INTRODUCTION

FeT IAM places marginalized groups at the center of its programs and is exploring a market system approach to strengthen the ability of displaced groups to engage with and benefit from the agricultural markets system. The activity believes that understanding the need to identify a more durable solution to the refugee crisis is important in creating more sustainable solutions for this community.

FeT IAM focuses on integrating refugees and host communities by applying a resilience lens in designing interventions. The program considers the absorptive, adaptive, and transformative capacities of this target group. Resilience strategies to improve households’ abilities to withstand market and climate shocks which include increasing incomes, facilitating access to drought-resistant crop varieties through market channels, and improving access to risk-mitigating services such as agricultural insurance. The program further designs interventions to shift behaviors to avoid the negative impact of shocks hence increasing access to market and climate information and extension services. These interventions align with the push-pull approach to engage marginalized groups, where improved access to markets provides the incentive, or “pull,” for marginalized groups to engage in markets. There also are clear value propositions for the private sector to invest in marginalized populations as clients, employees, and suppliers.

The activity further aims at de-risking new approaches and models that demonstrate long-term commercial sustainability, partnering with off-takers who offer incentives and embedded services to farmers under forward purchasing contracts, leverage improved markets to increase access to finance, build demand for genuine agri-inputs, ensure quality management at aggregation, packaging and processing and support collaboration between the private sector and OPM.

Currently, FeT IAM operates in the refugee hosting districts of Kamwenge, Isingiro, and Lamwo. As part of the early engagement strategies, the program is creating collaborations with selected local private and development partners to develop market interventions that facilitate the exchange of goods and services that are produced or consumed by refugees and host communities.

Based on this background, the activity conducted an assessment in the Palabek refugee settlement in Lamwo district to purposely engage key stakeholders in the settlement area in identifying opportunities and constraints in engaging refugees and host communities in agricultural market systems. This also served as a platform to gain a better understanding of the Palabek Settlement agricultural market system.

OVERALL OBJECTIVE
Engage with settlement leadership, private sector, implementing partners, and other market actors to understand the market system in the settlement areas to inform FtF IAM design of the refugee engagement strategy.

Specific objective

1. To engage with settlement leadership, development partners, and market actors on how refugees and the host communities engage in market systems in the Palabek settlement area.
2. To gain an understanding of the constraints and opportunities existing in the market systems in the refugee settlement area.
3. To develop recommendations on approaches and models that will strengthen the engagement of the refugees in market systems in the settlement area.
4. To establish potential partnerships and with the private and development partners in the settlement area.

APPROACH

The FtF IAM activity in May 2021 obtained clearance from the Office of the Prime Minister to conduct an assessment in the refugee settlement of Palabek, Lamwo district. Following this clearance, the team conducted a desk review on the existing literature on markets systems in the settlement focusing on the current market systems landscape, agriculture, and understanding the current interventions by other key implementing partners in the settlement. The team also developed a list of stakeholders operating in the settlement to interact with as well as tools to be used for this assessment. The team then embarked on a 3-day field activities to conduct key informant interviews as well as focus group discussions. Here is the list of respondents including the settlement Commandant, development partners, financial service providers, refugee farmer, and VLSA groups among others, agents to mention but a few.

The research team comprised of the Deputy Chief of Party (DCOP) and the partnership Intervention Manager Gulu regional office.

Overall, the team interacted with a total of 15 respondents through key informant interviews including representatives of OPM, Implementing Partners such as Lutheran World Federation, USAID/ICAN together with COW Foundation, traders, agro-input dealers, farmers groups/cooperatives, and other Agribusinesses. The team also held 4 focus group discussions (FGDs) with refugee and host farmer groups, mixed farmer groups, and Village Savings and Loans Associations (VSLA).

FINDINGS

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<th>AREA</th>
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| 1  | Introduction | Palabek refugee settlement is one of the newest refugee settlements in Uganda. It located in the sub-counties of palabek Kal, Palabek ogil Palabek germ, and Lukungu in Lamwo district. It was officially set up in April 2017 to reduce congestion in larger refugee camps in the northwestern corner of Uganda. It is currently home to 60,550 refugees and asylum seekers. South Sudanese account for more than 95% of the settlers with 85% of these arrivals women and children according to the Nations Development Program Human Development Report.

   It is still a receiving settlement with 34 development partners, these among others include Lutheran World Federation (LWF), World Vision Uganda, Danish Refugee Council, VEDCO, World Food Program (WFP), and United Nations High commissioner for Refugees (UNHCR). Other partners include East Acholi

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Cooperative Union, TRIAS Associates, and JOLHA Company Limited who provide different agribusiness services like inputs and output markets in the settlement.

- There is a cordial relationship between refugees and host communities as the host communities work together with the refugees which has built trust between them and host communities.
- Refugees are also accessing more land for production by renting from the locals in the area. The cost of renting land is at 30,000 Ugx/acre/year. Some implementing partners like LWF are renting land (average 5 acres per group) for refugees to do group production.
- Also, to solve the land shortage problem for refugees, development partners have integrated groups with membership from both the refugees and host communities, where the host communities donate land for group use, rendering access to more land by the refugees.

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Agriculture

- Majority of the refugees depend on agriculture as a major source of livelihood. Refugees mostly grow horticultural crops, maize, rice beans, and groundnuts on small scale. These crops are grown on both settlement’s allocated plots, group land donated by the host communities as well as hired land.
- Refugees have access to only small pieces of land, some were given 30MX30M, though others who are located at the boundaries between refugees and host communities develop relationships with host communities to hire land.
- Development partners are also supporting the refugees to access more land by hiring for them more land to be farmed in a group. For instance, LWF is hiring an average of 5 acres which is allocated to a group of refugee farmers for a particular enterprise.
- Refugees who need more land can also hire from the host communities at the cost of 30,000 Ugx per acre per year to complement their OPM allocation of 30mx30m.
- There is high production of horticultural crops in the settlement, especially by the female farmers. This is the crop of preference because of its nutritional value advantages to the household, short production cycle, and its limited land requirement. It was however noted that the production is mainly for food consumption and very few farmers are engaging on a commercial basis.
- There is limited access to extension services in the settlement.
- Refugees provide labor and are hired by commercial farmers inside and outside the settlement. Some of them prefer to be compensated in kind in terms of foodstuffs.
- Post-harvest handling (PHH) practices in the settlement were relatively low. There was no access to PPH technology which increased farmers’ risk of grain loss and low economic resilience. Individual farmers lack drying space for their produce, do not have access to tarpaulins for drying, and lack storage space. And as a result, their produce sold both locally in the community and to traders is of very poor quality.

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Agro-inputs

- Input business at the refugee settlement is not viable at the moment with the current model being used by the implementing partners, free inputs are being distributed, and most IPs source direct from Seed companies, crippling the businesses of the agro-dealers.
- Both refugees and host community members cannot afford seeds, fertilizers, and agro-chemicals.
- There is also a problem of accessing quality inputs by the farmers since the few agro-dealers that operate in the area deal mainly in counterfeit products and farmers end up losing.
| Financial Services | • There is limited capacity to carry out full-scale value addition interventions in the area due to its costly nature.  
 • The refugees’ major source of cash is mostly from cash grants given by implementing partners such as Cesvi Onlus, LWF among others. Refugees are also engaged in casual work such as farm work where they earn cash and sometimes in-kind payment in terms of foodstuff.  
 • **Much as the refugees do not have access to formal banking services, a few agents are at a trading center about 10KMs from the settlement, but also suffer liquidity challenges.**  
 • There are also several VSLA groups formed by the different IPs, who are linked to commercial banks like Stanbic bank and Post bank for individual savings.  
 • **Mobile money services exist within the settlement.**  
 • The settlement has one SACCO with both refugees and host community members. |
|-------------------|---------------------------------|
| Access to market  | • There is a huge market for maize flour in the settlements. However, most flour is bought from outside the settlement.  
 • The refugees also produce a lot of horticultural crops, most of which are consumed within the settlement, and the excess is sold to the host community on appointed market days.  
 • Farmers sell their produce immediately after harvest due to storage and value addition challenges. This affects their ability to bargain for better prices.  
 • Potential crops for new markets in the settlement are mainly the different horticultural crops, pulses, and cereals.  
 **Effects of COVID-19**  
 • The trade in the settlement was negatively impacted by COVID-19 because of limitation in movement in and out of the settlement, restrictions in operating hours which led to the collapse of small-scale businesses that were run by refugees.  
 • Other effects were increased crime, domestic violence, child neglect, family separations, and trauma. This has affected the participation of the victims in the market system. |
| TRIAS-Associates  | • It engages both the refugees and host communities.  
 • Does market between producers and buyers and has a CBO component that conducts trainings/capacity buildings sessions for farmers.  
 • Has worked with refugees to produce okra on contract for export to Turkey.  
 • Worked with Mukwano on sunflower production, farmers produce and Mukwano buys back.  
 • Partnered with Butambala Ginger growers’ association, farmers produced ginger although the challenge was production was higher than demand hence the produce was not all off taken, the surplus fetched low prices locally.  
 • Currently has an agreement with KK Foods to work with farmers to produce sweet potatoes, hot pepper, green chilies, and groundnuts for export on contract. 10 acres have been leased to demonstrate crops KK Foods is interested in, this will be irrigated land  
 • Currently has about 500 farmers (both refugees and host communities) in his networks. |
| Lutheran World Federation (LWF) | • LWF engages both the refugees and host communities.  
 • Currently the biggest IP implements Livelihoods activities in the settlement.  
 • Support groups to produce crops, mainly rice and vegetables for home and cash, groups are supported to rent land for production, and sometimes supported to open the land. |
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<th><strong>Ram Ram Lopit Oil seeds cooperative society</strong></th>
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| • Promotes VSLA approach and has links with Stanbic Bank, though groups still travel to Kitgum to transact.  
• Promotes vocational trainings for employability skills.  
• Promoting simple value addition of crops such as cassava chipping.  |
| • The cooperative works with the host communities  
• Started in 2011 as a youth disco dance group with 24 members and group. The group has since transitioned to a farming group and now registered and has integrated elders as advisors in the cooperative with 63 members.  
• The cooperative has a store that was constructed in 2014 in partnership with Mercy Corps.  
• Crops of focus are; sesame, sunflower, soya beans, groundnuts.  
• Services offered to members are;  
• Bulking of produce and selling together.  
  o Offering storage services to farmers at a fee of 1000 shs/bag.  
  o Have signed a contract with Mukwano for the production of sunflower and soya beans. Targeting 2 acres of soya beans for seeds and 63 acres of sunflower, 1 acre per member of sunflower for grains.  
• The members always borrow loans from Post Bank for production.  
• They appreciate the opportunity of selling some of the produce to refugees but the challenges of transport to the settlement have limited them. |
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<th><strong>Children of the World (COW Foundation)</strong></th>
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| • Engagement with host communities only, with loose connections of refugees and host communities mostly during trainings for apiary activities.  
**Economic empowerment.**  
  • VSLA-390 VSLAs, 7,500 members saving, farming, and bulking. The groups are linked to Post Bank for Financial literacy and individual savings.  
  • Market linkages through 144 (47 Female) Business service providers (BSPs), same as the village agents, they also provide knowledge to farmers and are paid stipends by ICAN.  
  • COW has a partnership with Equator seeds for the production of Iron-rich beans with 3000 farmers, Equator Seeds buys back some of the grains.  
  • There is an ongoing partnership with Mukwano on Sunflower production, Mukwano buys back the sunflower.  
  • 10 BSPs are working with Equator seeds as agents.  
  • Last year they promoted the production of ginger but there was no market for the produce.  
  • Offering in-kind grants for individuals and groups that have shown commitment.  
**Nutrition**  
  • Support pregnant mothers, children below 5 years, and lactating mothers through practical training on kitchen gardening and the provision of vegetable seeds.  
  • Trainings are done through mother care groups given by Village Health Teams (VHTs) on foods to consume.  
  • Trainings are conducted for school children on vegetable production, they are expected to extend the skills to their family members.  
**Governance.**  
  • Strengthening farmer groups- some VSLA groups are being linked for capacity building support that is intended to see them register as SACCOs.  
  • Working with cultural leaders to cause a change in the community, like encouraging planting trees, addressing GBV issues, among others. |
Social inclusion
This is targeted towards adolescent girls. They are trained using 3 modules:
1. **My Voice**: here they are trained to speak up and let their voices heard and are also trained on reproductive health issues.
2. **My choice**: trains them on business skills, Agricultural and non-agricultural.
3. **I am in control**: improves their soft skills.

WAY FORWARD

1. FtF I AM to co-design interventions with the private sector like Ag-ploutos to support input distribution, and other imbedded services to the settlement and the host communities.
2. FtF to de-risk and co-finance horticulture off-takers to expand into refugee settlements in partnership with other service providers. FtF to co-finance expansion of business models that support horticulture farmers in refugee and host communities to sell to identified markets. This will be facilitated through:
   a. Support tri-party agreements between buyers, input companies, and farmers.  
   b. Increase farmer access to other support services such as financial products, digital solutions, and insurance. 
   c. Facilitating collaboration between horticulture companies, development partners, OPM, and LGs. 
   d. Strengthening quality management capacity of farmers (traceability, aggregation, and PHH).
3. FtF to link the agribusinesses in and around the refugee settlements to business advisory service providers to support in improving their business capacities to better serve the refugees and the host communities. 
4. Engage financial service providers (commercial banks and FinTechs) like Ensibuuko, Post Bank to develop products that address some of the financial landscape gaps through identifying more market-led solutions tailored to farmers’ needs.

Appendix A: List of Persons and Organizations Contacted

<table>
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<tr>
<th>Person contacted</th>
<th>Organization</th>
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<tr>
<td>Salome Amuge and team</td>
<td>Lutheran World Federation</td>
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<tr>
<td>Samuel Opiyo Wellborn</td>
<td>TRAJ Associates</td>
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<tr>
<td>Oceng David</td>
<td>JOLAH Company Ltd</td>
</tr>
<tr>
<td>Komakech Henry and team</td>
<td>East Acholi Cooperative Union</td>
</tr>
<tr>
<td>Peter Abwola Ogenga</td>
<td>COW Foundation</td>
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<tr>
<td>Okello Brain</td>
<td>COW Foundation</td>
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<td>Ram Ram Lopit leadership</td>
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<tr>
<td>Julius Kamuza</td>
<td>OPM</td>
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<tr>
<td>Pascal Ajusi</td>
<td>OPM</td>
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Following the clearance, the team will develop an MOU with OPM to formalize the partnership in the 3 refugee locations where FtF IAM operates.

Compiled by FtF IAM

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