

# Enhancing Socioeconomic Resilience for Displacement-Affected Persons in Uganda and South Sudan

Jacqueline Kobusingye and Gloria Seruwagi

## Background

Globally over half of the refugee population still lives below the international poverty line of \$2.15 per day (UNHCR, 2023), indicating that current levels of assistance and economic opportunities are insufficient to guarantee a decent standard of living. Refugees face barriers such as limited access to credit, insufficient vocational training, and competition for scarce resources with host communities (UNHCR 2021). In Uganda the liberal refugee policies have fostered significant economic and social benefits for both refugees and host communities (Refugees Act, 2006). Notably, approximately 40% of refugees in Uganda engage in income-generating activities, contributing to the local economy and reducing reliance on humanitarian aid (World Bank, 2021). However just 29 percent of refugees in Uganda are actively working versus 64 percent of host communities. A more recent study confirmed that refugee employment levels in Uganda are surprisingly low compared with Ugandan nationals or with refugees in neighbouring Kenya (Betts and al. 2019). Building on this foundation, the COMPASS project aimed to enhance income generation opportunities among Displacement-Affected Persons (DAPs) in Uganda and South Sudan. The project adopted an integrated approach, combining vocational training, agricultural

- Globally over half of the refugee population still lives below the international poverty line of \$2.15 per day (UNHCR, 2023).
- Results show that, almost two thirds (57.7%) of all respondents had increased access to income generation opportunities across all project areas compared to baseline, where levels of access to income generation stood at less than half (41%) of all DAP's.
- More than three quarters of respondents (78.5%) reported their incomes had significantly improved in the last two and half years of the project.
- The project increased access to cross border opportunities in Uganda and South Sudan. DAP's reported to have considerably benefitted from cross-border trade. Project interventions created an environment which facilitated trading activities as a means of improving livelihoods opportunities along the border, such as organizing Trade Shows, Monthly auction markets. These promoted social cohesion and peaceful coexistence.

support, and access to financial services, to empower both refugees and host communities. By leveraging on Uganda's enabling policy environment, the COMPASS project successfully supported refugees in transitioning from dependency to self-reliance. In South Sudan, where conflict and instability present unique challenges, the project focused on creating diverse livelihood opportunities, and adapted to the context. This issue brief provides evidence on the contribution of livelihood opportunities in improving participation of DAPs in the socio-economic life of the community where they reside. It highlights the influence of promoting diverse economic opportunities in increasing access to sustainable sources of income-generating opportunities.

In order to understand what innovative, context-sensitive approaches can be implemented in humanitarian settings to promote sustainable livelihoods for displacement-affected persons. We conducted an endline evaluation of the COMPASS study to measure its impact on improving livelihoods and income generation among DAP's. The COMPASS study was cross-sectional and mixed methods, with a sample size of 1261 respondents and 99 qualitative interviews were conducted among various stakeholders who included Actors at national level, sub-national level, religious leaders, cultural leaders, peace ambassadors and others.

## **KEY RESULTS**

### **Access to Income Generating Opportunities**

Results show that, almost two thirds (57.7%) of all respondents had increased access to income generation opportunities across all project areas. At baseline, levels of access to income generation stood at less than half (41%) among all DAPs. This increase in access to income reflects the contribution made by the livelihood opportunities implemented by the COMPASS project across all the project areas.

### **Primary Income Generating Opportunities**

Data on primary sources of income indicate significant improvements, reflecting the success of the project's interventions in diversifying income streams and enhancing economic resilience among the DAP's. The baseline proportion reflected heavy reliance on subsistence farming due to limited livelihood diversification opportunities. While farming remains the dominant source, a noticeable decline from 61.4 at baseline to 61% at endline in reliance to farming is observed across all project areas indicating a shift toward more diversified and alternative income sources like casual work and small business. In addition, there is an overall significant increase in access to business opportunities from 7% (baseline) to 12% (endline). Growth was particularly notable in LWF-SS and LWF-UG.

### **Improved Incomes among DAPs**

More than three quarters of respondents (78.5%) reported their incomes had significantly improved in the last two and half years of the project. Highest improvements were observed in the Palabek refugee settlement with 80.7% of respondents compared to LWF-SS (77.1%) and CDSS (75.4%) in South Sudan project area.

### **Vocational Training**

DAPs were organized into groups that received vocational training and skills development on the South Sudan side unlike Uganda where this training was offered on individual basis. The training covered various skills, including metal fabrication, bricklaying and concrete practice, Carpentry and joinery, Hair cutting tailoring, soap making, hairdressing, and mat making. Upon completing their training, participants were provided with starter kits and cash grants to help them apply their newfound skills and generate income. This was implemented in both Uganda and South Sudan.

*There is, a lot of impact, especially on the side of buildings because after training them, after giving the start-up kit, they will go and look now for any construction work and through the*

connection from the [youth] centre and those who are working within the construction industry, if there is any construction taking place, they give them work.. they are using ones who are trained so it will encourage many youth to now come and start the training (KII, County/National level, South Sudan)

DAP's reported seeing those who learnt the vocational skills start making their own money using the skills attained for example, some are engaged in soap making, tailoring, construction, hair styling in the towns, and also farming. With the case of farming, some DAPs cross back to South Sudan to do the cultivation using the aquired land use knowledge and then bring the produce back to Uganda to provide for their families in the settlement. The same processes and benefits applied for all categories – refugee or host communiy members recruited on the project as can be seen below:

*"We used to throw the seeds anyhow in the garden, but after the skill training by LWF through the COMPASS project, we learnt how to plant seeds in garden. By using lines, it became so easy, and we managed to economize on how to plant without wastage of our seeds."* (Key informant interview, Innovator Host community in Palabek, Uganda)

### Credit Services

The project aimed to increase access to credit among DAPs. The endline evaluation data shows that across all participants, the majority (84%) report not being able to access financial services. The results indicate a decline in access to credit when compared with the baseline findings where 40% of the participants in the LWF-UG project area have access to financial services 31% and 21% had access to these services in the LWF-SS and in the CDSS project areas respectively. Evaluation findings confirm that access to credit services was a strategy used by the project to enhance the livelihoods of DAPs. As part of this initiative, DAPs were encouraged to form groups, and they received training along with cash grants as a start-up package. Capacity support in the form of training sessions and financial support were designed to equip them with financial literacy skills. In South Sudan, special

emphasis was placed on forming Village Savings and Loan Associations (VSLAs), which DAPs utilized to improve their lives, as well as expansion of the group's capacity:

*"We formed some groups like for the VSLA; they were just to push the VSLA from their contributions. But these contributions have been streamlined in a way that there are savings, and each group have an objective why they are gathered. It is to address school fees, medical fees, or even create small business for an individual of the group. And some of them have opened their own business. They borrow money, they open their businesses much as small it is, but they can tell us stories, they are able to pay the school fees"* (KII-1, IP Staff, South Sudan)



*A group of refugee women display table cloths from their knitting business*

In Uganda, project staff reported all beneficiary groups under Livelihoods for example, farmers' groups, IGA groups, and Interpersonal Group Therapy (IPG-T) members were supported with access to credit services:

*"...we are working with 10 groups whereby we facilitated them with the cash grant. That's for the enterprise they selected. So that may be that when we have given them that money, they must start the business that they have selected as a group, not as individual. So that one as I talk now, even if you go, we can witness because people are now operating. Others they have selected like produce whereby they operate it very well. Others they have selected like farming as a business. They're doing this commercial farming"*

(KII-2, IP staff, Uganda)



A refugee innovator shows COMPASS partners and stakeholders around his model garden

A group of refugees exhibiting their farm produce in a cross-border trade show at Ngomoromo border point

However, some DAPs are still actively involved in the 'yoyo'<sup>1</sup> trade. Reported to be both dangerous and lucrative, this illegal cross-border trade continues to be fuelled by limited livelihood opportunities:

*"Business from the other side of Sudan moves very well compared to here in Uganda so, I know this 'Yoyo' movement business has greatly increased on my income and I will continue engaging in it."*  
[FGD Participant, Palabek Refugee Settlement)

## Cross-border Trade

DAPs have reported to considerably benefit from cross-border trade. Project interventions created an environment which facilitated trading activities as a means of improving livelihoods opportunities along the border, such as organizing Trade Shows. In addition, auction markets are held every month to promote social cohesion and peaceful coexistence, providing market opportunities for DAPs. This was emphasized during a discussion with one of the respondents in Uganda:

*"A case in point is Ngomoromo where the community holds once a month trade auction that attracts different players and hence promoting trade, peace and co-existence"* (Key informant interview, **Sub-National Actor** Lamwo district)



## Recommendations

- Expand and diversify livelihood opportunities, encourage cross-border trade and other innovative economic activities between Uganda and South Sudan.
- Scale up vocational training programmes among DAP's that offer market-relevant training tailored to local community needs.
- Strengthen financial inclusion to expand the reach of VSLAs and microfinance services to foster economic independence among all DAPs'.
- Sustain agricultural support interventions among DAP's such as investing in climate-resilient farming techniques and high-value crops to boost productivity. Additionally Facilitate access to agricultural markets through improved infrastructure and policy support.
- Promote inclusive community participation among DAP's such as engaging local leaders and stakeholders to foster community ownership of projects. And

<sup>1</sup> Pendular movements across the borders which often using illegal routes and are largely unregulated.



ensuring equal access to opportunities for all groups, including women, youth, and persons with disabilities.

### Call to Action

Policymakers, development partners, and implementing agencies must collaborate to:

- Prioritize public and private investments in diversified livelihood programmes.
- Scale up proven interventions like vocational training and VSLAs.
- Advocate for policies that remove barriers to economic participation for DAPs.

### Conclusion

Strengthening economic resilience for DAPs is essential to achieving long-term self-reliance and stability in countries, regions and globally. By adopting these evidence-based recommendations, stakeholders can empower DAP's and host communities to build sustainable livelihoods, promote inclusion and thus contributing to broader social and economic development in Uganda and South Sudan.

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### For more information, contact:

Email: [inquiries@chasei.org](mailto:inquiries@chasei.org),

Tel: +256 (0) 772 073 703

<https://www.chasei.org/compass/>

Centre for Health and Social Economic Improvement (CHASE-i\_

Makerere University

P.O. Box 7062 Kampala, Uganda

+256(0) 787 759604

+256(0) 755 475105

<https://www.chasei.org>

### STUDY PARTNERS



MAKERERE UNIVERSITY



LWF  
actalliance

