



COVID-19

Consequences for vulnerable communities in Uganda

A BRIEF OVERVIEW, SEPTEMBER 2020



Contents

1. Executive Summary.....	4
2. Objective and Background.....	5
3. Methodology.....	5
4. Findings.....	5
4.1 Income.....	5
4.2 Savings.....	6
4.3 Food security.....	7
4.4 Person with specific needs.....	7
4.5 Gender.....	7
4.6 Education.....	8
5. References.....	9

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1. Executive Summary

The objective of this desk study is to create an overview of the impact and consequences of the COVID-19 crisis on vulnerable communities, specifically those in settlement areas. Such an overview can inform the ongoing discussions, review of strategy and actions by DCA to be more effective in contributing to the ongoing efforts of dealing with the current pandemic.

Findings from this report indicate that the COVID-19 pandemic has had a negative effect on most people in Uganda and - not surprisingly – the most vulnerable have been affected the most. Households have experienced a reduction in income (little or no earnings) and many are not able to save as they did before as a result of increased food prices which has put pressure on already strained households. The lack of food security due to COVID-19 puts women as well as people with specific needs (PSNs) at larger risk. For example, women have face increased risk of partner violence due to tensions in households.

Overall, the study finds that the resilience of households, especially the most vulnerable households, has been challenged and going forward there is a great need to focus on (re)building resilience of vulnerable household and communities.

The study also finds that saving groups, especially for refugees, have had a positive influence on the ability of group members to cope with the COVID-19 challenges: the groups have provided both a fiscal and social network for the mainly female group members, hence increasing their resilience compared to those that are not part of a group.

As demonstrated, savings groups continue to be an important coping mechanism for its members, especially so in the face of crises or shocks. The groups have been an ongoing source of financial assistance during the pandemic through provision of loans to group members, as well as an important source of information on COVID-19 prevention.

Despite these positives, in the coming year COVID-19 will still pose crucial challenges to savings groups members as markets falter, mobility remains restricted, and community gatherings continue to be restrained.

Therefore, strengthening saving groups will be of utmost importance, particularly for improving the resilience of the most vulnerable households facing the negative effects of COVID-19. Several studies have shown that key to strengthening the groups and their functioning is providing its members access to credit, savings and insurance, contributing to improved resilience. Digitalization and linking of savings groups to financial institutions for access to credit and savings can support communities to recover from the negative effects of COVID-19 and build greater resilience to the economic shocks resulting from associated restrictions.

2. Objective and Background

The COVID-19 pandemic reached Uganda in March 2020. Even before the first case was confirmed, the government put widespread restrictions in place to minimize the spread of the virus. Initial restrictions included closure of the borders, a ban on all transport, restrictions on movement and public gatherings and closure of schools, bars, restaurants and places of worship. This affected all levels of Ugandan society, particularly host community and refugee hosting areas and whilst some restrictions have since been lifted, others remain in place.

The primary objective of this study is to analyse the impacts of the COVID-19 crisis on vulnerable communities in settlement areas and how digitalization of savings groups and links to financial institutions can support communities to recover and build greater resilience to the economic shocks resulting from the associated restrictions. To do this, it is important to consider not only the economic consequences for vulnerable communities but also include findings in relation to important factors such as gender, food security, education and others.

3. Methodology

This desk study is based on secondary data from recent relevant published reports and statistics regarding the impacts of COVID-19 in Uganda. Data from the findings within the report was compiled and then used to make a short assessment analysis of the situation within relevant social and economic sectors.

This short desk study does not aim to cover all sectors of Ugandan society nor all consequences of the pandemic; instead it should be seen as a very brief overview, that aims to cast a light key areas, particularly the social and economic consequences of the pandemic so far on vulnerable communities. This will help to generate a better understanding of the new context resulting from COVID-19 and more importantly, how to design programs that strengthen resilience through support to savings groups.

4. Findings

4.1 Income

With income being too little for many to pay for living expenses prior to the COVID-19 crisis, it is important to consider how coronavirus has furthered the instabilities surrounding income. A Ugandan Bureau of Statistics (UBOS) monitoring report¹ which interviewed over 2000 households found that 87% of households have reported a reduction in income (or no earnings) from at least one of their sources of livelihood since the COVID-19 outbreak began. Income loss or no earnings was reported to be 65% among those that have received wage employment income in the last 12 months and 60% among households

involved in farming. Moreover, respondents living in the poorest 20% of households and in rural areas are more likely to report lack of cash as an issue, while those living in wealthier households and in urban areas are more likely to be affected by increases in prices. BRAC² found that almost 50% of Ugandan respondents reported a complete loss of income during the initial part of the COVID-19 lockdown when the majority of economic activity was shut down.

DRC³, which interviewed over 500 participants in 5 refugee settlements (Rhino Camp, Imvepi, Lobule, Kiryandongo and Kyaka II), found an alarming 96% of refugees reported challenges accessing basic needs in April/May. This was largely due to the restrictions in movement that were put in place and the long distances to access these services without a means of transportation, as well as increased prices and loss of income. Respondents in all settlements except for Rhino Camp reported a loss in income and this was greater among men than women (possibly due to men's higher rate of employment in wage labour). 91% of respondents in Rhino Camp and 84% in Imvepi rely on assistance from UN agencies or INGOs as their primary source of food. The figures for respondents in Lobule is 47% and Kyaka 42%. Vision Fund Uganda⁴ which conducted surveys and interviews amongst refugees and host community savings group members in West Nile in April/May 2020, found that 93% of all respondents reported some level of reduced income. More than half of the groups reported either a big reduction in income (47%) or a complete stop to income (11%).

4.2 Savings

Vision Fund Uganda reported that the majority of savings groups are still meeting (81%) with only 19% of groups having stopped. The main strategy for savings groups has been to keep meeting (65%), but in small numbers as per government requirements on gatherings and social distancing. Almost all refugee groups are still saving (some are saving less) while 24% of host groups have stopped saving. One explanation for the stronger resilience of the refugee groups may be that these groups had more support in their formation than host groups. The above information shows that refugee groups have not only adapted to the new meeting guidelines but have also found ways to continue meeting, showing higher levels of resilience. The Vision Fund report demonstrates how refugee savings groups are able to adapt to new ways of meeting in line with government guidelines and the majority able to save.

Findings from DRC highlight how only 15% of respondents reported having savings prior to the COVID-19 restrictions, and only 13% of those were able to continue saving during this period. In cases where households did not have enough food to feed the entire household, a variety of coping strategies were employed including choosing less expensive foods, reducing meal size, and consuming seed stock for next season.

4.3 Food security

The increased price of food has put pressure on household budgets. In the UBOS report, it was found that 42% experienced moderate or severe food insecurity during COVID-19. Moreover, as children are unable to go to school, this is also putting a strain on households to not only keep up with increasing food prices, but to provide more meals than they usually do. Street Child's report⁵ which conducted a rapid needs assessment with 561 respondents in 7 locations across Uganda, found 26% experienced starvation/hunger and reducing the number of meals was reported as the most common coping mechanism. However, when considering female vs male headed households, male households are seen to on average have 8 more days of food stock than female headed ones (BRAC report).

4.4 Person with specific needs

The PSN (Person with specific needs) sub working group⁶ found that COVID-19 restrictions negatively affected refugees with specific needs. Prior to COVID-19, PSNs already had economic vulnerability and many engaged in small scale, informal businesses such as selling perishable food items. However, with COVID-19 restrictions in place, many were unable to work. Moreover, in a Humanity & Inclusion rapid survey⁷ of persons with disabilities, 51% reported they had run out of food and other household essentials due to COVID-19 related lock down measures. Separately, across many of the economic indicators considered by the WFP food security and essential needs assessment of Kampala-based refugees from April 2020⁸, households headed by a woman, a disabled person or an elderly person were more severely affected by the pandemic and containment measures. In summary, households headed by a disabled person were less likely to have acceptable food consumption and were much less likely to have savings than households headed by a non-disabled person.

4.5 Gender

While men and boys may be particularly affected by restrictions on movement, possibly due to men's higher rate of employment in wage labour, UNHCR⁹ demonstrate how women and girls are likely to be disproportionately affected by a COVID-19 outbreak in the settlements. This report also highlights how emerging evidence suggests there are several ways in which the COVID-19 pandemic may impact on gender roles differently. In Uganda, women and girls are primarily responsible for household and care responsibilities. The lack of food security due to COVID-19 puts them at larger risk of intimate partner violence due to tensions in households. In the study by DRC, it is found that women were the most vulnerable to violence, which mostly arose because of stress and loss of income. Boys are believed to face greater risks of physical abuse, and girls, of domestic violence and sexual exploitation. Children of both genders are considered likely to face risks of child labour.

Furthermore, within refugee settlements in Uganda, it is women especially that most often work in informal sectors and therefore it is likely that both restrictions as well as the outbreak itself has a negative impact on women, adding on to the stress mentioned above as stated by UNHCR.

4.6 Education

As a part of the many restrictions set in place in order to reduce the COVID-19 outbreak in Uganda, the government closed all schools and education institutions in March 2020 and they are only partially opening in October. This disrupted routine learning and instead the students were introduced to daily learning programs through several television and radio stations. A report by IAS¹⁰ finds that the learning programs mostly favour students in the urban areas and is disadvantaging the students in rural areas who have no access to televisions and only inadequate radios. Looking closely at the Pader, Agago and Abim districts, learning remotely was reported as very disrupted as most households did not have access to radio (IAS report). Not only does this affect the learning of the students, but it affects the households as well. The school and education lockdown has meant that the children who are not able to attend classes physically stay at home instead.

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