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United Nations Development Programme

SUMMARY OF STUDY



UGANDA'S CONTRIBUTION TO REFUGEE PROTECTION AND MANAGEMENT



UNDP commissioned the study to ascertain Uganda's expenditure on refugee protection and management. The study provides an evidence-based methodology on calculating direct and indirect public costs related to refugee hosting, and attempts to account for both in-kind and financial contributions.

This summary provides the key findings. The full study is available at www.ug.undp.org

The authors of the study are grateful for the inputs and assistance provided by officials from across the Government of Uganda, at both the national and district levels, and in particular from the Office of the Prime Minister, Ministry of Finance, Planning and Economic Development and District Local Governments.

Photo Credit: UNDP

The views expressed in this study are those of the author(s) and do not necessarily represent those of the United Nations, including UNDP, or UN Member States.

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1. Introduction

Uganda has been hosting refugees and asylum seekers since achieving its independence in 1962. The country has been praised for having one of the most progressive and generous refugee laws and policy regimes in the world. In fact, the 2016 United Nations Summit for Refugees declared Uganda's refugee policy a model. The 2006 Refugee Act and 2010 Refugee Regulations allow for integration of refugees within host communities with refugees having access to the same public services as nationals. They have freedom of movement and are free to pursue livelihood opportunities, including access to the labour market and to establish businesses.

The situation of many refugees living in Uganda is protracted. More recently, prolonged conflict in the surrounding countries of South Sudan, Burundi and the Democratic Republic of Congo have led to new refugee arrivals in Uganda. Uganda is now the largest refugee hosting country in Africa, and the third largest globally.



As the number of refugees crosses 1 million, the Government of Uganda's spending on refugee hosting remains unclear. Whilst existing studies only documented the benefits from hosting refugees, provision of services from reception to integration and land allocation is yet to be given an aggregated monetary value, as information and statistics regarding actual government spending remain scattered

and not well documented. Yet, in the absence of such data, the Government cannot accurately document the contribution that it is making to the global response to displacement, and this may limit its ability to plan appropriately since the unit cost of hosting refugees remains unknown. This is especially relevant, given the pressure on public resources whilst Uganda remains a low-income economy, with an annual per capita income of US\$ 773 in 2016/17.¹

UNDP commissioned this study to ascertain Uganda's expenditure on refugee protection and management. It provides an evidence-based methodology on calculating direct and indirect public costs related to refugee hosting,

and it attempts to account for both in-kind and financial contributions. The expenditure analysis documents costs related to providing services from the time asylum seekers enter the country to the time they are integrated as refugees in either gazetted settlements or communal lands and thereafter.



2. Uganda’s progressive refugees hosting policy

Uganda is praised for its progressive refugee hosting policy. Refugees in Uganda do not live in camps. Instead, they live in settlements and are provided plots of land for agricultural use to achieve self-reliance. This policy extends to all refugees, regardless of ethnicity or country of origin.

Table 1. Domestic refugee laws of countries in the Horn of Africa

| LEGAL INSTRUMENT | PROPERTY RIGHTS | FREEDOM OF MOVEMENT | RIGHT TO WORK | PROVISION OF SERVICES |
|--|----------------------|---------------------|------------------|-----------------------|
| 1951 Convention | Articles 13 & 14 | Article 26 | Articles 17 & 18 | Article 22 |
| Djibouti: Ordinance No. 77053/P.R./A.E. du 1977 | | | Article 7 | |
| Ethiopia: 2004 Refugee Proclamation | | Article 21 | Article 21 | Article 21 |
| Kenya: Refugee Act 2006 | Article 16 (1) | Article 16 (2) | Article 16 (4) | |
| Somalia: Presidential Decree No. 25 of 1984 on Determination of Refugee Status | | | | |
| South Sudan: Refugee Act 2012 | | | | Article 33 |
| Sudan: Regulation of Asylum Act of 1974 | Articles 8 & 9 | | | |
| Uganda: Refugee Act 2006 | Article 29 (1) & (2) | Article 30 | Article 29 (1) | Article 29 (1) |

Source: World Bank and UNHCR, 2015

The 2006 Refugees Act and the 2010 Refugees Regulations grant protection and freedoms to refugees including, among others, property rights, freedom of movement, the right to work, and the provision of services. These rights and entitlements offer refugees a pathway to establish their own livelihoods and attain some level of self-reliance, thereby becoming progressively less reliant on humanitarian assistance.

3. Refugees and asylum seekers in Uganda - demographic characteristics

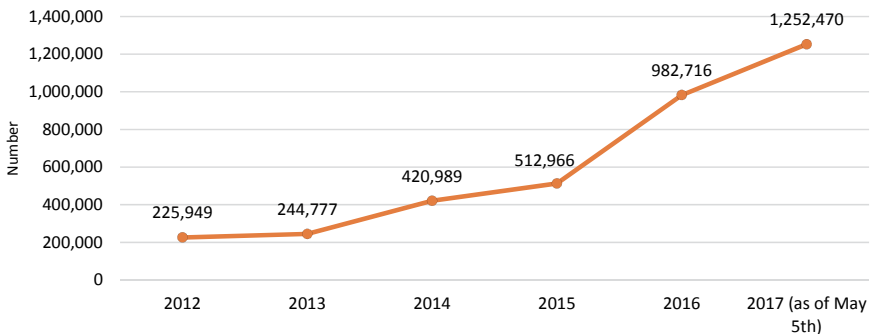
Since achieving its independence in 1962, Uganda has been hosting refugees and asylum seekers at an average of about 161,000 per year. Since 2012, the number has peaked, placing Uganda at the forefront of the Horn of Africa countries addressing a regional refugee crisis.

Uganda is currently hosting 1,252,470 refugees and asylum seekers (Figure 1).² The country is the largest refugee hosting country in Africa and the third largest in the world (GoU and UNHCR, 2017).

The typical journey of a refugee in Uganda is characterized by an entry phase, settlement and integration phases. During the entry phase, refugees spend between one to three days in a reception centre, where they undergo health screening, registration of all household members and are provided with non-food items. If prima facie refugee status is not granted, a fact sheet for each refugee is generated and used by the Refugee Eligibility Council (REC) to grant or deny refugee status.

During the settlement phase, land for residential and agricultural use is allocated to refugees. During the integration phase, refugees can access various services, including education, healthcare, water, security and protection and agriculture extension services.

Figure 1. Number of refugees in Uganda per year



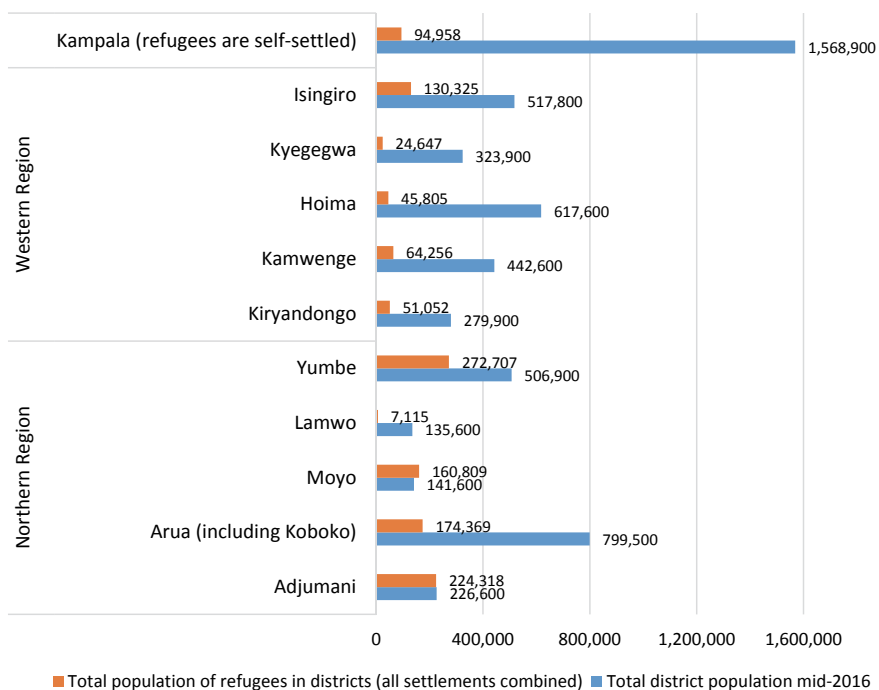
Data sources: Geodata: UNHCR, UNCS, UBOS. Statistics provided by Government (OPM), registered in (RIMS) and UNHCR Field Offices. Data for 2017 provided by the Government of Uganda (OPM).

The number of refugees in collection points, transit centres and reception centres changes rapidly depending on the situation in surrounding countries (South Sudan especially). Similarly, the number of days that refugees spend

in each centre may vary, and it relates to the extent of the influx and the resulting congestion in those locations. As of 2 May 2017, 72 percent of the overall refugee population in the country (excluding self-settled refugees living in Kampala) were hosted in Adjumani, Yumbe, Arua and Moyo districts in the Northern region, West Nile sub-region (Figure 2).

Refugees are mainly coming from the surrounding conflict-affected countries of South Sudan, the Democratic Republic of Congo, Somalia, Rwanda and Burundi. 69.3 percent of all refugees are coming from South Sudan and 20.6 percent from the Democratic Republic of Congo. 6.8 percent of them are from Burundi and Somalia; the remaining 3.3 percent are mainly from countries in the Horn of Africa (Figure 3). Refugees from South Sudan are largely hosted in the West Nile sub-region; those from the Democratic Republic of Congo in the South West.

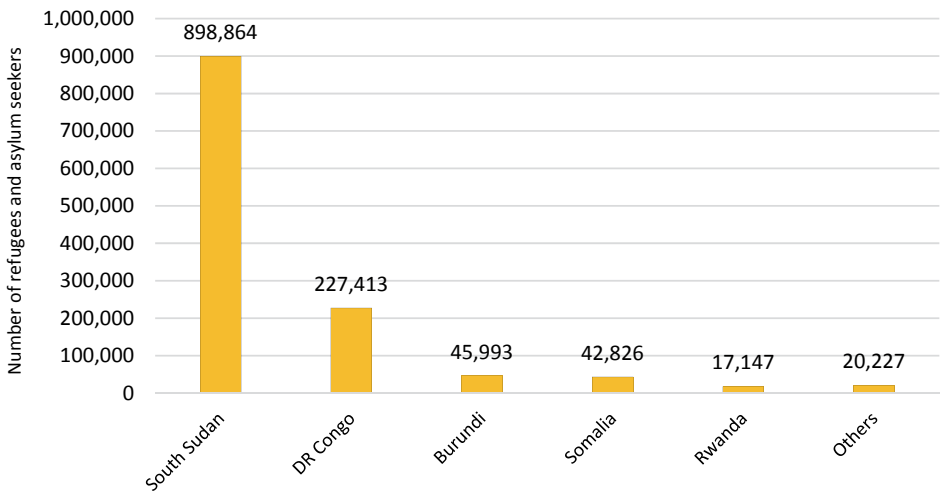
Figure 2. Census and refugee population in districts (2016)



Data sources: The census population is from UBOS 2016 ([http://www.ubos.org/onlinefiles/uploads/ubos/statistical abstracts/2016%20Statistical%20Abstract.pdf](http://www.ubos.org/onlinefiles/uploads/ubos/statistical%20abstracts/2016%20Statistical%20Abstract.pdf)); the refugee population is from the Government of Uganda, Office of the Prime Minister (2 May 2017)



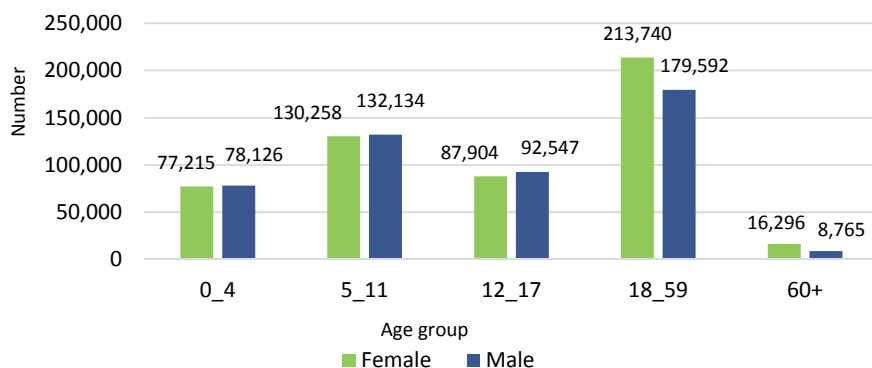
Figure 3. Country of origin of refugees and asylum seekers in Uganda



Data source: Uganda Solidarity Summit '17 Shoulder to Shoulder (2017) Outreach, Advocacy and Mobilization Toolkit.

Figure 4 disaggregates refugees and asylum seekers by gender and age groups. 51.7 percent of all refugees are female, and 58.8 percent are younger than eighteen (this is especially the case for males). Children are the face of the refugee crisis in Uganda. Women and children together account for 81.5 percent, and 2.5 percent are elderly (60+).

Figure 4. Refugees and asylum seekers in Uganda gender and age groups



Data source: Government of Uganda, Office of the Prime Minister. Figures do not include non-biometrically registered refugees.

4. Computing Uganda's contribution to refugee hosting

4.1 Methodology and data collection

This study adopts a static accounting approach to estimating Uganda's contribution to refugee protection and management,³ in that it measures public expenditures on refugee hosting and management with reference to one fiscal year only. The methodology followed by IDA (2014) to estimate the fiscal impact of the Syrian refugee crisis on Jordan (see also OECD, 2017), is customized to determine the annual public expenditure on officially registered refugees in Uganda (excluding Kampala, where refugees are self-settled). The unit cost per refugee is the simple average between the total government expenditure and the average number of refugees in the surveyed settlements. The proposed methodology would allow replicability of the estimations by the Government on a yearly basis, and the development of a cross-sectional static analysis of the public costs for refugee hosting and management.

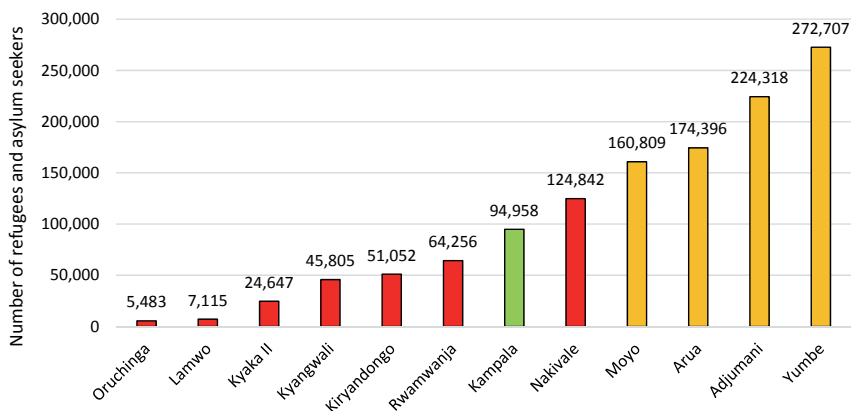
The main limitation of this study is that it disregards various tax contributions that refugees make to public finances. Besides, it does not account for the economic impact of immigration; that is, the effect of new labour market entrants on wages and employment opportunities for natives, as well as variations in consumer demand and the relative impact that immigration has on consumer prices. Immigrants' contribution to innovation, technological change and entrepreneurship is also neglected (Blau and Mackie, 2016).

In this study, attempts are made to include indirect costs related to land allocation, environmental degradation and tax exemptions that the Government grants to UN organisations for imports of goods that also benefit refugees. Although some development expenses were included in the cost estimation, it's important to recognise that these capital costs (such as construction of roads) serve more than a year and the present value of the road should be included instead. Due to time limitation and lack of information, this aspect has not been covered in this study; hence, going forward it is advisable that additional study is done to document these kinds of expenditures. Similarly, some indirect costs related to 'quality deterioration' (for crowded hospitals and schools, for instance) are excluded from the estimations due to time constraints. These costs would measure the expenses that the Government should bear to guarantee that the quality of services offered to nationals does not change after the refugee influx (USAID, 2014).

Data collection

Data were collected in May 2017 in the settlements of Nakivale and Rwamwanja in the South West sub-region and in Adjumani (at Elegu collection point, Nyumanzi transit centre, Pagrinya reception centre and Ayilo and Majii settlements) and Yumbe district (in Bidibidi settlement) in the West Nile sub-region. Purposeful sampling method has been used to select the settlements for inclusion. Among others, the size of the refugees, number of years that a settlement has been operating and the existence of all centres (collection, reception, transit and settlement) were considered to determine the settlements for data collection. Refugees in Adjumani and Yumbe account for 59.2 percent of all refugees in settlements in the West Nile sub-region. Refugees in Nakivale and Rwamwanja account for 59.8 percent of all refugees in the South West sub-region (Figure 5). Specific settlements in Adjumani and Yumbe were selected based on the number of years that the settlement has been operating. Hence, this sample is representative to extrapolate estimations for the country.

Figure 5. Refugee and asylum seekers in Uganda by settlement



Data source: Government of Uganda, Office of the Prime Minister (1 May 2017)

Refugee hosting chain

Gathered data on costs follow the typical journey of a refugee in Uganda, from the entry to the settlement and integration phases. Information was collected both at the central level from the Office of the Prime Minister and at the local level. Locally, in-depth interviews with representatives from local governments and key stakeholders (working in the education, health, water and security sectors) were pivotal for drawing a detailed picture of all expenses related to a typical refugee journey. Data collection strictly focused on public costs, and it excluded all donor-funded expenditures.



Table 2: Refugee hosting chain in Uganda and services provision

| Phase | Services | Items Costed |
|--|---|---|
| Collection, transit and reception centres | Staff: Number of staff members at the collection and transit centres paid by the Government. | - Monthly salaries (12 months) |
| | Security: Number of police officers. | - Monthly salaries (12 months) |
| | Food for police officers | - Annual value of bags of maize flour and beans provided |
| | Firewood and water | - Firewood: number of bundles of firewood used in a week by a household and corresponding monetary value (52 weeks) - Water: number of litres of water consumed in a day and corresponding monetary value (365 days) |
| Integration | Security: protection and overall management and coordination in the settlement | - Monthly salaries for police officers (12 months) |
| | | - Management of the settlement: Other expenditures (ex. stationary, motorcycles) |
| | Health | - Health costs for staff: Monthly salaries (12 months) |
| | | - Additional health costs: drugs, vaccinations and other expenses |
| | Education | - Education: Government-paid primary school teachers (refugee-related share) – Monthly salaries (12 months) adjusted by the share of pupils from refugee households |
| | | - Education: School-related costs. <i>- This captures the capitation grant for school supplies and scholastic materials, exams, administration and contingency costs at the school. UGX 10,000 added to capitation grant per child in primary school</i> |
| Roads | - Roads built around the settlement: These roads serve both refugees and host communities for many years. <i>- Lack of information did not allow an estimate of how many years a road would be used for. Hence, inclusion of roads as capital expenditure in the estimation, rather than amortized values</i> - Periodic road maintenance costs are included, where available | |

| | | |
|--|--|---|
| | Environment services | <ul style="list-style-type: none"> - Operational costs related to environment conservation: sensitization meetings on environmental conservation, waste management etc. Annual cost corresponds to the annualized cost of a meeting |
| | Water and firewood | <ul style="list-style-type: none"> - Firewood: number of bundles of firewood used in a week by a household and corresponding monetary value (52 weeks) - Water: number of litres of water consumed in a day and corresponding monetary value (365 days) |
| | Agriculture-related costs | <p>Annualized costs are the sum of:</p> <ul style="list-style-type: none"> - Annual value of cages and seeds provided by the district local government - Annualized value of training offered to refugees - Agriculture budget per person (per unit spending on agriculture = UGX 17) * the number of refugees - Monthly value of monitoring visits (12 months) - Monthly wages of staff attached to the agriculture department at the district and the sub-county (12 months) - Any other annualized cost related to agriculture |
| | General cost of inspection from the local government leadership | <ul style="list-style-type: none"> - Annualized value of inspection visits |
| <p>Administrative costs: central Government (15 percent of all operational costs during the integration phase: security, health, education and the environment)</p> | | |
| <p>Total value for land¹ for acre multiplied by number of acres used to host and manage refugees). The bulk of the land cost is incurred during the settlement phase</p> | | |
| <p>Ecosystem loss: using a UN study in Uganda, shadow price of ecological damage was obtained which was then applied to the land mass which was originally covered by forest/bushes etc.². Limitations of this method should be appreciated</p> | | |
| <p>Tax forgone on imports by UN agencies (WFP, UNICEF and UNHCR) related to refugee interventions</p> | | |

4.2 Data analysis

According to the analysis of data, per unit cost per refugee per annum averages US\$ 277 excluding tax exemptions.⁴ Applying the unit cost to the average number of refugees in FY 2016/17 the total cost of hosting refugees in Uganda is above US\$ 323 million.

Table 3: Per unit cost per refugee by settlement

| Settlement | Annual unit cost per refugee (US\$) | Average number of refugees in 2016/17 | Total Annual cost of hosting refugees (US\$) |
|---|-------------------------------------|---------------------------------------|--|
| Rwamwanja | 271 | 1,002,741 ³ | 277,759,257 |
| Nakivale | 279 | | |
| Yumbe | 278 | | |
| Adjumani | 281 | | |
| Average unit cost per refugee for Uganda based on the above data points. | 277 | | |
| Estimated tax exemption to UN agencies ⁴ (US\$) | | | 45,254,125 |
| Total estimated cost of hosting and managing refugees in Uganda (US\$) | | | 323,013,382 |

The integration phase accounts for 83 percent of all refugee-related public expenditure both in Nakivale and Rwamwanja.

Hence, the total public cost distribution to host refugees in Uganda is the following:

Table 4: Cost disaggregated by sector

| Sector | Value (US\$) | Percentage distribution |
|-----------|--------------|-------------------------|
| Education | 795,419 | 0.25 |
| Health | 5,201,026 | 1.61 |
| Security | 3,045,858 | 0.94 |
| Land | 29,746,209 | 9.21 |

| | | |
|--|--------------------|---------------|
| Ecosystem loss | 90,682,169 | 28.07 |
| Energy and water | 145,881,761 | 45.16 |
| Other costs | 2,406,814 | 0.75 |
| Estimated tax exemption to UN agencies | 45,254,125 | 14.01 |
| Total | 323,013,382 | 100.00 |

4. Conclusion

Uganda is currently hosting 1,252,470 refugees and asylum seekers. The country is the largest refugee hosting country in Africa and the third largest in the world (GoU and UNHCR, 2017).

As Uganda continues to keep its doors open to all refugees, it is important to recognise the significant cost born by the Government of Uganda and the local communities in hosting refugees. Whilst existing studies only documented the benefits from hosting refugees, provision of services from reception to integration and land allocation is yet to be given an aggregated monetary value, as information and statistics regarding actual government spending remains scattered and not well documented.

Using a static accounting approach, the analysis of data shows that the Government of Uganda and local communities are spending over US\$ 323 million a year on the protection and management of refugees, and the provision of essential services. Over 83 percent of the cost being incurred at the integration phase implying the need to gear future assistance to this phase, in order to lessen the burden on public expenditure and long term development of the country. The approach adopted could be used by the Government to update the refugee public costs on a yearly basis, and keep track of any increase that is likely to occur if the current refugee trend continues.



Finally, although the

study provided a solid foundation for estimation of the cost of hosting refugees, it has notable limitations which should be addressed in subsequent studies. The limitations include: (i) seasonality is not taken into account in data collection, hence it is important to collect data periodically, preferably every quarter and from each settlement area; (ii) considering the fact that the value of land can vary depending on its location, the study may have undervalued land, hence it is important to undertake a full-fledged study to establish the value of land in all refugee sites with possibility to update the price regularly; (iii) ecosystem costs are by far the most important element of the cost that Uganda is sustaining, hence, a comprehensive environment assessment should be conducted to design effective mechanisms to reduce the cost; and (iv) the costs pertaining to the central government such as coordination, monitoring and evaluation as well as tax exemptions to eligible entities should be integrated in the monitoring and evaluation system of the Office of the Prime Minister.



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Endnotes

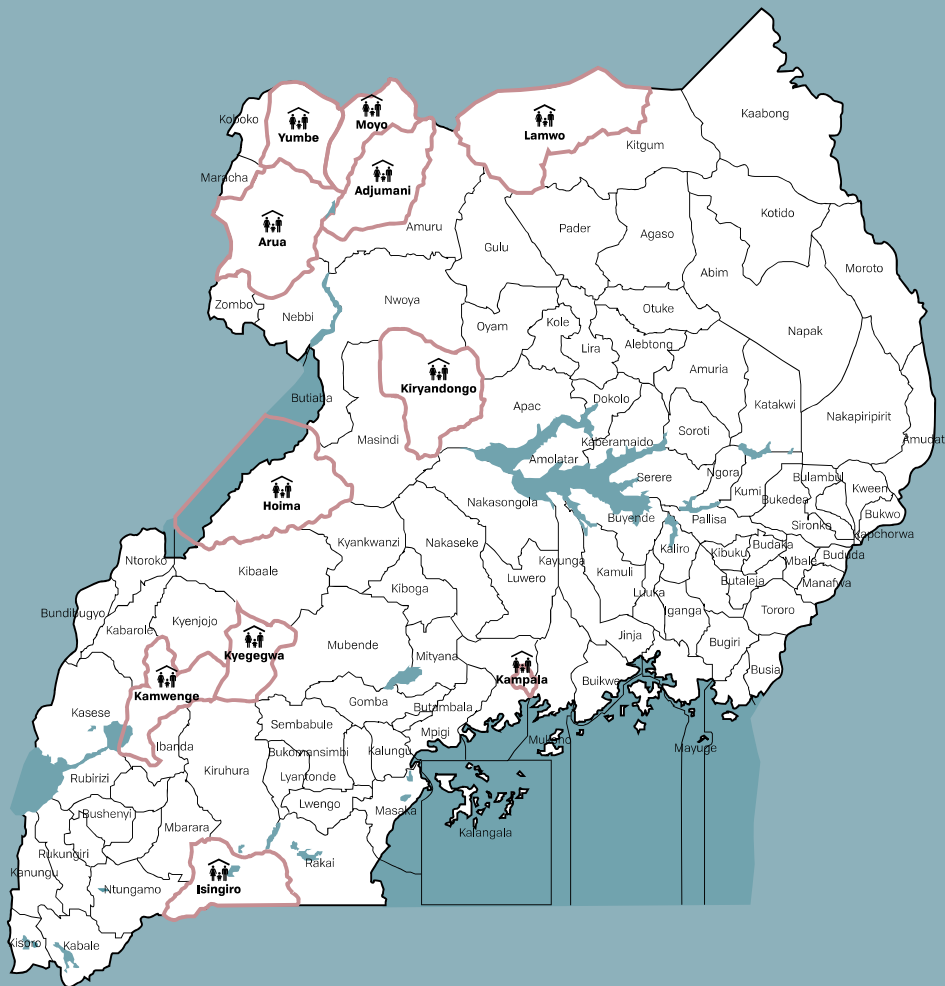
1. <http://www.ubos.org/statistics/macro-economic/annual-gdp/>
2. Statistics from the Government of Uganda, Office of the Prime Minister as of 2 May 2017.
3. The static accounting approach is carried out for a specific time frame (often a tax year): contributions by immigrants to public finances (mainly taxes that they generate) are compared with expenditures on services and benefits supplied to the refugee population.
4. Value of land was established using shadow prices. However, the prices might be underestimation of the value of the land. Depending on the proximity of land to various amenities its value can vary and this study could not have done detail estimation of the land. Hence, suggestion is in the future a full-fledged work to value the land to refugees must be done. However, the prices used in this study are consistent to the values mentioned by some studies by FAO.
5. <http://pubs.iied.org/pdfs/G02774.pdf>.
6. Costs are expressed both in UGX and US\$ (at the exchange rate of US\$ 1 = UGX 3,500). The exchange rate is taken from Bank of Uganda for fiscal year 2016/2017.
7. Average number of refugees during July 2016 to June 2017. This is done to consider the variation on the number of refugees over time.
8. Tax exemptions to NGOs are not accounted in this. Hence, some level of underestimation of the tax emptions. Data for 2016 was obtained from Ministry of Finance Planning and Economic Development.



“UNDP stands with the Government and communities that offer hope and dignity to those seeking safety. Quantifying Uganda’s contribution, for the first-time, further demonstrates its world-leading approach and commitment to a comprehensive refugee response”

Rosa Malango
UN Resident Coordinator
UNDP Resident Representative in Uganda

Uganda's Refugee Hosting Districts



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