiteracy rates also affect uptake, with almost all the digital and technology applications requiring some level of literacy, the ability to read and write;
- Both the refugees and nationals in the host communities have very limited knowledge on the opportunities associated with adopting the use of technology. Majority of those who have the devices, use them for only phone calls, SMS, and mobile money. None uses them to find a job or access market.

Conclusions and Recommendations for ERD

- Increase farmer access to critical farming inputs
- Promote commercial agriculture
- Integrating climate change and disaster risk reduction strategies in the programming such as Climate Smart Agriculture practices
- Promote value addition and agro-processing by advocating for electrification and use of renewable energy sources such as solar in refugee hosting district and Karamoja region
- Enhance farmer access to agricultural finance and insurance

Conclusions and Recommendations for ERD

- Ensure diversification of opportunities for the beneficiaries.
- Providing Vocational skills training for both Refugee and host community youth (male, and female) in skills of their choice
- Provide Community based skills training for women, girls and elderly who are not qualified through formal education system

Conclusions and Recommendations for ERD

- Livelihood programs should continue to target both refugees and host community members.
- Livelihood programming should consider working with the existing structures within the district.
- Promotion of utilization and adoption of ICT through establishment of youth ICT centers in refugee settlements, host communities and Karamoja region

Thank you.