CONTEXT AND METHODOLOGY

Uganda is one of the world’s top refugee-hosting states, having taken in more than 1.3 million refugees who exhibit diverse vulnerability profiles and capacities to cope. Due to these variations, there is a need for a humanitarian delivery system that allows actors to more closely align the modality and amount of assistance provided with individual refugee households’ economic and protection-related needs.

The objective of this market analysis, conducted under the framework of the Vulnerability and Essential Needs Assessment (VENA), was to assess market functionality and capacity in the vicinity of Uganda’s refugee settlements and to understand the potential for market-based assistance to meet essential needs. Data collection took place between 9 August and 7 October 2019 in 13 refugee settlements. Two parallel methodologies were employed: 2,820 structured individual interviews were conducted with market traders in or near each assessed settlement, supplemented by 35 semi-structured interviews with key informants who had knowledge of local markets. The assessment was led jointly by REACH, the World Food Programme (WFP), and the United Nations High Commissioner for Refugees (UNHCR), with support from five additional partners (see page 5). Findings refer solely to the situation during the data collection period and should be considered indicative only.

MARKET AND TRADER CHARACTERISTICS

Refugees in Palorinya settlement were found to access three main markets at the time of data collection, however, there were other smaller markets operating within the settlement, serving both refugees and host community members. The markets were operated by both host community and refugee traders. Although the markets within and outside the settlement operated daily, there were also specific one week and monthly market days that reportedly drew traders and consumers from across the settlement and district to the markets. All settlement-based markets were comprised of temporary structures, aside from Moyo Main Market that also used permanent structures.

Gender of interviewed traders:
- 49.1% Female
- 50.9% Male

Population group of interviewed traders:
- 53.4% Host community
- 46.6% Refugee

1.9% of traders interviewed reported employing at least one other person.

Top 3 nationalities of interviewed traders:
- Uganda: 52.6%
- South Sudan: 47%
- Sudan: 0.4%

Classification of traders interviewed:
- Retailers: 78%
- Producers: 76.1%
- Wholesalers: 23.9%

Top 3 most common types of market customers reported by interviewed traders:
- Host community near settlement: 81.5%
- Refugees living in the settlement: 64.7%
- Non-governmental Organisations (NGOs): 20.7%
Key informants (KIs) perceived that in kind food assistance provided to refugees influenced the demand of certain food items, such as maize flour, beans, and vegetable oil. Those commodities were found to have lower demand during periods when refugees received these items. Seasonality was also reported to impact demand and supply of commodities. During the dry seasons, there was a higher demand for food items due to scarcity. During the rainy seasons demand was reported to decrease as many households grew their own vegetables and other fresh food items.

Sources, prices, and restocking data for selected items sold in or near this settlement, as reported by interviewed traders:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Most common source of item</th>
<th>Item price in markets in or near this settlement (October 2019)</th>
<th>Median # of days that remaining stock is estimated to last</th>
<th>Estimated median amount of time item remains in stock before sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize flour</td>
<td>Retailer in the subcounty</td>
<td>$1,369 UGX/Kg</td>
<td>5 days</td>
<td>One to four weeks</td>
</tr>
<tr>
<td>Beans (dried, nambale)</td>
<td>Retailer outside the subcounty</td>
<td>$2,000 UGX/Kg</td>
<td>7 days</td>
<td>One to four weeks</td>
</tr>
<tr>
<td>Sorghum grain</td>
<td>No consensus</td>
<td>$1,111 UGX/Kg</td>
<td>2 days</td>
<td>One to four weeks</td>
</tr>
<tr>
<td>Cassava (whole, fresh)</td>
<td>Own production</td>
<td>$367 UGX/1g</td>
<td>4 days</td>
<td>Less than one week</td>
</tr>
<tr>
<td>Leafy vegetables</td>
<td>Own production</td>
<td>$813 UGX/1g</td>
<td>3 days</td>
<td>Less than one week</td>
</tr>
<tr>
<td>Laundry soap</td>
<td>Retailer in the subcounty</td>
<td>$3,500 UGX/Kg</td>
<td>15 days</td>
<td>One to four weeks</td>
</tr>
<tr>
<td>Sanitary pad (disposable)</td>
<td>Retailer in the subcounty</td>
<td>$3,000 UGX/packet</td>
<td>30 days</td>
<td>More than one month</td>
</tr>
<tr>
<td>Exercise books</td>
<td>Retailer in the subcounty</td>
<td>$500 UGX/piece</td>
<td>14.5 days</td>
<td>No consensus</td>
</tr>
<tr>
<td>Jerry can (plastic, 20 L)</td>
<td>Retailer outside the subcounty</td>
<td>$6,000 UGX/piece</td>
<td>30 days</td>
<td>More than one month</td>
</tr>
<tr>
<td>Blanket (cotton)</td>
<td>Own production</td>
<td></td>
<td>30 days</td>
<td>No consensus</td>
</tr>
<tr>
<td>Mud bricks (unfired)</td>
<td>Own production</td>
<td></td>
<td>225 days</td>
<td>More than one month</td>
</tr>
<tr>
<td>Grass thatch</td>
<td>Own production</td>
<td></td>
<td></td>
<td>No data</td>
</tr>
<tr>
<td>Charcoal</td>
<td>Own production</td>
<td>$646 UGX/Kg</td>
<td>7 days</td>
<td>Less than one week</td>
</tr>
<tr>
<td>Firewood</td>
<td>Own production</td>
<td>$127 UGX/Kg</td>
<td>6 days</td>
<td>One to four weeks</td>
</tr>
</tbody>
</table>

Seasonal fluctuations in supply for selected items sold in or near settlements in Northwest, Uganda, as reported by key informants (KIs):

Maize flour
Beans (dried, nambale)
Sorghum grain
Cassava (whole, fresh)
Leafy vegetables
Vegetable oil
Cooking salt
Tilapia (smoked)
Milk (fresh)
Laundry soap
Sanitary pad (disposable)
Dry cells
Torch
Exercise books
Jerry can (plastic, 20 L)
Plastic basin
Blanket (cotton)
Mingle (wooden stirrer)
Panga (knife)
Hoe
Steel roofing nails
Nylon rope
Eucalyptus poles
Mud bricks (fired)
Mud bricks (unfired)
Grass thatch
Charcoal
Firewood
BARRIERS TO MARKET ACCESS

Distance was reported as the main barrier for refugees to access the markets. The KIs of Konyokonyo Market noted that the markets were easily accessible by those living within the market vicinities, however, it was sometimes difficult for refugees living further away to access certain markets that offered a larger variety of commodities. Another barrier to market access reported was a lack of adequate street lighting, which may have contributed to incidents of theft. Poor market structures, comprised of tarpaulins, as well as inadequate sanitation facilities were also noted and thus the consequential need for infrastructural improvements ensuring health and safety.

11% of households (HHs) reported facing barriers when trying to access marketplaces.

Of this 11%, top 3 most commonly reported barriers:

- Long distance to the market: 95.7%
- Disability: 8.5%
- Physical attacks by unknown people: 4.3%

% of households that reported mainly accessing marketplaces using the following modes of transport:

- Walking: 97.4%
- Bicycle: 1.9%
- Boda boda (motorcycle taxi): 0.5%

Median travel time reported by households to get to and from the nearest marketplace selling food: 30 min

25.4% of interviewed traders reported having faced a security incident related to operating their business.

Of this 25.4%, top 3 most commonly reported types of incidents:

- Theft: 84.7%
- Verbal harassment by authorities: 13.6%
- Verbal harassment by host comm.: 10.2%

Top 3 most common triggers for security incidents reported by interviewed traders:

- Money/business disputes: 67.8%
- Distance-related insecurity: 11.9%
- Bribes: 11.9%

MARKET OPERATIONS & PRICES

Seasonality was also reported to have an impact on the prices of some commodities in the markets. For example, the demand for farming items was reported to be high during the planting season, since more people were engaging in agriculture. Due to water shortages in the dry season there was a high supply and demand of jerry cans, as most people prefer to store water in large quantities for domestic purposes. The changes in demand due to seasonality reportedly caused respective price fluctuations.

43.5% of interviewed traders reported having a license to operate in their market.

48.3% of interviewed traders reported paying market dues.

% of interviewed traders reporting using the following types of storage:

- Own storage: 42.6%
- Rented storage: 17.3%
- Other: 0.9%
- No storage: 39.2%

25.4% of interviewed traders reported having taken out at least one loan in the past to support their business.

Estimated median amount of outstanding debt reported by interviewed traders: 100,000 UGX

% of interviewed traders reporting that they currently use each of the following sources of capital:

- Own savings: 85.8%
- Credit or loans: 14.7%
- Shared with HH/business partners: 4.7%
- Support from NGOs: 3.4%

Estimated median monthly expenditures reported by interviewed traders in the following categories:

- Market dues (past month): 6,125 UGX
- Rental of storage space: 15,000 UGX
- Round-trip transport to restock retail items: 9,000 UGX
- Transaction cost to obtain new stock (loading, unloading, storage, tax, etc.): 10,000 UGX
### ABILITY TO SCALE UP

Most common predictions of interviewed traders regarding their ability to meet increased demand stimulated by cash programmes:

<table>
<thead>
<tr>
<th>Category of Commodities</th>
<th>Would you be able to stock enough of your current items to meet the demand?</th>
<th>In case of doubled demand...</th>
<th>Would you be able to obtain this amount using only your current supplier?</th>
<th>If unable to stock enough, what would make it most difficult for you to increase your supply?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh food</td>
<td>Yes (83.7%)</td>
<td>One week (91.7%)</td>
<td>Yes (75%)</td>
<td>No consensus</td>
</tr>
<tr>
<td>Non-fresh food</td>
<td>Yes (92.9%)</td>
<td>One week (45.6%)</td>
<td>Yes (75.9%)</td>
<td>Lack of capital</td>
</tr>
<tr>
<td>Sanitary items</td>
<td>Yes (92.9%)</td>
<td>Two weeks (41%)</td>
<td>Yes (89.7%)</td>
<td>Low profit margin</td>
</tr>
<tr>
<td>Household items</td>
<td>Yes (95.3%)</td>
<td>Two weeks (43.9%)</td>
<td>Yes (73.2%)</td>
<td>Lack of quality supply</td>
</tr>
<tr>
<td>Shelter and livelihoods items</td>
<td>Yes (91.1%)</td>
<td>More than a month (39%)</td>
<td>Yes (73.2%)</td>
<td>Low profit margin</td>
</tr>
<tr>
<td>Lighting items</td>
<td>Yes (86.7%)</td>
<td>No consensus (%)</td>
<td>Yes (80.8%)</td>
<td>Low profit margin</td>
</tr>
<tr>
<td>Educational items</td>
<td>Yes (100%)</td>
<td>Two weeks (44.4%)</td>
<td>Yes (85.2%)</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Cooking fuel</td>
<td>Yes (77.8%)</td>
<td>One week (42.9%)</td>
<td>Yes (71.4%)</td>
<td>Low profit margin</td>
</tr>
</tbody>
</table>

### Endnotes

2. For the purposes of sampling and analysis, the 18 settlements in Adjumani district were grouped into a single refugee hosting location.
3. Respondents were able to select more than one option when answering this question.
4. In total, 34 market commodities were assessed, but due to space limitations, a selection is displayed in this factsheet. The list of selected commodities was based on a subjective determination of which items were most central to Ugandan households, and was then modified to ensure representation of all assessed categories of items. Data on other assessed commodities is available upon request.
6. The Ugandan shilling to United States dollar exchange rate was 3,668.05 on 24 December 2019. [https://www.xe.com/](https://www.xe.com/)
7. Seasonality calendars were constructed on a regional level to capture variations in agriculture and livelihoods across Uganda while encompassing enough interviews to allow for meaningful aggregation. The regions used were: Northwest (Adjumani, Bidibidi, Imvepi, Lobule, Palabek, Palorinya, Rhino, Kiyandongo) and Southwest (Kyaka II, Nakivale, Oruchinga, Rwamwanja, Kyangwali).
8. All indicators referencing the household were derived from the VENA household-level assessment, which was conducted concurrently with this market assessment and in the same settlements. A total of 5,737 household interviews were conducted between 12 August and 7 October 2019. Methodological details of this component of the VENA are available [here](#).
9. Among traders who reported non-zero expenditures and/or debt in each of the following categories.
10. All indicators in the box that follows are subjective, with results based on self-reporting by market traders. A full capacity assessment to objectively determine these traders’ ability to scale up was not conducted.

### Assessment conducted under the framework of:

**Uganda Assessment Technical Working Group**

**Funded by:**

- [European Union Civil Protection and Humanitarian Aid](https://ec.europa.eu)
- [UK aid](https://www.gov.uk/government/collections/uk-aid/)
- [USAID](https://www.usaid.gov/)

**With the support of:**

- [UNHCR](https://www.unhcr.org/)
- [WFP](https://www.wfp.org/)
- [World Vision](https://www.worldvision.org/)
- [Cesvi](https://www.cesvi.org/)
- [AVSI](https://www.avsi.org/)
- [Reach](https://www.reachinternational.org/)
- [Windle International Uganda](https://www.windleinternational.org/)
- [AFI](https://www.afiworld.org/)

---

**VENA UGANDA**

**Market Factsheet: Palorinya Settlement**