INTRODUCTION

FeF IAM Activity 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 Persons of Concern (POC) crisis is important in creating more sustainable solutions for this community.
FtF IAM Activity focuses on integrating POCs and host communities by applying a resilience lens in the design of 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 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 negative impacts of shocks hence increasing access to market, 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 are also 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, leveraging improved markets to increase access to finance, building demand for genuine agri-inputs, ensuring quality management at aggregation, packaging and processing and support collaboration between the private sector and OPM.

Currently, FtF IAM Activity operates in the POC 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 produced or consumed by POCs and host communities.

Based on this background, the Activity conducted an assessment in the settlements of Rwamwanja to purposely engage key stakeholders in the settlement area in identifying opportunities and constraints in engaging POCs and host communities in agricultural market systems. This also served as a platform to gain a better understanding of the Rwamwanja Settlement agricultural market system as well as identify areas of collaboration with OPM and development partners in the settlement.

OVERALL OBJECTIVE

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

Specific objective

1. To engage with settlement leadership, development partners, and market actors on how POCs and the host communities engage in market systems in the Rwamwanja settlement area.
2. To gain an understanding of the constraints and opportunities existing in the market systems in the POC settlement area.
3. To develop recommendations on approaches and models that will strengthen the engagement of the POCs 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 POC settlement of Rwamwanja Kamwenge district. Following this clearance, the team conducted a desk review on the existing literature on markets systems in the Rwamwanja 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’s field activities to conduct key informant interviews as well as focus group discussions. Here the list of respondents included the settlement Commandant, development partners, financial service providers, POC farmer and VLSA groups, associations, food processors, agents to mention but a few.

The research team comprised of the Gender and Social Inclusion Advisor and the partnership Intervention Assistant Mbarara Regional office.

Overall, the team interacted with a total of 15 respondents through key informant interviews including representatives of OPM, IPs, processors, traders, agro-input dealers, farmers groups, and businesses. They also held 4 focus group discussions (FGDs) with POC and host farmer groups, mixed farmer groups, and Village Savings and Loans Associations (VSLA).

### FINDINGS

<table>
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<tr>
<th>No</th>
<th>AREA</th>
<th>DETAILED NARRATION</th>
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<tr>
<td>1</td>
<td>Introduction</td>
<td>Rwamwanja Settlement is located in Kamwenge district, South West Uganda with a total population of 78,000 POCs from 5 different nationalities. It has 13 zones and 45 villages. Each zone is made up of 3-4 villages. The settlement has a total of 18,000 households with an average household composition of 5 members. In the settlement, 90% of the households are engaged in agriculture of some kind (crop farming, animal rearing, produce trading, labor provision, processing, etc.). Some of the current development partners in the settlement include United Nations High commissioner for Refugees (UNHCR), SOS Children Villages, Lutheran World Federation (LWF), ALIGHT, Nsamizi Training Institute for Social Development, World Food Program (WFP), Save the Children, Finnish Church AID, Transcultural Psychosocial Organization (TPO) among others.</td>
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| 2  | Relationship between POCs and host communities | • There is a cordial relationship between POC and host communities; the POCs can hire land and labor from the host communities and sell their products to the host communities.  
• The host communities hire labor of the POCs and come to the settlement to sell their products to the POCs on market days.  
• There is however competition to hire land within the host community between the POCs and members of the host community. This has led to higher prices of hiring land which affects the POC access and ultimately their productivity. This has also negatively impacted their good relationship. |
| 3  | Agriculture | • According to the OPM Livelihood Officer, 90% of the POC livelihood is agriculture-led. POCs mostly grow beans and maize as well sorghum and groundnuts on a small scale and rear animals such as cattle, goats, rabbits, sheep, and poultry. These crops are grown on both settlement’s allocated plots as well as hired land.  
• Upland rice (Nerrica 10 variety), groundnut and Irish potatoes are emerging value chains due to their high returns on production and competitive market availability within and outside the POC community. Apiculture, goat rearing, and poultry have received a considerable adoption rate due to the small land requirement to establish.  
• Because of the low prices that maize and beans fetch at farmgate versus the high cost of production, value chains such as rice, groundnuts, garlic, and apiary have been introduced in most zones of the settlement by Nsamizi Training Institute and other partners to promote resilience and income diversification among the POC household.  
• Currently, there are 140 smallholder farmer producer groups; 80 rice farmer associations, 20 goat rearing groups, 20 apiculture groups, and 20 garlic producer associations supported by a consortium of partners under the Livelihood, Energy, and Environment sector (LEE partners). The major challenges at farmer |
association as well as individual POC level are limited access to value addition technology, skills, and competitive external markets.

- Rice has emerged as a value chain with the highest adoption rate among POCs over the past two seasons due to the higher price it fetches on the market, short maturity period, relatively low production costs, and readily available market compared to maize and beans.

- Horticulture is practiced on a small scale for home nutritional needs and the surplus is sold during the market days to both the host community and POCs.

- POCs officially own 50x50ft plots of land allocated to them by the OPM in the settlement. They however have access to more land through hiring from the host communities, the competition for the land between the POCs and the host communities makes it very expensive to hire land; it costs up to 200,000/= (about USD 55) to hire an acre of land for production in the host community.

- Through IPs like Nsamizi Institute of Social Development, UNHCR, and LWF, there are some of the farmers in the settlement that have taken on beekeeping and are producing 1.5 MT per year. This value chain has employed many of the youth because of the limited requirement for land. They are however affected by limited access to value addition technology and skills, and value chain potential in terms of products (they don’t know the market potential of the wax and propolis).

- There is limited access to extension services in the settlement which limits the production of quality.

- Poor agronomic practices are still a challenge among the POCs; because of hunger POCs harvest immature beans pods for consumption. This in the long run affects the yield of the beans, they also use the primary seed for planting rather than buying new quality seed at the start of the planting period.

- There are existing opportunities for the POC to offer labor services during the opening of the land, weeding, bird watching especially on rice farms, PHH activities, etc. These are usually paid an average daily wage of 5,000/=. 

- POCs provide labor and are hired by commercial farmers inside and outside the settlement at an average of 5000 UGX (slightly over USD 1) per day.

- Post-harvest handling (PHH) practices in the settlement are still poor. There is limited access to PHH technology and knowledge which increased farmers’ risk of grain loss and low economic resilience. This is as a result of limited drying space some of the farmers opt to dry their crops on the roads. Individual farmers lack drying space for their produce, do not have access to tarpaulins for drying, and lack storage space. Hence, they resort to borrowing tarpaulins from those who have and the traders who they are going to sell to also provide them with tarpaulins, use churchyards that are larger than their small plots. And as a result, the beans and maize sold both locally in the community and to traders are of very poor quality.

- These challenges force the POCs to sell their crops on the farm before they are fully mature or soon after harvest at very low prices to avoid the costs of hiring storage and other PHH expenses.

- The farmers’ fields are sometimes raided by cattle from host communities and wild animals (hippopotamus) from Queen Elizabeth National Park. This affects their yields greatly.

<table>
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<th>4 Agro-inputs</th>
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<td>• Some of the farmers access seeds as well as crop protection inputs through partners like Nsamizi, SOS Children’s Villages, LWF among others; this is on a preseason inputs loan arrangement and the POCs payback after harvesting.</td>
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<tr>
<td>• Nsamizi is engaged in the multiplication of rice seed for distribution to the farmer groups, although the institution’s capacity is limited compared. There is a high demand for rice seed which Nsamizi cannot meet given the high adoption rate of the value chain by POCs because of its benefits such as high yield, short maturity</td>
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period, higher market price even at peak supply, and relatively low cost of production, among others benefits.

- There is limited access to quality inputs in the settlements and hence the farmers resort to recycling seed which has created a new beans variety locally referred to as “mix”. This fetches very low prices on the market as low as 800/= per kilogram.
- Farmers are aware that agricultural land is exhausted. However, both POCs and host community members cannot afford fertilizers and agrochemicals.
- Some of the POC farmers have good relations with the agro-dealers and the agro-dealers provide the seeds and agro-chemicals on loan which are paid after the harvest. This was common in Kalhora zone in the settlement.
- The farmers do acknowledge the need for better seed varieties and fertilizer. However, there is a problem of access to quality inputs by the farmers. Agro-inputs shops were not visible in the community.
- UNADA was engaged by LWF to train 21 representatives from associations, agro-input dealers in and out of the settlement on safe use and handling of agrochemicals and the input shop certification procedures. However, the input dealers interviewed did not have the certification even though they are aware of how to identify a quality ag-input from a counterfeited one.
- One of the Development Partners – Alight’s partnership with Nsamizi manages seedbanks where some targeted farmers can access seed.
- Input dealers are mostly found in the host community with a few scattered about in the settlement; Katalyebo input center is the dominant one in the settlement.
- Farmers also access inputs through traders who come from Kamwenze town to sell within the settlement during market days at the start of every production season, although the POCs have limited capacity to purchase yet the external traders don’t offer inputs on credit.

5 Financial Services

- Majority of the POCs are organized in VSLAs and use this platform to save and access micro-loans to buy inputs and procure other embedded services.
- There are existing financial service providers like Post Bank, Equity, Centenary Bank, and mobile telecommunication networks (MTN and Airtel are dominant) through their agents; forex trading and exchange is also available to cater for those POCs who receive remittances from relatives who are abroad. However, their utilization remains low especially access to credit which requires the POCs to provide collateral in form of fixed assets such as land which they don’t have permanent ownership of.
- There have been limited financial literacy trainings conducted for the VSLA and farmer groups by development partners and to this, the use of the available financial services in the settlement by POCs has remained low. This is further worsened by misuse of loans by those who can access credit through VSLAs and SACCOS especially the men e.g., using the money to fund alcohol consumption and other bad vices, this has led to multiple borrowing syndrome which escalates GBV in POC homes.
- Using the POC identification documents, a POC can access credit from a formal financial institution. However, this is not possible because the POCs do not own any fixed assets that they can present as collateral; a requirement that most banks in Uganda including Centenary bank, Equity, and Post Bank request for prior to extending credit.
- Misinformation of the POCs by representatives of the formal financial institutions about accessibility to credit also frustrates the POCs; especially about the requirements for one to get a loan, most bank agents promote account opening and initial deposit and intentionally not inform the POCs of the terms and conditions of accessing credit through the formal financial institutions.
- There are mobile money and agent banking services in the settlement and host communities, however, most of these are operated by the nationals. Even though POCs can use their POC identification documents to apply for and operate these businesses, there are still gaps in information access from the financial institutions about these opportunities for POCs.

- There are many functional Village Savings and Loan Association (VSLA) groups that double as farmer groups in the settlement and among the host communities, their average female to male composition is 70%. Individual farmers borrow from Village Savings and Loan Associations (VSLA’s) to procure inputs, hire land as well as pay for labor for farm activities.

- Centenary Bank, Stanbic Bank, and Equity Bank have agents in the settlements whose utilization is limited to withdrawal by employees and development partners in the settlement to pay workers. There’s underutilization of digital platforms for mobile money and banking services except for purchasing food rations for POCs using the monthly payments from WFP.

- There are no functional existing SACCOs that the POCs borrow or save money with. Illegal money lenders have taken advantage of this and lend to the POCs at very high lending rates.

### Access to market

- One of the biggest challenges faced by the farmers in the settlement is lack of a competitive market for their produce. The market for most of the produce from the farming community is sold within Rwamwanja settlement and the host community. There has been limited access to markets for produce outside the community because of the poor quality of grain that is produced. This is a result of poor agronomic (use of secondary seed rather than quality certified primary seed for planting) and post-harvest handling practices (lack of sufficient storage facilities, drying grounds, tarpaulins, and harvesting premature crops).

- Majority of the farmers who are maize farmers have had challenges of their produce fetching very low prices on the market as low as 200/= per kilogram due to the quality. This has resulted in diversification of value chains to rice, soya beans, apiary, Irish potatoes that have been appreciated by the POCs due to a relatively high price that they fetch versus the cost of production despite the level of supply in the market. A few POCs who have tried aggregation have since pulled out due to the fluctuating prices.

- There are no private companies that offtake produce from the settlement directly. Many like New Kakinga Millers, Aponye, and Kamwenge Community Development Limited that have tried to engage the POC communities do so indirectly through their field agents who manipulate the POCs to sell their grain produce at very low prices compared to the market prices while some of the agents tamper with the weigh hence the farmers end up being cheated; this was reiterated by the settlement commandant who said that the middlemen seemingly offer a higher price but tamper with the weighing scales and the farmers still sell at a loss.

- Produce is sold as soon as it is harvested for various reasons. Fluctuating prices, lack of space for storage, rampant theft of produce, and the need for funds to hire land immediately due to the competition in land hire.

- Development partners in the settlement like Nsamizi, LWF, SOS Children’s Villages have introduced farmer groups to organize the POCs into producer associations that are growing crops like garlic, rice, groundnuts which they sell within their communities and the host communities. However, there are still challenges finding external market for the produce which limits the production potential of the farmer groups.

### Settlement Livelihood coordination

- Rwamwanja settlement has many development partners and these have been clustered in sectors of Livelihood, Water, Sanitation and Hygiene (WASH), Protection, Health, Energy, GBV, Environment, Education, etc.
• The Settlement Livelihood sector (LEE partners) meets monthly to share learnings and solutions to challenges in livelihoods interventions, energy, agriculture, markets, and economic resilience. Similarly, quarterly coordination meetings are held by Kamwenge District Local Government, bringing together all the district key stakeholders who include among others all the development partners working with POCs in the Rwamwanja settlement.

• All the development partners as per their interventions participate in these sector meetings to better coordinate their interventions and complement their interventions to better serve the persons of concern.

Sexual and Gender-Based Violence (SGBV)

• It was noted that there are high SGBV cases in the settlement. The cases escalated during the COVID-19 pandemic lockdowns and the cut of food rations by WFP. For example, in August 2021, 7 cases of GBV were reported. The cases escalate during the food distribution period; during the week of the study, 2 community-based SGBV counselors mentioned receiving at least 15 cases of GBV throughout the week of food distribution some of which are handled at the local level meanwhile the rest are referred to the SGBV response partners in the settlement.

• Most of the reported cases are economic violence cases and the physical cases are triggered by the control of limited resources and power dynamics at the household level.

• The settlement has a sector dedicated to SGBV. The partners contributing to addressing SGBV have been clustered into legal, prevention, and response service providers;

• Some of the partnerships providing interventions include
  o ALIGHT - response and prevention
  o SOS Children’s Villages- Prevention
  o Medical Teams International - response,
  o Save the Children – response and prevention
  o Transcultural Psychosocial Organization (TPO) - response
  o LWF - Legal services
  o AVSI- prevention

• Through the existing partnerships and government of Uganda institutions, there is a full referral pathway for GBV that guides reporting and addressing SGBV issues.

• Male engagement strategies have been integrated into the response as the men are the majority perpetrators of SGBV.

• One of the farmer groups in the settlement in Mahane A zone is a group of SGBV survivors who have come together to support victims to overcome the trauma, they empower each other economically through group VSLA and textile business, they also engage in produce trading. Rather than walk long distances to the host communities to hire land for farming which triggers GBV in their own homes, group members engage in small IGAs such as selling fresh foods and groceries near their homes and this has reduced conflicts at the household level.

• The group received 7 cases of GBV in August. Incidences of GBV increase during the food distribution week to a record high of 15 cases per day.

Food processing

• There are a few small-scale food processors within the settlements that support the POCs and the host communities in the processing and value addition. One notable processor is Katalyeba Maize Mill, Neema Value Addition center adds value to pineapples and milk as well as several small-scale rice processing facilities scattered within the settlement. They have engaged the POCs as suppliers, casual laborers and sell some of their products to the settlement community.

• One female POC was trained by LWF in milk value addition and upon completion was given a startup kit. She makes yogurt and has been supplying to the entire settlement, she has however been banned from operating by UNBS through local authorities because of lack of product certification although she still produces in small quantities for functions organized by development partners.
Effects of COVID-19

- The markets in the settlement were 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 POCs.
- Other effects were increased crime, domestic violence, child neglect, family separations, increase in commercial sex, and trauma. This has affected the participation of the victims in the market system.

WAY FORWARD

1. FtF IAM to co-design interventions with identified private sector companies like Grain Pulse, Kakinga Millers, Okeba Limited to support input distribution, seed multiplication, grain trade, food processing, and other embedded services in the settlement and the host communities.
2. FTF to co-finance expansion of business models of horticulture off-takers that support horticulture farmers in POC and host communities to sell to identified markets. This will be facilitated through:
   a. Supporting 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).
   e. Support some of the associations and individual processors within the POC communities to acquire certification from UNBS
3. Link Food Safety Associates with Development partners like Lutheran World Federation (LWF), Nsamizi Training Institute to support in the certification process of the individual and association processors of honey, milk, rice among others.
4. Asima a private company to support Member Based Organizations in the settlement and host communities to promote aggregation models that will empower local aggregators in the settlement and link them to financial service providers.
5. Engage Post Bank, Centenary Bank to develop financial products that address the financial landscape gaps through identifying more market-led solutions tailored to farmers’ needs.
6. Following the clearance, the team will develop an MOU with OPM to formalize the partnership in the 3 POC locations where FtF IAM operates.

Appendix A: List of Persons and Organizations Contacted

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<tr>
<th>Date</th>
<th>Activity</th>
<th>Location</th>
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<tbody>
<tr>
<td>Tuesday 9th November 2021</td>
<td>Meeting with the Assistant Settlement Commandant – Mugabe Leo Asimwe 0782343798</td>
<td>Rwamwanja Base Camp</td>
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<td></td>
<td>Sarah Achen – OPM Assistant Settlement Commandant-Livelihood focal person</td>
<td>Rwamwanja Base Camp</td>
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<td></td>
<td>Annet Atuhaire – Livelihood Officer SOS Children’s Villages 0789210499</td>
<td>Rwamwanja Base Camp</td>
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<td>Laura Twesigye – M&amp;E Officer SOS Children’s Villages 07802222529</td>
<td>Rwamwanja Base Camp</td>
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<td></td>
<td>Denton Gatabazi – Nsamizi Training Institute for Social Development 0777616704</td>
<td>Rwamwanja Base Camp</td>
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<tr>
<td>Wed 10th November 2021</td>
<td>Visited Base Camp in the settlement to interview more Development Partners</td>
<td>Rwamwanja Base Camp</td>
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<tr>
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<td>Persons interviewed:</td>
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<td></td>
<td>Hillary Agwe -UNHCR – 0772710127</td>
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<tr>
<td></td>
<td>Ambrose Ogwang Program Manager LWF – 0774240449</td>
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<tr>
<td></td>
<td>Visited Kaihora Zone;</td>
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Thursday 11th
November 2021

Thomas Emma Tumusiifu – Agent/Farmer – 0771688327
Kyobutungi Jovelyn - Input Dealer -

Shakirah Owamahoro - Shaki Yorghut Proprietor – 0777924187
Visited value addition Shakira Uwamahora - 0777924187

Usafi Farmers group -

Ndayambaje Jean Pierre – Chairperson (Tumaine VSLA and AgProcessing business group) - 0773766580

Gakomeye Bendera - Treasurer (Tumaine VSLA and AgProcessing business group) - 0772820286

Kuwa Nguvu Mahane A women group
Muhawenimana Deborah - Chairperson/ SGBV counselor – 0783267201

Mugume Communications - Banking Agent - Rose Kajumba - 0783540704

Kaihora Zone
Base Camp
Mahani Zone B
Base Camp
Base Camp
Mahane Zone A
Katalyeba Trading center
Rwamwanja

Compiled by FtF IAM

Sign
Collins Apuoyo
Chief of Party

Feed the Future Inclusive Agricultural Markets Activity (FTF IAM)

Approved by

Sign

Kitaka Timothy
Settlement Commandant
Rwamwanja Refugee Settlement

www.feedthefuture.org