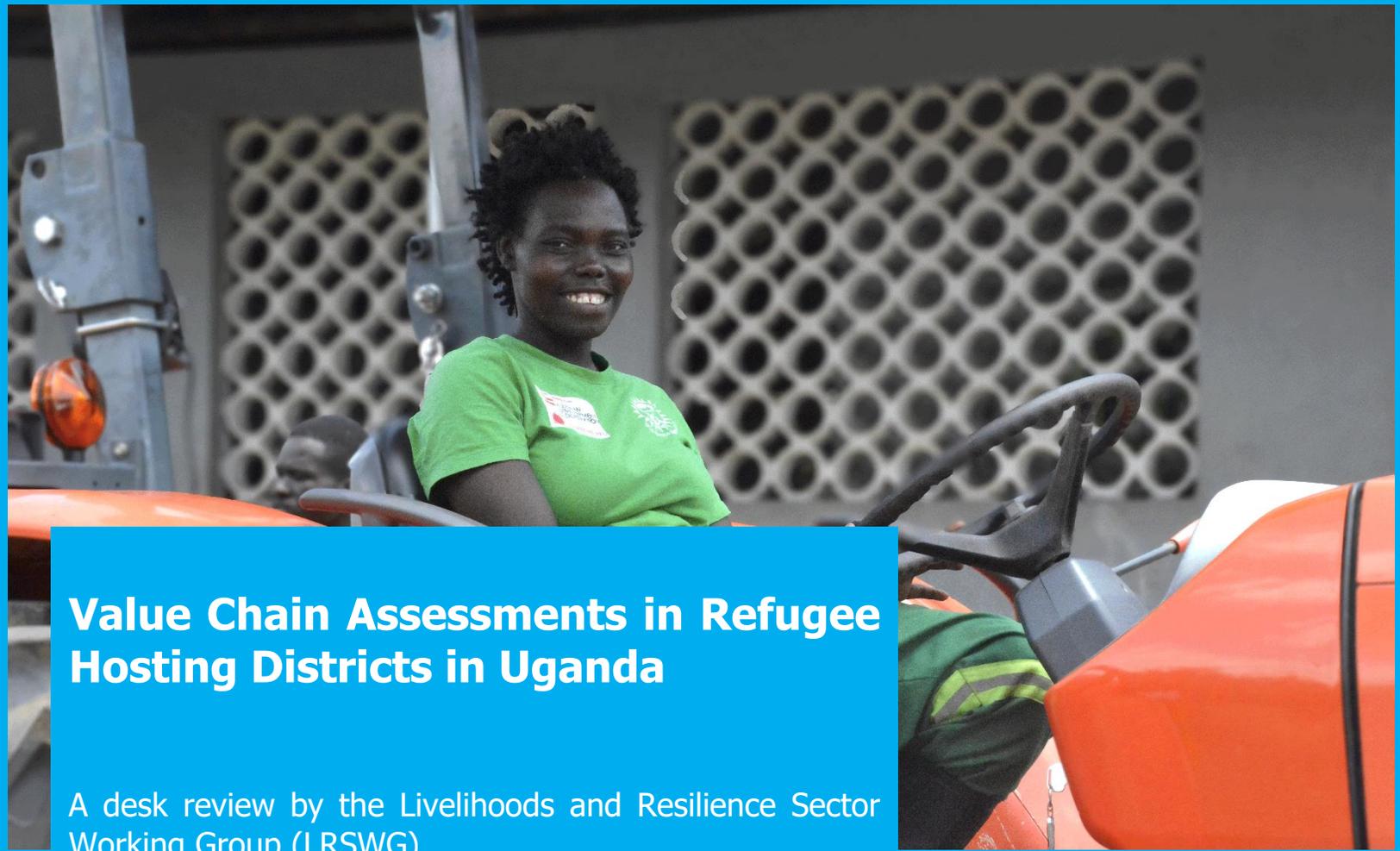




NOVEMBER 2022

A photograph of a woman with dark skin and curly hair, wearing a bright green t-shirt, smiling as she sits in the driver's seat of an orange tractor. The tractor is positioned in front of a grey wall with a white lattice pattern. The image is partially obscured by a blue text box at the bottom.

Value Chain Assessments in Refugee Hosting Districts in Uganda

A desk review by the Livelihoods and Resilience Sector Working Group (LRSWG)

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Executive Summary

This desk review distills key information from 29 value chain (VC) analyses in the 13 refugee-hosting districts of Uganda, divided into the Northern and Western regions. To conduct this meta-analysis, a detailed mapping was conducted of the value chains found through the 29 reviewed documents.¹ The key agricultural, livestock, and off-farm value chains from this mapping are summarized in Section 2. Section 3 dives deeper into a selection of these VCs, based on their prominence and potential for upgrading. Section 4 details general constraints and opportunities for improvements in VCs for sustainable livelihoods, found across both regions and multiple VCs.

The findings show that agricultural VCs are critically important and predominant, and the key agricultural value chains common across both regions are maize, cassava, beans, horticulture (including both vegetables and fruits), groundnuts, and rice. Key agricultural value chains specific to the Northern region include sesame (simsim), horticulture (particularly okra, tomato), sorghum, sunflower, and soybeans. Meanwhile key agricultural value chains specific to the Western region include banana, horticulture (particularly fruit), Irish potatoes, and sweet potatoes. Key livestock VCs across both regions include apiculture, poultry, and cattle (dairy and meat). The key off-farm VCs in both regions include crafts/ handcrafts, and artisan/carpentry while the Northern region also favours baked goods production, and agricultural technology/mechanization/milling. How refugees and host communities participate in these value chains greatly depends on the region, land access, and community and cultural dynamics.

General constraints to improving profits from the VCs include limited access to land (the primary constraint for agriculture and livestock, particularly for refugees), limited access to quality inputs, tools, and training, limited access to finance, limited post-harvest techniques/tools/storage and value addition practices, limited market linkages for farmers (including physical transportation networks), and limited power/negotiating abilities of farmers.

The studies put forward a number of opportunities to improve or invest in VCs include improving access to land through rental schemes, increasing access to finance and agricultural inputs through market-driven approaches, strengthening farmer/producer capacity particularly in post-harvest processing and value addition but also in methods for climate change resilience, strengthening market linkages through technology as well as physical roads, and increasing investment in off-farm/non-traditional VCs. There are also several recommendations specifically for investments by the private sector to address these areas.

1.0 Introduction

The Livelihoods and Resilience Sector Working Group (LRSWG) is finalising its Livelihoods and Resilience Sector Strategy RRP 2022-2025. With support from [U-Learn](#), a [learning and research agenda](#) was developed to focus and prioritise learning and research work over this period. One

¹ See Annex 1 at the end of this document for a full breakdown of the 29 studies reviewed.

of the priorities will be to make existing evidence available and accessible to actors in Uganda and to facilitate uptake thereof.

As part of this, the LRSWG is conducting two desk reviews. One, on value chains (VCs) in refugee-hosting districts. The other on labour market assessments (LMA) in refugee-hosting districts to support actors working in the livelihoods space to get an overview of the resources that were produced (published as well as unpublished) during the last 5 years and to provide a quick analysis of the content of those assessments.² Both desk reviews were funded by UKAID, and USAID through the Uthabiti activity.³

Numerous studies have been carried out to assess viable value chains, as well as the opportunities and constraints for livelihoods linked to these value chains in refugee settlements and refugee-hosting districts. The desk review aims to summarize the findings of these assessments and make them available to refugee response actors to support decision making. It has not, however, assessed the quality of the individual assessments that are part of it. The analysis in this desk review is not the view of the LRSWG, but a collation of available evidence.

As part of this desk review, 29 documents were reviewed that contain information related to value chains in refugee-hosting districts in Uganda produced within the last five years (2018-2022). The desk review provides an overview of the main findings of these assessments, followed by an annotated bibliography of the included documents. This desk review was written with the support of a consultant, Rachel C Kettle, U-Learn staff, and with technical review and validation by the LRSWG (including selected key livelihoods actors that operate in the Uganda refugee response).

1.1 Country Context

Uganda is Africa's largest refugee-hosting country, hosting more than 1.5 million refugees. The majority of the refugees come from South Sudan (60%) and Democratic Republic of Congo (DRC) (29%), with a smaller percent coming from Burundi, Somalia, Rwanda, and Eritrea.⁴ In 2021, there was a mass influx of refugees from DRC into Uganda, putting additional pressure on an already strained system.⁵ The refugees are hosted in 13 refugee settlements across 13 refugee-

² LRSWG and U-Learn. 2022. Labour Market Assessments covering Refugee Hosting Districts in Uganda. Desk Review for the Uganda refugee response. <https://ulearn-uganda.org/labour-market-assessments-covering-refugee-hosting-districts-in-uganda-a-desk-review/>

³ This publication was made possible through support provided by the Bureau for Humanitarian Assistance, through the U.S. Agency for International Development, under the terms of Agreement No 720BHA21CA00013. The opinions expressed herein are those of the authors and do not necessarily reflect the views of the U.S. Agency for International Development or the United States Government.

⁴ International Labour Organization (ILO). 2022. Occupations and skills assessment for youth in selected refugee settlements of Isingiro, Arua, and Madi Okollo districts in Uganda.

⁵ H. Athumani. 2022. Uganda 'Overwhelmed' with new DRC Refugee Influx. VOA News. <https://www.voanews.com/a/uganda-overwhelmed-with-new-drc-refugee-influx-/6587209.html#:~:text=It%20is%20estimated%20that%20about,M23%20rebels%20and%20DRC%20troops.>

hosting districts in the north and west of the country, in addition to urban refugees in the capital, Kampala.⁶

Though agriculture is the main source of income for both refugees and host communities in the target locations,⁷ the agricultural market is not performing to its potential. There are numerous constraints that impede refugees and host communities from achieving sustainable livelihoods and self-reliance through potential value chains, as will be discussed in this review.⁸ Additionally, numerous food commodities such as cassava, sesame, and others were not considered commercial in the past decades. However, with an increase in demands for these foods, more commercial opportunities exist.⁹

1.2 Geographic Scope

Refugees are hosted in 13 settlements in the country (Adjumani, Bidibidi, Imvepi, Kiryandongo, Kyaka II, Kyangwali, Lobule, Nakivale, Oruchinga, Palabek, Palorinya, Rhino Camp and Rwamwanja). Nearly 1 million refugees are in settlements in the eight northern districts (in West Nile and Acholi sub-regions) near the border with South Sudan. Over 500,000 refugees are in the 5 districts in the western region near Democratic Republic of Congo and Rwanda, and 123,000 are in the capital Kampala (see Uganda refugee statistics map).

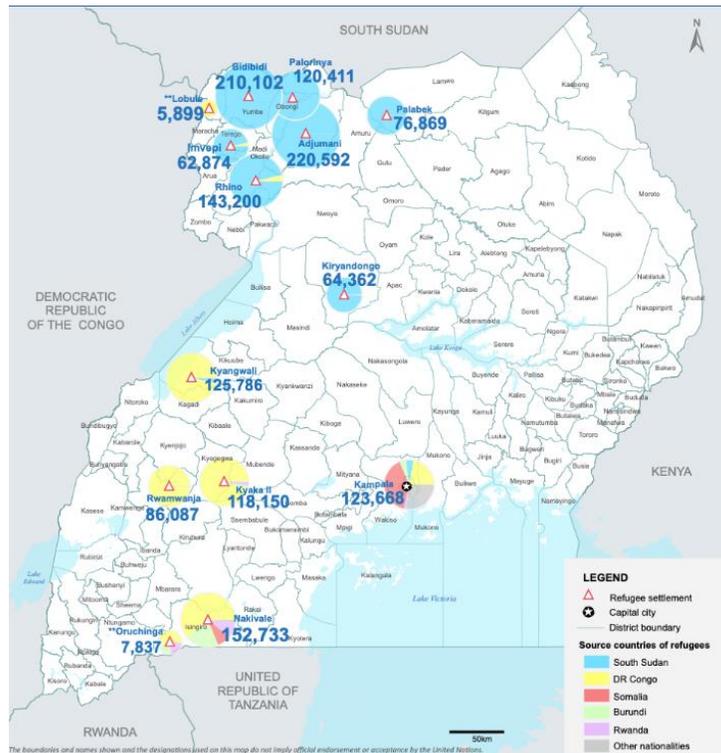
⁶ UNHCR. 2022. <https://data.unhcr.org/en/country/uga> . Accessed on Aug 23, 2022.

⁷ REACH. Uganda Markets & Livelihoods Assessment: Lamwo & Isingiro Districts. (2020); World Bank and The Kilimo Trust. Markets and Value Chains Assessment. Development Response to Displacement Impacts Project (DRDIP): Adjumani District. (2021). International Labour Organisation (ILO). PROSPECTS. Paving the way for better jobs and improving livelihoods for refugees and host communities in Arua, Uganda. An Approach to Inclusive Market Systems (AIMS) in Refugee and Host Communities. (2020); GIZ, Presentation of the findings of the Employment and Labour Market Analysis (ELMA): RISE - "Response to Increased Demand on Government Service and Creation of Economic Opportunities in Uganda." (2020).

⁸ Feed the Future (USAID). Uganda: Refugee Rapid Market Systems Assessment in Nakivale, Rwamwanja and Palabek Settlements. (2022).

⁹ World Bank and Kilimo Trust. Markets and Value Chains Assessment. Development Response to Displacement Impacts Project (DRDIP): Kyegegwa District. (2021).

Figure 1: Uganda – Refugee Statistics Map¹⁰



1.3 Background on Value Chain Assessments

This desk review includes 29 documents that contain information related to value chains and value chain assessments in refugee-hosting districts in Uganda within the last five years (2018-2022) from multilateral organisations, United Nations, and Non-Governmental Organisations (NGOs) operating in these contexts; they can be found in the annotated bibliography in Annex 1.

Fifteen documents focused on the northern region, eight on the western region, and six covered refugee-hosting districts in both the northern and western regions. The most covered refugee settlements included Rhino Camp, Imvepi, and Bidibidi in the Northern region and Nakivale and Rwamwanja in the Western region.

Development and humanitarian interventions are increasingly adopting strategies to improve target groups' access to employment or income generating activities. Organizations are conducting value chain assessments (also called value chain analysis) as well as generalized market assessments to better respond to market needs and be more demand driven. The following are key concepts to understand:

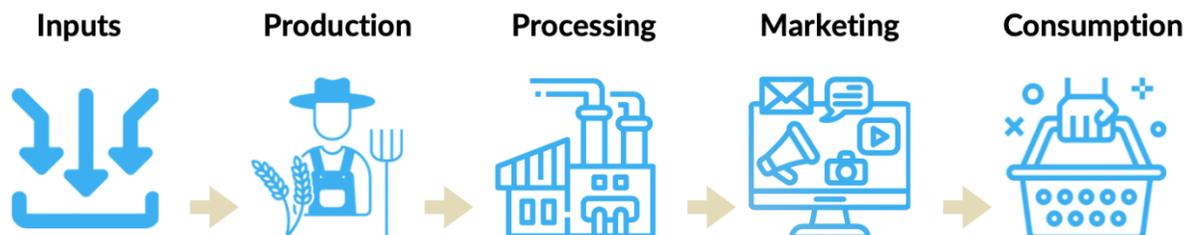
¹⁰ UNHCR. September 2022. <https://data.unhcr.org/en/documents/details/96182>

Value Chain	A value chain can be defined as the full range of activities which are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, and final disposal after use. ¹¹ Value chains are not tangible realities but rather are a way of understanding production networks, stakeholders, and value addition. Though some organizations use the term “commodity” or “sector” to discuss a specific value chain (such as sesame), most organizations use the term value chain, itself, which is therefore how it is used throughout this desk review.
Value Chain Actor	A value chain actor is any person, such as a producer/farmer, trader, aggregator, transporter, processor, buyer, or input supplier, that contributes to the value of the product or plays a part in the value chain process. ¹²
Market System	Value chains operate within a market system , which is a network of the above listed actors and consumers involved in producing, exchanging, and consuming a particular item or service.
Value Chain Assessment	A value chain assessment (also called a value chain analysis) is a study or analysis to understand the value chains in a market system, and particularly which chains have the potential to be most profitable for upgrading, sustainably impact the most vulnerable, as well as the opportunities and constraints to improving these chains. A value chain assessment is often (but not always) included in a broader market assessment.

The value chain assessments in this review covered both farm (agriculture and livestock) and off-farm VCs. There was no single type of assessment, and many organizations approached the task through a variety of lenses, including humanitarian, development, and private sector, with a variety of depths (rapid assessments vs. in-depth assessments).

¹¹ Kaplinsky, R. and Morris, M. (2001) A Handbook for Value Chain Research. Institute of Development Studies, University of Sussex, Brighton, UK, 113.
¹² Making Markets Work Better for the Poor. Making Value Chains Work Better for the Poor: A Toolbook for Practitioners of Value Chain Analysis. (2008).

Figure 2: Value chain process example¹³



While most assessments included both qualitative and quantitative methods, the objectives of these assessments were not always equitable. Some reports are intended to understand the value chains at a deep level to guide investments and therefore they ranked VCs based on profitability, employment potential, markets, and accessibility. Others included ranking measures such as gender and social inclusivity. While others did not do this in-depth analysis, but rather only identified the commonly produced and sold goods, as well as the issues and opportunities in the markets.

Limitations: It is important to note that there were some gaps and qualifications to this analysis. First, refugees and host communities have different constraints and opportunities regarding applicable value chains, so not all VCs selected work for both groups (see Box 3). Not all reports made the distinction between refugee and host communities when assessing value chains. Not all reviewed reports had the same focus or depth. As the mapping was done across all reports with equal emphasis, when looking to understand the value chain, please refer to the reviewed assessment itself. There is also a gap in data across a variety of refugee settlements, as most assessments focused on 5 out of the 13 settlements (though reports did cover more than these areas alone, including some other settlements, and host community areas). Finally, there is a lack of data on off-farm VCs, except for an ILO assessment in 2022, which focused solely on the Isingiro district (Nakivale settlement).

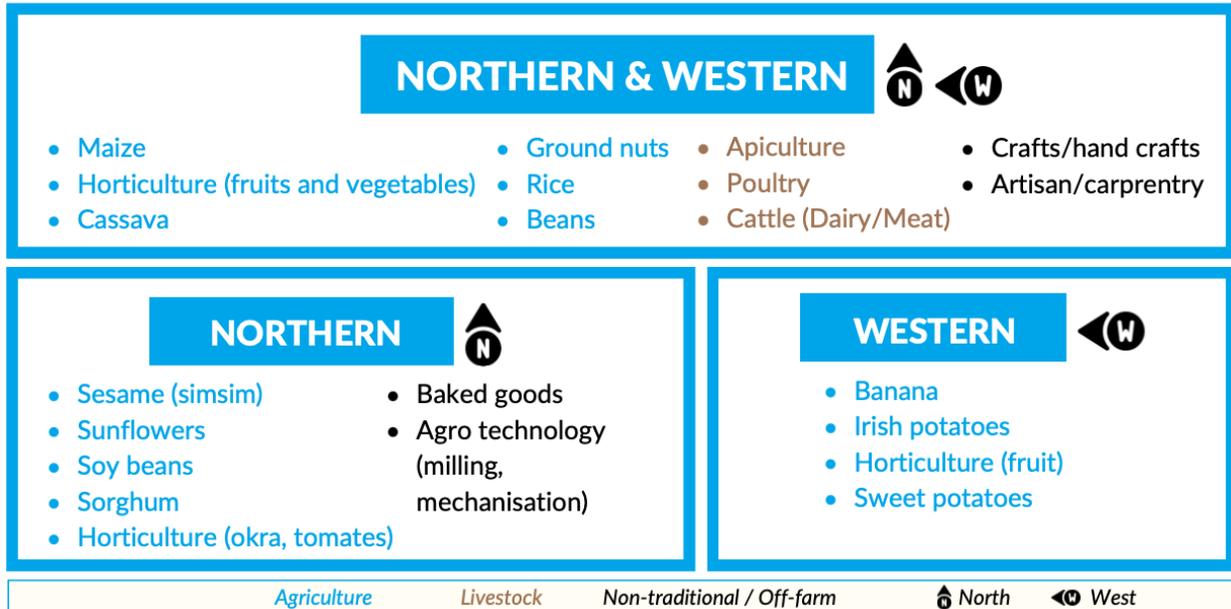
2.0. Summary of Findings Across Regions

2.1 Key Value Chains

A detailed mapping of the key value chains, found through these reviewed documents is provided in the form of value chain word cloud (Figure 4 and 5 below). From this mapping the key agricultural VCs, based on the available documents, can be seen in Figure 3 below. Some less prevalent VCs were included due to the depth and quality of the VC analysis. If a VC is listed as key in one region and not the other, this does not mean it does not exist in the other region, rather that other VCs are more prominent or have more potential for upgrading.

¹³ Graphic adapted from: Feed the Future (USAID). Uganda: Refugee Rapid Market Systems Assessment. (2022).

Figure 3: Mapping of main value chains in Northern and Western regions



The following two words clouds illustrate the frequency of mention in the literature reviewed for this value chain assessment. The font size of the VCs in the word clouds is in line with number of reports (from the annotated agenda in Annex 1) in which this VC was included.

Figure 4: Northern VC word cloud

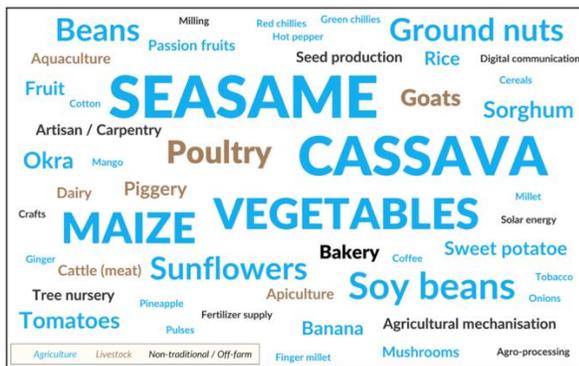


Figure 5: Western VC word cloud

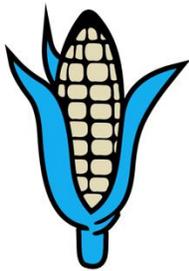


3.0 Selected Key Value Chains in Detail

3.1 Key Agricultural VCs

A selected number of key VCs are detailed below, including agricultural VCs, livestock, and off-farm VCs. These VCs were selected for more detail due to their frequency and importance in the assessments, the strength of the VC for upgrading and improved livelihoods, and for the unique opportunity of certain VCs for particular regions. For example, while beans are a key and common crop in both regions, they are produced primarily for household and local consumption; they have fewer opportunities for upscaling and providing employment opportunities along the VC, and therefore have not been included as a key VC. For information on other VCs please refer to word cloud above which reflects the mapping exercise of the VCs mentioned in the reviewed documents.

Maize



Maize is one of the most commonly grown crops in both the Northern and Western regions and is identified as a priority crop by the Uganda National Development Plan III.¹⁴ It is most commonly produced for consumption by small-scale farmers and is key to food security in Uganda, but has been increasing in its production for commercial purposes, including export and livestock feed.¹⁵ Key VC actors include producers (mainly small-scale farmers, sometimes in cooperatives), local traders/aggregators, small/medium scale millers, wholesalers (who sometimes double as millers).¹⁶ The markets for maize include the domestic rural market, domestic urban market, and export market.¹⁷

Constraints: One barrier to the maize value chain is that its price fluctuates significantly, creating difficulties for farmers. Price fluctuations reduce incentives for farmers to produce it and for millers to establish location in the region.¹⁸ Its price is often low compared to other crops. In the North, refugees receive maize rations through the World Food Programme (WFP), whereas in the Western region they receive cash to buy maize.¹⁹ A UNHCR study found that “many refugee families sell some of their maize ration at below market price to generate cash to buy cassava, thereby depressing the local maize market and stimulating the cassava market.”²⁰ In Palabek and Nakivale settlements, there is a large market for maize flour in the settlement and region, yet

¹⁴ International Finance Corporation (IFC). Consumer and Market Study In Southwest And West Nile Refugee Hosting Areas In Uganda. Asigma Advisory (2021).

¹⁵ United Nations Development Program (UNDP). Draft market Value Chain Assessment for the farm and non-farm enterprises in Northern-Uganda. Adjumani, Lamwo and Obongi. Volume II, Value Chain Analysis. J. Okelai, The JP Management Foundation Ltd. (2021).

¹⁶ UNDP, (2021).

¹⁷ Ibid.

¹⁸ Feed the Future (USAID). Uganda Inclusive Agricultural Markets (IAM) Activity: Nakivale Settlement Market Systems Assessment Report. (2021).

¹⁹ IFC, (2021).

²⁰ UNHCR. UNHCR Market Systems Development for Refugees and Host Livelihoods in Arua and Yumbe Districts, Uganda. (2018).

most maize flour is brought in from outside the settlement, which is likely linked to the lack of available mills in the region.²¹ The maize quality produced in the settlements is also low, which alongside WFP rations, may disincentivize investment from millers.²²

Opportunities include setting up larger mills within and/or close to the settlements to enable the refugee aggregation of businesses. Manyankabi ACE is a large-scale food processor that is working with WFP to supply maize flour in the Northern settlement, and this opportunity could be expanded.²³ Large-scale aggregation and post-harvest storage businesses could also be expanded in refugee-hosting areas.²⁴

Box 1: The Northern vs. Western Regions

In this review, the Northern region includes the eight northern districts which host nearly one million refugees, particularly in West Nile and Acholi sub-regions. These refugees are primarily from South Sudan, but also include refugees from the Democratic Republic of Congo. This region includes settlement areas that are still receiving refugees, such as Palabek and Imvepi. The Western region includes 5 districts which host 500,000 refugees predominantly from the Democratic Republic of Congo, but also Rwanda, Burundi, and Somalia.

The cultures of these various groups, as well as the geography, topography, climate, and settlement dynamics impact both markets and which VCs are viable in the Northern vs. Western regions. Refugees in the North receive WFP in-kind food distributions, primarily grain, which impact the market and demand for those foods (maize flour for example). However, Western based refugees do not receive this in-kind support. The staples they prefer to produce and consume, such as rice, have a larger market in that area. In addition, the climate and topography of the Northern region, which has less rainfall, makes it more viable for certain crops (like sesame and sunflower) while the Western region is more viable for other crops, such as bananas and other fruits.

Land is also scarcer in the Northern region (and even more so due to new influxes of refugees) and land outside the settlements tends to be owned through communal land ties. Land in the Western region is slightly less scarce, with surrounding land being owned by the government. Moreover, in the Western region more refugees tend to be involved in agricultural production, whereas in the northern region more refugees tend to own/run their own businesses. This may be linked to the limited land availability in the North.

Furthermore, the existence of other businesses such as processors and exporters in the region and neighboring regions also impacts upgrading potential. For example, in an IFC assessment in both regions, only the Western region had access to local small-scale milling for post-harvest

²¹ Feed the Future (USAID). Nakivale. (2021); Feed the Future (USAID). Uganda Inclusive Agricultural Markets (IAM) Activity: Palabek Settlement Market Systems Assessment Report. (2021).

²² Feed the Future (USAID). Nakivale. (2021).

²³ Ibid.

²⁴ IFC, (2021).

processing. Moreover, access to electricity and water – such as from the Nile River – impacts VC production and processing potential.²⁵

Cassava



Cassava is a significant VC predominantly but not exclusively in the Northern region. It is the second most important crop grown in Uganda, is recognized as a crop that can transform the Ugandan agricultural sector and is listed in the Ugandan Government's National Agricultural Plan.²⁶ It is also a key crop for consumption: 60% of Cassava production is for consumption (usually tubers or chips), while 40% is sold into the market (processed).²⁷ It is a perennial crop that at consumption level usually takes the form of fresh tubers or cassava chips. It also can be processed into starch, flour, and grits and used for livestock, packaging, paperboard, and other industries. Of the commercial crops, 50% is sold as cassava flour, 45% as cassava chips/pellets and 5% as raw cassava.²⁸ Cassava is unique as it does not require storage, but needs to be processed within 48 hours after harvesting.²⁹ Value chain actors include farmers, rural retailers, aggregators, processors and consumers, wholesale aggregators, urban processors, wholesalers and retailers.³⁰

Constraints: Cassava requires sufficient land for cultivation, which can restrict refugees' participation in its production. However, in some areas both refugees and host-communities were reported as cultivating cassava.³¹ Cassava producers also struggle to maintain or meet quality standards, particularly small-scale farmers³² and there is a lack of post-harvest harvest handling and processing which leads to product deterioration and loss of value for farmers. However, some cassava chipping/mill sites do exist.³³

²⁵ UNHCR: <https://data.unhcr.org/fr/documents/details/91079>; International Finance Corporation (IFC). Consumer and Market Study In Southwest And West Nile Refugee Hosting Areas In Uganda. Asigma Advisory (2021).

²⁶ Ibid.

²⁷ International Labour Organisation (ILO). PROSPECTS. Paving the way for better jobs and improving livelihoods for refugees and host communities in Arua, Uganda. An Approach to Inclusive Market Systems (AIMS) in Refugee and Host Communities. (2020); UNHCR, (2018).

²⁸ Ibid.

²⁹ IFC, (2021).

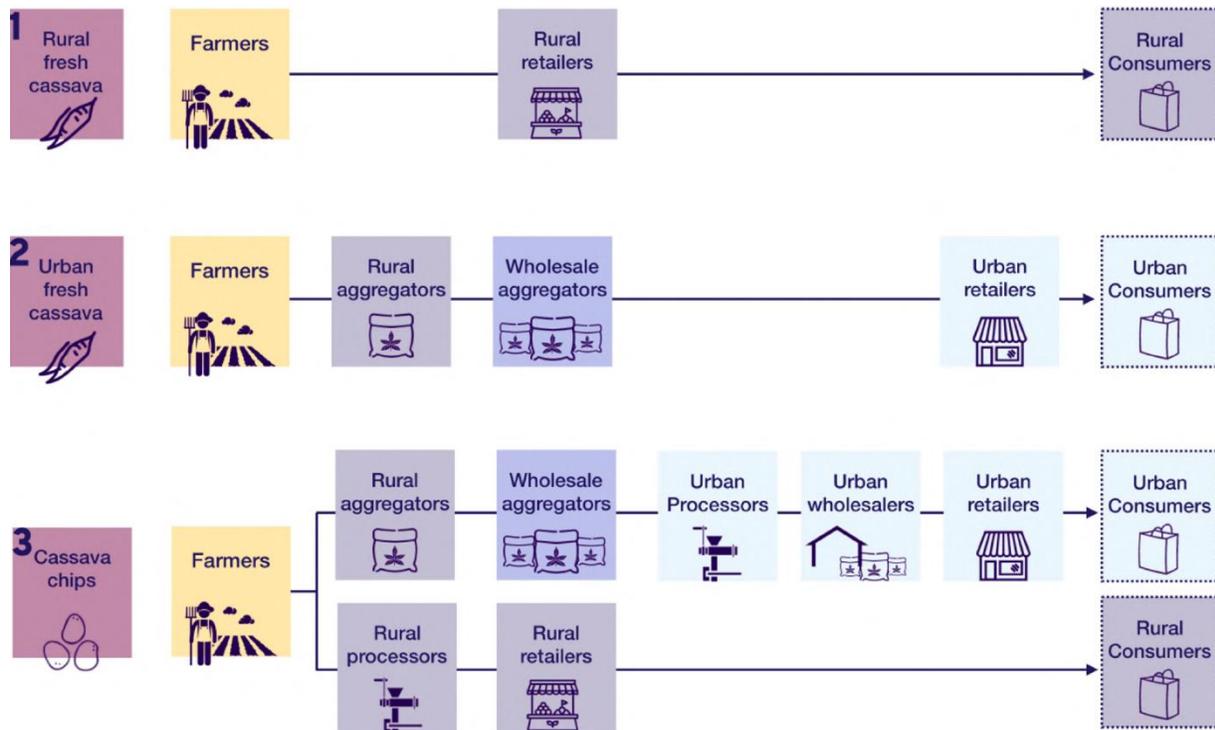
³⁰ ILO, (2020).

³¹ World Vision, ZOA, SNV, and RICE West Nile. Security, Protection and Economic Empowerment (Supreme) Project In Terego, Madi Okollo, Obongi And Moyo Districts -Agricultural Value Chain Study Final Report. Rhamz International Ltd. (2021); World Bank and Kilimo Trust, (2021); REACH, (2021); IFC, (2021).

³² World Vision. Value Chain analysis and market assessment. West Nile Refugee Programme. Oichoe, J (2017).

³³ ILO (2020); UNHCR, (2018).

Figure 6: Cassava value chain, Arua Uganda³⁴



Opportunities in the cassava VC include setting up cassava chipping points (in-settlement) to supply the market for cassava chips in Kampala and export to the neighbouring countries of South Sudan and the DRC. Cassava mills, including mobile mills, could also be set up to convert harvested raw cassava into cassava flour (or cassava chops to flour), for the local and host community markets.³⁵

Sunflower



Sunflower is primarily a cash crop with high returns, grown by host community members on a small or semi-commercial scale in the Northern region.³⁶ There are three primary products made from sunflower: sunflower grain (often used in animal feed), sunflower oil, and sunflower seeds. These are used by a variety of industries and are also exported. Sunflower grain (dried) has been sold to local oil millers in the region for the production of local vegetable oil and for use in the local confectionery businesses.³⁷ There are various private sector and NGO actors investing in this VC, including providing seed, extension services, tools, and buying from farmers, and processing/milling the oil (RICE West Nile, Comboni

³⁴ ILO, (2020).

³⁵ IFC, (2021); ILO, (2020).

³⁶ UNDP (2021).

³⁷ Ibid.

Missionaries, Mukwano Industries, Geoffman Enterprise Limited, Gulu Agricultural Development Company, Lira Resort, RamRam Lopit Oil Seeds Cooperative, DRC, IRC, ZOA). Of these, Mukwano Industries was the most frequently mentioned across multiple assessments. Key VC actors include: input suppliers (including buyer companies such as Mukwano and Ngetta Tropical), producers (farmers), buyers (off-takers, 90% of which are processors buying directly from contract farmers through agents are aggregators (like Lira Resort)), and small millers (who buy directly from farmers).³⁸

Constraints impacting farmers and actors in this VC include droughts, weak agronomic practices, soil fertility, pests, diseases, floods (close to River Nile Basin), post-harvest handling, the distance to oil millers/processors, and the high cost of transport. The yield in the Northern region is below the national average, due to these constraints.

Opportunities for improvement in this VC include training on value addition and strengthening post-harvest handling, providing small processing equipment such as sunflower threshers and shellers, assisting in the establishment of storage facilities and other postharvest handling technologies, which could improve yield and revenue. Improve linkages to local millers will also improve revenue. In addition, this VC is a significant employer in the Lango sub-region and could grow to provide employment in other subregions as well.³⁹

Soybeans



Soy, like sunflower and sesame, is another oil producing product but one that is grown by both refugees and host community members, primarily for commercial purposes. The VC can nearly double farmers' returns. It is used for vegetable oil but also dried grain (at the farmer level) and on a small-scale roasted/pounded for home consumption. Soybeans (and its oil) are used to produce many products including soap, cosmetics, resins, plastics, ink, crayons, solvents, clothing, food, livestock, and fish feeds. Soy helps improve soil fertility and reduces pests/diseases for other crops; its use in crop rotation is encouraged.⁴⁰

Key VC actors include input providers, producers, aggregators, traders (agents or small traders), buyers, and exporters. Key buyers and input providers for soybean in the Northern region include Gulu Agricultural Development Company (GADC), Agri Exim, Geoffman Enterprise Uganda Limited, Mount Meru, Shea Uganda, and Mukwano Industries. NGOs that provide seed include Welthungerhilfe, DCA, GIZ, ZOA and Care International. In Arua, Geoffman Enterprise Uganda Limited has recently set up a processing plant for soybean oil, but needs to increase the amount of locally available soybeans production to make the plant successful.⁴¹

³⁸ World Vision, ZOA, SNV, and RICE West Nile. (2021); UNDP, (2021); IFC, (2021); Feed the Future (USAID), Palabek, (2021).

³⁹ World Vision, ZOA, SNV, and RICE West Nile. (2021), UNDP, (2021), IFC, (2021); Mercy Corps. Market Assessment: 1st Phase. (2022); Mercy Corps. Market Assessment (Final) (2022).

⁴⁰ Mercy Corps. Market Assessment: 1st Phase. (2022); Mercy Corps. Market Assessment (Final) (2022).

⁴¹ Mercy Corps. Market Assessment: 1st Phase. (2022).

Constraints impacting this value chain include low yields due to lack of access to finance, quality seed, land, storage space, and market information, weak agronomic practices, droughts, floods, pests, disease, particularly rust, low level of mechanization a limited use of agrochemicals and fertilizers.

Opportunities to improve this VC include improving access to quality seed through networks of seed multipliers, improve/ facilitate access to post-harvest handling equipment (driers, storage contains, shellers, etc.), improve/ facilitate market linkages to aggregators/buyers/exporters, capacity building of producers in good agronomic practices, improve bulking at the farmer level and connect farmers to private sector actors.⁴²

Horticulture (including vegetables and fruits)



Horticulture (garden cultivation) has thus far generally been for consumption purposes (rather than commercial). In some locations it is seen as VC for females to engage in, for home consumption and nutrition. It is favoured by refugees because of the short production cycle and limited land requirement.⁴³ Vegetables that were mentioned in particular include tomatoes, onions, and okra (Northern), and fruits were passion fruit, mango, and pineapple.

Constraints: Concerns with horticulture include the amount of water needed to grow these crops as well as the storage needed (including cool chains) as spoilage can happen quickly. Given that producers do not have access to storage/post-harvest techniques, they are often forced to sell quickly without aggregating or negotiating on prices. The key VC actors depend on the product being produced and sold.

Opportunities: There is growth potential in this value chain, including through private sector investment. This VC is generally more profitable than maize due to maize's fluctuating prices and flooding on the market. Cultivation of produce depends on the location of the settlement/host communities and climate, including access to water. Solar-powered drip irrigation can



Fruitful potential in refugee-hosting areas

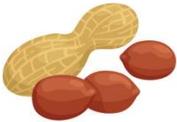
A World Bank report found that the domestic fruit produce market could benefit from opening production facilitated in refugee-hosting areas, particularly to produce mangoes, pineapples, and passion fruit juices. The assessment found that RECO, a Ugandan food-processing company could significantly reduce its labour costs and create potential sustainable employment and earnings for 3 000 refugees and host community farmers (employees and producers) if they moved 50% of production to refugee-hosting areas. They would also need to invest in bulking and collection stations to help farmers deliver procure, lower transport costs, and reduce post-harvest losses, yet the cost of this could be set over time by the potential savings of shutting to these locations.

⁴² World Vision, ZOA, SNV, and RICE West Nile. (2021); Mercy Corps. Market Assessment: 1st Phase. (2022); Feed the Future (USAID), Palabek, (2021).

⁴³ Feed the Future (USAID), (2022).

improve year-round growth.⁴⁴ A solar-powered cool chain will reduce post-harvest loss. One opportunity to expand horticulture would be to co-finance and de-risk the business models of horticulture off-takers so that they will enter refugee hosting areas and provide embedded services (such as inputs, extension support, and buying/aggregation and/or processing).⁴⁵

Groundnuts



Groundnuts are a high-value and nutrient dense crop that are important for consumption; they have potential commercial purposes in Uganda. At present, Northern Uganda has a relatively larger production of groundnuts than the Western region. Groundnuts can be used for consumption as well as processed into oil, paste, used in confectionery, and used in animal feed.⁴⁶ Key VC actors include input providers (including NGOs for seeds), producers (small farmers), local middlemen/aggregators, local shops/consumers, local processors, organized farmers groups, large middlemen (accessed through the organized groups) and large-scale processors which can reach large markets.⁴⁷

Constraints: Groundnuts are more vulnerable to pests and less resilient to climate change than other crops. At present, groundnuts are imported and a survey in Kamwenge shows that only 9% of host community households and 2% of refugee households grew ground nuts.⁴⁸ One issue is that farmers cannot produce enough quantity to obtain a significant profit and the capital to improve that is hard to acquire. In addition, they lack the capacity to increase the yield and quality.⁴⁹

Opportunities: This crop is recommended for investment due to its both high income potential and high nutritional value.⁵⁰ Stakeholders, such as UNHCR and AVSI, are working to increase groundnut production and quality. They recommend supporting value addition, including focusing on improving input access, quality, processing, and market linkages (including export).

Bananas (Matooke)



Bananas, including but not exclusively matooke, are arguably the most significant source of food security and cash crop in Uganda.⁵¹ It has the largest market and highest gross margins of all the traditional VCs.⁵² It is also a key crop in the Uganda National Development Plan III, as 90% of bananas are locally consumed while the remainder is exported. This crop is mainly grown in the Western region but not exclusively. It is a perennial crop which takes a large

⁴⁴ IFC, (2021).

⁴⁵ Feed the Future (USAID), Nakivale, (2021); Feed the Future (USAID), Rwamwanja (2021).

⁴⁶ UNHCR, (2018).

⁴⁷ AVSI, (2019).

⁴⁸ AVSI Foundation. Value Chain Assessment: Maize, Beans, and Groundnuts. Graduating to Resilience. (2019).

⁴⁹ AVSI, (2019).

⁵⁰ Feed the Future (USAID), (2022).

⁵¹ World Bank and Kilimo Trust, Kyegegwa District. (2021).

⁵² Kilimo Trust. Markets and Value Chain Assessment (DRDIP). Summary Presentation, (2020).

amount of land, occupying about 40% of all arable land in Uganda; it is mainly grown by small, one-acre farmers.⁵³ Because of the land needed for cultivation, in some reviewed areas – like Isingiro – banana cultivation is not allowed in some refugee settlements. It is therefore not normally cultivated by refugees nor is it an option (unless they hire land or work as laborers).⁵⁴ Key VC actors in Kyegegwa district (where Kyaka II is located), for example, include input suppliers, small-holder farmers (producing 900 bunches per acre), middlemen/aggregators, transporters (using boda-boda⁵⁵ or bicycles), wholesalers/large traders (using lorries and buying from aggregators), and retailers.⁵⁶

Constraints in the banana value chain include pests, diseases, soil fertility, variable quality, drought, low price during bumper harvest, limited market linkages and the lack of appropriate production and value addition technologies, that could improve both yield and profit.

Opportunities to improve this VC include investing in crop production and productivity to improve practices and capacity of host community farmers, post-harvest techniques and storage, and linkages to markets in the refugee-hosting areas (including physical roads and aggregation centres for collective banana marketing).⁵⁷

Sesame (Simsim)



Sesame, also known as simsim, is a major value chain in the Northern region. Uganda is the second largest producer of sesame in Africa and it is prioritized by the government as an export crop.⁵⁸ The Northern region with warmer climates and less rainfall, is well suited to sesame production, as it is drought tolerant and typically environmentally friendly. Uganda sesame typically has a high oil content and is processed into sesame oil and used in confectionery products and pharmaceuticals. It is also used for consumption in the form of roasted grains or paste. Small-holder farmers produce most of the sesame, and more are attracted to it because of its high profitability.

Constraints: Typically, because of the land needed, sesame is cultivated by host community farmers, which can be a constraint towards its ability to support refugee communities. Key VC actors can include the following actors depending on the pathway to market: input providers, farmers, rural aggregators, rural processors, rural retailers, rural consumers, wholesale aggregators, urban processors, urban wholesalers, urban retailers, and urban consumers. Major private sector actors involved in this value chain include Shea Uganda, Gulu Agricultural Development Company (GADC), Agri Exim and Geoffman Enterprise Uganda Limited.⁵⁹

⁵³ World Bank and Kilimo Trust, Kyegegwa District. (2021).

⁵⁴ Feed the Future (USAID), Nakivale, (2021); World Bank and Kilimo Trust, Kyegegwa District, (2021).

⁵⁵ Boda-Boda refers to motorcycles

⁵⁶ World Bank and Kilimo Trust, Kyegegwa District. (2021).

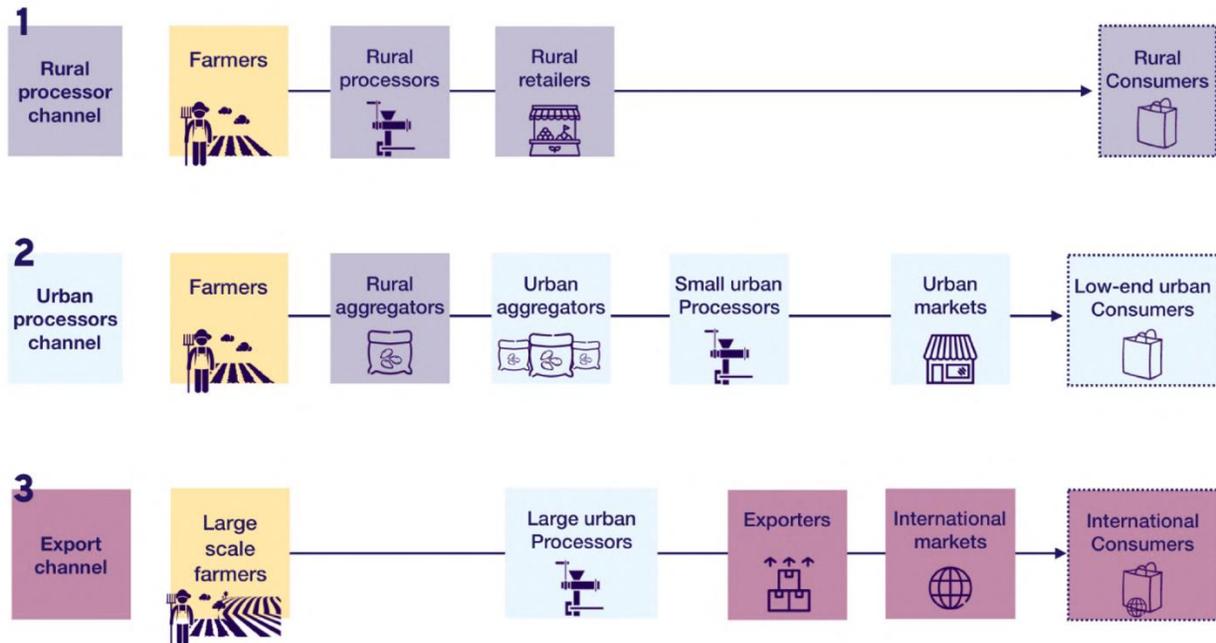
⁵⁷ Ibid.

⁵⁸ UNDP, (2021).

⁵⁹ Mercy Corps. Market Assessment: 1st Phase of the DREAMS Market Assessment. (2022).

Opportunities: Though sesame is increasing in popularity, cultivation is still limited and there is significant room for growth that can increase incomes and create jobs for refugees and hosts. Limited output can be linked to the use of inferior seed and limited access to finance needed to invest in labour and farm inputs. Improved technology, inputs, and governance among the value chain actors will improve sesame's profitability and livelihood potential.⁶⁰

Figure 7: Sesame value chain, Arua, Uganda⁶¹



Rice



Rice is a high-value crop that has recently been introduced and is growing in adoption due to its price at market, promotion of resilience, income diversification, short maturity, low production costs, ready market, and smaller land allocation.⁶² It is a stronger VC in the Western region, as it is noted that the rice market may be smaller in the North as refugees rely on other grains, like maize, which they receive from WFP.⁶³ However, it is also cultivated and increasing in importance in the North as a cash crop, particularly in Yumbe, Pakwach and Madi-Okollo. Both lowland and upland rice varieties are grown in the Western region (Kamwenge/Rwamwanja) primarily by smallholder farmers. In the Northern region the main market actors were identified as small

⁶⁰ UNDP, (2021); World Bank and Kilimo Trust, Kyegegwa District. (2021); ILO (2020); World Bank and The Kilimo Trust. Adjumani District, (2021); Mercy Corps. Market Assessment: 1st Phase. (2022).

⁶¹ ILO, (2020).

⁶² Feed the Future (USAID). Uganda Inclusive Agricultural Markets (IAM) Activity: Rwamwanja Settlement Market Systems Assessment Report. (2021).

⁶³ IFC, (2021).

farmers, millers, urban traders (including wholesalers and individuals that buy from both small-scale farmers and large-scale farmers), and exporters to South Sudan and DRC.⁶⁴

Constraints: Rice is a relatively new crop and producers struggle to meet quality certifications, which impacts profit. There is limited access to seed (with very little commercial seed presence in the North). Farmers lack knowledge of optimal cultivation and often lose value in the post-harvest process due to over drying and single stage mills.⁶⁵

Opportunities can develop once there are improvements in quality and certification, such as through the Nsamizi Training Institute, and more private sector support for rice processing.⁶⁶ In addition, rice can promote the growth of small and medium sized businesses and provide employment opportunities in transportation, agro processing, collective marketing, and warehousing, particularly for youth and women.⁶⁷

3.2 Livestock VCs

While livestock farming does take place, it is less prominent than traditional agricultural value chains. However, there are a few key livestock VCs that were included in the reviewed VC reports.⁶⁸

Apiary/Apiculture (or Beekeeping)



Apiary can lead to many products such as honey, beeswax, royal jelly, pollen, propolis and bee venom, which can be used nutritionally and medically. Honey is the most common product and the main honey producing areas across the country are West Nile and Western Uganda. In the refugee hosting area (particularly the Western region) apiculture is a livelihood for both host and refugee communities, as it requires little land and can support economically vulnerable populations and women and girls, without impacting their ability to attend school or to other responsibilities.⁶⁹

The value chain actors are beehives suppliers, beekeepers, processors, traders within the district and large processors. Beekeeping is primarily a commercial enterprise. Two existing honey processing companies are The Hives Ltd and Malaika Honey Company Ltd, which supply modern hives as well as modern honey extraction and processing equipment. There is a linkage with the apiary VC with the artisan/carpentry VC, as artisans are needed to build the beehives. However, apiary overall does not create many jobs.⁷⁰

⁶⁴ Mercy Corps. Market Assessment: 1st Phase. (2022).

⁶⁵ Ibid.

⁶⁶ Feed the Future (USAID). Rwamwanja, (2021).

⁶⁷ Save the Children International. Labor Market Assessment for Youth in Rwamwanja Refugee Settlement and Hosting Communities in Kamwenge District, Western Uganda: Draft Report. (2020).

⁶⁸ Feed the Future (USAID). Rwamwanja, (2021).

⁶⁹ World Bank and Kilimo Trust, Kyegegwa District. (2021); LRSWG Technical Review.

⁷⁰ World Bank and Kilimo Trust, Kyegegwa District. (2021).

Constraints: The beekeeping value chain is fragmented and includes mostly small-scale farmers with basic tools, skills, and limited post-harvest technology. There is a need to improve quality and quantity of products, as well as technology and support, particularly for domestic (non-exporting) honey producers.

Opportunities: Uganda is the only country in Africa able to export honey to the EU (due to the European Partnership Agreement) and therefore some quality standards are in place for the export market. Yet 95% of the honey produced in Uganda is consumed locally, and therefore not required to meet these standards. To increase or upgrade this value chain, it is suggested to train more beekeepers, improve supplies and extraction technology, improve quality, increase market access, and reduce the use of agro chemicals, which can harm the bees.⁷¹

Cattle (Dairy)



Dairy is the second most important sector in Uganda, after cereals, as it is a source of income, food, and employment (potentially for refugees, while farming is in host communities).⁷² The VC also has sustainable environmental impact through the creation of biogas and bio slurry, used for kitchen gardens. It is one of the priority VCs under the Uganda National Development Plan III. Approximately 33% of milk sold is processed into other products, while 66% is sold as raw milk products.⁷³ Processed products include milk powder, Ultra-Heat Treated (UHT) milk, pasteurized milk, yoghurt, butter, milk-based ice cream, cheese, ghee (small-scale processors typically produce ghee) and casein. Dairy cows are primarily owned by small-scale host community farmers with limited inputs and low outputs. Key value chain actors include individual households that own farms, agro-vets, farmer groups, aggregators with milk cooling facilities, retailers, and both small and large processors.⁷⁴

Constraints: Pests, diseases, and limited access to veterinarians and extension support are a major constraint to milk production. Approximately 20-25% of milk produced is also lost due to spillage or spoilage, linked to poor handling practices, technology, and road infrastructure.⁷⁵

Opportunities to improve this VC include investing in improved technology and farmer/processor capacity, strengthening farmer groups, improving access to extension services (veterinarians) and animal medications, increasing market access, and reducing post-harvest loss/spillage. Some private sector processors and companies that are operating and may assist farmers with market linkage and value addition include Brookside Ltd, Pearl Dairy Company, Fresh Dairy Company (Kyegegwa) and Neema Value Addition (Rwamwanja Settlement).⁷⁶

⁷¹ World Bank and Kilimo Trust, Kyegegwa District. (2021).

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Ibid.

⁷⁶ World Bank and Kilimo Trust, Kyegegwa District. (2021).

Cattle (Meat)



In the International Labour Organisations' (ILO) PROSPECT's assessment, cattle (meat) were rated the third strongest VC in Arua (Northern region), as refugees from South Sudan are traditionally cattle herders. This assessment did note that host communities have more cattle, because of the access to land needed, but that more refugees are also able to raise cattle and have secured lands for grazing. Key VC actors can include small-scale farmers, rural brokers, rural butchers, rural consumers, collectors, aggregators, slaughter labs, urban consumers, large-scale farmers, aggregators, processors, institutional buyers, institutional consumers, exporters, and international consumers.⁷⁷

Constraints to this VC include access to land, veterinary services, animal feed, and improved cattle breeds. A VC map and more details on the market can be found in the ILO report. Another concern about cattle however is that in other assessments cattle are pests that raid farmer's fields and impact yields.⁷⁸

Opportunities to improve meat cattle VC include increasing veterinary extension services, access to improved cattle breeds, and improving access to land for cattle farmers.



To Goat or Not to Goat?

In an assessment from the World Bank and Kilimo Trust (DRDIP) in Adjumani, goats were initially chosen as a key VC as they are profitable and require little land. Yet goats are not recommended for further investment by the DRDIP project, amongst the other VCs available, because the gross margins for goats at farmer level are negligible even after proposed strategic investments. The payback period after investment is also five years and technologies for value addition at production level are not available.

Box 2: Gender and Social Inclusivity

Gender and social inclusivity dynamics were either included in the VC analysis or noted in six of the reviewed assessments.

Roles in the VC: In general, women are more involved in the production/cultivation stage of the agricultural/ livestock value chains, but less so in the post-harvest, trading, and selling. However, in the Northern region, women were involved in the production, the postharvest handling, and marketing of particularly small volumes of produce. Men were more involved upstream of the value chain activities such as trading of larger volumes, transporting and product processing. Correspondingly, women are more involved in growing crops for home consumption and nutrition such as beans and horticulture, of which the excess is sold in market. Many times, the women also do not have control or access to what is done with the income from the crops, and though they have similar access to farmers groups and Village Savings and

⁷⁷ ILO, (2020).

⁷⁸ Feed the Future (USAID). Rwamwanja, (2021); World Bank and Kilimo Trust, Kyegegwa District. (2021).

Loan Association (VSLAs), they have significantly less access to SACCOs/formal finance, as well as very limited access to markets.

SGBV and Household Dynamics: Programs that exclusively include more women, without also engaging men, may have adverse impact on household income dynamics. In Kamwenge district (Western), household gender dynamics played a role in crop cultivation, with certain crops having more buy-in from women and not men. Therefore, there needs to be buy-in from both primary decision makers in the household to improve the value chain and income of the household. In Rwamwanja, sexual and gender-based violence (SGBV) against women was high, including economic violence and physical violence. Cases were linked to power dynamics at the household level, including control of limited resources.

Key Inclusive VCs: UNDP's Market Value Chain Assessment for Farm and Non-farm Enterprises in Northern Uganda (2021) is unique as it includes gender and social inclusiveness measures in the criteria for the value chain assessment ranking (the analysis criteria included profitability, initial production investment costs, gender, social inclusiveness, and inclusion of interest groups of the value chain, and livelihood/social impact of the value chain). Based on these gender and socially inclusive criteria, the recommended farm VC enterprises to upgrade were sesame (simsim) and cassava. The recommended off-farm VC enterprises chosen for upgrading were restaurant/bakery and milling. These were recommended because of their ability to include and benefit women and other vulnerable groups in the value chain.

Overall recommendations included increasing opportunities for women and youth, such as engaging in produce aggregation, establishing/managing cooperative input supply stores, and engaging in value addition. Recommendations also included improving women's role in value chains by ensuring that they receive training, information, and access to credit, and that men are also engaged to support household dynamics.

3.3 Off-farm Value Chains

Off-farm value chains are those that are generally not related to agriculture or livestock production, but they could also participate in agricultural value chains through processing or input provision (such as agricultural mechanization). Overall, very few off-farm VCs were analyzed, as compared to agricultural or livestock-based VCs. This may reflect the dominance of traditional agriculture, and to some degree livestock, to support livelihoods in these settings.

Handicrafts



Crafts can include basketry, pottery, mats, wood carvings, ornaments, shoes, bags and African Kitenge. These are typically developed on an individual basis through artisans. Crafts are socially and economically beneficial as they provide employment for vulnerable people like women, youth and refugees who cannot access land. Trade in handicrafts in Uganda is informal, but there is a market among international visitors and some for export. Data on craft sales is limited and individual producers tend to sell to domestic craft traders who are intermediaries to other markets. The Kilimo Trust assessment

found that the VC is short but profitable for certain crafts. Similarly, the IFC assessment found that private sector investment and market linkages could upskill this VC.

Constraints include low quality goods due to inadequate skills and poor-quality tools, as well as time consuming production compared to the modern labor and tools. There is also limited access to finance, to larger markets (due to quality), and potential environmental degradation through use of natural materials.

Opportunities include investing in the technical and vocational training skills, improving skills and business skills of producers, investing in improved technology/equipment, training on sustainable ecosystem preservation, and linking to markets outside the regional area, including online markets such as Fashionomics Africa, an online trading platform for handmade African crafts.⁷⁹

Baked goods production (Northern region)



Bakery, including confectionery, is a key profitable VC (though with small margins) off-farm VC in the Northern region.⁸⁰ It has high returns of investment with returns throughout the year and is gender and age inclusive. Bakery items include mandazi, chapati, samosas breads, cakes, and cookies. This VC provides both self-employment (small business) as well as formal employment opportunities in restaurants and bakeries, once the baker is trained. In some areas training is offered by technical institutions development actors who also provide inputs.⁸¹ In both refugee and host communities, this VC can engage both genders, as young men are engaged in chapati and mandazi baking/selling and women tend to operate small restaurants to sell tea and other snacks. Other VCs can contribute to the bakery VC, such as maize, sesame, and sweet potato. In the UNDP VC assessment in Northern Uganda summary, an entire bakery business was created using the sweet potato VC in their products.⁸²

Constraints: Inputs are required for this VC and depending on the product produced they can cost a lot. For chapati there is low initial investment but for other products, more inputs and investment are needed. Bakery is therefore done by two types, small scale, and larger scale, with varying needs. At the small-scale level there is high competition because of the low-cost of entry. Actors tend to act individually rather than collectively and trade in this area is not structured.⁸³

Opportunities to upgrade this VC include enhancing bakery skills/training, invest in equipment to produce products directly in the region, invest in packaging, quality control, and certification of bakeries, improve market knowledge/linkages for producers, improve access to credit so bakers

⁷⁹ World Bank and Kilimo Trust, Kyegegwa District. (2021); IFC, (2021); International Labour Organization (ILO). Rapid Market Assessment of Five Value Chains in Nakivale Refugee Settlement and Host Community Isingiro District. ASIGMA Advisory. (2022).

⁸⁰ World Bank and Kilimo Trust. Adjumani District, (2021).

⁸¹ UNDP, (2021); World Bank and Kilimo Trust. Adjumani District, (2021).

⁸² Ibid.

⁸³ Ibid.

can scale their operations.⁸⁴ Group models for bakery may also support bakers, as they are limited by the lack of tools and can combine to reduce overall investment costs.⁸⁵

Box 3: Refugee vs. Host Community Constraints

Refugees and host communities face different constraints, which impact which value chains they can participate in and the growth of their livelihood opportunities. The primary issue, particularly for refugees is the lack of access to land. Refugees also have difficulty accessing finance and formal banking services.

Value chain participation: In the Northern region, sesame is a major value chain and cash crop, but it is rarely one in which refugee communities can participate due to the lack of land for cultivation (unless they are hired as a laborer, or they are able to hire land). This is the case with other cash crops and perennial crops (including bananas, cassava, tobacco, cotton) and raising larger livestock (including dairy cattle) as well. In general, refugees tend to grow vegetables that mature fast and can be sold quickly at the market, due to the lack of land and storage facilities. Refugees also tend to own fewer and raise smaller animals, such as chickens and pigs. Whereas host communities own more and can raise larger animals such as cattle, sheep, and goats.

In Kamwenge district (Western region), maize and beans were the most common crops grown by both refugee and host community households. Host communities also produced bananas, millet, sweet potatoes, cassava, Irish potatoes, and groundnuts, while cassava was the other major crop grown by refugees. However, **no refugee households surveyed cultivated millet, fruit, or coffee**. In Isingiro district, refugees also could not grow bananas, a major crop in the area, due to the lack of land (it is not allowed in settlement plot allocations). Interestingly, **refugee households also grew fewer types of crops** as compared to host communities. In livestock, host communities on average owned 12 animals including more sheep and cattle, while refugees owned six that were smaller such as chickens and ducks. These differences are likely due to the lack of land for refugee households.

Value chains such as apiary, horticulture (vegetables) and the non-traditional VCs do not need much land and therefore are applicable to both communities.

4.0 Challenges and Potential Solutions

Across both regions and multiple VCs, numerous constraints arose, which impact nearly all VCs and their potential to support the livelihoods of both refugees and host communities. Similarly, potential solutions to upgrade VCs and improve income generation in both refugees and host communities were situated within these broad categories (below), across multiple VCs. The LRSWG is producing a strategic direction paper which will focus more on these opportunities. This

⁸⁴ Ibid.

⁸⁵ See model in UNDP, (2021); LRSWG Technical Review.

section provides a brief overview of some of these challenges and potential solutions. These categories are:



Access to Land

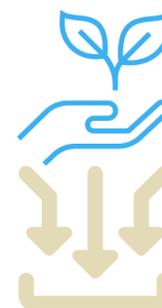
Lack of access to sufficient sizes of land, particularly for refugees, is the **most intractable challenge** that prevents refugee and host community households from increasing income through agricultural production as well as value addition (e.g., no planting/harvesting, storage, or processing space). Available land is exhausted, resulting in poor quality produce. There is also a high cost of hiring land for individual farmers. For example, in Rwamwanja and Nakivale it is 150,000 – 200,000 UGX per acre, in Palabek it is 30,000 – 50,000 UGX per acre.⁸⁶ In general, refugees have less than one acre of land for living and cultivation (OPM now provides 30 by 30-meter plots), unless they rent land, which is costly.⁸⁷ In some areas of West Nile, refugees' land access for agricultural production was less than 0.6 acres per household while host community smallholder farmers used 2 acres.⁸⁸



Potential solutions to explore: In Palabek settlement, Lutheran World Federation (LWF) rents land for group farming (5 acres per group). These groups are mixed, so host communities are able to donate land for group use. Refugees also provide labour and are hired by commercial farmers inside and outside the settlement.⁸⁹ World Vision's rapid assessment in West Nile suggested upscaling acreage under production with cash incentives.

Agricultural Inputs and Support

Challenges include poor agricultural inputs with no access to better tools, seeds, fertilizers etc. as well as counterfeit agrochemicals.⁹⁰ The lack of quality inputs results in poor quality agricultural produce and therefore a lower price at market. Contributing to this issue is the limited availability of extension support/services and farmers' poor agricultural practices. Pests, disease prevalence and climate factors (droughts) also limit the ability to scale-up. In some cases, improved agricultural inputs provided by development actors has



⁸⁶ Feed the Future (USAID), (2022).

⁸⁷ Feed the Future (USAID). Uganda Inclusive Agricultural Markets (IAM) Activity: Palabek Settlement Market Systems Assessment Report. (2021).

⁸⁸ World Vision, ZOA, SNV, and RICE West Nile, (2021).

⁸⁹ Feed the Future (USAID). Palabek, (2021)

⁹⁰ IFC, (2021).

negatively impacted the market for input provider businesses, creating a cycle of dependency and gaps in the market.⁹¹

Potential solutions to explore include strengthening farmers groups to carry out bulk purchases and supply to the community. However, organizations need to be cautious: in Palabek settlement area, inputs are provided by NGOs and while this may be necessary (as refugees and host communities cannot afford inputs), it has reduced incentive for input providers in the market and as such, is not sustainable.⁹² Quality seed production itself was suggested as a potential product and value chain in two reports, as was making linkages to engage private sector seed companies and other suppliers to set up outlets in the target areas. One report suggested co-designing interventions with private sector companies working in the settlement, such as Okeba Limited, Manyankabi Area Cooperative, Grain Pulse, and Akinga Millers (in respective areas) to support input distribution, value addition, grain trade, and other embedded services.⁹³

Post-Harvest and Value Addition

Challenges: High post-harvest losses and poor post-harvest quality/techniques are linked to the lack of post-harvest tools, no storage, and the need to sell before the product spoils, which also results in lower prices at market. This can also lead to low volumes and quality of crop products for processing and value addition. In cases where processing can happen, there are inefficient /small-scale mills and insufficient improved processing tools.⁹⁴ Processors have little knowledge end markets needs and requirements and do not have the technical capacity to make the required operational and technological upgrades to sell to higher value markets.⁹⁵ Some post-harvest value addition is taking place for maize, honey, and milk, but there is difficulty in meeting the processors' quality standards.⁹⁶



Potential solutions to explore include strengthening post-harvest handling through farmer/producer groups, providing small processing equipment such as sunflower threshers and shellers, sesame paste makers, soy millers etc., and assisting in establishing storage facilities and other postharvest handling technologies. Linking with partners like Lutheran World Federation (LWF), Nsamizi Training Institute can support in the certification process particularly for honey, milk, and rice. Other solutions include engaging research institutions to enhance knowledge transfer including the promotion of improved seed and securing processing equipment such as cassava chippers, maize shellers, and grain milling machines.⁹⁷ Another solutions is to set up

⁹¹ Mercy Corps. REFUGEE MARKETS BRIEF: The power of markets to support refugee economic opportunities in West Nile, Uganda. (2018).

⁹² Mercy Corps. (2018); Feed the Future (USAID). Palabek, (2021).

⁹³ Feed the Future (USAID). Nakivale, (2021); Feed the Future (USAID). Rwamwanja, (2021); World Vision, ZOA, SNV, and RICE West Nile, (2021); Mercy Corps, (2022).

⁹⁴ IFC, (2021).

⁹⁵ Feed the Future (USAID), (2022).

⁹⁶ Feed the Future (USAID), (2022).

⁹⁷ World Vision. Value Chain analysis and market assessment. West Nile Refugee Programme. Oichoe, J (2017); Feed the Future (USAID). Rwamwanja, (2021).

large-scale opportunities (like agro-processing), in the host community, and source agro-produce from the refugee settlements (as well as larger quantities sourced from the host community) through a network of refugee aggregation businesses.⁹⁸ Finally, work with larger processors to engage them in setting up outlets in the hosting communities.⁹⁹ However, work needs to be done to improve electricity stability in the West Nile region to reduce cost of production for processors.¹⁰⁰

Access to Finance

Challenge: There is limited access to and/or underutilization of financial services.¹⁰¹ Farmers groups (which usually include VSLAs) do exist but they are weak and sometimes there is still not a sufficient market for their produce.¹⁰² Refugees also have difficulty accessing finance and formal banking services because they do not have land they can use as collateral for a loan that will be accepted by financial institutions in the region. They are, however, involved in VSLAs and farmer producer groups. In addition, VC actors such as traders, aggregators, and micro-processors etc. are known to have challenges accessing loan services, although this was not widely covered in the reviewed documents.



Potential solutions to explore include strengthening financial management skills, particularly for refugees and then supporting VSLA/saving groups and/or cooperatives with grants and facilitating linkages between groups and microfinance institutions. This also includes linking microfinance to different VC actors along the chain (aggregator, processors, etc.).¹⁰³ Financial service providers such as Post Bank and Centenary Bank (Rwamwanja) and FinTech companies (Finance Trust, Post Bank, Patasente, Hamwe East Africa, etc. present in Nakivale) could be engaged to develop products that meet the needs of and identify market-led solutions tailored to farmers' needs in the settlements and host communities.¹⁰⁴ Aligning consumption cash transfers with pre-harvest months will support farmers when they feel pressure to sell quickly.¹⁰⁵

Market Linkages

A significant **challenge** is that producers have weak negotiating power, which is related to their limited market linkages and physical access to markets.¹⁰⁶ There is limited market information among refugees who have lower negotiating power because they lack information on market prices and alternative markets that can be accessed.¹⁰⁷ In six reports, there was a perception or

⁹⁸ ILO, (2022).

⁹⁹ International Finance Corporation (IFC). Creating Markets in Uganda: Growth through private sector and trade. (2022).

¹⁰⁰ World Vision, ZOA, SNV, and RICE West Nile, (2021); World Vision, (2017).

¹⁰¹ Ibid.

¹⁰² AVSI, (2019).

¹⁰³ World Vision, ZOA, SNV, and RICE West Nile, (2021).

¹⁰⁴ Feed the Future (USAID). Nakivale, (2021).

¹⁰⁵ AVSI, (2019).

¹⁰⁶ IFC, (2021).

¹⁰⁷ ILO, (2020).

reality of “cheating middlemen” (aggregators, buyers, or host community members) who reportedly use illegitimate scale and/or who pay farmers less than what they could get at market but who are able to do so because of farmer’s lack of access to prices, limited transportation, or quick spoilage of produce (due to limited post-harvesting resources).¹⁰⁸ This creates significant mistrust along the value chain.¹⁰⁹



UNDP’s analysis considered this phenomenon a market imperfection as, “the farmer pays the price of lowered farm gate prices due to the inherent inefficiencies and high aggregation costs incurred by the middlemen contrary to the popular belief that they cheat, and to the buyer in the formal economy they pay a commission and a premium to the middleman. In this way the system perpetuates the inefficiency which keeps the household in the marginal economy.”¹¹⁰ COVID-19 restrictions on gatherings have also physically limited farmer’s abilities to sell or go to markets to determine fair market prices. There is limited transport to markets and poor road conditions, with some producers carrying produce manually (on heads), as the main form of transport in certain locations. In addition, in some areas, there is low private sector engagement (agro-input dealers and off-takers) in agriculture value chains in the settlement areas.¹¹¹

Potential solutions to explore include helping producers improve linkages and diversity in the source of harvest sales, as well as reinforcing market linkages between refugee and host communities.¹¹² This could include strengthening market gathering information and dissemination across the refugee settlements and the host communities, using innovative approaches such as the use of mobile phones for price determination.¹¹³ Support aggregation opportunities can include farmers bulking and collectively selling produce and facilitating linkages with bulk producer buyers such as the WFP.¹¹⁴ ILO suggests scaling economic growth by leveraging value chains that are exportable out of the settlement and host communities into national and regional markets.¹¹⁵

Facilitating the establishment of multi-stakeholder platforms involving various value chain actors to improve communication in the value chain¹¹⁶ as well as strengthening contractual relationships between buyers and producers, particularly through cooperatives / aggregation centres, will also support linkages.¹¹⁷ Feed the Future suggests increasing contracts through cooperatives with businesses such as Mukwano, KK Foods, Equator Seeds, Lishe Uganda Limited for production,

¹⁰⁸ AVSI Foundation. Labor Market Assessment: Graduating to Resilience. (2018); AVSI, (2019); UNDP, (2021); Feed the Future (USAID). Rwamwanja, (2021); Feed the Future (USAID). Nakivale, (2021); Save the Children International, (2020).

¹⁰⁹ AVSI, (2019)

¹¹⁰ UNDP, (2021).

¹¹¹ Feed the Future (USAID), (2022).

¹¹² ILO, (2022); World Vision, ZOA, SNV, and RICE West Nile, (2021)

¹¹³ World Vision, (2017).

¹¹⁴ Ibid.

¹¹⁵ ILO, (2022).

¹¹⁶ World Vision, ZOA, SNV, and RICE West Nile, (2021).

¹¹⁷ AVSI, (2019).

sale, and export of products.¹¹⁸ Similarly, designing risk guarantee mechanisms or co-financing to incentivize private sector players to invest in refugees hosting areas may be more sustainable than grants.¹¹⁹ Enhancing cross-border trade relationships by formalizing farmer's groups (cooperatives) can lead to benefits due to high produce prices across the borders.¹²⁰ Finally, advocating for local governments and UNRA to work on the road network can connect communities and markets.¹²¹

Box 4: A Private Sector Perspective

The Consumer and Market Study commissioned by the International Finance Corporation (IFC) is unique as it takes the private sector view to provide information to companies looking to enter markets in refugee hosting areas in both the Northern and Western regions.

Suggested private sector investment opportunities in agriculture include:

- Maize aggregation and processing
- Cassava processing
- Vegetable production
- Poultry production
- Fertilizer supply

Opportunities in other sectors include housing and lighting, financial sector, plastic recycling, retail trade, and craft production and marketing.

4.1 Additional areas to explore

A number of additional potential areas to explore to improve VCs and income generation and sustainability were frequently mentioned across the reviewed documents.

➤ Strengthen producer/farmer capacity

- Increase the number of farmer/producer groups and provide training and information to households on cultivation methods, good agricultural practice (GAP) and market-based business and technical skills, and equipment usage.
- Improve extension support from the government and NGOs. Support farmers to open more land through adoption of technologies such as oxen and use of tractor hire services. Continue introduction of high-value crops (rice, garlic, groundnuts).¹²²

¹¹⁸ Feed the Future (USAID). Palabek, (2021); UNDP, (2021).

¹¹⁹ ILO, (2022); Feed the Future (USAID). Nakivale, (2021).

¹²⁰ World Vision, ZOA, SNV, and RICE West Nile, (2021).

¹²¹ World Vision, ZOA, SNV, and RICE West Nile, (2021) ; ILO, (2022); Feed the Future (USAID). Nakivale, (2021).

¹²² Feed the Future (USAID), (2022); UNDP, (2021); World Vision, ZOA, SNV, and RICE West Nile, (2021).

➤ **Climate Change Resilience**

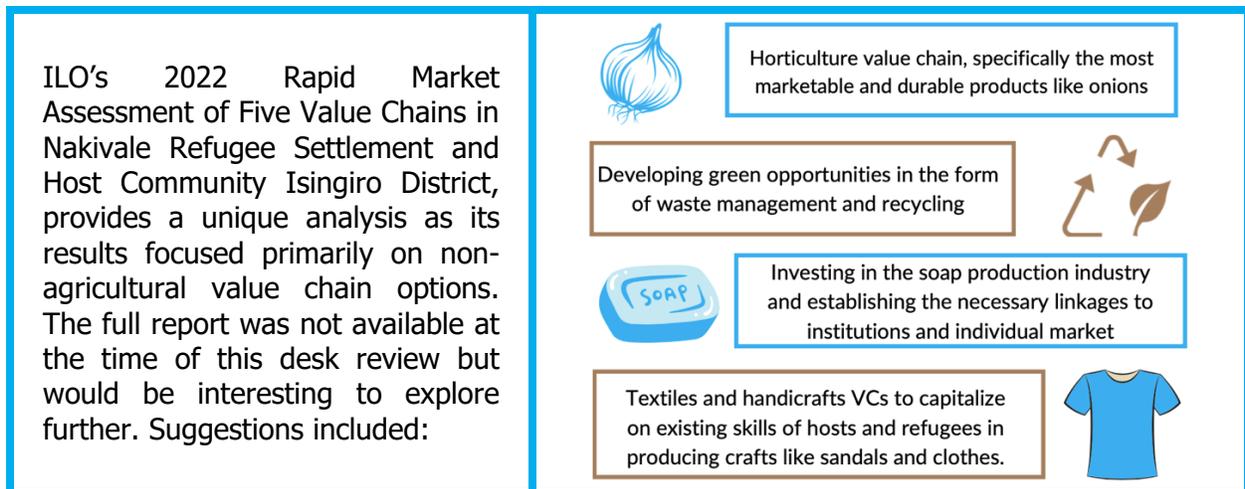
- Invest in early climate disaster warning systems as a key element of climate change adaptation and disaster risk reduction to avoid or reduce the damages caused by climate hazards and support capacity building for smallholder farmers to adopt climate change adaptation and mitigation measures and technologies such as use of solar powered irrigation pumps.
- In the North, focus on improving irrigation from the Nile River.¹²³ Work with Water and Pumps, a private company to avail climate-smart solutions to the farmer groups in water-stressed zones, especially for the horticultural farmers.¹²⁴



➤ **Invest in off-farm value chains**

- Most people participate in agriculture, and¹²⁵ therefore most assessments focus on the agricultural VC products, though some analysed the potential for employment in activities along the VC. However, a large proportion of refugee households are interested or also engaged in non-agricultural livelihood activities. Given the current situation, many assistance programmes focus on agriculture, so there is a need to expand programming into off-farm VCs.¹²⁶ Refugees may be able to provide labour beyond agriculture, and for processing as well as other VCs. Yet, a struggle for non-agricultural livelihoods (such as crafts/textiles) has been the quality and lack of market. Notably, there were comparatively few off-farm value chains discussed in the 29 reports.

Figure 8: Areas for Further Exploration



¹²³ World Vision, ZOA, SNV, and RICE West Nile, (2021).

¹²⁴ Feed the Future (USAID). Nakivale, (2021).

¹²⁵ Feed the Future (USAID), (2022); REACH, (2021).

¹²⁶ REACH, (2021).

5.0 Acronyms

AVSI	Association des Volontaires pour le Service International
DRC	Democratic Republic of Congo
DRDIP	World Bank and Kilimo Trust
Enabel	Belgian development agency
EU	European Union
GADC	Gulu Agricultural Development Company
GAP	Good Agricultural Practice
IAM	Inclusive Agricultural Markets
IFC	International Finance Corporation
ILO	International Labour Organisation
LMA	Labour Market Assessments
LRSWG	Livelihoods and Resilience Sector Working Group
LWF	Lutheran World Federation
NGOs	Non-Governmental Organisations
RRP	Livelihoods and Resilience Sector Strategy
SNV	Netherlands development agency
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
VSLA	Village Savings and Loan Association
WB	World Bank

Annex 1 - Annotated Bibliography

Ayuda en Acción. Baseline Report for the Development of Sustainable Value Chains and Employment/Entrepreneurship project. Precision Hub Consultants.

Link: (Unpublished)

This is a baseline assessment for a project that is working on supporting specific VCs. However, the rationale for those VCs is not given. The project summary is as follows: AeA through her partners have been implementing development of sustainable value chains and entrepreneurship/employment projects covering three key thematic areas of: Agricultural Value Chains; Employment and Entrepreneurship, and Child Protection targeting refugees and members of the host communities. In terms of VCs, key recommendations included: Provide unconditional cash grants to the groups to enable them diversify their agricultural production and business growth, link groups and farmers to financial services to enable them get access to loans and quality inputs, lease with the communities to provide more land to the refugees for farming, engage and understand the private sectors deeply to create an avenue of sustainable linkage with farmers. In addition, it's important for the programme to promote the adoption of off-farm economic opportunities for the young people. With a more reliable source of income the average income of the beneficiaries will greatly improve as such the ability to access some of the desired food rations. The programme also needs to improve localization, as well as gender and disability assessments/programming.

AVSI Foundation. Labor Market Assessment: Graduating to Resilience. (2018).

Link: https://pdf.usaid.gov/pdf_docs/PA00TRWF.pdf

The AVSI Foundation report for their USAID funded Graduating to Resilience project summarises the findings from an analysis of livelihood and labour market assessments conducted to identify priority training needs of youth, women and girls in refugee settlements and host communities in Kamwenge district (Western region) Uganda. The main employment opportunities and marketable trades are in agriculture, and then trade and service industry. Technical and Vocational training institutes should upgrade course offerings to match diversity in traditional and non-traditional skills in marketable trades. It is recommended to also provide training in complementary skills (entrepreneurship, financial literacy, life skills). Notably this report does not provide a value chain analysis but assess some of the key VCs (agriculture, livestock) that refugees and host communities are involved in, and some of the differences between these two groups.

AVSI Foundation. Value Chain Assessment: Maize, Beans and Groundnuts. Graduating to Resilience. (2019).

Link: https://pdf.usaid.gov/pdf_docs/PA00WCGM.pdf

The Graduating to Resilience Activity (a USAID-funded project implemented by the AVSI Foundation, IMPAQ International, and Trickle Up) has a goal of understanding the underlying causes and consequences of poverty and food insecurity in Kamwenge (including Rwamwanja

refugee settlement). This 2019 report describes the value chain assessment undertaken by the team for examining the maize, beans, and groundnuts value chains, which were deemed as the most relevant value chains for fulfilling the project's goals. These value chains were deemed as the most beneficial through qualitative and quantitative. The team used cost and revenue data, to construct preliminary profit margins for agricultural producers for maize, beans, groundnuts, goats, and pigs to decide on the three value chains for analysis that would prove to be most relevant for the project. The assessment team narrowed the choice of value chains to maize, beans, and groundnuts to ensure that the crops chosen covered food security, nutrition, and profitability dimensions. These three value chains were then assessed in more detail. The report provides a number of key insights regarding these value chains and constraints faced by value chain actors, predominantly the smallholder producers. It also provides key recommendations to improve income, food security, and nutrition through these value chains.

Enabel. Secondary Labour Market Study in Northern Uganda: Final Report. Lakwo, A. (2018).

Link: (Unpublished)

This 2018 Enabel report summarises the findings from an analysis of livelihood and labour market scan reports to identify priority training needs of youth, women and girls in refugee settlements and host communities in the West Nile region (Kiryandongo, Adjumani, Arua, Yumbe districts). The main employment opportunities and marketable trades are in agriculture, and then trade and service industry. Agriculture was found to be a "primary pathway" for employment (36%) including crop farming and livestock farming. The identified priority VCs for crops were bananas, beans, cassava, fruits, groundnuts, maize, mushroom, passion fruits, red chillies, rice, sesame (simsim), sorghum, and vegetables. For livestock they were apiary, dairy cattle, goats, piggery, poultry, and rabbits rearing. However, the off-farm VCs also included seed production, tree nurseries and agricultural mechanisation such as ox-traction, tractor operators, tractor mechanics, and micro-irrigation. Technical and Vocational training institutes should also upgrade course offerings to match diversity in traditional and non-traditional skills in marketable trades. It is recommended to also provide training in complementary skills (entrepreneurship, financial literacy, life skills).

Feed the Future (USAID). Uganda Inclusive Agricultural Markets (IAM) Activity: Nakivale Settlement Market Systems Assessment Report. (2021).

Link: (Unpublished)

Currently, FtF IAM Activity operates in the POC [persons of concern, refugee] hosting districts of Kamwenge, Isingiro, and Lamwo. The activity conducted an assessment in the settlements of Nakivale, the oldest refugee settlement in Uganda located in Isingiro District, to purposely engage key stakeholders in the settlement area in identifying opportunities and constraints in engaging refugees and host communities in the agricultural market systems. The team conducted a desk review on the existing literature and then through three days of fieldwork the team also conducted 16 KIIs and held four focus group discussions (FGDs). The key findings include the categories of, relationships between refugees and host communities (land), agriculture, agro-inputs, access to finance, access to markets, the impact of Covid-19, and the impact of the Manyakabi Area

Cooperative Enterprise. Notably, there was no quantitative data collection or ranking of value chains in a quantitative way, only qualitative analysis. The assessment found that refugees mostly grow beans and maize as well sorghum and groundnuts on a small scale. In addition, there is also matoke (banana) production but only among host communities. Potential crops for new markets in the settlement are Irish potatoes and horticulture, the latter of which reportedly is more profitable than maize.

Feed the Future (USAID). Uganda Inclusive Agricultural Markets (IAM) Activity: Palabek Settlement Market Systems Assessment Report. (2021).

Link: (Unpublished)

Currently, FtF IAM Activity operates in the POC [persons of concern, refugee] hosting districts of Kamwenge, Isingiro, and Lamwo. The activity conducted an assessment in the Palabek refugee settlement in Lamwo district to purposely engage key stakeholders in the settlement area in identifying opportunities and constraints in engaging refugees and host communities in agricultural market systems. Overall, the team conducted desk research 15 key informant interviews and held 4 focus group discussions (FGDs). Notably, there was no quantitative data collection or ranking of value chains in a quantitative way, only qualitative analysis.

Palabek refugee settlement is one of the newest refugee settlements in Uganda. It is still a receiving settlement with 34 development and other partners some of whom provide different agribusiness services like inputs and output markets in the settlement. The key findings include the categories of relationships between refugees and host communities (land), agricultural, agro-inputs, access to finance, access to markets, the effect of Covid-19 on markets, and a summary of the work of LWF, TRIAS Associates, RamRam Lopit Oil Seeds Cooperative Society, and Children of the World (COW Foundation). In comparison to the two other FtF reports, in Palabek there is much more support from development and business partners for refugees and host communities. This has both positive and negative effects on VCs.

Refugees mostly grow horticultural crops, maize, rice beans, and groundnuts on a small scale, on their land, rented/hired land, or group land. There is also high production of horticultural crops, especially by female farmers, but primarily for consumption due to nutritional value, short production cycle, and limited land requirements. Potential crops identified for new markets in the settlement are mainly the different horticultural crops, pulses, and cereals. There is also a huge market for maize flour in the settlements and most flour is bought from outside the settlement.

Feed the Future (USAID). Uganda Inclusive Agricultural Markets (IAM) Activity: Rwamwanja Settlement Market Systems Assessment Report. (2021).

Link: (Unpublished)

The FtF IAM Activity conducted an assessment in the settlements of Rwamwanja to purposely engage key stakeholders in the settlement area in identifying opportunities and constraints in engaging POCs and host communities in agricultural market systems. A desk review was completed on the existing literature on market systems in the Rwamwanja Settlement focusing on the current market systems landscape, agriculture, and understanding of the current

interventions by other key implementing partners in the settlement. In addition, 15 KIIs and four FGDs took place. The key findings include the categories of relationships between refugees and host communities (land), agricultural, agro inputs, access to finance, access to markets, food processing, SGBV, and impact of Covid-19 on markets. Notably there was no quantitative data collection or ranking of value chains in a quantitative way, only qualitative analysis. The assessment found that refugees primarily grow beans and maize, as well as sorghum and groundnuts on a small scale, and rear animals such as cattle, goats, rabbit, sheep and poultry.

Feed the Future (USAID). Uganda: Refugee Rapid Market Systems Assessment in Nakivale, Rwamwanja and Palabek Settlements. (2022).

Link: <https://data.unhcr.org/en/documents/details/94980>

This is the publicly available summary PowerPoint presentation for the above-listed Feed the Future reports.

GIZ. Presentation of the findings of the Employment and Labour Market Analysis (ELMA): RISE - "Response to Increased Demand on Government Service and Creation of Economic Opportunities in Uganda." (2020).

Link: (Unpublished)

This is a summary presentation of the Employment and Labour Market Analysis (ELMA) of the RISE project, focused on West Nile. The main conclusion of the ELMA "The absence of a dynamic and diversified private sector in the region is the primary cause of the lack of demand for skilled and unskilled workers." Specific VCs are not mentioned, but it does discuss agricultural production, land issues, employment opportunities, and other interesting demographic and livelihood information. The main recommendations for agriculture/agri-business are: raise the productivity and profitability of smallholder food crop farming and public investment in irrigation, transport infrastructure, and state-subsidized technological improvements.

Inclusion Works. Inclusive Future: Labour Market Assessment: Inclusion Works - Uganda Version 01. (2019).

Link: <https://inclusivefutures.org/wp-content/uploads/2020/07/Inclusion-Works-LMA-Uganda-Verson-1.0-FINAL.pdf>

This is a labour market assessment focused on entry points for persons with disabilities across Uganda, for a project being implemented by the Inclusive Works consortium. A value chain analysis was conducted to determine growth sectors and subsectors with a high propensity for job creation, that were then analysed in the labour market assessment. This report however does not talk about refugees or host communities, but is interesting because it discusses opportunities for people with disabilities. The employment opportunities analysed included: Agribusiness, Hotel and Hospitality, Information, communication and Technology, Financial services and Education. Agribusiness include Dairy and Coffee value chains.

International Finance Corporation (IFC). Consumer and Market Study In Southwest And West Nile Refugee Hosting Areas In Uganda. Asigma Advisory (2021).

Link: <https://reliefweb.int/report/uganda/consumer-and-market-study-southwest-and-west-nile-refugee-hosting-areas-uganda>

This Consumer and Market Study commissioned by the International Finance Corporation (IFC) explores the economic activities, employment trends, consumption levels, and consumer preferences of refugees and host communities in Uganda's Southwest (Hoima/Kikuube, Kamwenge, Kyegegwa, Isingiro) and West Nile (Arua [Madi-Okollo, Maracha, Terego], Moyo, Obongi) regions. This study takes the private sector view, as opposed to the humanitarian view, as its intention is to provide information to private companies looking to enter these markets. The study is also based on research conducted by the Uganda Investment Authority, and United Nations Development Programme (UNDP), which produced investment profiles for refugee-hosting districts (2017). This report has particularly good information regarding the differences between host/refugee communities and the difference between the West Nile and Southwestern contexts.

International Finance Corporation (IFC). Creating Markets in Uganda: Growth through private sector and trade. (2022).

Link: https://www.ifc.org/wps/wcm/connect/publications_ext_content/ifc_external_publication_site/publications_listing_page/cpsd-uganda

This Country Private Sector Diagnostic investigates the potential for private sector investment to meet development challenges following the COVID-19 pandemic. The country has a competitive advantage in agribusiness, improvements in energy, and potential in construction to meet housing demand. In regards to refugees, it specifically mentions fruit production (mangos, pineapples, passion fruit, particularly for juice) and solar power energy as investment opportunities in refugee-hosting areas.

International Labour Organisation (ILO). PROSPECTS. Paving the way for better jobs and improving livelihoods for refugees and host communities in Arua, Uganda. An Approach to Inclusive Market Systems (AIMS) in Refugee and Host Communities. (2020).

Link: https://www.ilo.org/global/programmes-and-projects/prospects/countries/uganda/WCMS_746173/lang--en/index.html

The purpose of this ILO assessment under the PROSPECTS project was to identify local sectors and value chains with potential for growth, profitability, and employment for refugee and host communities, in Arua district, West Nile region, including Rhino Camp. The report also describes how the identified value chains could be developed to include both refugees and host communities in the labour market, and how to enhance the overall functioning of the value chain to create jobs. Based on their potential for employment creation, relevance to the target groups, and feasibility for interventions, the key value chains identified were cassava, sesame and cattle. The report also suggested the following "push and pull" interventions for job creation: Addressing the

lack of financial education in the target community and addressing the lack of business and entrepreneurial skills of the target community (push), supporting business-led extension services, enhancing access to market information, enhancing product processing capabilities, addressing the broad lack of access to finance in multiple forms, formalising community-initiated land rental mechanisms, improving access to productive input (pull).

International Labour Organization (ILO). Policy Road Map: Recommendations to re-stimulate labour markets in Isingiro and Arua districts of Uganda, following the COVID-19 pandemic. PROSPECTS, IMPACT Initiatives. (2021).

Link: <https://data.unhcr.org/en/documents/details/88867>

The report summarises findings from a rapid assessment to assess the impact of COVID-19 on labour markets, livelihood gaps, and the socio-economic circumstances of refugees, households and businesses. It recommends investing to strengthen agriculture sector recovery, engage telecommunications companies to reduce the digital divide, offer financial stimulus for small and medium-sized enterprises, promote a broader understanding of labour rights, and create education and skills-building opportunities. The reference to value chains was very limited but stated: "Given the significant portion of the economy that agriculture represents, ILO can support district-level policies that expand production, improve productivity, increase access to quality inputs (such as quality, diverse planting materials and seeds) and basic on-farm mechanisation services, and strengthen collective marketing. KIs proposed a range of agriculture-related income-generating activities, such as entrepreneurial start-up capital, vegetable farming, the in-kind contribution of small, motorised production and processing machinery for specific agriculture value-chains (for example, maize, banana, cassava and groundnuts), digital communication tools for businesses and associations, as well as quality seeds and other agriculture inputs."

International Labour Organization (ILO). Rapid Market Assessment of Five Value Chains in Nakivale Refugee Settlement and Host Community Isingiro District. ASIGMA Advisory. (2022).

Link: <https://data.unhcr.org/en/documents/details/94950>

The presentation summarises the rapid market assessment of five value chains in Nakivale Refugee Settlement and Host Community in Isingiro District. The AIMS – Approach for Inclusive Market Systems, was used to select the value chains with the highest opportunities for inclusive growth, most relevant for the target groups, and interventions that have a higher feasibility to stimulate change. The VCs selected were 1. Textiles Production, 2. Handicrafts Production, 3. Soap Production, 4. Plastic Waste Management, 5. Aquaculture. Additional insights related to VCs included: 1) There is limited information among the refugees who have low negotiating power because they lack information on prevailing market prices and alternative markets that can be accessed, 2) In order to build sustainable livelihoods amongst refugee communities, Market-based interventions are best facilitated through the development and enhancement of market linkages between refugees and host communities, 3) Sustainable and scalable economic opportunities can only be obtained by leveraging services and value chains that are exportable out of the settlement and refugee-hosting areas into national and regional markets, 4) It is better to set up large scale opportunities, such as agro-processing, in the host community, and source

agro-produce from the refugee settlements (in addition to the larger quantities sourced from host community) through a network of refugee aggregation businesses, 5) Well-designed risk guarantee mechanisms do work in incentivizing private sector players to invest in difficult environments (refugees hosting areas). This is more sustainable than using grants.

Mercy Corps. Market Assessment: 1st Phase of the DREAMS Market Assessment. (2022).

Link: (Unpublished)

The Delivering Resilient Enterprises and Market Systems (DREAMS) program is a collaboration between three leading organisations in the field of global poverty alleviation: Village Enterprise, Mercy Corps, and IDinsight. This high-level market assessment was conducted during the period of November-December, 2021 to get an overview of various potential sectors or value chains relevant to the DREAMS program goals and mandates by interviewing the district production department officials and a few key private sector actors working in the West Nile region. The mapping of key economic infrastructures in the district provided a good understanding of macro trends, key crops, and players and subsequently market systems development in the West Nile region. The most common potential agricultural value chains identified included cassava value chain, sesame value chain, soybean value chain, maize value chain, rice value chain. These value chains have demonstrated tremendous growth, production and demand has increased significantly. The farming methods employed in production are simple and have not changed over many generations and their importance is associated with increasing demand and favourable climate that enables two cropping seasons in a year across the region. In addition, under livestock- the poultry, cattle and goat value chains were suggested and considered to be economically important given the ease of low-input free range rearing practice and ready market across in the region. Based on the information gathered during the assessment, they selected primarily 4 potential value chains- soybeans, sesame, sunflower and poultry which have the potential of increasing household income, improving food security and wellbeing of both the refugees and the host communities. The assessment took place across the 12 districts of the Northern region but Bidibidi settlement in Yumbe district and Rhino-Camp settlement in Madi-Okollo, and Terego districts were selected considering the offer of a great deal for the DREAMS project to layer the two evidence-based models – poverty graduation and market systems development.

Mercy Corps. Market Assessment DREAMS Market Assessment (Final). (2022).

Link: (Unpublished)

The Delivering Resilient Enterprises and Market Systems (DREAMS) program is a collaboration between three leading organisations in the field of global poverty alleviation: Village Enterprise, Mercy Corps, and IDinsight. The DREAMS program aims to improve the well-being of 150,000 women, children, and men over the course of five years, in the West Nile region of Uganda. The project uses both poverty graduation and market systems development – to achieve increased household income, savings, and assets: improved food security and wellbeing. The market assessment was conducted in April 2022 to help build a good understanding of constraints and opportunities along the potential value chains (Soybean, Sunflower, Sesame and Poultry value

chains) which were identified during the 1st phase of the market assessment. The in-depth study was conducted in Arua, Lira, Mukono and Kampala based on potential private sectors along these 4 value chains, district government officials, research institutes, and also in the targeted settlement level with farmers and groups.

Mercy Corps. REFUGEE MARKETS BRIEF The Power of Markets to Support Refugee Economic Opportunities in West Nile, Uganda. (2018).

Link: <https://www.mercycorps.org/research-resources/refugee-markets-economic-opportunities-uganda>

This brief detail how spending and investment by South Sudanese refugees displaced to the West Nile region of Uganda are beginning to drive growth. At the same time, an influx of humanitarian actors is providing in-kind food assistance and direct delivery of livelihood support, strategies that undercut the development of key markets needed to support refugee and host community livelihoods over the coming years. There is consistent evidence that West Nile's marketplaces have the capacity to support cash transfers, which generate local revenue and increase refugee business investments. Aid agencies must support demand-driven livelihood opportunities and growth in weak markets, working with local businesses and market institutions to improve refugee and host community households' ability to earn an income. Based on these initial project findings, this brief calls for a continued transition away from in-kind aid to an approach that emphasises partnerships with local businesses, reductions of subsidies, and demand-driven, market-based, livelihood support. This shift requires a combination of market systems development and humanitarian expertise, longer-term funding strategies to strengthen local markets, and investments to understand long-run program impacts on markets and households.

REACH. Uganda Markets & Livelihoods Assessment: Lamwo & Isingiro Districts. (2021).

Link: (Unpublished)

This rapid livelihood and markets assessment, conducted in 2021 by REACH in Lamwo and Isingiro, identifies which approaches and markets, agricultural and non-agricultural, provide viable opportunities for host and refugee households to engage competitively with market systems and establish resilient and sustainable livelihoods. Notably, this is not a value chain assessment, where value chains are identified and assessed according to investment, profitability, or employment potential, but rather this assessment reports the current status, opportunities, and constraints as reported by refugees and HC HH.

Save the Children International. Labor Market Assessment for Youth in Rwamwanja Refugee Settlement and Hosting Communities in Kamwenge District, Western Uganda: Draft Report. (2020).

Link: (Unpublished)

The report summarises the labour market assessment undertaken to assess how young people displaced by conflict can be supported to gain skills, competencies, and employment. The informal sector is a significant source of income and agriculture is the major employer with potential for growth. From the VC perspective, this report finds that maize and rice are among the most common products in the area, that have the largest potential for growth through MSMEs, and having youth involved along the VC "High-potential employment opportunities for youth in these two value chains appear in few sectors including agro-processing, retail and wholesale trade and transportation (bodaboda) of the produce. However, they face challenges with middlemen who aggregate and reduce the farm gate price for the smallholder farmers, at present. Yet the conclusion of this report, states that farmers in the area are dependent on these crops and that, at present, they have small returns and that it may be better to get youth more interested in Agriculture (which is a key employment opportunity) through poultry or horticulture instead, though these are not mentioned in the VC analysis. It should also be noted that despite the opportunities in agriculture, youth shy away from it preferring to be bodaboda drivers or other quick-paying jobs.

UNCDF. Learning in the Field: Implementing Digital Bulk Payments in Agricultural Value Chains in Uganda. Shulist, J, Panturu,C, Dean, D, Kasagga, L, Ndahiro, R, Waiswa, S, Ngwabe, W. (2018).

Link: <https://www.uncdf.org/article/3997/implementing-digital-bulk-payments-in-agricultural-value-chains-in-uganda>

UNCDF has been stimulating private sector engagement in rural areas of Uganda through digital bulk payment projects across five agricultural value chains: coffee, dairy, maize, seed oil, and tea. This 2018 report details insights into the financial behaviours and preferences of smallholder farmers, the challenges that agribusinesses face, and the lessons learned and recommendations that emerged from implementing digitised bulk payment solutions. The publication aims to share findings distilled from the experiences of UNCDF in each of the five selected agricultural value chains. In addition to lessons learned, this paper highlights the digitization challenges faced by smallholder farmers, private sector companies and providers of digital financial services (DFS) in addition to recommendations going forward. The coffee VC includes Yumbe, seed oil includes Kiryandongo, and tea includes Kamwenge but refugees are mentioned only once in the report, and not directly, and host communities are not mentioned specifically at all.

UNHCR. UNHCR Market Systems Development for Refugees and Host Livelihoods in Arua and Yumbe Districts, Uganda. (2018).

Link: <https://reliefweb.int/report/uganda/market-systems-development-refugees-and-host-livelihoods-arua-and-yumbe-districts>

This United Nations High Commissioner for Refugees (UNHCR) commissioned Market Systems Development (MSD) report aims to identify value chains with the potential to provide employment for both refugees and host communities, analyses these chains, and details recommendations to upgrade the value chains to provide opportunities for refugee and host communities in Arua and Yumbe districts (Bidibidi and Rhino settlements). The VCs with the highest growth potential were cassava (both settlements), sesame (simsim) in Rhino, and

groundnuts in Bidibidi. Key constraints to growth include access to land for those in settlements, poor seed quality, traditional cultivation methods, poor harvesting, and post-harvesting methods, and weak negotiating power with buyers. The recommendations for an upgrade of these VCs include establishing cassava, sesame (simsim), and groundnut multi-stakeholders' platforms to bring together the actors to promote the use of improved technologies and agronomic practices and strengthen post-harvest assembly, handling, packaging and marketing. Demonstration plots and grain assembly centres are recommended to set up to demonstrate and popularise the benefits of improved methods and technologies and improve post-harvest handling, with the aim of stimulating crowding within these input and output markets to create tipping points in behaviour leading to self-sustaining, market-driven development.

United Nations Development Program (UNDP). Draft Market Value Chain Assessment for the Farm and Non-farm Enterprises in Northern-Uganda. Adjumani, Lamwo and Obongi. Volume II, Value Chain Analysis. J. Okelai, The JP Management Foundation Ltd. (2021).

Link: (Unpublished)

This report presents a detailed value chain analysis for six selected farm enterprises and four non-farm enterprises from which UNDP has identified value chains to support market upgrading in each of UNDP's project districts of Adjumani, Obongo, and Lamwo (West Nile / Northern). Based on the criteria of Profitability, initial production investment costs, gender and social inclusiveness and inclusion of interest groups of the value chain, and lastly livelihood and social impact of the value chain (jobs created, food security, and income roles), the recommendation for farm VC enterprises to upgrade were Sesame (Simsim) & Cassava. The recommendations for off-farm VC enterprises chosen for upgrading: Restaurant/ Bakery & Milling. The average time needed to achieve an impactful upgrade of the value chain is estimated at 2-3 years. This report is a response to a 2020 UNDP market assessment, which determined that "most people are unable to take advantage of economic opportunities in emerging market systems in the Northern and West Nile regions of Uganda." Therefore, this assessment of farm and non-farm VCs was intended to help understand the constraints in accessing opportunities and map possible interventions to improve access to livelihood opportunities, particularly in relation to UNDP's VC and market space creation program that works with micro and small business enterprises.

UNDP. The Value Chain Market Assessment and Upgrading: Highlights of the Value Chain Assessment and Recommendations in northern Uganda - Obongi, Adjumani and Lamwo (Summary Presentation). The JP Management Foundation Ltd. (2022).

Link: <https://reliefweb.int/report/uganda/value-chain-market-assessment-and-upgrading-highlights-value-chain-assessment-and-recommendations-northern-uganda-obongi-adjumani-and-lamwo>

This summary presentation provides highlights of findings and recommendations from the value chain assessment to identify agricultural and non-agricultural value chains that can be upgraded under "The Uganda Host and Refugee Community Empowerment (UHRCEP) Project in Northern Uganda. This is under the mapping reference S, which is a confidential draft, so this summary

report is the public-facing document. The Assessment was conducted by The JP Management Foundation Limited and focused on the refugee hosting districts of Lamwo, Obongi, and Adjumani.

World Bank and The Kilimo Trust. Markets and Value Chains Assessment. Development Response to Displacement Impacts Project (DRDIP): Adjumani District. Ilukor, J, Mudipe, J, Hakzimana, D, Kayanga, M, Mwase, R, Korutaro, B, and Mwololo, J, (2021).

Link: <https://reliefweb.int/report/uganda/value-chain-assessment-report-adjumani-development-response-displacement-impacts>

This markets and value chain analysis study was conducted by the World Bank's Development Response to Displacement Impacts Project (DRDIP) project, through the Kilimo Trust, in the Adjumani district in the Northern (West Nile) region (second pilot location of study below). The key value chains were sesame, agro-processing, soybean and carpentry, okra, tomato, bakery, and goats. Sesame, however, is land intensive so more beneficial for host communities than refugees. The study concluded that DRDIP can fund the sesame and soybean VCs targeting the host communities but also for the refugees who can rent land. Agro-processing, carpentry, bakery, okra, and tomatoes can be funded to benefit both communities. However, investment in the goat VC is not recommended because of the length of time for payback on the investment and negligible margins.

World Bank and Kilimo Trust. Markets and Value Chains Assessment. Development Response to Displacement Impacts Project (DRDIP): Kyegegwa District. Ilukor, J, Mudipe, J, Hakzimana, D, Kayanga, M, Mwase, R, Korutaro, B, and Mwololo, J, (2021).

Link: <https://reliefweb.int/report/uganda/value-chain-assessment-report-kyegegwa-development-response-displacement-impacts>

This markets and value chain analysis study was conducted by the World Bank's Development Response to Displacement Impacts Project (DRDIP) project, through the Kilimo Trust, in Kyegegwa (Western Region). The project conducted the analysis to get a better "understanding of the appropriate economic systems and structures to build upon existing markets and businesses, thereby sustainably engaging both the host and refugees communities." Its intention is to guide DRDIP's own investments in the regions. The intention was to scale up the study to seven more districts, but information on this process has yet to be found. The six objectives of this study were to: (1) Map actors and their roles along the selected value chains; (2) Determine the profitability of enterprises at each level of the selected value chains; (3) Estimate the number of jobs at each level of the selected value chains; (4) Identify constraints and opportunities for each value chain; and (5) Recommend strategic areas to invest for each value chain, and (6) Develop Methodology for scaling out to remaining 7 districts. Each chapter on the value chains includes a map of the value chain actors, their roles, profitability, number of jobs, opportunities, constraints, strategic investments, and recommendations for DRDIP.

Kilimo Trust. Markets and Value Chain Assessment (DRDIP). Summary Presentation, (2020).

Link: (Unpublished)

This is a summary presentation created by the Kilimo Trust regarding the two DRDIP assessments it conducted with the World Bank (References M and T).

World Vision, ZOA, SNV, and RICE West Nile. Security, Protection and Economic Empowerment (Supreme) Project In Terego, Madi Okollo, Obongi, and Moyo Districts -Agricultural Value Chain Study Final Report. Rhamz International Ltd. (2021).

Link: (Unpublished)

This 2021 report details the findings of an agricultural value chain study, conducted for the SUPREME project (implemented by World Vision, ZOA, SNV Uganda, and RICE-West Nile) in Moyo, Obongi, Terego and Madi-Okollo districts in the West Nile region of Uganda. The key value chains studied were sesame, sunflower, soybeans (oil crops), cassava (tuber), onions, tomatoes, okra (vegetables), and sorghum (cereal). The purpose of the study was to understand the “constraints that smallholder farmers face in accessing inputs, financial services, and profitable markets and provide recommendations to empower the weakest end of the value chain to get their fair share of the profit margin.” The report shares specific findings on each value chain, as well as opportunities for growth and constraints faced by both refugee and host community smallholder farmers. It also gives investment options for external stakeholders and analyses the impact of COVID-19 on value chain production. The report concludes that though production in this region is predominantly from smallholder farmers, there are opportunities for larger-scale commercial production through land consolidation, as well as enhanced opportunities for trading and processing. They encourage private sector involvement in the area to improve the growth and competition of the value chains.

World Vision. Value Chain analysis and market assessment. West Nile Refugee Programme. Oichoe, J (2017).

Link: (Unpublished)

This report is an internal value chain and rapid market assessment (RAM) conducted by World Vision Uganda to inform its food assistance program in the West Nile region, which took place across 11 markets focused on Bidibidi, Palorinya, and Imvepi refugee settlements. This is not an analysis of the profitability and investment potential of specific VCs (unlike DRDIP or UNDP) but rather the assessment details the status and of existing potential markets, it highlights the existing common commodities (without ranking), it details the security and physical nature of existing markets in the region, and it provides some general recommendations for value addition opportunities for the key commodities. The assessment found that the influx of refugees has led to an increase in the number of market vendors and influx in volumes of commodities sold, but also the quality has decreased and the prices for cassava, maize, and beans have increased (also due to transport cost), as generally there is less availability. The common and most important commodities noted are cassava, beans, maize, sorghum, millet, and sweet potatoes. The assessment makes seven recommendations for programming in the target area.

ZOA Uganda. Final Labour Market Report: Short course/Labour Market Survey, Business Planning and Course Development with BTVET institutes under the ZOA Uganda program in West Nile. Mubarak, B and Nkamuhebwa, W.

Link: (Unpublished)

The ZOA report summarises the findings of the market study on agriculture-related courses offered and the demand for labour in agri-business in Nebbi, Zombo, Arua, Koboko, Moyo, West Nile region of Uganda . The study finds that labour supply exceeds demand and that the agro private sector is not yet able to guarantee employment in the short term. There are opportunities in agro-processing in the mid-term, but training should focus first on improving primary production, as well as developing master-craft persons. Currently, the vocational training institutes are ill-equipped to deliver agro skills training, and the fees are a barrier for youth to access training. The report also details the interest of interviewed youth to participate in selected agricultural-related VC livelihoods. However, this is not a value chain analysis. The top livelihoods, for which it was suggested courses be developed, were piggery, horticulture, poultry, mushroom growing, apiculture, and forest technician. Also, these factors were considered in the selection of these potential livelihoods courses: 1) final products highly demanded and marketable in the region but coming from outside the region (for example all the eggs consumed in West Nile are from Kampala, tomatoes are from Luwero, honey from Congo), 2) Oil drilling increasing demand for consumable foods like meats, fruits, vegetables., 3) Increased demand on grafted seedlings by NAADS/ PRDP/ NUREP/local community, 4) Key Informants expressed the current high demand of goats in the region as cows cannot survive due to tsetse flies.



Uganda Learning Evidence Accountability

and Research Network

P. O. Box 12018, Kampala – Uganda

www.ulearn-uganda.org
