



OFFICE OF THE PRIME MINISTER
A concept paper for the Settlement Transformation Project

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Executive Summary

Since 1959, Uganda has been hosting refugees in village-style settlements where refugees are allocated government-owned gazetted land and are free to support themselves. At present, Uganda hosts more refugees than ever before, but the available land for settlement has remained the same and declined in quality. This has placed environmental pressure on limited and fragmented land, and eroded productivity. There are also missed opportunities for refugees to acquire skills and resources needed for sustainable livelihoods while in Uganda, and when they return. For these reasons the Government has determined to make transformative investments in refugee settlements in order to increase their productivity and to diversify their economic opportunities.

Government of Uganda has included refugees within the scope of the NDP II, which requires OPM to “develop and implement a Refugee Settlement Transformative Agenda,” and under the NDP II Section on Public Sector Management projects, requires OPM to develop a “Settlement Transformation Project.”

The overall goal of the Settlement Transformation Project is to achieve self-reliance and local settlement for refugees, and to promote social development in the refugees hosting areas as a durable solution to the refugees’ problems, while protecting national and local interests.

The Settlement Transformation Project has six main objectives:

1. Land management - To ensure that settlement land is managed in a way that is efficient and sustainable
2. Sustainable Livelihoods - To foster sustainable livelihoods for refugees and host communities, and thereby contribute to socio-economic growth
3. Governance and rule of law - To ensure that settlements are governed in a way that respects the rights and obligations of refugees and promotes the rule of law among refugees and host communities
4. Peaceful coexistence - To create an enabling environment for refugees to live in safety, harmony and dignity with host communities, and together contribute to social cohesion
5. Environmental protection - To protect and conserve the natural environment in and around refugee settlements
6. Community infrastructure - To progressively enhance economic and social infrastructure in refugee hosting areas, in accordance with local government plans and systems

This is a five-year Project, with a one-year analysis, preparatory and planning phase, followed by three years of intensive implementation, and closing with one year of consolidation, wrap-up and handover to local or community bodies. This timeframe implies a relatively light financial requirement in the first year, greatest outlays in the implementation phase, and gradual phase-down in the last year.

The Project is included within the NDP II and an initial core financial allocation is expected from the national budget in 2015/2016. The Project is fully supported by OPM's key partner organization UNHCR, who have agreed to provide technical assistance and support for design and implementation, and OPM anticipate wide support from Operating and Implementing Partners.

Justification for the Settlement Transformation Project

Since 1959, Uganda has been hosting refugees in village-style settlements where refugees are allocated government-owned gazetted land and are free to support themselves. This policy has been maintained by successive Ugandan governments despite several flows of refugees into and out of the country. Whereas Ugandans have benefited from deliberate efforts to develop their communities and modernize their production, refugees have remained in a traditional peasant economic model. At present, there are approximately 430,000 refugees in Uganda, a sharp increase from approximately 100,000 in the mid-1980s - while the available land has remained the same. This has placed environmental pressure on limited and fragmented land, and eroded productivity, while at the same time there are missed opportunities for refugees to acquire skills and resources needed for sustainable livelihoods in Uganda and when they return. For these reasons the Government has determined to make extraordinary and transformative investments in refugee settlements in order to increase their productivity and to diversify their economic opportunities, so as to improve the social and economic linkages between refugees and host communities, and leading to a greater degree of self-reliance on the same land.

Legal context

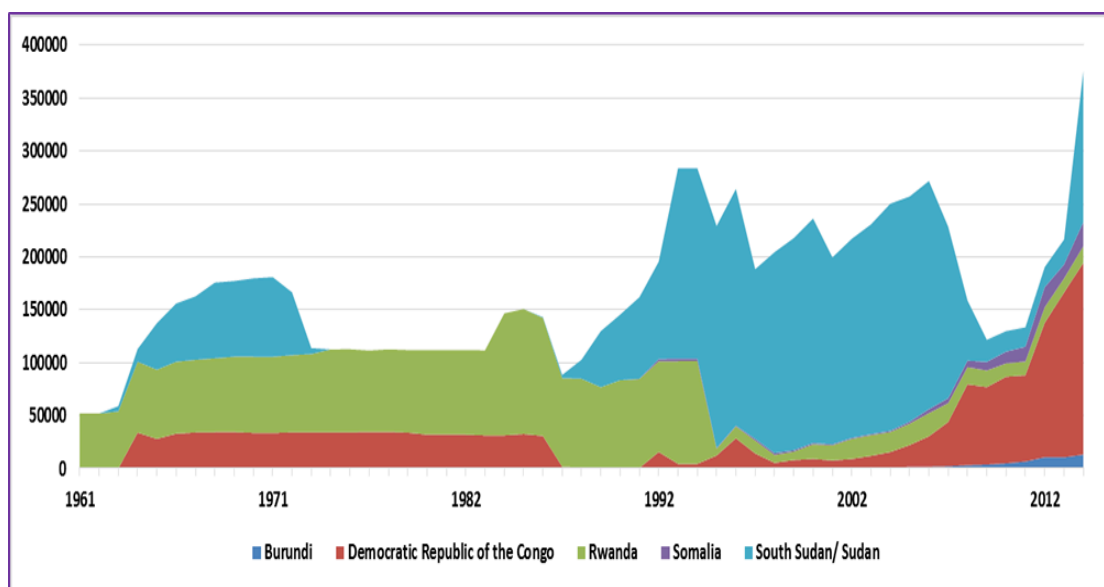
Uganda is signatory to the 1951 Refugee Convention and its 1967 protocol, by which the Government of Uganda committed to protect persons fleeing from persecution. Furthermore, Uganda is also signature to the 1969 OAU Convention by which refugees fleeing from conflict can be granted *prima facie* refugee status. The Ugandan 1995 Constitution reaffirms Uganda's commitments to international humanitarian law, and in article 195 places refugees under the responsibility of the Central Government. In line with the above, in 2006 Parliament passed the most progressive refugee law in Africa: the Refugee Act 2006, together with its 2010 Regulations. These guarantee refugee rights to work, to move freely and to access Ugandan basic social services, but also place obligations on the refugees to abide by national laws while in Uganda. The proposed Settlement Transformation Project fully conforms with Ugandan international obligations and domestic laws, and further demonstrates Uganda's leadership in finding durable solutions for refugees.

In preparing the NDP II, the Government of Uganda had the foresight to expressly include refugees within the scope of the five-year development plan, which places Settlement Transformation in the Public Sector Management chapter of the NDP II. Section 15.5.2.5 (ii) of NDP II calls on OPM to "develop and implement a Refugee Settlement Transformative Agenda," and under the Section on Public Sector Management projects requires OPM to develop a "Settlement Transformation Project."

Situational analysis

Trends in movement

Uganda has hosted refugees continuously since independence. As shown in Figure 1 below, there have been three major waves of refugees from Sudan and South Sudan, two waves of refugees from the Democratic Republic of the Congo (DRC), two major waves of refugees from Rwanda, and smaller influxes from Somalia, Burundi, Eritrea and Kenya. Two features of refugee flows are exemplified in this graphic: the first is that there is constant ebb and flow of movement across Uganda's borders, the second is that Uganda today hosts far more refugees than ever before.



Statistics

As of March 2015, Uganda hosted over 430,000 refugees and asylum-seekers (51% female and 49% male - 60% of whom are under 18 years old). 190,000 are Congolese mainly hosted in South-West and Mid-West Uganda (50% male and 50% female), and 167,000 are South Sudanese mainly hosted in Adjumani, Arua and Kiryandongo districts (47% male and 53% female). Their locations can be seen in Figure 2.

Figure 2. Refugee locations and countries of origin

		Country of Origin						Total	Percentage
		DR Congo	South Sudan	Somalia	Rwanda	Burundi	Others		
Refugee Location	Adjumani	7	101,375	-	-	-	86	101,468	23%
	Nakivale	37,500	31	12,168	10,612	11,441	1,366	73,118	17%
	Kampala	32,322	7,245	15,971	2,459	1,147	12,805	71,949	17%
	Rwamwanja	53,827	-	-	62	-	-	53,889	12%
	Kyangwali	38,377	2,909	7	295	18	36	41,642	10%
	Kiryandongo	208	36,678	1	26	17	1,599	38,529	9%
	Kyaka II	20,840	3	2	1,594	538	32	23,009	5%
	Rhino Camp	538	18,353	-	25	8	463	19,387	4%
	Oruchinga	2,154	-	-	1,623	1,515	1	5,293	1%
	Koboko	4,745	-	-	-	-	-	4,745	1%
	Kiryandongo Transit Centre	-	362	-	-	-	-	362	0.1%
	Nyakabande transit centre	168	-	-	-	-	-	168	0.04%
	Ocea Reception Centre	-	36	-	-	-	-	36	0.01%
Total	190,686	166,992	28,149	16,696	14,684	16,388	433,595		
Percentage	44%	39%	6%	4%	3%	4%			

Figure 3. Map of refugees in Uganda as of 31 December 2014 (provisional map)

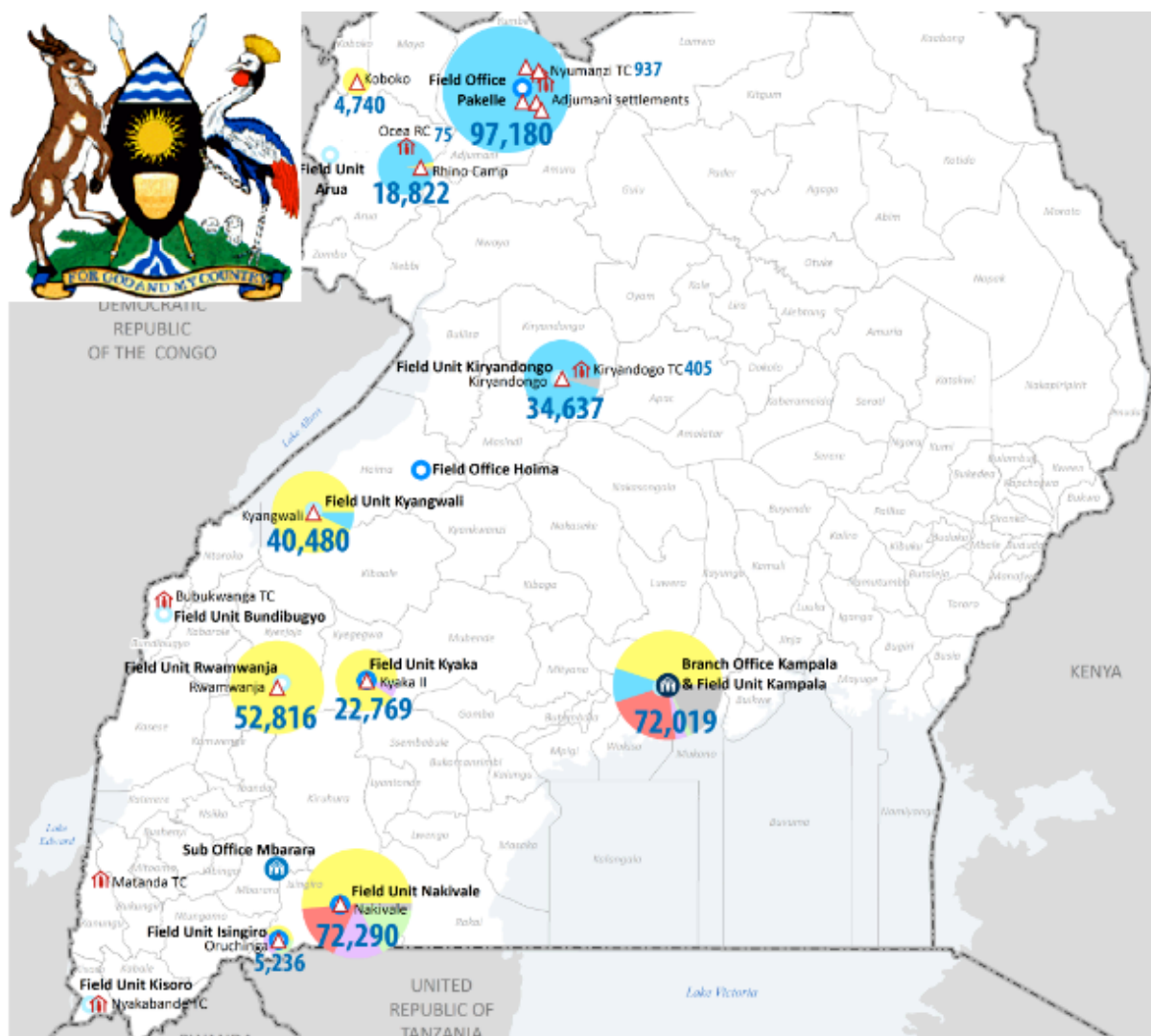


Figure 4. District and Settlement populations

District	Refugee Settlements and Villages	Refugee Population (UNHCR)	Host population (census)	Refugees as % of all District (host plus refugees)
Adjumani	Adjumani	101,468	232,813	29 %
Arua	Rhino Camp	19,387	785,189	2 %
Kampala	Kampala	71,949	1,516,210	5 %
Koboko	Lobule	4,745	208,163	2 %
Hoima	Kyangwali	41,642	573,903	7 %
Kiryandongo	Kiryandongo	38,529	268,188	11 %
Isingiro	Nakivale Oruchinga	73,118 5,293	492,116	14 %
Kyegegwa	Kyaka II	23,009	277,379	8 %
Kamwenge	Rwamwanja	52,816	421,470	11 %

Refugee economic profile

Recent baseline studies conducted in the refugee settlements reveal a mixed picture of economic practices and also areas of unrealized potential. The studies show that the longer-staying refugees particularly in the mid-West and South-West have more diverse economies, engaging in a blend of agriculture production, value-addition, petty trading and small-scale enterprise. Among the more recently-arriving refugees in the South-West there is an emphasis on agriculture including innovative approaches to upland rice cultivation, but on the whole agriculture production is based upon what refugees know from their countries of origin, rather than what is optimally suited to the soils and climatic conditions on the ground, or on modern practices. Among the South Sudanese refugees in West Nile, where there is less land available, there is high unmet demand for non-farm livelihoods and in particular employment resulting from vocational training. Altogether, the studies revealed a picture of significant market linkages between refugees and nationals, with trading connections outside Uganda, and significant economic benefits for the Ugandan local and national economies.

Lessons learned

There has been mixed success in targeting refugees and host communities for self-reliance in Uganda. The 1999 Self Reliance Strategy (SRS) for Refugee Hosting Areas in Moyo, Arua and Adjumani Districts and the 2006 Development Assistance for Refugee (DAR) Hosting Area Program each had strengths and weaknesses. The main strengths were the foundations they laid for integrated programming, for service delivery by local government and for an improved legal regime. Weaknesses included insufficient consultation with refugee and host communities, insufficient attention to the preparation of local governments, and inadequate funding. In addition, the design of SRS and DAR did not take into consideration the priorities and competing interests of local governments, as a result of which refugees were sometimes disfavoured in relation to host communities especially when resources were limited. In the end, these strategies were superceded by two events: the return of the majority of the Sudanese refugees to what became South Sudan, and the legislative reforms of 2006 and 2010 that opened up freedom of movement and the right to work, as a result of which a number of refugees sought and found economic pathways outside the settlements.

Goals and Objectives

Goal:

To achieve self-reliance and local settlement for refugees, and to promote social development in the refugees hosting areas as a durable solution to the refugees' problems, while protecting national and local interests.

Objective 1: Land management

To ensure that settlement land is managed in a way that is efficient and sustainable



Photo: Fertile farmland in Rwamwanja Refugee Settlement

Indicative results

- Settlement plans include agriculture zoning based upon soil analysis
- Agricultural zoning completed and based upon soil and watershed analysis
- Land regeneration and soil quality improved
- Land zoned for different economic and social purposes
- Plots demarcated with identifiers attached to the refugee record
- Land acquired (government purchase for new gazette areas)

Objective 2: Sustainable Livelihoods

To foster sustainable livelihoods for refugees and host communities, and thereby contribute to socio-economic growth



Photo: Refugees training for alternative livelihoods at

Nakivale VTC

Indicative results

- Modernized agricultural production
- Value-added through storage, processing and transport
- Technical and vocational skills acquired
- Basic business skills training conducted
- Small businesses developed

Objective 3: Governance and rule of law

To ensure that settlements are governed in a way that respects the rights and obligations of refugees and promotes the rule of law among refugees and host communities.

Indicative results

- Access to justice assured
- Settlement security enhanced
- Decisions made with the participation of refugee leadership and host communities

Objective 4: Peaceful coexistence

To create an enabling environment for refugees to live in safety, harmony and dignity with host communities, and together contribute to social cohesion

Indicative results

- Mutual understanding enhanced through community dialogue
- Improved shared community infrastructure
- Relations improved through joint community activities
- Disputes resolved through alternate dispute resolution mechanisms

Objective 5: Environmental protection

To protect and conserve the natural environment in and around refugee settlements



Photo: Reforestation in Kyaka II

Indicative results

- Ecosystems and biodiversity protected
- Water resources (including wetlands and watersheds) sustainably managed
- Soil conservation ensured
- Deforestation reduced and reforestation increased
- Solid waste appropriately managed

Objective 6: Community infrastructure

To progressively enhance economic and social infrastructure in refugee hosting areas, in accordance with local government plans and systems

Indicative results

- Community and market access roads constructed and maintained
- Electricity and micro-hydro/alternative energy options explored
- Administrative and security buildings constructed and maintained
- Staff houses constructed and maintained
- Shelter for refugees constructed and self-maintained
- Water systems built and maintained
- Solid Waste disposal infrastructure established
- Health structures built and maintained
- Education structures built and maintained
- Market and community buildings built and maintained
- Storage and warehouses built and maintained

Implementation Strategy and Timeframe

Because gazetted settlements are government-owned areas reserved for refugees, and have more farmland available, then the economic opportunities and management approach are different from non-gazetted settlements on community-owned land. It is planned that the Settlement Transformation Project will focus initially on the gazetted settlements, while simultaneously researching and exploring approaches to transformation for non-gazetted settlements. The following implementation strategy illustrates the sequence of phases for gazetted settlements. For non-gazetted settlements, some of the activities will have lesser importance, while other activities such as land acquisition may need to be undertaken.

Preparatory phase: 2015-2016

Initially, building on prior research including existing detailed demographic information in OPM databases, OPM will:

- (a) establish the management committee structure for the Settlement Transformation Project, and confirm the planning and resource assumptions,
- (b) fill gaps in the refugee and host population profiling in particular with emphasis on economic skills and opportunities,
- (c) inventory the land with an emphasis on analysis of soil types with a view to agriculture zoning and soil regeneration,
- (d) conduct a review of infrastructure needs in light of anticipated population trends,
- (e) assess security needs and plan an appropriate response, and
- (f) strengthen refugee and host community leadership structures, so they can participate fully in detailed planning and implementation

Awareness and planning phase: 2016

Prior to implementation, OPM shall create awareness among refugee and host communities as well as local governments, with a view to building consensus around the project and ensuring that activities are aligned with local priorities. Activities in this respect will include:

- (a) awareness-raising sessions and meetings with refugee management teams (including OPM, UNHCR and IPs), as well as with local government and the involved communities
- (b) training for host and refugee community leaders
- (c) determine the methodology for selecting direct project participants from the refugee and host communities
- (d) develop settlement-specific plans reflecting the unique environmental, demographic, economic and infrastructure characteristics of given settlements and their host communities
- (e) determine the division of labour between OPM and other stakeholders, depending in part upon the approved financing structure

Implementation phase: 2017-2020

Based upon the settlement plans, OPM and the various stakeholders will contract the service providers, and implement the agreed activities

Performance management

The Settlement Transformation Project will have an appropriate results-based performance framework, including results and indicators at the outcome and output levels, an agreed monitoring and reporting plan and timetable, including both mid-term and final evaluations.

Timeframe and cash-flow

This is a five-year Project, with a one-year analysis, preparatory and planning phase (during which some initial infrastructure investments can be initiated), followed by three years of intensive implementation, and closing with one year of consolidation, wrap-up and handover to local or community bodies as appropriate. This timeframe implies a relatively light financial requirement in 2016, the greatest outlays in 2017-2019, and a reduction in spending in 2020.

Coordination and management

The Settlement Transformation Project is government-led, with the overall responsibility mandated by the Constitution and the NDP II to the Office of the Prime Minister. In order to ensure broad engagement in project design and implementation, OPM shall set up a Steering Committee comprised of relevant MDAs and key stakeholders.

At the Settlement level, coordination shall be spearheaded by the OPM Refugee Desk Officers, and with the involvement of District Local Governments, UNHCR, Operating and Implementing Partners, and representatives of the host community and refugees. Local Governments shall lead the planning and delivery of services to host communities, with OPM in support.

Recognizing that the Settlement Transformation project is being implemented in close coordination with the Refugee and Host Population Empowerment (ReHoPE) Joint Program of the UN Country Team, there will be a need for a mechanism for ensuring that both projects are properly aligned, share analytical and reporting information, and divide roles appropriately in order to avoid overlaps. One way to ensure this, is for the responsible managers of each project to sit *ex officio* on the Steering Committee of the other project. See Figure 5. For a representation of the linkages between STP and ReHoPE.

Figure 5. Strategy linkages

Strategic Objective	Settlement Project	ReHoPE
Sustainable Livelihoods	Major emphasis	Major emphasis
Economic Infrastructure	Major emphasis	Minor emphasis
Social Infrastructure	Minor emphasis	
Social Services Capacity		Major emphasis
Peaceful Co-existence	Minor emphasis	Minor emphasis
Land Management	Major emphasis	
Environmental Protection	Major emphasis	Minor emphasis

Depending on the projects to be implemented under the rest of NDP II, including PRDP 3, there may be a need for the Settlement Transformation Project to establish additional coordination arrangements and linkages.

Assumptions and risks

These are the main planning assumptions underlying the Settlement Transformation project:

- There will be no serious escalation of regional conflicts
- There will be limited voluntary returns of refugees before 2020
- The population planning assumption is 450,000 refugees and 180,000 nationals
- Land for the settlement of refugees will continue to be available
- Donors are willing to contribute to the Settlement Transformation Project

Risks (likelihood and impact after mitigation)

- Refugees may repatriate spontaneously (low likelihood: high impact)
- Refugees may opt to live outside the settlements (medium likelihood: medium impact)
- Major influx due to worsening regional security (high likelihood: medium impact)
- A major security incident involving refugees (low likelihood: low impact)
- Sufficient funding is not realized (medium likelihood: medium impact)

Sustainability

Settlement Transformation is a time-bound project which is envisaged to come to conclusion in 2020. It aims to bring refugees in settlements and host communities to a point of greater self-reliance, which would enable them to generate surpluses beyond subsistence, and thereby to sustain higher standards of living without additional project support. Activities and investments will be managed in ways that can be continued after the end of the project, either through local government programmes, self-management, or community-raised funds for example through cooperative ventures. Following is an indicative list of measures that will enhance sustainability:

- Ensure that skills and assets acquired by refugees are transportable back to their home countries when they choose to return
- Infrastructure that is built according to GoU standards should be durable and more easy to absorb into District Local Government systems if/when refugees return
- Land and infrastructure will remain Government-owned, thereby ensuring sustainability of capital investments
- Active involvement on the part of the host community in decision-making, priority-setting and monitoring will ensure they share a stake in the project and in its results
- Multi-stakeholder decision-making builds a shared sense of custodianship of resources
- Pursuit of Public-Private Partnerships (PPPs) such as the Koboko model, that build sustainable economic ventures around the shared interest of refugees, host communities, local governments and the private sector

Support and funding

The Settlement Transformation project is included within the NDP II and an initial core financial allocation is expected from the national budget in 2015/2016 (see note above on the modest requirements for the preparatory phase). The Project is also fully supported by OPM's key partner organization UNHCR, who have agreed to provide technical assistance and support for design and implementation, and anticipates wide support from Operating and Implementing Partners when it is rolled out. Given that the Project will work in tandem with the ReHoPE Program, some aspects of fund-raising and funding will be shared with ReHoPE.

OPM, in conjunction with the Ministry of Finance, will be responsible for;- (a) obtaining a core financial allocation from the national budget, and (b) for negotiations with the World Bank for possible soft loan funding for the Settlement Transformation Project and for ReHoPE.

OPM and UNHCR together shall approach Operating Partners and donor governments, including non-traditional donors, in order to secure additional financing for the Settlement Transformation Project and for ReHoPE.

The total anticipated cost of Settlement Transformation project is \$30-50 million over 5 years.

In terms of the contractual agreements and financial flows, World Bank funding would go through MoFPED to OPM, and then on to Contractors and District Local Governments. Grant funding from donors would go through UNHCR to IPs, or directly to IPs for implementation of Settlement Transformation Project activities.

Source of funding	Amount of funding
OPM/Ministry of Finance	\$5 million
World Bank soft loan	\$10-\$15 million
OP in-kind contributions	\$5-\$10 million
Donors via UNHCR	\$10-\$20 million
Expected totals	\$30-\$50 million