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► Impact of COVID-19 on Refugee and Host Community Livelihoods

ILO PROSPECTS Rapid Assessment in two Refugee Settlements of Uganda

▶ **Impact of COVID-19 on Refugee and Host Community Livelihoods**

ILO PROSPECTS Rapid Assessment in two Refugee Settlements of Uganda

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First published 2021

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Impact of COVID-19 on Refugee and Host Community Livelihoods
ILO PROSPECTS Rapid Assessment in two Refugee Settlements of Uganda

ISBN 978-92-2-034720-1 (Print)

ISBN 978-92-2-034719-5 (Web PDF)

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Cover photo: Yasin Nsubuga ILO / RUDMEC

Printed in Switzerland

This publication was produced by the Document and Publications
Production, Printing and Distribution Branch (PRODOC) of the ILO.

*Graphic and typographic design, layout and composition,
printing, electronic publishing and distribution.*

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▶ Executive summary

Government restrictions implemented to curb the spread of the COVID-19 virus in Uganda had a positive impact on containing the virus in the early to mid months of 2020 but have probably exacerbated pre-existing economic inequities. COVID-19 restrictions on transport and travel, and restrictions on the numbers of people who can gather, have particularly damaged the economic vitality of refugee and host communities, as well as enterprises in Isingiro and Arua districts. In order to understand the impact of the COVID-19 public health restrictions on jobs and livelihoods in the formal and informal sectors, the International Labour Organization launched an assessment to inform the “Partnership for improving prospects for host communities and forcibly displaced persons” (PROSPECTS) programme in Uganda. The assessment provides an evidence base for the needs of the refugee and host community populations and business enterprises in two locations targeted by PROSPECTS, in order to inform key stakeholders of market-based economic support opportunities and possible short-term, mid-term and long-term adaptations to programming that will allow PROSPECTS to effectively support populations in Isingiro and Arua, Uganda.

Methodology

A mixed-method approach was used, covering four areas:

1. Secondary data review of existing studies conducted before and after the implementation of COVID-19 restrictions related to the economy, livelihoods, jobs and social cohesion among refugees and host communities in Isingiro and Arua districts;
2. Quantitative household-level survey with refugee and host community heads of households;
3. Quantitative enterprise-level survey among business owners in refugee settlement-hosting districts;
4. Qualitative key informant interviews (KIIs) with business owners, non-governmental organizations (NGOs), United Nations (UN) agencies, and local district government officials working in Isingiro and Arua.

Results from this assessment should be considered as indicative, owing to the remote data collection methodology used. For more information on the methodology, please refer to page 7.

Key household-level findings

- ▶ All households, regardless of population group, experienced a loss in income following restrictions from COVID-19 and stated that “capital” would be their most useful income support.
- ▶ Before COVID-19, the majority of host community households in both locations fell into an income category five times higher than the income category of the majority of refugee households. After the implementation of COVID-19 restrictions, the incomes of most host community households and most refugee households fell into the same income category – earning a median of 200,000 Ugandan shillings on a monthly basis.
- ▶ The majority of host community households (64 per cent) and refugee households (73 per cent) in Arua stated that they had experienced an increase in community tensions since the onset of COVID-19, attributed to households coping with reduced income.

An increase of community-level tensions was also expressed to a lesser degree by households in Isingiro, where 47 per cent of host community households and 53 per cent of refugee households reported increased tension in their communities following the COVID-19 restrictions.

- ▶ By sector, both male and female government/healthcare/NGO workers experienced the smallest reduction in their incomes, and female employees in small businesses or tourism experienced the greatest reduction in their incomes. In agriculture, male breadwinners reported higher median monthly earnings than female breadwinners before the implementation of COVID-related restrictions.
- ▶ In Arua, 1.3 times more host community business owners than refugee business owners stated that their business was part of the formal economy. In Isingiro, 3.5 times more host community business owners identified their business as part of the formal economy as compared to refugee business owners.
- ▶ More than 93 per cent of the 93 household-level respondents who affirmed that a member of their household contributes to the National Social Security Fund (NSSF) identified as host community households, meaning that less than 6 per cent of refugee households had members participating in the NSSF. As a proxy indicator, this may indicate that a greater percentage of host community household members are employed in the formal economy.

Key enterprise-level findings

- ▶ Only 4 per cent of enterprise respondents stated that any degree of remote working was being used; technology for remote work and training on how to use the technology and conduct remote work were frequently cited as top needs by respondents and key informants (KIs), particularly in the agriculture sector.
- ▶ At the national level, respondents reported that their revenues decreased by between 25 and 49 per cent as compared to an average month before the onset of COVID-19, and 71 per cent stated that their biggest challenge had been that “cash flow to maintain staff and business operations is inadequate”. In Isingiro, the majority (52 per cent) estimated that their revenues decreased by 50 to 74 per cent, and in Arua, 33 per cent of survey respondents also reported a decrease in their monthly revenue, estimated at 25 to 49 per cent.
- ▶ All three groups of KIs stressed the challenges brought on by the transportation limitations and the inability to hold in-person work.¹ KIs reported that the prices of supplies and food items were higher and unstable, regular tasks or activities were more time-consuming, and there were additional financial costs in managing and implementing COVID-19 standard operating procedures.
- ▶ Reportedly, 76 per cent of enterprises in Isingiro and 59 per cent of enterprises in Arua had to reduce their workers’ salaries owing to lost revenue and increased costs related to COVID-19 restrictions.²

¹ Government of Uganda (GoU) (October 2020). COVID-19 [Response info hub](#).

² For a full breakdown by sector of the behavior or services that enterprises changed to try and stay lucrative amid COVID-19 restrictions, please see Annex 3

- ▶ While the Government of Uganda (GoU) has approved a COVID-19 stimulus package, the credit appraisal process requires that small and medium enterprises (SMEs) generate a minimum of 100 million shillings in order to qualify for lending, and a credit rating is required.³ These requirements exclude a majority of SMEs and informal institutions which have no credit history and low revenues.

For a full description of the enterprise-level findings please see page 16.

Recommendations

A full description of the recommendations begins on page 35.

Capacity building	Labour market reinforcements	Policy support
<ul style="list-style-type: none"> ▶ Offer financial literacy training to support households and enterprises. ▶ Offer training on use of digital technology. ▶ Particularly engage women and youth with entrepreneurial training, to capitalize on their increased time at home. 	<ul style="list-style-type: none"> ▶ Investigate barriers and possible value additions to existing skills and cottage industry education. ▶ Focus on livelihoods networks beyond individual income-generating activities. ▶ Ensure that healthcare workers provide technical support to SMEs to mitigate, respond to, and manage health-related risks. ▶ Offer financial stimulus for SMEs and households through semi-formal access to capital, low-interest loans and blended financing. 	<ul style="list-style-type: none"> ▶ Revise district-level government development plans. ▶ Engage telecommunications companies to reduce the digital divide. ▶ Promote an improved understanding of labour rights to improve social cohesion and jobs access. ▶ Generate social protection for workers in the informal economy and the most vulnerable.

³ Initiative for Social and Economic Rights (ISER) Uganda (May 2020). *Uganda's COVID-19 Stimulus Package – Will it deliver?*



► Acknowledgements

We wish to thank the International Labour Organization (ILO) team: Grace Rwomushana, National Programme Coordinator, Enterprise Development for PROSPECTS Uganda, and Stephen Opiro, Chief Technical Advisor for PROSPECTS Uganda, for their support in developing the research design and tools for this assessment, as well as for their guidance and review throughout the process. Additional appreciation is extended to the ILO global experts who provided global guidance tools specifically for COVID-19-related assessments, which were used as both a guide and a reference during the research design phase of this assessment.

A special thanks to Adam Levin for his contribution in the design of the assessment framework, as well as for his support in tool development and qualitative analysis.

IMPACT would like to thank the Uganda Office of the Prime Minister (OPM) for their support of this project, as well as WENIPS and West Nile Web for compiling and publicly sharing their Business Directories. IMPACT would like to thank the refugee and host community households, district-level government officials, NGOs, UN respondents and enterprise owners in Isingiro and Arua who informed this exercise and whom this work aims to support.

► About IMPACT

IMPACT Shaping practices
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IMPACT Initiatives is a leading Geneva-based think-and-do tank that shapes humanitarian practices, influences policies and impacts the lives of humanitarian aid beneficiaries through information, partnerships and capacity building programmes. IMPACT's teams are present in over 20 countries across the Middle East, Latin America, Africa, Europe and Asia, and work in contexts ranging from conflict and disasters to regions affected by displacement and migration. The work of IMPACT is carried out through its two initiatives – REACH and AGORA – and through the provision of direct support to partners regarding Project Assessments and Appraisals (PANDA).



► Map, tables and figures

Map 1.	Map 1. Districts hosting refugee settlements and population assessments	3
Table 1.	Quantitative sampling achieved per stratum – household survey	11
Table 2.	Quantitative sampling achieved per stratum – enterprise survey	11
Table 3.	Average monthly income changes by population group preceding and following COVID-19 restrictions	19
Table 4.	Most commonly reported obstacles to earning sufficient income, by population group	22
Table 5.	Enterprise respondents per sector and location	28
Figure 1.	Flowchart of assessment respondents	9
Figure 2.	Average household incomes by population group before COVID-19	18
Figure 3.	Average household incomes by population group following the institution of restrictive measures meant to curb COVID-19	19
Figure 4.	National-level median income change before and after COVID-19 restrictions, grouped by the head of households' sector of employment	20
Figure 5.	Losses in the median monthly income of heads of households as a proportion of their median monthly income before COVID-19 restrictions, grouped by gender and sector of employment	22

► Abbreviations and acronyms

CRRF	Comprehensive Refugee Response Framework
DLG	District Level Government
DRC	Democratic Republic of Congo
ESP	Expanding Social Protection programme
FAO	Food and Agriculture Organization
GBV	Gender-based Violence
GoU	Government of Uganda
ILO	International Labour Organization
ISER	Initiative for Social and Economic Rights
KI	Key informant
KII	Key informant interview
NGO	Non-Governmental Organization
NSSF	National Social Security Fund
OPM	Office of the Prime Minister
PPE	Personal Protective Equipment
SACCO	Savings and Credit Cooperative Societies
SDG	Sustainable Development Goals
SDR	Secondary Data Review
SME	Small or Medium-sized Enterprise
SOP	Standard Operating Procedure
UBOS	Uganda Bureau of Statistics
UGX	Ugandan Shilling
UN	United Nations

UNCDF	United Nations Capital Development Fund
UNHCR	United Nations High Commission for Refugees
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VENA	Vulnerability and Essential Needs Assessment
WFP	World Food Programme
WHO	World Health Organization



▶ Table of Contents

▶ Execuctive summary	iii
▶ Acknowledgements	vii
Maps, tables and figures,	ix
Abbreviations and acronyms	x
▶ Introduction	1
▶ Methodology	7
Objective	8
Research questions	8
Secondary Data Review (SDR)	9
Primary data collection	9
Limitations	12
▶ Findings	13
Secondary Data Review	14
Primary data: Household-level findings	16
Primary data: Enterprise-level findings	26
▶ Recommendations	35
Outcome 1: Young people with foundational, transferable and life skills	36
Outcome 2: Sustainable local labour market providing decent employment for young people	39
Outcome 3: Existence of a conducive, evidence-based and young people-engaged policy and planning environment	42
▶ Conclusion	47
▶ Annexes	49
Annex 1: Bibliography for Secondary Data Review	50
Annex 2: Key informant interviews achieved	53
Annex 3: Proportion of respondents by sector reporting changes to business operations to protect against financial decline following Covid-19 restrictions	54



Introduction

► Introduction

Background to the humanitarian and development context in Uganda

Uganda hosts the fourth-highest number of refugees in the world, surpassed only by Turkey, Colombia and Pakistan.⁴ More than 1.4 million refugees have settled in Uganda, across 13 formal refugee settlements in 12 districts, as well as in other urban and rural areas. The displaced population arrived mostly from conflict-affected areas across the East Africa region and represents more than 16 nationalities. As of 31 December 2020, Uganda hosts 889,054 South Sudanese refugees, 421,563 refugees from the Democratic Republic of Congo (DRC), 49,728 Burundian refugees, 44,479 Somali refugees and 17,883 Rwandan refugees⁵ Uganda's Refugee Act of 2006 and the 2010 Refugee Regulations are progressive policies that offer displaced persons freedom of movement, the right to work, a plot of land for housing and small farming, and access to national health and education services.

Despite the progressive regulatory environment for refugees, there is a lack of job opportunities and a high unemployment rate, which contribute to a challenging environment for securing formal⁶ employment opportunities to support sustainable livelihoods. According to the World Bank, approximately 75,000 jobs are created in Uganda on an annual basis, while around 700,000 young people reach the working age of 15 annually.⁷ Thus, more than 80 per cent of the national population finds work in the informal economy, 70 per cent of whom are employed in subsistence agriculture.⁸ The Uganda Bureau of Statistics (UBOS) labour quality indicators showed that 92 per cent of those employed in the informal economy are youth (10–30 years),⁹ whose work can largely be characterized by low-paid and low-skilled jobs. In addition to low pay and reduced opportunities to build key skills, employment in the informal economy also confers a lack of social protection to workers. Those working in common informal areas such as subsistence agriculture and micro-enterprises are not often afforded health insurance, time-off benefits and other forms of protection that are usually grounded in formal employment structures.

Alongside differential access to jobs that provide social protection, refugees and host community members in Uganda encounter different experiences in the labour market and obstacles in the process of generating a livelihood. The World Bank and UBOS conducted a household survey in 2018, before the onset of the COVID-19 pandemic, that found that 72 per cent of refugee households in Uganda were unemployed, compared with 36 per cent of the host community in the same area.¹⁰

4. UNHCR (December 2020). [Refugee Data Finder](#).

5. UNCHR (December 2020). [Refugees and Asylum Seekers in Uganda](#).

6. Formal⁶ refers to micro, small, medium or large enterprises that are registered within Uganda. Employment in the formal sector does not necessarily confer social protection.

7. The World Bank (August 2020). [Uganda Economic Overview](#). According to the source, the World Bank considers people aged 15-65 to be of working age.

8. GoU's Investment Authority & UNDP (June 2019). [Arua District Investment Profile](#).

9. UNDP (April 2020). [Socio-economic impact of COVID-19 in Uganda: Short-, medium-, and long-term impacts on poverty dynamics and SDGs using scenario analysis and system dynamics modeling](#).

10. The World Bank & UBOS (September 2019). [Informing the refugee policy response in Uganda from the Uganda refugee and host community household survey 2018](#).

To address this distinct gap, many refugees are primarily dependent on humanitarian assistance¹¹ provided through foreign aid as a key source of income, while generally host community members do not benefit directly from the services of international NGOs. According to a baseline survey conducted by Bankable Frontier Associates (BFA) Global in 2018, 79 per cent of the refugee households in Bidibidi, Nakivale, Palorinya and Kampala had no employment income except food and cash transfers from the World Food Programme (WFP) and other NGOs.¹² In the previously mentioned UBOS and World Bank assessment from 2018, it was found that 66 per cent of the income of refugee households in West Nile, and 46 per cent in the Southwest, came from assistance, primarily through cash-for-food, cash vouchers, in-kind food,¹³ in-kind household items and healthcare assistance. This contrasts with host-community households, for whom 0.2 per cent and 0.5 per cent of host households' income in the West Nile and Southwest regions, respectively, was derived from assistance. The majority of host community households' income was derived from agriculture (61 per cent in the West Nile and 62 per cent in the Southwest). In the same study, it was found that refugees in the West Nile region obtained 8 per cent of their income from remittances, while those in the Southwest derived 18 per cent. The amount of income received through remittances was found to have a positive correlation with the amount of time a refugee household spent in Uganda. Some settlements, such as Nakivale in the Southwest, have hosted refugees for decades, as compared with others, including Rhino Camp, that have larger populations of newly arrived refugees. An overview of the socio-economic circumstances of these two refugee-hosting districts before the onset of the COVID-19 pandemic is described below.

Madi Okollo, formerly part of Arua district,¹⁴ is a highly arable district in northern Uganda. It encompasses Rhino Camp, the seventh-largest refugee settlement in the country and hosts 121,505 refugees, most of whom are South Sudanese, as of November 2020.¹⁵ The economy of Arua district is relatively diverse, with 47 per cent of refugees engaged in the local economy through work in farming, retail business and casual labour. Of those employed, 80 per cent work in subsistence agriculture in smallholdings of approximately two acres, mainly using simple farming tools such as hoes, pangas, and harrowing sticks. Only 0.5 per cent of the population is engaged in commercial agriculture, and family members constitute the single most important source of labour.¹⁶

Isingiro, a district in southern Uganda bordering Tanzania, hosts Nakivale settlement, which is the third-largest refugee settlement in the country, hosting 135,388 refugees as of November 2020. The majority of refugees in Nakivale come from the Democratic Republic of Congo, but there are also significant populations from Burundi, Rwanda and Somalia. Despite Nakivale's ethnic diversity, the labour market is generally uniform, with 97.1 per cent of economic activity being agrarian.¹⁷

11 Anecdotal evidence exists of the coverage of remittances, which may offer some informal social protection to some specific (diaspora) groups, yet the full extent of this coverage is unknown.

12 Kasemiire, C (April 2020). [Banks move to financially include refugees](#). *Daily Monitor*.

13 The World Bank & UBOS (September 2019). *"This is at odds with the high levels of food insecurity reported by refugees in both areas. It could be the case that the assistance is insufficient or that they report to sell it in order to fulfill essential non-food items."* In: The World Bank and UBOS (September 2019). [Informing the refugee policy response in Uganda from the Uganda refugee and host community household survey 2018.](#), p.64.

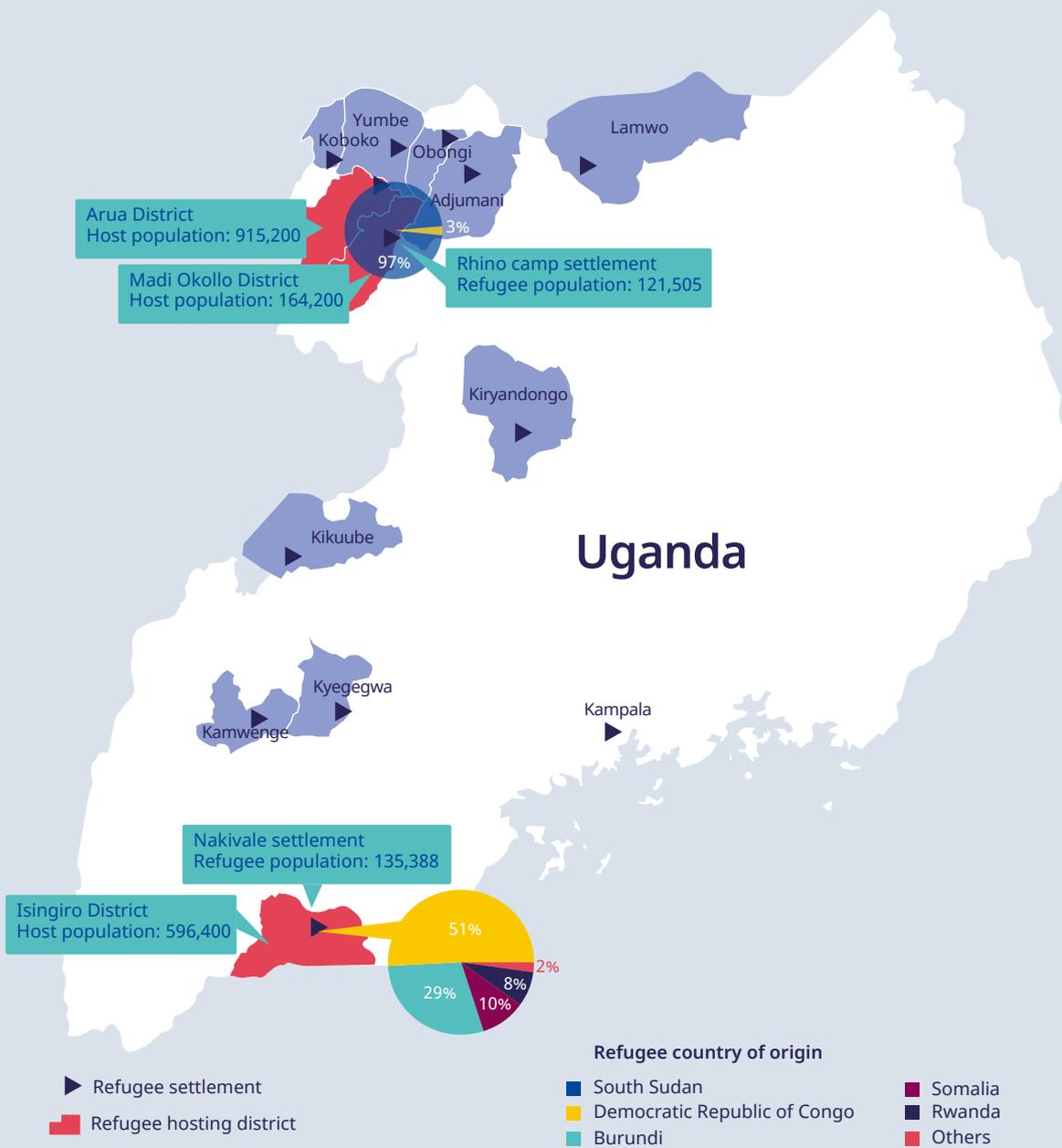
14 Arua district hosted both Rhino Camp and Imvepi settlements until 2019, when the new district of Madi-Okollo was established. As of July 2019, Rhino Camp was determined to be located in Madi-kollo district. In 2020, another new district, Terego, was established and currently hosts Imvepi. For the purpose of this assessment, both Arua and Madi-Okollo districts were targeted. Throughout the report, "Arua" is used to describe the sample unless Rhino Camp is being described, in which case "Madi-Okollo" is used. Arua also hosts the largest town centre in the area.

15 Office of the Prime Minister (OPM) & UNHCR (November 2020). [Refugee statistics](#)

16 OPM, Department of Disaster Preparedness and Management in Agago District & UNDP (2016). [Koboko district hazard, risk, and vulnerability profile](#).

17 GoU's Investment Authority & UNDP (July 2017). [Isingiro District Investment Profile](#).

► Map 1. Districts hosting refugee settlements and population assessments



Data source: Population data (UNHCR, Novembre 2020)

► The PROSPECTS Programme in Uganda

The Government of the Netherlands launched the PROSPECTS programme in 2019 in partnership with UNHCR, UNICEF, the World Bank, ILO and the International Finance Corporation (IFC) across eight programme countries, including Uganda. [PROSPECTS' global vision](#) aims to help transform the way governments and other stakeholders, including the private sector, respond to forced displacement crises through the thematic areas of (i) jobs or social protection; (ii) education and learning; and (iii) protection and legal status.

Based on these thematic areas, [PROSPECTS Uganda](#) aims to empower host communities and refugees in accessing sustainable income opportunities through the following three outcomes.

Outcome area 1: Young people (15–24) with foundational, transferable and life skills access the local labour market in types of work and working conditions appropriate for their age.

Outcome area 2: Sustainable local labour market providing decent employment is expanded to offer opportunities for host communities and refugees with a focus on young people.

Outcome area 3: Existence of conducive, evidence based and young people-engaged policy and planning environment (i.e. availability of data, of diagnostics and instruments for young people's engagement and participation in planning and implementation.)

COVID-19 Pandemic in Uganda

In all PROSPECTS programme districts, and in most of Uganda, the threat of shocks to the environment, economy, and other areas presents a large risk to the people who work in the informal sector and have limited social protection. One such shock is the COVID-19 pandemic, which was first identified in Wuhan, China in December 2019 and quickly spread throughout the world. In order to protect the population, the Ugandan government instituted broad measures before any cases were identified within its borders. On 18 March, Uganda declared a suspension of mass gatherings and mandatory quarantine, schools were closed, borders were closed to travellers (including refugees), a nationwide curfew was instituted, markets and shops selling non-food items were closed, public transportation was banned, and private transportation was accessible only with prior authorization. On 20 March the first case of COVID-19 was identified in Uganda. Since then, Uganda has confirmed more than 39,000 COVID-19 cases and 317 deaths. The statistics are devastating, but compared with the experience of other nations, the spread of the virus has been lessened.¹⁸ Some restrictions, including the use of private vehicles and public transportation at half capacity, began to ease in late May and early June.¹⁹

The lockdown hampered access to essential services and strained economic activity by limiting transportation and in-person work for groups of ten or more, leaving many people unable to work and to access markets. Simultaneously, the WFP, facing a 137-million-dollar funding gap, instituted a 30 per cent reduction of food relief efforts for refugees and asylum seekers in Uganda. According to UBOS, 90 per cent of workers experienced salary reductions, and the

¹⁸ World Health Organization (WHO) (January 2021). [Uganda statistics](#).

¹⁹ GoU (October 2020). [COVID-19 Response info hub](#)

same proportion of enterprises resorted to layoffs²⁰ during the lockdown period from March to early June; 43 per cent of respondents were no longer employed when surveyed again at the end of August. Overall, the COVID-19 outbreak and its secondary impacts are expected to have medium-to-long-term negative effects on Uganda's development objectives into 2030, including slowing progress across all Sustainable Development Goals (SDGs).

In addition to public health containment measures, the Government of Uganda (GoU) released fiscal responses to offset the economic damage incurred by COVID-19 restrictions. The GoU financed the Ministry of Health Preparedness and Response Plan with approximately US\$1.3 million and increased spending on critical sectors and vulnerable groups by US\$370 million. According to the International Monetary Fund (IMF), measures within these fiscal responses included the following, which are related to work within the PROSPECTS programme:

- ▶ increasing agriculture production and productivity by boosting funding for agriculture inputs and entities that support the sector;
- ▶ providing additional funding to small and medium-sized enterprises (SMEs) and delaying payment of corporate income tax for corporations and SMEs;
- ▶ providing additional funding to the health sector, providing food aid to the vulnerable populations in urban areas, providing social insurance, introducing a tax exemption on items destined to medical use, and expanding labour-intensive public works programmes in infrastructure sectors.²¹

Similarly, the NSSF put in place amnesty measures that allowed Ugandan businesses facing economic distress as a result of COVID-19 to reschedule their NSSF contributions for three months without accumulating any penalties.²² Unfortunately, however, in an evaluative assessment of this measure, the Initiative for Social and Economic Rights (ISER) found that the amnesty scheme will probably have little effect on vulnerable SMEs and is biased in favour of easing challenges encountered only by large corporations. Few government measures were identified to support those in the informal economy as well as refugee households and host community households.

To fill the gaps in support for informal businesses and SMEs, various UN agencies and NGOs, including the ILO, have stepped in. ILO PROSPECTS, through the Expanding Social Protection Programme of Ministry of Gender, Labour and Social Development, have piloted a US\$300,000 Urban Cash-for-Work Programme (UCWP) in Arua City, which aims to mitigate the economic pressures from COVID-19 on the poor and vulnerable populations, as well as to support the district's transition into longer-term support and recovery.²³ Using lessons from this pilot, the World Bank will provide US\$36 million additional funds for a wider roll-out of the programme that will target 26 districts that have been particularly affected from COVID-19 and flooding, including Arua City.

20 Angurini, T. (September 2020). [Coronavirus: 90% workers lost income or jobs in lockdown. *Daily Monitor*.](#)

21 International Monetary Fund (IMF) (January 2021). [Policy responses to COVID-19: Uganda.](#)

22 Klynveld Peat Marwick Goerdeler (KPMG) (April 2020). [Uganda Government institution measures in response to COVID-19.](#)

23 ILO (October 2020). [Implementing an urban cash for work programme in the aftermath of the COVID-19 lockdown and the flooding in Uganda.](#)

Assessment rationale and objective

Understanding the exact impact of the COVID-19 pandemic on the livelihoods and economic opportunities of both refugees and host community members is paramount to designing efforts to support this target population in reviving and recovering from labour market losses. Therefore, the ILO, through its PROSPECTS Programme in Uganda, employed IMPACT Initiatives (IMPACT) to assess the impact of COVID-19 on labour markets in Isingiro, Arua and Madi-Okollo districts,²⁴ with a focus on Nakivale and Rhino Camp refugee settlements.

²⁴ It is important to note that ILO's engagement has largely been with Arua and Isingiro districts. ILO partners have not yet been in contact with Madi-Okollo, as plans were interrupted by COVID-19.



Methodology

► Methodology

Objective

This assessment sought to provide independent evidence on employment gaps, opportunities and socio-economic circumstances of households and businesses in Isingiro and Arua districts in Uganda during the rapidly changing context of COVID-19. Findings from this assessment will support the ILO to make evidence-based decisions for adapting the PROSPECTS programme.

General objectives

1. To improve the understanding of the ILO, as well as national stakeholders and PROSPECTS partners, of the government public health and containment measures in response to COVID-19 in the Isingiro and Arua districts, in the context of jobs and livelihoods in the formal and informal sectors.
2. To improve the understanding of the ILO, as well as national stakeholders and PROSPECTS partners, of shifts in the local socio-economic environment following COVID-19 public health restrictions, including shifts in social cohesion between host community and displaced populations, and the areas rife for collaboration that may promote overarching socio-economic opportunities.
3. To provide an evidence base for the needs of host community and refugee populations in Isingiro and Arua districts following COVID-19 public health and containment measures, to inform market-based economic support opportunities as well as any short-, mid- and long-term amendments to PROSPECTS programming that will allow PROSPECTS to better serve the populations in its three programme areas.

Area of study

Arua and Isingiro districts were chosen for this assessment as they are target districts for ILO's PROSPECTS Uganda programming. Moreover, they represent geographic differences with regards to location (Northwest and Southwest) and the origins of their refugee populations.

Research questions

Responding to the impact of COVID-19

- a) What aspects must be present in development programming to meet the needs of refugee and host community households and businesses in the Isingiro and Arua districts amidst the changes brought on by the COVID-19 pandemic?
- b) What social protection measures should the ILO consider to improve the resilience of refugee and host community members in the Isingiro and Arua districts in the context of changes brought on by the COVID-19 pandemic? And what are the entry points and key partners for the social protection measures that the ILO can support?

- c) How might PROSPECTS programming pivot to take advantage of leverage points elucidated by the local response to the COVID-19 pandemic in ways that support:
- i. the immediate future through economic stimulus and support activities;
 - ii. the near-term future through evidence-based planning for PROSPECTS programming that will foster skills development and economic resilience among its beneficiaries.

Secondary Data Review

A Secondary Data Review (SDR) was conducted to review, analyse and contextualize recent studies, assessments and research on livelihoods and the economic situation, before the introduction of government public health and containment measures and after the easing of COVID-19 restrictions. This review also compared economic reports at district and national levels. These findings informed the background described above and the gap analysis below.²⁵

Primary data collection

IMPACT used a mixed-method approach to answer the research questions outlined above. This approach included robust, remote quantitative data collection at the household level with refugee and host community populations in Isingiro and Arua districts, remote quantitative data collection at the enterprise-level with businesses located in Isingiro and Arua, and remote, in-depth key informant interviews (KIIs). KIIs were conducted with a variety of key actors across three sample groups: business associations and cooperatives in Isingiro and Arua districts; UN and NGO staff; and government and local community leadership. Unique quantitative tools utilizing ILO global guidance on COVID-19 related assessments were drafted with the support of ILO staff.

IMPACT monitored the COVID-19 situation and determined to conduct data collection remotely, in order to limit the risk of COVID-19 transmission to staff, enumerators and respondents. To collect data remotely, IMPACT launched a small call centre in Kampala to collect household-level and enterprise-level data from all respondents by posing survey questions audibly over the phone. The phone credit of all respondents was reimbursed. The dates and times of KIIs were coordinated via email, and interviews took place by emailing questions in advance to respondents and conducting discussion by phone. All data was collected between 17 September and 7 October 2020. A total of **441 household-level surveys**, **252 enterprise-level surveys** and **27 KIIs** were conducted as part of this assessment (see Figure 1).

▶ Figure 1. Flowchart of assessment respondents

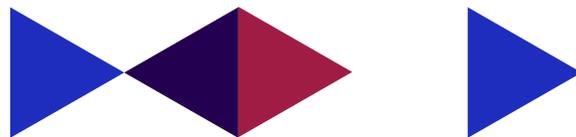


²⁵ A detailed SDR bibliography may be found in [Annex 1](#).

Quantitative methodology and sampling

IMPACT conducted a quantitative survey with refugee and host community households and enterprises. Within household surveys, the head of the household was interviewed, or another household member answered on their behalf. Within enterprise surveys, the owner of the enterprise or business was interviewed. Owing to the limitations, further described on page 12, of conducting a remote assessment, and the limited number of household and enterprise phone contacts, probability sampling producing representative results was not possible, and purposive sampling was used instead. Household contacts were gathered from past IMPACT assessment contacts that were previously sampled at random and then snowballed²⁶ to gain access to additional contacts. Enterprise contacts were collected from online databases²⁷ and past ILO contact lists and then snowballed. A **quota-based, probability proportional to size sampling** strategy was employed to ensure that (i) the sample was proportionally distributed, based on the population size of each strata within the overall population; (ii) the sample was as diverse as possible with different sub-groups of the population of interest being included.²⁸ Quota sampling was used, with minimum thresholds to ensure that female-headed households and households headed by persons with disabilities²⁹ were included in the household sampling. For the quantitative enterprise survey, minimum thresholds were applied to ensure that female-owned and non-agricultural enterprises³⁰ were included in the sample. Nevertheless, **results are indicative** rather than statistically representative for the population sub-groups.

Access, availability of contacts and population size were considered to determine a total sample size of 336 household-level interviews, and so a proportional sample was developed in line with these constraints. The proportion of the population of each stratum relative to the total population of all four strata was identified. This proportion was then applied to 336 for the household survey and 252 for the enterprise survey to determine the minimum number of surveys to be conducted per stratum.



26 Snowball sampling involves asking respondents to recommend additional persons based on the needed criteria.

27 In Isingiro, respondents' contact details were snowballed from referrals given by other enterprise respondents. In Arua, the Arua Business Directory served as a primary source of enterprise-level respondents.

28 See Table 1 and Table 2 for a detailed breakdown of the different strata.

29 The Washington Group Short Set will be the standard used for ensuring quota.

30 As agriculture represents more than 80 per cent of businesses in Arua and 97 per cent of businesses in Isingiro, a probability proportional to size method would result in a homogeneous abundance of respondent voices within the agricultural sector and little representation among additional enterprise sectors. As such, a quota-based purposive snowball sampling was employed, to ensure that (1) a maximum number of respondents are included, based on the resources available, and (2) the sample was as diverse as possible, including different sub-groups of the population of interest.

► Table 1. Quantitative sampling achieved per stratum – household survey

Population group		Total surveys			Households headed by persons with disabilities			Female-headed households		
District	Status	Target	Completed	% of target	Target	Completed	% of target	Target	Completed	% of target
Arua	Host	158	167	106%	31	19	61%	63	56	89%
Arua	Refugee	29	98	338%	5	23	460%	11	41	373%
Isingiro	Host	118	139	118%	24	12	50%	47	42	89%
Isingiro	Refugee	32	37	116%	6	2	33%	12	6	50%
Total		337	441	131%	66	56	85%	133	145	109%

► Table 2. Quantitative sampling achieved per stratum – enterprise survey

District	Total surveys			Non-agricultural enterprises			Female-owned enterprises		
	Target	Completed	% of target	Target	Completed	% of target	Target	Completed	% of target
Arua	126	123	98%	20	64	320%	20	25	125%
Isingiro	126	122	97%	20	38	190%	20	23	115%
Total	252	245	97%	40	102	255%	40	48	120%

Quantitative data processing and analysis

Data was collected in KoBo Toolbox and checked by the IMPACT team on a daily basis for missing values, errors, inconsistencies and major outliers.³¹ The data was cleaned and analysed using the R integrated suite of statistical software facilities and was validated in-country and by IMPACT's technical team in Geneva to ensure validity.

Qualitative methodology and sampling

Semi-structured KIIs were conducted with district-level government officials, employees of UN and NGOs, and private sector businesses, associations and cooperatives to better understand the current impact of COVID-19 and associated public health restrictions on economic and district-level activity, as well as to gather critical insights on how COVID-19 may affect markets in the mid to long term.

Key informants (KIs) were purposively sampled across three main contact lists: 1) the Arua Business Directory, compiled by the West Nile Web; 2) a contact database compiled by IMPACT's technical specialist, which was culled from previous research carried out in Isingiro and Arua districts; 3) contacts provided to IMPACT by the ILO. KIs were sampled for their in-depth knowledge and professional association within either District Level Government (DLG), as an employee of the UN or an NGO, or as a leader within a given enterprise/business/cooperation or business association.

³¹ IMPACT Initiatives (January 2020). [Data cleaning minimum standards checklist](#).

Qualitative data processing and analysis

Qualitative interviews were transcribed by data collectors into Microsoft Excel and checked for clarity and context in review with field staff. A data saturation grid was populated and used to perform constant comparative analysis of key themes mentioned in the transcripts. Raw data and the resulting data saturation grid were reviewed by IMPACT's technical team in Geneva.

Limitations

As stated elsewhere in the methodology section, concerns over the health and safety of IMPACT staff and respondents amidst COVID-19 led to the decision to conduct data collection remotely instead of face to face. As such, initial contacts of respondents could not be sampled randomly on the basis of location or GPS coordinates but had to be determined from a list of organizational contacts. Thus, sampling from this list sacrificed statistical representation and renders the results indicative. To mitigate the effect, secondary data review and the mixed-method approach were used for triangulation and contextualization.

Furthermore, as snowball sampling was implemented in order to achieve target quotas for respondents and vulnerable groups, bias was introduced to the sample. All respondents who participated in this study had access to a telephone. Thus, the sample is skewed towards people who have the financial means to own a telephone, have access to an electricity network and live within telephone coverage areas.

While 56 households headed by persons with disabilities were surveyed as part of the household-level data collection (meeting 85 per cent of the quota and representing 12.6 per cent of the total assessed population), the quota of 66 was not met. Owing to the remote data collection methodology, randomly selected contacts from past assessments were interviewed and snowballing was conducted to gather additional contacts; therefore, additional households headed by persons with disabilities could not be reached. However, according to UBOS research from 2019,³² in both Arua and Isingiro the prevalence of persons with disabilities at the regional level was 12 per cent. While the assessment did not achieve the established quota of 66 households headed by a person with disabilities, the quota was set at 20 per cent as an overestimation, in order to include at least 12 per cent of the sample as households headed by a person with disabilities. When viewing the sampling across both regions, households headed by persons with disabilities made up 12.6 per cent of all assessed households, in line with the incidence of disabilities in the regions.

In a similar vein, only one respondent was interviewed for the quantitative enterprise-level survey in each of the following sectors: forestry/wood/paper products, oil and gas, and real estate. Thus, results referencing these sectors are informed by respondents from one enterprise each and might not be reflective of the experiences of other enterprises in these specific sectors. The effect of this was mitigated by conducting KIIs with informants who work in the aforementioned sectors, to add context and additional voices to the findings.

Finally, the goal of snowball sampling for household-level contacts was to reach additional households, irrespective of the sector in which they were employed. However, a head of household who makes their income in a given sector is more likely to know others who work in the same sector and probably acquires a considerable portion of their social contacts from their work. It is therefore possible that the representation of household heads' employment is based on their social network and is not representative of the overall employment within that sector in a given area.

32 UBOS (August 2019). [Persons with Disabilities: Bridging the gaps through statistics](#).



Findings

► Findings

Secondary Data Review

The following findings were gleaned from secondary data sources whose work was conducted prior to the COVID-19 pandemic but are understood to remain relevant to the current Ugandan context.³³

- **Household income:** In Uganda, household income varies considerably across districts as well as rural and urban communities. According to the Uganda National Household Survey 2016/2017, the median wage of an employee in 2017 was 168,000 shillings per month in urban areas and 120,000 shillings in rural areas. The national poverty line is 30,611 shillings, yet 50 per cent of people who consider themselves poor earn up to 90,000 shillings per adult, while the mean expenditure for non-poor Ugandans is 154,300 shillings.³⁴
- **Youth and livelihoods:** Uganda currently has the second-youngest population in the world, with more than 78 per cent of its total population of 40.3 million below 30 years old (31.4 million people), and almost half of the population (48 per cent) being younger than 15 years old.³⁵ Often youth do not have sufficient skills for a job and are therefore likely to experience strained livelihoods. According to the ILO school-to-work transitions survey, 80 per cent of employed youth are undereducated for their job.³⁶
- **Education:** According to the 2018 Joint Multi-Sector Needs Assessment conducted by REACH and the United Nations' High Commissioner for Refugees (UNHCR), 13 per cent of refugee households in Arua (Rhino Camp and Imvepi settlements) had children aged 3 to 18 not attending school, while in Isingiro (Nakivale and Oruchinga settlements), 52 per cent of refugee households had children aged 3 to 18 not attending school. Particularly in Isingiro, the high figure was due to a large percentage of secondary-school-aged children out of school.³⁷ Nationwide, education is under-used among both refugee and host community members. According to work compiled by the UNHCR, "the main challenges to refugees accessing quality education at Primary and Secondary level, reportedly are: school fees and associated school costs, limited/over-stretched resources in Kampala schools, and lack of awareness and/or interest by some parents".³⁸
- **Gender-based violence (GBV):** The secretariat of Uganda's Comprehensive Refugee Response Framework (CRRF) reported in October 2020 that all refugee-hosting districts, including Arua and Isingiro, have recorded increases in GBV since the COVID-19 restrictions were put into place. The authors write that the "increase in incidence is directly attributable to COVID-19, e.g. where partners are forced

³³ For a full list of secondary data review sources please see [Annex 1](#).

³⁴ UBOS (2017). [Uganda national household survey 2016-2017](#).

³⁵ Embassy of the Kingdom of the Netherlands in Uganda. (August 2019). [The multi-annual country strategy 2019-2022](#).

³⁶ UBOS (May 2016). [Labour market transition of young people in Uganda](#). p.36

³⁷ REACH & UNHCR (August 2018). [Uganda Joint Multi-Sector Needs Assessment](#).

³⁸ UNHCR (October 2018). [Uganda urban protection response, monthly update January – September 2018](#). p.8

to spend more time in close proximity because of the lockdown” and note that “social desperation due to food reductions and restricted movements” probably exacerbates the situation.³⁹ Although incidences of GBV usually occur at an individual and not societal level, the overall increasing trend suggests elevated societal tensions within refugee hosting communities.

- ▶ **Disabilities:** According to a January 2020 analysis by the Office of the Prime Minister (OPM), WFP and UNHCR, disabilities were found to be a particular challenge faced by refugees, with an estimated 6 per cent of the total refugee population in Uganda having a severe disability.⁴⁰ The report noted that households with disabled members “typically incurred additional costs related to disability, which is not taken into account for receiving assistance, and this increased their overall economic and protection vulnerability”.

The following findings were gathered from secondary data from after the start of the COVID-19 pandemic.

- ▶ **Enterprises:** According to a May 2020 report by the UN Capital Development Fund (UNCDF), companies in Uganda are generally “fragile”, with 85 per cent of formal businesses surveyed post COVID-19 (N=1,012) stating that they did not have sufficient capital to sustain business after three months of lockdown, and 50 per cent of informal businesses, based on historical data, stating that they did not have sufficient capital to sustain business after one month of lockdown.⁴¹ Notably, of all the formal enterprises surveyed, the education sector held the least cash in reserve, thereby possibly exacerbating the pre-COVID-19 challenges described above. The fragility of a business is also apparent when looking at the number of people it employs. REACH, WFP, and UNHCR’s October 2020 Vulnerability and Essential Needs Assessment (VENA)⁴² reported that only 18 per cent of traders interviewed across Uganda hired any employees, with 82 per cent of traders interviewed reporting having no employees at all. Single-person enterprises imply a dearth of capital and financial resilience to shocks. Furthermore, should the single trader be unable to work, the sustainability of the enterprise is threatened.
- ▶ **Household income:** The United Nations Development Programme (UNDP) analysis from April 2020 projected that loss of income as a result of extended public health restrictions, and the closure of transportation systems for up to four weeks, would cause as many as 1.7 million additional Ugandans to fall into poverty. Furthermore, the analysis projected that, should public health restrictions be upheld for a period of eight weeks or more, such pandemic-control efforts could leave 3.6 million more Ugandans in poverty and place 9 per cent of the middle class at risk for new-found income insecurity.⁴³

39 OPM (October 2020). The CRRF Secretariat issues paper on the impact of COVID-19 on Uganda’s refugee response. p.8

40 OPM, WFP, UNICR, Development Pathways (January 2020). [Analysis of refugee vulnerability in Uganda](#). p.4 (iv)

41 Ugandan Revenue Authority (URA), The Ministry of Trade, Industry, and Cooperatives (moTIC), The Makerere College of Business and Management Sciences, & UN Capital Development Fund (UNCDF) (May 2020). [Impact of COVID-19 on Ugandan MSMEs](#).

42 REACH, UNHCR, & WFP (November 2020). [Uganda: Vulnerability and essential needs assessment October 2020](#).

43 UNDP (April 2020). [Socio-economic impact of COVID-19 in Uganda: Short-, medium-, and long-term impacts on poverty dynamics and SDGs using scenario analysis and system dynamics modeling](#). p.34.

- ▶ **Social (dis)cohesion:** Coming from across the borders, COVID-19 acquired a stigma as a disease “imported” from non-nationals.⁴⁴ As such, refugees may be at a heightened risk for social ostracizing as the pandemic spreads and, in parallel, may be less able to minimize the spread of the virus if public health information in their native language is not accessible in the location of their displacement.

Primary data: Household-level findings

▶ Key findings

Demographics

- ▶ Refugees in Rhino Camp were generally found to have larger households than the national average (5.4), with an average size of 8.41 members.
- ▶ Refugee households in Rhino Camp were more likely to include younger heads of households: 23 per cent reportedly had heads of households between 18 and 25 years old, whereas refugees in Nakivale were more likely to have older heads of households, between the ages of 26 and 40 (46 per cent).
- ▶ Nakivale refugee households have spent almost twice the amount of time in Uganda (8.86 years, on average) than those in Rhino Camp (4.49 years); 86 per cent of refugee households in Nakivale have lived in Uganda for six years or more, compared with 14 per cent of Rhino refugee households.

Employment

- ▶ At the time of data collection, nearly twice as many members of host community households were employed than members of refugee households. This may indicate that COVID-19 restrictions have had an unequal impact on host and refugee populations.
- ▶ All households, regardless of population group, experienced a loss in income following restrictions from COVID-19 and stated that “capital” would be their most useful income support.
- ▶ When comparing the income categories of households before and after COVID-19, the proportion in the highest and lowest income categories changed the most dramatically. The number of households in the highest income category decreased, while the number in the lowest income category increased.
- ▶ Before COVID-19, the majority of host community households in both locations fell into an income category five times higher than that of the majority of refugee households (1 million shillings per month among host community households versus 200,000 shillings per month among refugee households). After the implementation of COVID-19 restrictions, the incomes of most of the host community households and refugee households fell into the same income category – making an average of 200,000 shillings on a monthly basis.

⁴⁴ Bukuluki, P. et al. (October 2020). *The socio-economic and psychosocial impact of Covid-19 pandemic on urban refugees in Uganda*. *Social Sciences & Humanities Open* 2(1).

Employment (continued)

- ▶ The majority of households experienced a job loss following COVID-19 restrictions but deemed that it was temporary and did not look for another income source, save for home-based agriculture.

Social cohesion

- ▶ The majority of host community households (64 per cent) and refugee households (73 per cent) in Arua stated they had experienced an increase in community tensions since the onset of COVID-19, attributed to having to cope with a reduced income. An increase of community-level tensions was also expressed to a lesser extent by households in Isingiro, where 47 per cent of host community households and 53 per cent of refugee households reported increased tension in their communities following the COVID-19 restrictions.

Household demographics

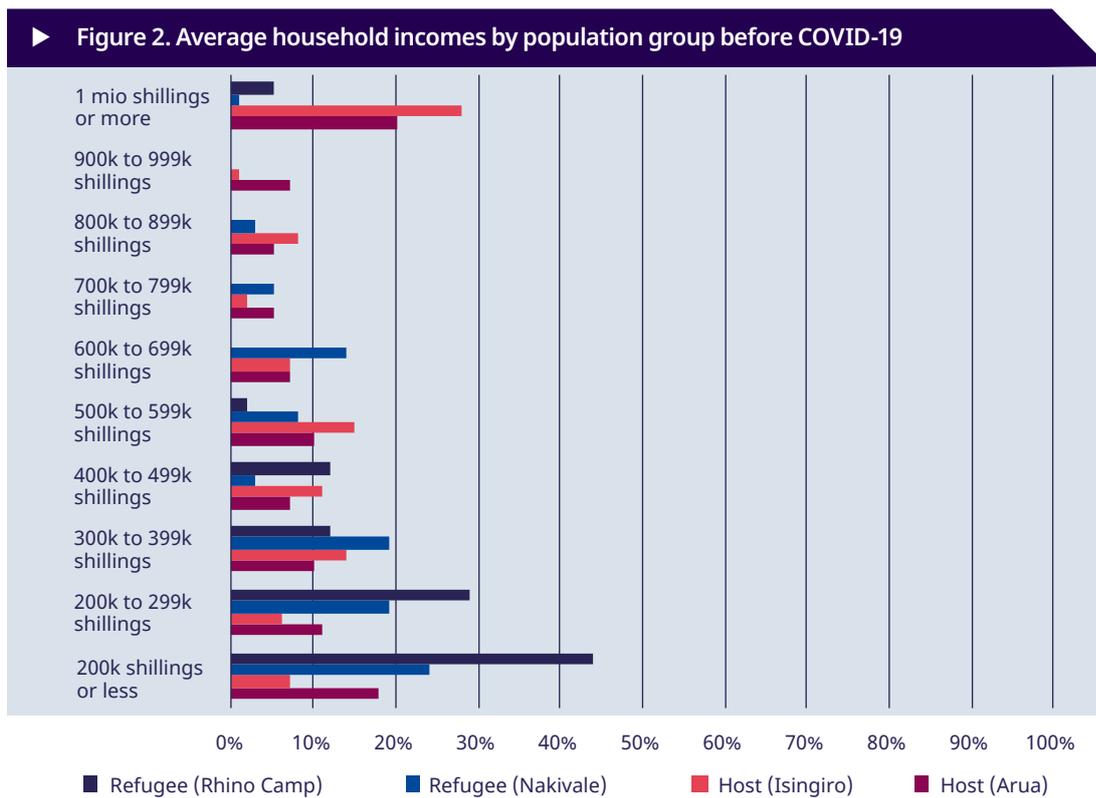
Overall, host community heads of households in both locations were found to be older than refugee heads of households, with 46 per cent of Isingiro host community heads of households between the ages of 42 and 60, and 45 per cent of Nakivale host community heads of households between the ages 26 and 40. Among refugee households in Rhino Camp, 23 per cent had heads of households between 18 and 25 years old, whereas refugees in Nakivale had more adult heads of households between the ages of 26 and 40 (46%). Although youth under-employment is an unresolved and substantial issue in Uganda, no youth-headed households were captured in the respondent sample, but they were neither excluded nor targeted for participation in this study.

As age and employment experience are usually positively correlated, it is perhaps unsurprising that host community households were generally found to include more employed members – nearly twice as many – than refugee households. The average number of household members reportedly under- or unemployed was similar for host community and refugee households across the assessed locations. However, assessed host community households in Arua had an average of 2.35 employed members while in Isingiro the average was 3.02. In refugee households in Arua, the average number of employed members was 1.47, similar to the average of 1.68 in Nakivale. The higher number of employed members of host community households, alongside the average larger size of refugee households, indicates an inequity. While refugees have the right to work in Uganda, barriers to employment, such as restricted transportation beyond COVID-related measures or insufficient collateral for loans, might be causing lower income statuses among the displaced populations. In addition, the types of work that are shut down by restrictions, such as retail and micro-enterprises, are more commonly held by refugee populations, suggesting that COVID-19 restrictions may have had an unequal impact on host and refugee populations. Table 4 provides the most common obstacles to income reported by refugees and host community members.

Household income decreased across all population groups and geographic locations

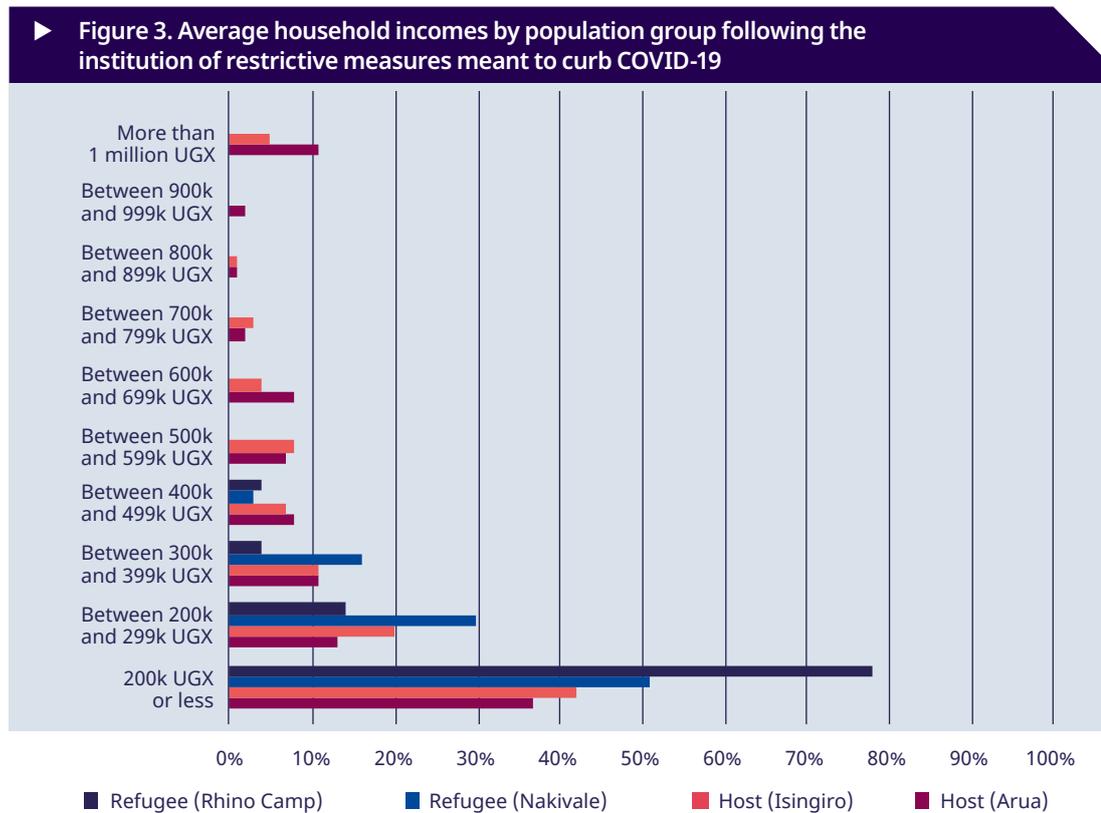
Across all locations, population groups and income categories, households reported earning less in September 2020 than before the government-imposed restrictions in March 2020. Following the institution of COVID-19 restrictions in Uganda, the proportion of households in the highest income bracket decreased the most, while the lowest income bracket seemingly absorbed the most households, as the overall proportion of assessed households in the lowest income bracket more than doubled owing to the effect of the restrictions.

The majority of refugee households assessed in Nakivale (24 per cent) and Rhino Camp (44 per cent) reportedly earned 200,000 shillings or less per month before the onset of pandemic.^{45, 46} After restrictions were imposed, the proportion of refugee households earning 200,000 shillings or less per month rose to 51 per cent in Nakivale and 48 per cent in Rhino Camp. Most of the host community households assessed in Isingiro (28 per cent) and Arua (20 per cent) earned more than 1 million shillings per month before the onset of COVID-19. Following the restrictions, the proportion of host community households earning 1 million shillings or more per month fell to 5 per cent in Isingiro and 11 per cent in Arua – the largest proportional change across all income categories.



45 The median monthly income (USD at Purchasing Power Parity) from an economic activity (excluding remittances) in Nakivale, Uganda was, in January 2019, 215,623 shillings for refugees from DRC; 717,504.52 shillings for refugees from Somalia; 215,623 shillings for the Ugandan host community. Betts, A. et al. (January 2019). [What difference does the self-reliance model make: Refugee economies in Uganda](#). Oxford Department of International Development, Refugee Studies Centre

46 Refugee households in Rhino Camp made an average of 60,000 shillings per month in 2017, based on the finding that 95 per cent of refugee households assessed worked two days per week. UNHCR & World Vision Uganda (2017). [Inter-agency livelihood assessment targeting refugees and host communities in IMVEPI and Rhino Camp settlements](#).



Figures 2 and 3 demonstrate the average household income categories by population and location. Comparing the two figures demonstrates a considerable redistribution from categories of higher income to lower-earning categories. As incomes across all population groups and locations decreased, Table 3 shows the average one-month losses and percent changes in income by population group and location. However, this table should be viewed by the change in absolute Ugandan shillings as well as that in the percentage. So, while the host community in Isingiro shows the greatest absolute change, this is partly a reflection that they had been the highest-earning population group before the institution of COVID-19 restrictions and thus experience a smaller proportional change than other population groups. The refugee community in Nakivale experienced the greatest percentage change or the most substantial shift from their average earnings before COVID-19 restrictions to the average afterwards.

► **Table 3. Average monthly income changes by population group preceding and following COVID-19 restrictions**

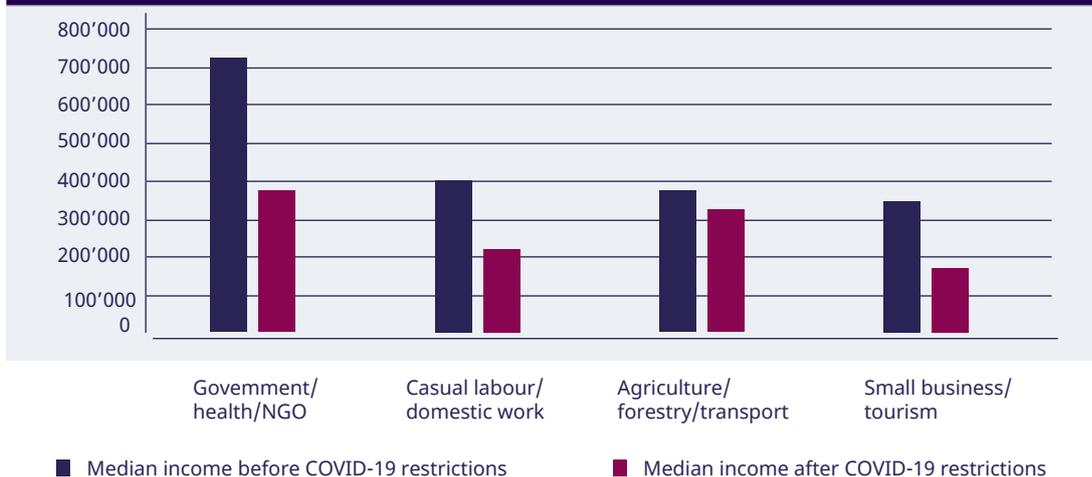
Population group	Before restrictions	After restrictions	Change (UGX)	Percent change
Host (Isingiro)	937,626	334,382	603,245	64%
Refugee (Nakivale)	764,351	189,081	575,271	75%
Host (Arua)	758,648	482,219	276,429	36%
Refugee (Rhino Camp)	223,225	125,184	98,041	44%

Household income decreased across all sectors of employment

When analysing data by the median monthly income of household heads before and after the implementation of COVID-19 restrictions, the differences between groups are most significant by population group and the prior income of the household. However, it is also useful to understand any differences across the population when considering the main sector of employment of the head of the household.

By sector, households with heads employed by government agencies, healthcare agencies and NGOs experienced the largest overall decrease in their monthly median income (a decrease of 350,000 shillings per month). It is important to note that households with heads working in these sectors reported nearly double the median income (700,000 shillings per month) compared with households whose heads worked in other sectors. Households with heads employed in casual labour or domestic work reported the second-highest median monthly income before COVID-19 (400,000 shillings) and also reported the second-greatest decline in median monthly income (a decrease of 180,000 shillings) after the implementation of COVID-19 restrictions. Households with heads employed in small businesses or tourism reported the lowest median monthly earnings before COVID-19 (350,000 shillings) and also reported a similar loss in median monthly earnings after restrictions were implemented (175,000 shillings). Notably, households employed in the sectors of agriculture, forestry and transportation experienced a relative decline in their median monthly income following the onset of COVID-19 restrictions, with a median decrease of 5,000 shillings. This is in line with qualitative findings where many KIs stated that households increased their agricultural activities during COVID-19 restrictions and turned to this sector as an area to explore for supplementary income.⁴⁷

► Figure 4. National-level median income change before and after COVID-19 restrictions, grouped by the head of households' sector of employment ⁴⁷



⁴⁷ To better analyse income change by sector, households were grouped by the head of household's main sector of employment, according to the following four categories: 1) agriculture/forestry/transport, 2) government/healthcare/NGO, 3) small business/tourism, 4) casual labour/domestic work.

Household income by gender varies by sector

Across all population groups, 90 percent of breadwinners reported a reduction of their monthly income. The median size of the reported decrease in income was 41 percent.⁴⁸ By sector, findings suggest that both male and female government/healthcare/NGO workers experienced the least reduction in their incomes, while those working in the small business/tourism sector were the most affected. Female and male breadwinners had similar reductions in income in terms of percentage, but in specific sectors, changes in income appeared to be gendered, as men reported earning a higher amount than women before COVID-19. Women were found to have experienced greater percentage losses than men.

Before COVID-19, male breadwinners working in agriculture/forestry/transport earned a median monthly income of 462,500 shillings, and female employees earned a median of 275,000 shillings per month. While this “explains” the difference in percentage of losses between males and females, the difference in income is still distinct, with male breadwinners earning nearly twice as much as females. In this sector, female employees lost 232,500 shillings per month, or 50 per cent of their median monthly income before restrictions, whereas males lost a median of 105,000 shillings per month or 38 per cent of their pre-restriction median monthly income.

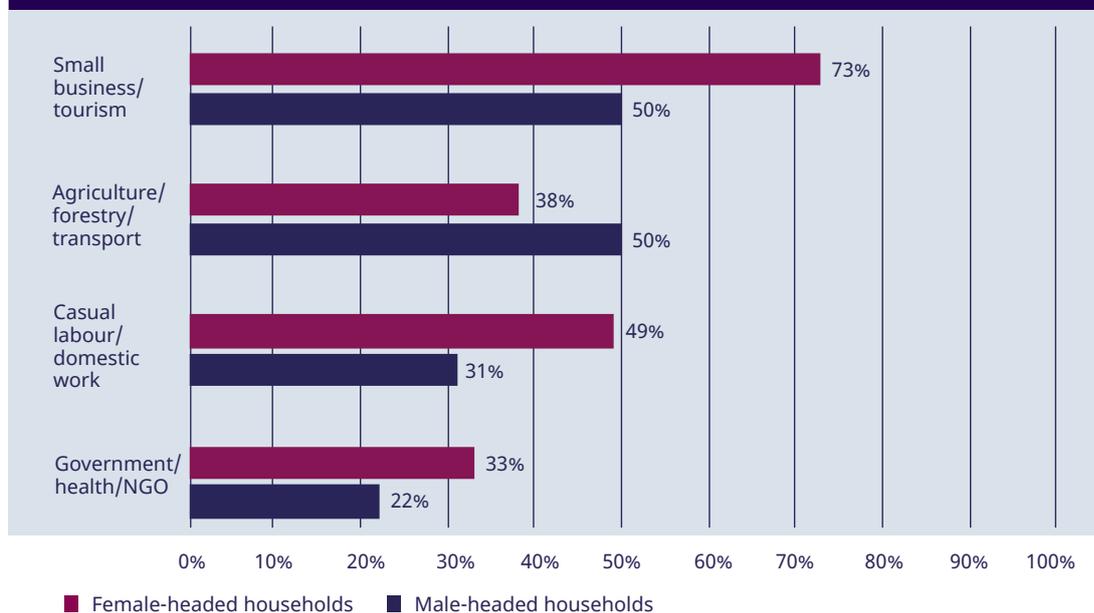
Among employees in the small business/tourism sector, male and female breadwinners earned similar median monthly incomes before COVID-19, with males earning a median of 340,000 shillings and females a median of 300,000 shillings. Yet female small business/tourism employees lost a median of 73 per cent of their income while males lost a median of 50 per cent. It would be worthwhile to investigate further the reason for the disproportionate losses of female breadwinners.

Lastly, female government/healthcare/NGO employees experienced median monthly losses of 200,000 shillings or a loss of 33 per cent of their pre-restriction median monthly income, while males lost a median of 99,250 shillings per month or 22 per cent of their pre-restriction median monthly income.⁴⁹ Males working in casual labour/domestic work had median monthly losses of 122,500 shillings or 31 per cent of their pre-restriction income. The median incomes for females were based on too small a sample to report. Apart from the information above, no major differences in median income before and after COVID-19 restrictions were found between gender and ability groups.

48 The median monthly income reported by female breadwinners before COVID-19 restrictions was 275,000 shillings, and the restrictions incurred median monthly losses of 113,500 shillings, or 41.27 per cent of their pre-COVID earnings. For male breadwinners, the median monthly reported income prior to the COVID-19 restrictions was found to be 395,000 shillings, and the restrictions incurred median monthly losses of 165,000 shillings, or 41.77 per cent of their pre-COVID earnings.

49 Female breadwinners in casual labour/domestic work were found to experience median monthly losses of 435,000 shillings, or 73 per cent, of their median monthly income prior to the COVID-19 restrictions. This was calculated on the basis of only four responses, though, and so the data was not substantive and cannot be included for the formal analysis.

► Figure 5. Losses in the median monthly income of heads of households, as a proportion of their median monthly income before COVID-19 restrictions, grouped by gender and sector of employment



► Table 4. Most commonly reported obstacles to earning sufficient income, by population group

Population group	Competition with other businesses	Lack of credit	Lack of skills	Lack of work opportunities	Low wages	Seasonality	Transport challenges
Host (Isingiro)	4%	4%	5%	42%	84%	42%	11%
Refugee (Nakivale)	5%	19%	24%	73%	68%	8%	3%
Refugee (Rhino Camp)	16%	56%	37%	76%	57%	35%	26%
Host (Arua)	26%	43%	14%	63%	57%	16%	29%

Lack of work and low wages are obstacles to the generation of household-level income

Given that a decrease in average income was common, the obstacles to earning a sufficient income were surveyed among all population groups. The top seven results (out of 14 options) across population groups are presented in Table 3.⁵⁰ The two most commonly reported obstacles, across all locations and population groups, were a lack of work opportunities and low wages. Beyond those two responses, in Arua, both host community households (43 per cent) and refugee households (56 per cent) commonly reported that a top challenge was the lack of credit to start or continue a business. This can be the result of few financial providers offering services in the region or limited economic opportunities to provoke a need for credit. It is thus noteworthy that the October 2020 VENA report by UNHCR, WFP and REACH indicated that the lack of access to credit may be due to a lack of collateral. The VENA sampled across Rhino Camp and Nakivale, with a 95 per cent confidence level and 5 per cent precision. The assessment found that “90 per cent of refugee households reported having access to credit, though it was almost invariably informal or semi-formal in nature. With regards to financial access, 10 per cent of households across the settlement reported not having access to any form of access to credit... the most commonly cited reason for households not able to access any form of credit was insufficient collateral (52 per cent).”⁵¹

As seen above, access to credit was reported as an obstacle more often by respondents in the West Nile region, in Arua and Rhino Camp settlement, than by respondents in Isingiro or Nakivale. This is similar to a 2018 assessment by the World Bank,⁵² where the use of financial services was found to differ among refugee communities based on their regional location within Uganda. According to the World Bank, in the West Nile region, one in five refugee households had a loan and fewer than one in ten refugee households received any form of credit, whereas in the Southwest region, 56 per cent of refugee households had a loan and 27 per cent received credit.

In Nakivale, a relatively high proportion of host community households (42 per cent) stated that seasonality, which affects agricultural output and is vulnerable to changes in rainfall and drought, was a key barrier to sufficient and sustained income. Seasonality was also mentioned as a key obstacle in the October 2020 VENA market analysis, in which REACH found that seasonality was “the primary factor affecting supply, demand, and prices for many market commodities: not only food items, which were predictably dependent on the timing and quality of the rainy and harvest seasons, but also several types of non-food items (NFIs) for which consumption tended to be seasonal, in particular education and shelter items.”⁵³ Seasonality being reported as a key obstacle could imply that enterprises or economic activities in the given geographic regions may benefit from diversifying their offer, which would reduce their dependence on commodities of which the supply, demand and price might fluctuate according to seasons.

Some refugee households in Nakivale (22 per cent) stated that health problems⁵⁴ were a barrier to income. The survey did not specify which types of health problems posed barriers, hence future assessments could further gauge the health profiles that report barriers and analyse these in relation to access to healthcare services.

⁵⁰ Respondents were able to choose more than one response option to the survey question, which is why percentages do not equal 100.

⁵¹ REACH, UNHCR, & WFP (November 2020). [Uganda: Vulnerability and essential needs assessment October 2020](#). p.55.

⁵² The World Bank & Uganda Bureau of Statistics (UBOS) (September 2019). [Informing the refugee policy response in Uganda from the Uganda refugee and host community household survey 2018](#).

⁵³ REACH, UNHCR, & WFP (November 2020). [Uganda: Vulnerability and essential needs assessment October 2020](#).

⁵⁴ It is possible that the “health problems” response option may have been interpreted by some to encompass the presence of COVID-19 and its subsequent restrictions in Uganda, which have clearly been the cause of some recent barriers to sufficient income.

When asked about the most useful income support measure, households within the Arua host community (42 per cent), Isingiro host community (36 per cent) and refugee households in Rhino Camp (46 per cent) all stated that start-up capital or grants would be the most useful type of income support. The survey did not prompt respondents to report on their expected use of such capital, but a considerable proportion of overall respondents (32 per cent) responded that a lack of credit to start or continue a business was their greatest challenge, which might suggest a particular wish for start-up capital. As for the second-most useful measure of support, 37 per cent of the refugee households in Nakivale stated that training was needed in order to overcome job-related obstacles. Information from KIIs repeatedly uncovered a desire for technology training and entrepreneurial skills training, particularly among KIs in agriculture-related enterprises.

It is noteworthy that refugee households in Rhino Camp were more than twice as likely as those in Nakivale to have pursued adult education before COVID-19: 86 per cent of refugee households in Nakivale had not benefited from such training. Among the households who were pursuing adult livelihood education before March 2020, 75 per cent of host community households in Arua, all host community households in Isingiro and 67 per cent of refugee households in Nakivale stated that they can no longer afford to pay for it and have had to give it up.

Labour market vitality is diminished but deemed temporary

Despite substantial income changes, household breadwinners deemed their job losses to be temporary. Across all the population groups except male breadwinners in refugee households in Nakivale, the majority of male and female earners who lost their income stated that they lost their jobs temporarily⁵⁵ as opposed to permanently.⁵⁶ However, less than 1 per cent of all respondents who were on leave or worked reduced hours received any type of pay. Losses did not spur most earners to acquire new jobs – 90 per cent or more of all households reported that their breadwinner(s) did not switch jobs or income sources because of changes brought on by COVID-19, including the loss of a former income source. There may be little motivation to search for or switch to a new job following a job loss, given that households uniformly reported that the top barrier to obtaining a job is a lack of work opportunities and low wages.

During the lockdown period, 15 per cent of breadwinners changed their employment and most of them (46 per cent) switched to agriculture. The remaining respondents were split across new income sources in domestic work (5 per cent), healthcare (1 per cent), NGO or social work (3 per cent), small business sales (11 per cent), small business services (18 per cent) and transportation (5 per cent). Taken together, these statements could imply that respondents who lost wages thought it would be unlikely to gain a new role and instead turned to self-employed agriculture for subsistence and income. An increase in household agriculture was additionally noted in multiple KIIs. Informants stated that, with more family members at home, home-based agriculture was increasing across locations and population groups as a means of feeding families and earning additional income.

⁵⁵ Temporary loss of jobs stated by 55 per cent of host community households in Isingiro, 41 per cent of host community households in Arua and 38 per cent of refugee households in Rhino Camp.

⁵⁶ Permanent loss of jobs stated by 6 per cent of host community households in Isingiro, 13 per cent of host community households in Arua and 15 per cent of refugee households in Rhino Camp.

Social protection is scarce

Of the heads of households surveyed, 21 per cent identified as a business owner. Among these, host community business owners and those based in Isingiro were more likely to self-identify as being part of the formal economy. In Arua, 1.3 times more host community business owners stated that their business is part of the formal economy than refugee business owners. In Isingiro, 3.5 times more host community business owners identified their business as part of the formal economy than refugee business owners. Household heads were asked whether any member of the household contributes to the National Social Security Fund (NSSF), as a proxy question to determine a household members' employment in the formal versus informal economies. More than 93 per cent of the 93 household-level respondents who affirmed that a member of their household contributes to NSSF identified as host community households. Thus, less than 6 per cent of all refugee heads of households stated that any member of their household participated in NSSF. This indicates that a greater percentage of host community household members are likely to be employed in the formal economy, compared with refugee household members. Similarly, 39 per cent of host community households in Arua and 44 per cent in Isingiro were more likely to participate in formal savings schemes such as the Village Savings and Loan Association (VSLA), whereas refugee households in Nakivale (46 per cent) and Rhino Camp (38 per cent) were more likely not to belong to any financial associations.

In parallel to minimal financial protection, households reported few health protection mechanisms. Refugee households reported less health insurance ownership than host community households. Eighty-six per cent of all households reported not having health insurance. By displacement status, 79 per cent of host community households in Arua and 89 per cent in Isingiro did not have health insurance (18 per cent and 11 per cent, respectively, reported that they do have health insurance). Among refugee households, 88 per cent of households in Arua and 100 per cent in Isingiro did not have health insurance.

In disaggregating by only the heads of households who did report having health insurance,⁵⁷ the majority (47 per cent, n=99) worked in the Southwest region for a government agency, healthcare agency, or an NGO. This was followed by heads of households working in agriculture, forestry or transportation either in the Southwest (15 per cent) or West Nile (15 per cent) regions. Respondents working in the small business and tourism sectors in the Southwest (12 per cent) and West Nile (7 per cent) also reported ownership of health insurance, albeit to a lesser extent. None of the respondents working in the casual labour or domestic work sectors reported possession of health insurance, irrespective of location or population group.

Of note, among heads of households who worked for a government agency, healthcare agency or an NGO, those in the Southwest were 20 times more likely to report having health insurance (21 per cent) than the heads of households who worked for a government agency, healthcare agency or an NGO in West Nile (less than 1 per cent).

Regardless of location and displacement status, findings showed that of the 37 per cent of assessed households who work in agriculture, less than 5 per cent own crop insurance. As with the financial protection and health insurance, agricultural refugee households (73 per cent of all refugee households assessed) reported less ownership of crop insurance than agricultural host community households (78 per cent of all host community households assessed): 93 per cent of agricultural host community households in Arua (3 per cent did not answer and 5 per cent reported owning crop insurance) and 96 per cent of agricultural host community households in Isingiro did not have crop insurance, whereas 96 per cent of agricultural refugee households in Arua and 100 in Isingiro reported not owning crop insurance.

⁵⁷ To pool from a larger number of respondents while analyzing insurance status, heads of households were grouped into four employment categories: 1) agriculture/forestry/transport, 2) government/healthcare/NGO, 3) small business/tourism, 4) casual labour/domestic work.

Widespread reductions in income, accompanied by job losses and minimal social safety nets, seem to have stirred tensions in the two areas of this assessment. Host community households in Arua (64 per cent), refugee households in Nakivale (57 per cent) and refugee households in Rhino Camp (73 per cent) reported that community tensions⁵⁸ have increased and community cohesion has withered since the onset of COVID-19, primarily owing to households coping with reduced income. Promoting an improved understanding of labour rights and working to increase social protection for those in the informal economy, as described further in the Recommendations section, may assist in reducing community tensions.

Primary Data: Enterprise-level findings

► Key findings

COVID-19 negatively impacted operations

- Only 4 per cent of enterprise respondents stated that any degree of remote working is being used; technology for remote work and training on how to use the technology and conduct remote work were frequently cited as top needs by respondents and KIs, particularly in the agriculture sector.

COVID-19 restrictions decreased revenues

- The majority of respondents across locations reported that their revenues decreased by between 25 and 49 per cent compared with an average month before the onset of COVID-19. However, among the second-largest majority, respondents in Arua and Isingiro trend in opposite directions, with Arua reporting lesser challenges than Isingiro. In Arua respondents stated that their enterprises experienced a revenue loss of 10 per cent or less, while respondents from enterprises in Isingiro stated that revenues decreased by a minimum of 25 per cent.

A need for financing options

- According to business/association/cooperative KIs, the biggest need was cash to maintain staff and operations. The majority of respondents in Arua (65 per cent) were not aware of any support mechanisms currently being offered to SMEs by government, private or public donors, or religious or civic groups.

⁵⁸ This question did not define “community” for respondents. Therefore, it did not define whether tensions had increased between members of the same population group or between different population groups. The question was posed as “Compared to the situation prior to COVID-19, have there been increased tensions, such as more family violence, more crime or stealing food, or more fighting within your community?”.

▶ Key findings (continued)

NGOs are faring better than enterprises

- ▶ Many businesses have had to lay off staff or reduced salaries to cope, but some NGO KIs reported that COVID-19 led to an expansion of their overall budget and programming.

Social protections are scarce

- ▶ The majority of respondents across all sectors reported that they did not have health insurance or enterprise insurance.

Future outlook

- ▶ 76 per cent of enterprise respondents in Isingiro and 49 per cent in Arua (both are a majority of the population) stated that they would have to reduce employees' wages or reduce the numbers of workers owing to the impact of COVID-19 and its associated restrictions in the coming six months.

Demographics

Only one respondent per sector was available for the forestry/wood/paper products, oil and gas, and real estate sectors, and results from those sectors are strictly indicative. A total of 252 surveys and 27 KIIs were conducted with employees of UN/NGOs, businesses/associations/cooperatives⁵⁹ and government employees. The findings from the surveys and the interviews have been integrated here to quantify and provide context for the current socio-economic conditions in Isingiro and Arua following the restrictions put forth to mitigate COVID-19 in Uganda.

⁵⁹ While businesses, associations and cooperatives have attributes distinct one from the other, they have been analysed together here to provide a sufficient sample size.

► **Table 5. Enterprise respondents per sector and location**

Enterprise sector	Count Arua	Count Isingiro	Total count	Proportion Isingiro	Proportion Arua
Agriculture/farming/fishing	60	84	144	59%	41%
Chemicals and plastics	2	4	6	67%	33%
Construction	4	2	6	33%	67%
Education	2	4	6	67%	33%
Electronics and electrical	9	1	10	10%	90%
Financial or insurance activities	1	5	6	83%	17%
Food and beverages	7	5	12	42%	58%
Forestry/wood/paper products	0	1	1	100%	NA
Hotel/tourism	3	3	6	50%	50%
Information and communication	2	1	3	33%	67%
Metal fabrication and machinery	4	0	4	NA	100%
Oil and gas	0	1	1	100%	NA
Real estate activities	1	0	1	NA	100%
Restaurants	3	4	7	57%	43%
Retail/sales	13	5	18	28%	72%
Textile, garment, leather, apparel, footwear	11	2	13	15%	85%
Utilities	2	0	2	NA	100%
TOTAL	124	122	246	NA	NA

COVID-19 negatively impacted operations

Unanimously, KIs from businesses, NGOs and the public sector reported that, prior to the onset of COVID-19, operations ran smoothly and environments functioned well, with inclusive support given to refugees and vulnerable populations.

Following the onset of COVID-19 and the associated restrictive measures put forth by the Ugandan government, organizations had to make difficult operational and administrative decisions. All three groups of KIs stressed the challenges brought on by the transportation

limitations and the inability to hold in-person work.⁶⁰ Transportation costs had become more expensive because bodas⁶¹ and taxis were limited on the number of passengers and operating times, and, given the reduction in their daily business activity, were imposing higher rates. Additionally, KIs reported that the prices of supplies and foods items were higher and unstable, regular tasks and activities were (and continue to be) more time-consuming, and there were associated financial costs with managing and implementing COVID-19 standard operating procedures.

A common theme among KIs was the struggle to continue operations amidst an order against meeting in groups of ten or more persons. According to KIs, restrictions on group meetings became a key obstacle in the agriculture and education sectors, as exposure visits, demonstrations, mentoring and training all had to be halted or reduced. Given the extent of the economy that is related to agriculture and education, this obstacle was also referenced by KIs whose work is tangentially related to the agriculture and education sectors, such as government officials in agrarian districts or NGOs who implement agricultural programming.

As of October 2020, many businesses, particularly in the tourism or education sectors, including training institutes and vocational centres, remain closed since March 2020. Short of a bailout or lifting the nationally imposed ban, KIs in the tourism and education sectors expressed the limited hope that their sector will be restored in the interim. Education and real estate are the only sectors assessed that appeared to have fully closed.

Despite the ban on groups of ten or more, the majority of enterprises across sectors and locations (84 per cent in Isingiro and 59 per cent in Arua) stated that their business remained fully open since 1 March 2020, even during the lockdown period. Many of the enterprises' respondents who reported staying open during the lockdown period may have been providing essential services (agriculture, oil and gas), and some may have been working remotely (such as information and communications). In Isingiro, 40 per cent of respondents stated that they were performing full-time operations on site but with reduced hours, and 53 per cent stated that they were maintaining full-time operations on site until curfew time. In Arua, this was even more pronounced, with 67 per cent of respondents stating that they were working fully on-site but with reduced hours, and 28 per cent stated that they were working full-time operations on site until curfew time. Only 5 per cent of respondents per location stated that any degree of remote working was being used. The only sectors where enterprises reported the use of remote or teleworking technologies included: education, information and communication, hotel/tourism (for performing food deliveries), information/communication, textiles and retail/sales. During KIIs, agriculture-enterprise owners emphasized that technology for remote trainings, remote extension services, and mentorship and training on how to use remote technologies was a key need for the agriculture sector.

Respondents from textile, electronics and apparel, and hotel/tourism enterprises did not unanimously report that their sector had ceased work, but 85 per cent of respondents stated that their business had closed. Similarly, Savings and Credit Cooperative Societies (SACCOs) and other financial institutions seem to have suffered, with members reportedly withdrawing nearly all their savings. Association-based organizations, whose modus operandi was built upon the physical gathering of its members, struggling to collect membership fees.

60 GoU (October 2020). COVID-19 [Response info hub](#)

61 "Bodas" is a Ugandan term used to indicate motorcycle taxis.

COVID-19 decreased revenues

The majority of survey respondents in both locations reported a decrease in revenues following the restrictions set in place to mitigate the effects of COVID-19. In Isingiro, the majority of respondents (52 per cent) stated that, since the start of COVID-19 restrictions, revenues had decreased by an estimate of 50 to 74 per cent. In Arua, 33 per cent of survey respondents also reported a decrease in monthly revenue but by between an estimated 25 to 49 per cent. However, among enterprises who reported a revenue change outside the majority, the two locations trend in opposite directions, with Arua showing a lesser decrease in revenues than Isingiro. In Isingiro, the second- and third-largest groups of enterprises stated that “revenues decreased by 25 to 49 per cent” (20 per cent) and “revenues increased by 75 per cent or more” (15 per cent). This is in opposition to Arua, where the second- and third-largest majorities reported that “revenues decreased by 10 per cent or less” (22 per cent) and “revenues did not decrease” (21 per cent).

Business KIs commonly reported not having received government bailouts, and few reported having benefited from grant-based funding, thus immediately feeling the economic blow from the restrictive measures. With a decline, and in some cases an immediate halt, to sales and business activity in general, business owners reportedly resorted to a range of measures, such as salary reductions, termination of employment, sale of assets, re-negotiation of rental agreements, restructuring loans, and in some cases, closure. Because of such restrictive measures and reduced purchasing power, almost no private sector partner KIs interviewed introduced new products or services to expand or diversify revenue streams. For those businesses that had remained open or were able to re-open after the easing of government-imposed lockdown measures, KIs reported having faced additional costs to ensure staff safety and procure personal protective equipment (PPE) for staff.

To cope with periods of low sales and revenues, the majority of survey respondents in both locations reported resorting to the same two coping strategies: enterprises commonly developed strategies to reduce expenses (85 per cent in Isingiro, 56 per cent in Arua) and/or reduced staffing or lowered salaries (71 per cent in Isingiro and 47 per cent in Arua). In total, 76 per cent of the enterprises assessed in Isingiro and 59 per cent of those in Arua reportedly had to reduce their workers’ salaries owing to the economic fallout surrounding restrictions from COVID-19.⁶²

In no instance did the majority of enterprises in a given sector state that they had to hire more employees because of COVID-19. However, a substantial minority (33 per cent) of respondents working in chemicals and plastics, construction, and food and beverage enterprises stated that they had to hire more employees owing to COVID-19, as did portions of respondents in the textile, agriculture and retails sectors (15, 9 and 6 per cent of respondents per sector, respectively). These sectors might be areas to look at for short-term stimulus of employment opportunities.

A need for financing options

In line with the reported decrease in revenues, 71 per cent of respondents across sectors and locations stated that their biggest challenge⁶³ had been that “cash flow to maintain staff and business operations is inadequate”. This was reflected in the qualitative KIIs, where business

62 For a full breakdown of the behaviour or services that enterprises, by sector, changed to try and stay lucrative amidst COVID-19 restrictions, please see [Annex 3](#).

63 This survey question was a select multiple and posed in the following way: “Which are the top three challenges your enterprise currently faces resulting from COVID-19?”. The least common challenge reported, by 16 per cent of all respondents, was that “workers are absent from work due to illness and/or government orders”. This is encouraging in that it might indicate that the labour force in Uganda is still available and interested in work.

KIs stated that low-interest loans, blended financing, and grant opportunities for SMEs is vital. Similarly, when asked “what government support do you need to recover from the impact of COVID-19?”, 70 per cent of all businesses in Isingiro and 67 per cent in Arua stated that they need “access to cash/short-term finance”.

While the GoU has approved a COVID-19 stimulus package to roll out in 2021, the credit appraisal process to access funds requires that SMEs generate 100 million shillings minimum in order to qualify for lending, and a credit rating is required.⁶⁴ These requirements will exclude a majority of SMEs and informal institutions who have no credit history and low revenues. So, although COVID-19 stimulus is expected, the 48 per cent of households in Isingiro and 12 per cent in Arua reporting not having access to credit, loans or grants, and the 50 per cent of households in Arua and 4 per cent in Isingiro stating not having access to alternative or external sources of funding, may continue to find loans inaccessible even as supports are rolled out. It is then perhaps unsurprising that 91 per cent of households across population groups and locations reported not having received any such assistance.

Yet, the issue may be one of awareness as opposed to access – the majority of respondents in Arua (65 per cent) reported not being aware of any support mechanisms currently being offered to SMEs by government, private or public donors, or religious or civic groups. In Isingiro, on the other hand, the majority (71 per cent) reported that they were aware of support mechanisms being offered to SMEs. Whether or not assistance has been rolled out, is delayed, or is not reaching the most vulnerable, should be further investigated.

With funding and credit access, there were again district-level differences presented by enterprise-level respondents, similar to those found among household-level respondents. An overwhelming majority of enterprises (99 per cent) in Isingiro stated that the funding or credit that is available is insufficient. This is notably different from enterprise respondents in Arua, who appeared more divided, with 58 per cent stating that funding was not sufficient, and 42 per cent stating the contrary. Respondents in the utilities sector were the only ones who unanimously stated that funding from financial institutions is sufficient, when looking at the sufficiency of funds per sector. However, the term “insufficient” was not defined in the tool, and respondents were not given the chance to elaborate on the aspects that caused them to deem the support “insufficient”. Further research should be carried out to investigate how funds are insufficient to the populations. One possible definition of insufficiency is that credit is dispersed without the accompanying skills needed to manage funds. An additional question was posed which asked what development support is needed for enterprises to recover from COVID-19. The majority of respondents in both Arua and Isingiro (80 per cent and 84 per cent respectively) replied that “financial management and access to credit” is most needed, followed by “advice on business continuity planning” (81 per cent in Isingiro and 46 per cent in Arua)..

Of the 246 enterprises surveyed, only 9 per cent reported receiving assistance. The majority of respondents in Isingiro who received support stated that the assistance came in the form of access to cash or short-term finance, whereas the majority of those in Arua who received support stated that the assistance had come in the form of supplies of PPE, such as masks, sanitizer, thermometers, and so on. These two areas of support (PPE and cash or finance) were those most requested by enterprise-level respondents.

The majority (55 per cent) of respondents across locations and sectors who received support stated, however, that they were unsatisfied with the assistance received. The extent to which the dissatisfaction is due to vulnerable enterprises not having their needs met, or how the support was delivered, warrants further investigation.

⁶⁴ ISER Uganda (May 2020). [Uganda’s COVID-19 Stimulus Package – Will it deliver?](#)

NGOs are faring better than enterprises

While no sector in Uganda appears to have remained immune to COVID-19, the KIIs illustrated disparities between how NGOs and businesses, particularly within the education and tourism sector, have been affected by the Ugandan government's response to the pandemic.

According to KIIs, nearly all NGOs, particularly those operating in refugee settlements, followed the government directives by temporarily closing their offices and instituting a work-from-home policy for non-critical staff. While KIIs working for NGOs, as well as businesses, cited that work from home was not effective or ideal, only a few KIIs working for NGOs reportedly laid off staff or had to reduce salaries during this period. All grant-funded entities expressed a delay, postponement and cancellation of activities owing to restrictions. Moreover, for some NGOs, unlike the majority of businesses, COVID-19 had even reportedly led to an expansion of their overall budget and programming. Such additional funding provided these organizations with the resources to develop COVID-19 standard operating procedures (SOPs) and to procure PPE such as sanitizers and masks for their offices and staff, despite the fact that most NGO staff continued to work from home and, if offices were operational, a much more limited physical presence was maintained.

Social protection options are scarce

The Ugandan government mandated that businesses in the formal sector have a legal obligation to uphold the Occupational Health and Safety Act of 2006.⁶⁵ This Act imposes a duty on employers to ensure the safety, health and welfare at the workplace for all persons, and businesses are responsible for bearing the costs of conducting COVID-19 related training, and providing personal protective equipment such as sanitizers.

In light of this mandate, it is perhaps unsurprising that 96 per cent of enterprise-level respondents in Isingiro and 93 per cent in Arua stated at the time of data collection that they did not know any person sick with COVID-19 since the beginning of the pandemic, and the vast majority of respondents also stated that they do have access to PPE and sanitizers (91 per cent in Isingiro and 97 per cent in Arua).

However, in order to achieve widespread, accessible PPE, the majority (58 per cent) of enterprise-level respondents in Isingiro stated that they had to use their personal capital to buy PPE as opposed to funding the purchase from business revenues, which implies that their business revenues have dipped below the point of generating income. In Arua, the majority (74 per cent) of respondents stated that their business owner or authority supplied PPE, implying that revenues in this region had perhaps not decreased as drastically as those in Isingiro.⁶⁶

To determine whether respondents owned a formal or informal enterprise via proxy questions, additional questions were levied in the areas of insurances, licences and taxes. While not directly tied to social protection, these questions helped to elucidate a formal versus informal enterprise and consequently the social protection that accompanies a formal business. For example, under the Trade Licencing Act 1969, persons who sell goods and services must own a valid trading licence to sell their items or services. If they do not, they risk fines or imprisonment.⁶⁷

⁶⁵ [Occupational Safety and Health Act. 2006](#)

⁶⁶ This question was posed to enterprises as: "Can your business afford to supply sanitizers and other personal protective equipment and products to its workers or do you purchase the personal protective equipment and products with your own personal money?"

⁶⁷ Kampala City Authority (2017). [Trading license frequently asked questions](#).

With this in mind, ownership of a valid trading licence becomes a form of enterprise-level protection against damaging legal retributions. Ownership of a valid trading licence was split in Isingiro, with 51 per cent of respondents stating that they did have a valid trading licence.. In Arua, 70 per cent stated that they had a valid trading licence and 30 per cent did not. In Isingiro, 70 per cent of enterprise respondents did not have a current tax ID number, while the majority (63 per cent) of enterprise respondents in Arua reported having one. More than half the respondents in both locations stated that their business is not registered with the Uganda Registration Bureau: 64 per cent in Isingiro and 54 per cent in Arua.

Additional enterprise-protective measures are also largely the responsibility of the business owner. In Arua, 80 per cent of respondents reported not having been insured prior to COVID-19, and 90 per cent in Isingiro, while 92 per cent of respondents in Isingiro and 79 per cent in Arua remained uninsured at the time of data collection. For those who did have enterprise-level insurance at the time of data collection, the type most commonly reported was a business owners' policy (2 per cent in Isingiro, 5 per cent in Arua).

It should be noted that questions concerning registrations, tax participation and the like, particularly those that could incur negative repercussions for an enterprise that is not registered, are susceptible to social-desirability bias as respondents may over-report participation in order to avoid any perceived legal backlash. Thus, it is likely that actual use of these protections is even less than what is reported here.

Possible benefits from restrictions around COVID-19

While the findings above are concerning, and the majority of respondents in Isingiro (45 per cent) stated that there have been no benefits to their business from COVID-19, the second-largest respondent group (44 per cent) stated that they have experienced increased customer demand, more efficient transportation (35 per cent) and family being available to support the business (32 per cent). In Arua, the majority of respondents (39 per cent) stated that the biggest benefit has been that family was able to support the business, followed by reduced operating costs (32 per cent).⁶⁸ The third-largest group of respondents in Arua (31 per cent) stated that there had been no benefit whatsoever from the restrictions surrounding COVID-19.

When disaggregating at the level of individual sectors, there appeared to be areas of minimal growth. The sectors where respondents expressed concern about closing operations in the six months following data collection were education (17 per cent), electronics (10 per cent) and agriculture (1 per cent). Respondents working in chemicals (17 per cent, n=6) and construction (17 per cent, n=6) stated that COVID-19 had led to increased customer demand. Additionally, the following sectors included respondents who reported that revenues increased by 25 per cent or more as a result of COVID-19: agriculture, chemicals and plastics, restaurants, retail/sales, textiles, utilities.

Future outlook

Across all respondents and locations, the results yielded the reality that COVID-19 will probably continue to impact the way businesses operate in 2021 and years to come, with most believing that COVID-19 will continue to strongly impact the socio-economic landscape and business interactions far into the next year.

⁶⁸ This response should be further investigated as reduced costs would not be beneficial if they are due to lesser demand.

KIs unanimously believed that we must learn to better operate within this environment and strengthen the overall enabling environment in the new context. Survey respondents generally anticipated not shuttering their businesses but managing significantly diminished futures. The majority of enterprise level respondents in both locations (53 per cent in Isingiro and 31 per cent in Arua) stated that it would take them six months or more to become fully operational once COVID-19 subsides. Enterprise respondents were not optimistic about future staff reductions and salary cuts: the majority of respondents in both locations (76 per cent in Isingiro, 49 per cent in Arua) stated that they would probably have to reduce employees' wages or reduce their numbers of workers owing to restrictions from COVID-19 in the coming six months.

Despite the dire snapshot presented above, optimism exists across locations and sectors as 99 per cent of enterprise respondents in Arua and Isingiro anticipated that their business will remain fully operational over the next six months.



Recommendations

► Recommendations

The recommendations presented below are based upon key findings from the assessment and are formulated in reference to their relative applicability to ILO PROSPECTS objectives and programming in Uganda. In Uganda, the PROSPECTS partnership aims to achieve the following impact-level outcome:

“Empowered⁶⁹ host communities and refugees are accessing sustainable income opportunities, with a focus on young people”

This impact-level outcome is achieved through a focus on the following three areas:

- **Outcome area 1:** Young people (15–24) with foundational, transferable and life skills access the local labour market in types of work and working conditions appropriate for their age.
- **Outcome area 2:** Sustainable local labour market providing decent employment is expanded to offer opportunities for host communities and refugees, with a focus on young people.
- **Outcome area 3:** Existence of conducive, evidence-based and young people-engaged policy and planning environment (i.e. availability of data, of diagnostics and instruments for young people’s engagement and participation in planning and implementation.)

To enhance the synergy between recommendations and their applicability to PROSPECTS programming, recommendations are grouped according to these PROSPECTS Uganda outcome areas.

Outcome 1: Young people with foundational, transferable and life skills

► Relevant key findings to the Recommendations on Outcome 1

- The development supports reported as most necessary by enterprises in Arua were: financial management and access to credit (80 per cent); advice on business continuity planning for the future (46 per cent); and training in online business management (48 per cent).
- “Training in resource mobilization, strategic thinking, and training on how to deliver trainings online; also training generally how to do work and business online [are my greatest non-financial needs]” (Business/Cooperative Key Informant, Arua).
- “Human resources to provide financial literacy on income and expenditures at household level [are the greatest needs for households in my area]” (Government KI, Arua).

⁶⁹ According to ILO’s impact-level outcome, “At the level of the individual, ‘empowered’ means: equipped with assets such as foundational skills, life skills, technical skills, motivation, knowledge, rights awareness, self-confidence etc.; whereas at the level of the community ‘empowered’ means equipped with assets such as economic and social infrastructure”.

Offer financial literacy training to support households and enterprises

NGOs and private sector groups have engaged in efforts across both refugee and host communities to improve financial literacy. Despite past efforts, key informants and survey respondents across NGOs, UN agencies, government and businesses cited the importance of financial literacy training for households, businesses, as well as tailored training for youth, women, and other vulnerable persons. KIIs noted a limited savings culture, lack of basic financial planning knowledge at the household and small business level, high interest rates, and predatory practices of informal (such as money lenders) and formal financial institutions as obstacles to financial solvency, literacy and confidence. Household-level respondents noted recent cuts to physical food distributions in refugee settlements, which have been replaced by WFP cash transfers. As such, refugees requested financial literacy on methods to save and plan their finances to prevent shortages of food before the end of the month. Enterprise-level KIIs requested business continuity training to help plan for business needs through the remainder of the pandemic amidst decreased revenues. Furthermore, instilling financial management skills in business owners will help them access a wide range of financial sources, including grants and loans with favourable interest rates, which were frequently cited by respondents as priority financial needs for their businesses to improve and expand.

Offer training on use of digital technology

Isingiro has a remarkably young workforce, with many young people who did not have the opportunity to complete secondary education, and who are commonly employed informally in agriculture or micro-enterprises. Against this backdrop, 37 per cent of refugee households in Nakivale stated that the most useful support to allow them to find additional work would be “training of any kind”.

One of the most commonly reported hard or vocational skill demanded was basic computer literacy. According to KIIs, information technology and computer services appear to be mostly lacking within refugee settlements. Yet the need for online work, learning and marketing was routinely emphasized by enterprise-level KIIs, and integrating digital technology in business operations and management is an important asset to businesses. In speaking to one Agricultural Association Coordinator in Isingiro about the impact of COVID-19 restrictions on his work, he stated:

“We had to reduce the overall number of interventions and activities because of a limited budget... [it is now] harder to do activities because of restrictions [on the numbers of persons who can gather]⁷⁰ and trouble reaching members during the planting season. We are now relying on radio but could not organize the General Assembly... 33 per cent of the [agricultural association] members have not paid their annual dues as compared to last year, and can’t use Zoom or social media because few farmers [know how to use] social media; motivation and participation of farmers is low when we can’t communicate.”

⁷⁰ The GoU mandated that groups of ten or more people are not legally allowed to congregate, in order to minimize the spread of COVID-19.

Arua has a relatively young and educated population yet faces low wages, large households, a lack of labour-market opportunities and a lack of credit. According to the ILO school-to-work transitions survey, 80 per cent of youth are undereducated for their job.⁷¹ However, a young, moderately educated and less agrarian workforce is rife with opportunities for embarking on digital technology training. Based on demographics and expressions of interest from KIIs, Arua district should be considered as an area for slightly more advanced technology-based training to better equip young persons with entrepreneurial and technology skills. The need for enhanced technological skills training was reflected by many households, who reported a desire to gain skills as pandemic responses have increasingly relied on remote learning and communication. Considering the closure of educational institutions due to the COVID-19 response, ILO should engage otherwise idle youth in building skills that will be valuable to an increasingly remote world.

In both Isingiro and Arua districts, existing vocational and training institutes should have the infrastructure and staffing to offer technology courses and services. When not used for training, these computer centres could be used for public and even fee-based services to support self-skilling and digital access. Additionally, in refugee settlements as well as host communities, digital innovation hubs could be opened where the community can receive computer literacy skills and digital services. Such innovation centres can offer a range of training and mentoring for individuals, such as building a résumé, supporting job applications, writing for business, and even fee-based business development. Centres could also offer job placement and work-based training for youth, and organize entrepreneurship training combined with start-up financing kits for youth and women to bridge the transition from learning to working. For example, training youth as mechanics, while working together with existing businesses to provide the apprentice with vocational skills as long as formal training institutes remain closed. To allow enterprise owners to use information and communication technology to support their long-term success, NGOs, and the ILO, through vocational training institutes, can supply these enterprises with the materials needed for digital work and offer training on how to use them manually and within business operations.

Investigate barriers and possible value additions to existing skills and cottage-industry education

Given the closure of businesses and the increased unemployment rate, it is critical that persons and businesses have the requisite skill sets to meet current as well as future market demands. Other hard or vocational skills cited during the KIIs included establishing and running retail and cottage industries, such as carpentry, bricklaying and masonry, sandal- and shoemaking. Thus, future research should investigate the degree to which cottage skills are already offered and fulfilling needs, and whether the training facilities are accessible, along with identifying the common barriers to access. Should distance be a key obstacle, educational institutions could consider roving trainers that can provide on-site services in the settlements or at other accessible locations, particularly for vulnerable persons and persons with disabilities.

In Isingiro, livestock remains one of the predominant market sectors, yet, according to recent assessments commissioned by the ILO, there are unrealized gains from value addition in the cattle sector. To facilitate the sector, training is needed in veterinary services, as well as infrastructural development in abattoirs and beef processing facilities to support value-addition activities such as leather processing and retailing.⁷²

⁷¹ UBOS (March 2016). *Labour market transition of young people in Uganda: Work transition survey 2015.*, p.36.

⁷² Lee C. Sorensen, Ambrose Bugaari, and Golden Mahove (2019). "Integrated Enterprise and Market Systems Assessment on Refugee and Host Community Livelihoods in Uganda: Isingiro District/Nakivale Settlement" ILO

Youth should be engaged in a more diverse range of agriculture value-chain activities that combine skill building and entrepreneurship training linked to start-up capital.

As noted in the secondary data review, 82 per cent of market traders in and around refugee settlements interviewed in the VENA reported having no employees at all. Of those who had employees, the median was two employees. This suggests that the majority of traders work on their own and run small-scale operations. It may also highlight a lack of capacity and capital to hire further staff to support their operations. As part of training on business continuity, the ILO might consider training business owners on aggregation, collective marketing, and merging as a means to better access capital, funds, ensure staffing and reduce competition.

Outcome 2: Sustainable local labour market providing decent employment for young people

► Relevant key findings to the recommendations on Outcome 2

- Respondents within the Arua host community (42 per cent), Isingiro host community (36 per cent) and refugees in Rhino Camp (46 per cent) all stated that cash is the most useful support, whereas refugees in Nakivale stated training (37 per cent).
- In both Arua and Isingiro, the majority of host community households (20 and 28 per cent, respectively) made more than 1 million shillings per month, whereas the majority of refugees in Nakivale and Rhino Camp made 200,000 shillings or less per month (24 and 44 per cent, respectively).
- 70 per cent of all businesses in Isingiro and 67 per cent of all businesses in Arua stated that they need “access to cash/short-term finance”.

Focus on livelihoods networks beyond individual income-generating activities

Among NGOs, there appears to be an existing practice of supporting small businesses in refugee and community settings and providing financial start-up kits to refugees or host community youth for livelihoods and small business opportunities. Findings suggested that this approach, however, might have unintentionally led to a saturation of certain sectors such as tailoring, salons, and boda drivers. Following the onset of COVID-19, findings suggested that there is a burgeoning saturation of mask-making enterprises using sewing machines at centres for women and the teaching of small-scale skills such as soap making. Additional assessments could be considered to focus specifically on the intersection of job creation amidst larger-scale preparedness for future pandemics. Many of such interventions appear to be isolated interventions to support income-generating activities without full consideration of the wider market dynamics.

Therefore, more holistic market assessments should be considered that not only cover potential livelihood opportunities for refugees and host community members but also assess opportunities to encourage economic integration, inclusive recovery, and the creation of networks between settlements, host communities and the wider district. More diverse livelihood activities that have become increasingly relevant in the wake of COVID-19 could include a network of boda delivery services, SMS news alerts about health issues or outbreaks, and fuelling district-level agriculture markets to meet food needs across the district.

KIs also recommended that more investment be given to activities that might mitigate against post-harvest loss to have a positive impact on generating further employment. KIs from NGOs in particular suggested that widespread market monitoring is needed in order to properly track fluctuations in key commodities, as well as to provide an evidence base for cash-based transfers. Large-scale market monitoring efforts would have the dual effect of providing information while also creating a few hundred low-skill jobs such as enumerator teams in the communities of interest, which would improve overall food security and incomes at the household level.

Sector-specific findings – agriculture sector support

Both secondary data and KIs frequently referenced a lack of access to diversified, climate-resilient agricultural input, reduced purchasing power of households and limited transportation as factors that contribute to poor agricultural production and anticipated shortfalls. However, numerous conversations with district-level government and NGO KIs in both Isingiro and Arua districts yielded unique counter-narratives. Given the closure of businesses and education facilities, nationwide curfews and travel restrictions, families are reportedly spending more time at home. In rural communities, this has led to an opportunity to capitalize upon increased, free labour to clear land and expand production areas. Thus, many KIs suggested increased production, particularly among smallholder farmers.⁷³ As families have increased home-based agriculture, WFP has reduced food distributions in refugee settlements. There is therefore potential for host communities to increase production of food items preferred by refugees to meet the food demand in the refugee settlements. With capital and capacity support, refugees could strengthen markets in settlements, process products for sale such as buying maize and milling it to make flour to sell to other refugees.

With the anticipation that youth will soon return to school, there is also a greater need for simple, on-farm mechanization to support farmers' production, processing and collective aggregation to ensure that these farmers have appropriate markets. KIs proposed a range of agriculture value-chain interventions to expand production, improve productivity, increase access to quality planting materials and basic on-farm mechanization services, and to strengthen collective marketing. For instance, small, basic machinery that can be fabricated and/or repaired locally, such as animal tractors and threshing machines, might be helpful in improving post-harvest management and sustaining the existing gains to fuel new job growth eventually. Informants also requested support for income-generating activities including, but not limited to, entrepreneurial start-up capital and kits, vegetable farming, in-kind contribution of small, motorized production and processing machinery for specific agriculture value chains, digital communication tools for businesses and associations, as well as quality climate-resilient crops and diversified agriculture inputs.

⁷³ Promoters of Agriculture and Market Linkages (Palm Corps), after having interviewed 700 smallholder farmers in West Nile, reported that agriculture production had increased in the region.

Offer financial stimuli for SMEs and households through semi-formal access to capital, low-interest loans and blended financing

The most commonly cited need across all households, enterprises and KIIs was “cash”, or access to financial capital. While creating opportunities for SMEs across the formal and informal sector – whether through training, marketing or improved access to financing, grants or in-kind support – was mentioned, cash was commonly expressed as an urgent need. Without access to financial support, a majority of enterprise KIIs stated that businesses would falter or close in 2021. From individuals and households to small and big businesses, and even financial institutions, informants reported a lack of capital, reduced purchasing power and slowed sales. SACCOs reported that members have withdrawn as much as 90 per cent of their savings during the COVID-19 pandemic, indicating that people need quick access to cash.

As such, the economic well-being of host and refugee communities is at risk. As mentioned above, the October 2020 VENA report found that “90 per cent of refugee households reported having access to credit, though it was almost invariably informal or semi-formal in nature”.⁷⁴ Informal money lenders were referenced by household-level respondents as untrustworthy and predatory. Formal lenders are more credible but may be out of reach for vulnerable households.

Similarly, enterprise KIIs cited a need for low-interest and subsidized loans, and tax incentives, while survey respondents requested grant opportunities for SMEs and refinancing of existing loans to longer-term payment plans. Yet 91 per cent of enterprise respondents in both Arua and Isingiro reported that they had not received any such financial stimulus measures and, from a secondary data source, only 22 per cent of the traders interviewed reported having accessed any form of credit to scale up their businesses, most often from Village Savings and Loan Associations (VSLAs) rather than from more formal banking institutions.⁷⁵

Considering the high proportion of businesses in the informal economy and the under-use of formal lending institutions, the ILO should partner with SACCOs and VSLAs to support their efforts and enable stimulus opportunities. As SACCOs are relatively accessible compared with other financial service providers, respondents stated that greater support should be given to improve their access to credit and build the capacity of SACCOs. For example, if donors can subsidize the rates offered by SACCOs, more members (and farmers in particular) would be able to use their services, enabling vulnerable populations to access financial options in their communities. Many of the recommendations provided by participants across the various data collection tools, such as low-interest loans, subsidized agricultural input for vulnerable farmers and targeted value chains, and improved social protection measures for informal workers, will take highly coordinated, multi-stakeholder mechanisms to both facilitate and implement, which the ILO is well-positioned to initiate. Supporting SACCOs as a semi-formal lending institution for households, and supporting vulnerable households with collateral or micro-finance in order to obtain larger loans, may provide refugees and host community members with an entry point for further financial gains.

⁷⁴ REACH, UNHCR, & WFP (November 2020). [Uganda: Vulnerability and essential needs assessment October 2020](#).

⁷⁵ Ibid.

Engage women and youth

With education entities and many businesses closed as a result of the COVID-19 preventative measures, youth and women have commonly been adversely, dually impacted, with jobs lost while household labour and other forms of unpaid labour generally increased. The economic impact of COVID-19 appears to have exacerbated age and gender divides and, in order to take steps towards inclusive recovery, both youth and women must be prioritized for support. As noted in the findings section, female breadwinners working in small businesses and tourism experienced a greater loss in wages than their male counterparts, and those working in agriculture received almost half of the median monthly income earned by men. Qualitative findings repeated the importance of providing skill building and entrepreneurship training specifically for females and youth, as they were found to be at home more often than men during the pandemic.

As mentioned, youth unemployment continues to be a key obstacle for the Ugandan economy. COVID-19 threatens a further stressed employment sector, and youth must be engaged to create new livelihood and income-generating opportunities in the post-COVID-19 environment. Qualitative interviews emphasized the importance of youth linkages between refugee and host communities to capitalize on different customer bases, particularly around agricultural value-chain additions. For example, professional relationships between host and refugee youth can be strengthened to capitalize upon host communities' access to land for agriculture production and refugees' demand for products. Similarly, engaging youth in a more diverse range of agricultural value-chain activities that combine skill building and entrepreneurship training linked to start-up capital may close any existing gaps between training provision and available work opportunities.

Outcome 3: Existence of a conducive, evidence-based policy and planning environment aimed at young people

► Relevant key findings to the Recommendations on Outcome 3

- Across all sectors and locations, only 4 per cent of KIs stated that remote working is being used.
- "Working through the use of IT is key. We shall use the existing communication means such as the radios, televisions, telephones and computers heavily. Therefore, the partnership will emphasize the use of ICT in our routine work environment."
(Government Key Informant, Arua)

Revise district-level government development plans

KIIs with district-level government (DLG) officials revealed a host of operating challenges in the aftermath of the imposition of COVID-19 restrictions, resulting in logistical challenges and increased operational costs, such as limitation on extension services due to restrictions on the number of people who can gather, vehicles needed to enforce curfew, and associated costs for providing PPE and COVID-19 awareness. The need for revision to local government plans was noted in secondary sources and was a particular recommendation in a recent paper

published by the Ugandan OPM.⁷⁶ As noted in the findings section, enterprises that contribute to infrastructure, such as construction and oil and gas, are the lone sectors where hiring and a need for workers is increasing to any degree, during the pandemic. In these contexts, the ILO should investigate the DLG plans and work alongside them to ensure that their plans for the medium-term future include prioritizing public works, devising a strategy to overcome operating challenges and doing so in ways that stimulate job creation and consider the importance of development for the long-term socio-economic welfare of the district.

The most current DLG development plan for Isingiro (2015/2016–2019/2020) was authored before the onset of COVID-19 and so does not take into account the impact of the pandemic. Its objective focuses on “infrastructure development, community empowerment, and sustainable management of natural resources for wealth creation”⁷⁷ through investment in healthcare, education materials and buildings along with roads and sanitation infrastructure, with less specific information on how those structures translate into population-level impact.

In broad terms, the plan includes sections which align with PROSPECTS Pillars and the recommendations generated through this assessment. For example, the plan includes a section on the “Adaptation [of] Sector Specific Strategic Direction” which suggests value addition to crop and livestock products as well as mechanization for agricultural work as priorities, similar to the recommendations made under Objective 2 “Sector-specific findings – Agriculture sector support” above.

Additional intentions, similar to those of the PROSPECTS areas of education and training, and jobs and livelihoods, particularly for youth, are mentioned. The DLG development plan seeks to find investment support in order to support “free Universal Primary Education (UPE), Universal Secondary Education (USE) and University Education policies and programmes” in order to increase education services delivery and suggests urban growth centres, similar in theory to the computer centres mentioned under Objective 1 and the heading “Offer training on use of digital technology” above.⁷⁸

The DLG plan also suggests to increase “support from CSOs and other development partners in mobilizing and sensitizing communities and the public on their roles, responsibilities and rights”,⁷⁹ in line with PROSPECTS protection work and the section below (see page 44). Specifically, agricultural-sector support, youth education and workers’ rights are avenues in which the ILO could serve as an asset to the DLG and provide direct engagement and support. The Arua DLG development plan could not be obtained for a desk review.

Engage telecommunications companies to reduce the digital divide

As stated, enterprise-level and household-level respondents and KIs all stressed the importance of adapting to a post-pandemic era, where business, training, mentorship, exchange programmes and education courses, among other actions, can take place remotely. Engaging telecommunications companies to continue their investment in Arua and particularly in Isingiro, is likely to bridge a current gap between those in manual labour roles, who currently have only little or no access to remote technology, and those in non-manual labour who do have access to remote technology.

⁷⁶ OPM (14 October 2020). “CRRF Secretariat Issues Paper on the Impact of COVID-19 on Uganda’s Refugee Response”, p.14.

⁷⁷ GoU, Isingiro District, LGPDII 2016/2016-2019/2020, p. 27.

⁷⁸ Ibid., p. 101.

⁷⁹ Ibid., p. 79.

Reducing the digital divide and increasing accessibility to internet and communication services is critical for households and businesses. SACCOs, associations and NGOs all stated difficulties in communicating and networking online with the community and its members. Learning and marketing are not possible if businesses cannot afford to integrate these services within their operations and if individuals cannot sustainably afford the value of these services. Digital divides limit the exchange of information and growth opportunities. The government, businesses and NGOs might continue to work with telecom companies to extend internet access and connectivity further, particularly in rural settings.

Promote an improved understanding of labour rights to improve social cohesion and jobs access

As noted by considerable proportions of household survey respondents, alongside the decline in jobs and income, social tension increased in both Arua and Isingiro. The proportion of households that reported an increase in tension was pronounced in Arua (64 per cent) and Rhino Camp (73 per cent), where 55 per cent of host community households and 69 per cent of refugee households cited job competition as the impetus for tension. Furthermore, the decline in jobs and subsequent tension are possibly exacerbating an existing narrative of COVID-19 being a disease brought by “outsiders”, and countries commonly recognize the need to maintain stronger health precautions along border districts and major trade routes.⁸⁰ Against this backdrop, a backlash against refugees is a scenario that should be closely monitored. Increasing sensitization and awareness concerning the labour rights of refugees in Uganda, highlighting their legal ability to work, live, and move around the country, might be required to maintain peace and stability at the community level.

Ensure that healthcare workers provide technical support to SMEs to mitigate, respond to, and manage health-related risks

A total of 91 per cent of enterprise-level respondents in Isingiro and 97 per cent in Arua stated that they have access to PPE and sanitizers. The majority (58 per cent) of enterprise-level respondents in Isingiro stated that they have to buy PPE with their own money, whereas in Arua the majority (74 per cent) stated that their business owner supplies PPE, which may be indicative of a labour market inequality.

KIIs stated that non-agriculture SMEs are in need of financial support to stimulate their businesses, particularly when the COVID-19 restrictions are fully lifted. Hotels, restaurants, and retail are among the businesses most affected by the COVID-19 restrictions, and many remain closed. Supporting these businesses with the right equipment (such as a temperature gun), SOPs, and skills to prevent and control COVID-19, as well as with different lending, financial, or grant options will help resuscitate them, provide employment and improve livelihoods.

In this light, the ILO should help businesses to be legally compliant with Uganda’s health and safety and the Employment Act to ensure protection and decent work environments. As a result of COVID-19, however, maintaining these standards is a financial obligation across all sectors and employer types, which many businesses cannot afford. There is, therefore, a need to support SMEs so that they can operate financially and safely in this “new normal” situation.

⁸⁰ Bukuluki, P. et al. (October 2020). *The socio-economic and psychosocial impact of Covid-19 pandemic on urban refugees in Uganda*. Social Sciences & Humanities Open 2(1).

Social protection for workers in the informal economy and the most vulnerable

A large proportion of the workforce is employed in the informal or semi-formal economy, and the common tie between social protection and formal employment indicates that employment-based social protection is not being extended to those who need it most. To increase inclusion of vulnerable populations in social protection infrastructure, the ILO, with the Ugandan government and semi-formal enterprises or organizations, can advocate for social protection to be extended to those in the semi-formal economy. An example of this could be a social protection fund managed by SACCOs to support health and retirement for those in the informal sector. Another example could be furthering cash distributions to the elderly by leveraging the existing Expanding Social Protection (ESP) programme conducted through the Ministry of Gender, Labour and Social Development (MGLSD). To support social protection for children, UNICEF serves as a current key player.

As was confirmed by the household-level results, “seasonality” was a great barrier to households in Isingiro. Piloting crop insurance schemes in this district may help to overcome seasonal instability and assist in longer-term financial planning of households engaging in agricultural activities. The ILO could consider subsidies to crop insurance and gradually reduce the subsidy over a period of two years as farmers see the value and begin benefiting from the insurance. Mechanisms such as crop insurance should be further investigated and jointly discussed among partner organizations, for instance in the Livelihoods and Resilience Working Group. By engaging both district-level governments, employers, and UN agencies or NGOs, the ILO might serve as a motivator and mediator to identify schemes for improved access to protection such as social security, health insurance, paid medical-related leave and farmers’ insurance, while also equipping individuals and agencies with the skills to advocate on their behalf for existing social protection opportunities.



Conclusion

► Conclusion

This assessment identified some of the impacts of COVID-19 on labour markets in two refugee-hosting districts of Uganda that benefit from ILO PROSPECTS programming: Isingiro and Arua. Through three data collection streams and thorough analysis, the assessment identified the impact of COVID-19 on households and enterprises, as well as areas of short and medium-term interventions where the ILO can adapt existing programming to better address the changed context during the COVID-19 pandemic.

The findings indicated that the COVID-19 pandemic and associated public health and containment measures have generally had a negative financial impact on refugee and host community households in both Isingiro and Arua districts. Host community households reported pre-pandemic average incomes five times higher than those reported by refugee households. Findings highlighted an average monthly margin of 200,000 shillings between household host community and refugee household incomes following COVID-19 restrictions. In parallel, households who reported the highest income prior to the pandemic, and those who reported the lowest income prior to the pandemic, were found to have probably experienced the greatest overall changes in income, whereas households who reported a middle income reportedly experienced a less drastic effect. Household-level findings further indicated that such stresses on income sources might have caused increased social tension within the host communities and refugee settlements in Isingiro and Arua. Yet, while host community and refugee households alike commonly reported that their access to income had been limited by the economic fall-out from COVID-19 restrictions, none of the assessed households nor any KIs reported that households were experiencing a severe inability to meet basic needs.

Similar to the experiences reported by assessed households, enterprise survey respondents reported having experienced negative financial impacts from COVID-19 restrictions, particularly due to restrictions on transportation and limitations on the number of people in group meetings. The majority of enterprise-level respondents reported a decrease in monthly revenue of 25 to 49 per cent compared with their average monthly revenue before the onset of COVID-19. However, findings did indicate regional differences in this regard, with respondents in Arua stating a revenue loss of 10 per cent or less, while respondents in Isingiro mostly reported that revenues had decreased by a minimum of 25 per cent. In both locations, most enterprise respondents reported diminished market and hiring power.

Uganda continues to be a leader in providing a safe haven for refugees in the East Africa region. The recent COVID-19 pandemic has brought to a head the country's needs and the population's vulnerabilities against an exceptionally new and challenging environment. To continue supporting refugee and host communities during the evolution of the pandemic and subsequent mitigation measures, and to prevent rising social tension between these groups and within their own communities, the ILO should build upon evidence from this assessment to shape its PROSPECTS programming. The ILO can manage its role in ways that strengthen the resilience of host community households and refugees within Uganda, not only to keep people healthy but to do so in a manner that translates into more robust, resilient and diversified markets for longer-term economic growth.



Annexes

► Annexes

Annex 1: Bibliography for Secondary Data Review

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Annex 2: Key Informant Interviews Achieved

Proposed breakdown of in-depth interviews per location and type			
	Location	Target	Completed
ARUA			
Technical knowledge base	Local business owners and associations	7 KIIs	8 KIIs
	UN/international and local NGOs	5 KIIs	7 KIIs
	Government and community leadership	3 KIIs	3 KIIs
INSINGIRO			
Technical knowledge base	Local business owners and associations	7 KIIs	2 KIIs
	UN/international and local NGOs	4 KIIs	3 KIIs
	Government and community leadership	4 KIIs	4 KIIs
Target: 15 KIIs per district; 30 KIIs in total, approximated as KIIs will need to reach saturation			
ACHIEVED: 18 KIIs in Arua; 9 KIIs in Isingiro; 27 KIIs in total			

Annex 3: Proportion of respondents by sector reporting changes to business operations to protect against financial decline following Covid-19 restrictions

Sector	Allowed staff to work from home	Began home deliveries	Closed physical location	Documented SOPs to comply with regulations	Moved trade/sales online	Only prepared items on order	Other	Sold items more cheaply	Started to provide delivery services	Stocked fewer items or bought fewer inputs
Agriculture/farming/fishing	3%	26%	3%	15%	4%	5%	19%	49%	48%	10%
Chemicals and plastics	0%	33%	0%	17%	50%	17%	17%	17%	50%	0%
Construction	33%	17%	0%	33%	17%	0%	17%	0%	17%	50%
Education	17%	17%	67%	17%	17%	0%	17%	0%	17%	0%
Electronics and electrical equipment	0%	20%	30%	20%	30%	10%	20%	20%	40%	20%
Financial or insurance activities	17%	0%	17%	17%	17%	0%	0%	17%	67%	0%
Food and beverages	8%	42%	0%	17%	0%	0%	17%	33%	20%	17%
Forestry/wood/paper products	0%	0%	0%	100%	0%	0%	0%	100%	0%	0%
Hotel/tourism	0%	33%	17%	33%	0%	0%	17%	17%	67%	0%
Information and communication	67%	67%	33%	0%	33%	0%	0%	0%	67%	0%
Metal fabrication and machinery	0%	0%	0%	0%	0%	0%	75%	0%	25%	0%
Oil and gas	0%	0%	0%	100%	0%	0%	0%	100%	0%	0%
Real estate activities	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
Restaurants	0%	43%	0%	14%	0%	14%	0%	29%	86%	43%
Retail/sales	6%	17%	11%	28%	0%	0%	33%	17%	33%	22%
Textile, garment, leather, apparel, footwear	15%	15%	15%	8%	15%	0%	38%	8%	23%	8%
Utilities	50%	0%	0%	100%	0%	0%	0%	0%	0%	0%



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ISBN 978-92-2-034720-1



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