



PROJECT BRIEF | COVID-19 | JUNE 2020

Refugees and COVID-19: Impact on Food Prices, Consumption, and Distribution

Insights from financial diaries research in Nakivale and Kiryandongo refugee settlements in Uganda.

PROJECT BACKGROUND

Ugandan Government's Response to Refugees

The Government of Uganda maintains very progressive policies towards refugees, as well as a comprehensive refugee response framework allowing for integration of refugees within host communities and providing refugees access to the same services (education, health, water and sanitation) as nationals. Refugees are also afforded freedom of movement, the right to work, and the right to establish a business. To sustain and expand this progressive and generous refugee approach, the Government of Uganda seeks to strengthen the resilience and self-reliance of refugees and their host communities.

About the RISE Project

Opportunity International and its partners launched Refugees, Innovations, Self-reliance and Empowerment (RISE) project in June 2019 to help integrate and financially include refugee and host communities, promote self-reliance among refugees, and stimulate local economic activity in refugee settlements and surrounding host communities. Opportunity is working with Opportunity Bank Uganda, Limited and FINCA in two settlements in Uganda, Nakivale and Kiryandongo (and will start in a third in July 2020), to extend financial products and services, as well as financial literacy training, to refugees.

Opportunity International's Approach

Opportunity's approach is a phased one. First, in order to make informed and appropriate investment decisions, Opportunity is gathering quantitative and qualitative data on refugees' financial needs and behaviours using financial diaries and other human-centered design approaches. This will be followed by testing and development of financial products tailored to refugees' needs and realities, and then distributing these services through adapted delivery channels.

Opportunity is working to strengthen refugees' financial and digital literacy, equipping them with the skills and knowledge to climb the financial graduation ladder, including digitization to reduce needs for physical cash. To date, we have trained 950 saving group members in financial literacy and, prior to COVID-19, began opening bank accounts for refugees and disbursing loans. Ultimately, Opportunity aims to demonstrate that this population can be served sustainably and responsibly.

Similarly to broad demographic categories like youth, women, and farmers, refugees are far from homogeneous. They come from different countries and circumstances, and have diverse abilities and skills. They are young and old, businessmen and women, farmers, teachers, health workers and pastoralists. Many have also accessed financial services before, and many save. Studies across Uganda show that up to 75% of refugees save; Opportunity's baseline of 397 refugees showed 90% save.



Photo: Kate Holt

BY THE NUMBERS

1.4M

Refugees now live in Uganda, now the largest host country in Africa

8 countries

Refugees come mostly from 8 surrounding countries: South Sudan, Democratic Republic of the Congo, Burundi, Rwanda, Somalia, Eritrea, Sudan, Ethiopia

14

Settlements throughout Uganda host refugees

7 years

Average length of time refugees will stay in Uganda

Data from UNHCR Refugees Statistics Dashboard, May 2020

THE IMPACT OF COVID-19 ON FOOD PRICES

Overview

In total, the impact of the pandemic on food prices has differed across refugee settlements in Uganda, as reported by UNHCR's COVID-19 Market Monitoring report from April 2020¹. The report highlights price changes for essential commodities since March 2020, including maize, beans, cooking oil, milk and soap. Overall, many commodities have increased in price, including:

- **25% increase** in the price of maize grain in Nakivale
- **17% increase** in the price of cooking oil in Kiryandongo and 7% in Nakivale
- **20% increase** in the price of sorghum grain in Kiryandongo
- **19% increase** in the price of milk in Kiryandongo

However, price increases are not happening across all commodities, depending on disruption to individual supply chains. The prices of cooking salt, for example, have fallen in most settlements since March 2020. A few commodity prices seem to have remained stable as well. In Nakivale, maize flour and milk prices have fortunately remained stable; in Kiryandongo, maize grain prices has remained stable.

Data from Opportunity's Financial Diaries Research

Overall, insights from the financial diaries gathered by Opportunity confirms the significant disruption in food prices across the settlements.

The financial diary work was established prior to the spread of COVID-19, and has since offered an effective way to understand how the lock down in Uganda is affecting refugees living in the settlements. Throughout the crisis, Opportunity and its research partner PHB Development have been able to maintain regular communication with 200 refugees, who have offered responses to questions just before and after the lock down was implemented in Uganda.

In the pre-COVID-19 interviews, 68% of the refugees interviewed were concerned about food price increases. When we repeated the interviews a fortnight later, a week after lock down, these fears were being realised, with 91% of respondents reporting an increase in food prices.

Similar to the findings of UNHCR's market assessment, price increases were not universal across all essential commodities. For example, several respondents who were selling eggs were receiving 50% less compared to their normal prices. However, in areas without any local egg production, prices have soared.

Comparison on responses relating to food prices

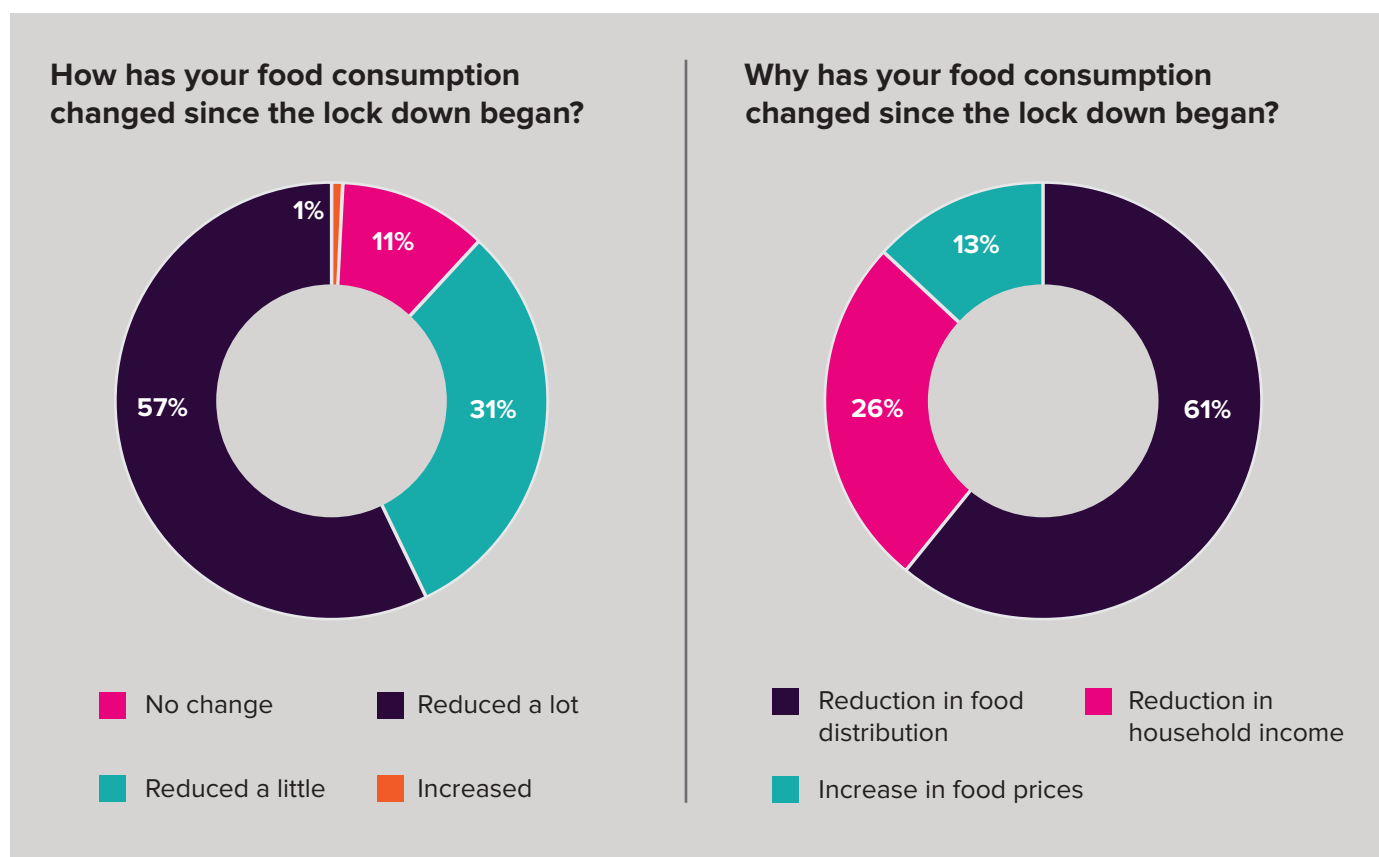
"Pre-lockdown" responses collected mid-March and "during lockdown" responses collected early May



THE IMPACT OF COVID-19 ON FOOD CONSUMPTION

Data from Opportunity's Financial Diaries Research

Through the financial diaries study, Opportunity International is closely monitoring how the food situation for refugees is developing. Several food security-related questions were asked to 143 refugees in the Nakivale and Kiryandongo settlements in early May. In addition to asking how the health pandemic has affected how much food is consumed, the interviews also queried the reasons behind the significant changes in food intake.



*Change in food consumption refers to either number of meals eaten per day, or how much food is eaten per meal

Refugees were also asked to estimate how long they could fall back on any reserves, such as savings, to buy food and other essentials.

- **Two in five** respondents reported they do not have reserves at all, highlighting dependence on food aid for daily survival.
- **More than a quarter** estimated that their reserves would last less than seven days.
- **Only 3%** of refugees reported having enough reserves to last them more than a month.

Additionally, refugees were asked to what extent the refugees could fall back on assets to maintain food consumption levels.

- **More than 70%** of the refugees reported that they have no assets.
- **10%** reported they would look to sell their assets (bicycles, computers, cows, ducks, radios, refrigerators) if the situation continued, but some doubted being able to find buyers.
- **Only 5%** reported that they do not need to sell their assets.

This shows how vulnerable the refugee households are, with limited ability to cope with stress or shocks (and hence the likelihood of being affected by events that threaten livelihoods and security).

THE IMPACT OF COVID-19 ON FOOD DISTRIBUTION

Every month, refugees across Uganda travel to collect their monthly food assistance from the World Food Programme. They arrive at collection hubs known as final distribution points (FDPs), which look like fenced compounds. The goal of the FDPs is to ensure that all refugees have easy, simple, and rapid access to assistance. At the centre are large tents piled high with containers of different foods.

Typically, the monthly food distribution system requires thousands of refugees at different sites to queue up for hours, sometimes even days, on end. Prior to COVID-19, the refugees would wait in line, stand close together and moving up in the queue until reaching the front and having their identities checked.

To reduce the potential for the spread of COVID-19, the logistics of food distribution had to be adjusted.² Hand-washing stations have been placed both outside and throughout the facilities. Temperature checks are mandatory. Short lines are spaced at least two metres apart using simple methods like chalk marks, as shown in the photo on the following page. These measures are making collection of food aid take significantly longer than usual.

Exacerbating the challenges of social distancing at the FDPs is the impact of the lock down rules in Uganda on local transportation systems. Using boda bodas, taxis, or buses to and from the settlements (including inside the settlements) has been prohibited during lock down. This has made it difficult for refugees to reach food distribution sites and, in particular, to carry their food items home.



Jackline (left) lives in the Nakivale refugee settlement. Earlier in 2020, Jackline received a loan from Opportunity Bank Uganda (OBUL). She used this loan to expand her small retail shop, where she sells basic food items such as maize flour, bread, rice and beans. Unlike many, Jackline has been able to continue operating her business given the Presidential mandate that identifies food shops as essential businesses. However, COVID-19 has reduced her opening hours and her customer base due to reductions in cash transfers, and given that many of her customers have not been able to keep their businesses open. Notably, increasing food prices have meant Jackline's costs are higher.

“The higher food prices I have to charge my customers is really deterring some from buying from my store.”

Nelly, one of Opportunity’s financial diaries researchers in the Nakivale refugee settlement, notes that refugees have started to come on foot to Rubondo (15 kilometres away from where they live) in order to get their food items. It would already have been very hard for them to carry the food themselves over such a distance.

“For one couple, the situation was even harder,” explains Nelly. “The distribution authorities said that their son [whose name was on the card to receive a ration] needed to present himself in person. They went home without receiving any food.”

Despite these concerns, the refugees may potentially fare better than other food insecure groups in Uganda over the coming months. At the very least, the food distribution infrastructure is already in place, the refugees have had their identities verified and are on the list for food assistance. Efforts are underway to deliver cash payments through digital means. For others starting to experience food insecurity because of COVID-19, the situation looks perhaps even more bleak.

Exacerbating these challenges, refugees in Uganda are facing what is being referred to as a “double jeopardy” situation caused by the 30% cut in World Food Programme food rations in April 2020.³ For refugee households relying on the food handouts as their only safety net, the combined impacts of the ration cut and the COVID-19 pandemic are increasing levels of vulnerability and insecurity, driving many into chronic poverty.



Some measures have been taken in Food Distribution Centers to prevent the spread of COVID-19 among refugees, such as drawing chalk markings for recipients to queue up two metres apart. Transportation to and from the centres has particularly posed significant challenges for aid recipients.

Additionally, given their vulnerability, refugees in Uganda receive a monthly quota in food and/or cash disbursements. Prior to the COVID-19 outbreak, the quota was barely enough to survive off of, and has been further reduced due to cuts to relief services from 22 pence to 15 pence per person, per day.

Endnotes

- 1 UNHCR Assessment, part of the Uganda Cash Working Group, Market Analysis Task Force. <https://reliefweb.int/report/uganda/uganda-market-analysis-task-force-covid-19-market-monitoring-refugee-settlement-price>
- 2 For more information on the measures introduced at the FDPs, refer to the World Food Programme insights at <https://insight.wfp.org/keeping-people-fed-keeping-people-safe-15998108000d>
- 3 Before the lock down, refugees received the equivalent of £6.80 in cash per month, 12.6kgs of maize, 3kgs of pulses, 0.9kgs of vegetable oil and 0.15kgs of salt per person. Due to the cuts, they now receive just £4.80 in cash, 8.82kgs of maize, 2.1kgs of pulses, 0.63kgs of vegetable oil and 0kgs of salt per person.

OUR PARTNERS

