

FROM PROMISE TO PRACTICE

Delivering on Uganda's Refugee Model

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About Refugees International

Refugees International advocates for lifesaving assistance and protection for displaced people and promotes solutions to displacement crises around the world. We do not accept any government or UN funding, ensuring the independence and credibility of our work.

Featured Image: Joyeux, founder of

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Executive Summary

Twenty years ago, Uganda passed the [2006 Refugee Act](#). The Act granted refugees the right to work, own property, and freedom of movement. The model rests on the proposition that a refugee with a plot of land, freedom to move, and access to the labor market will, in time, reduce dependence on humanitarian aid. For two decades, the international community celebrated it as a model while underfunding Uganda's refugee response.

Now that promise is under unprecedented strain, and may even be on the verge of collapse. Rising refugee arrivals from neighboring countries have overwhelmed available land allotments, leaving refugees with plots too small to feed themselves. After years of aid cuts, the abrupt 2025 withdrawal of U.S. humanitarian aid precipitously reduced the capacity of humanitarian agencies to meet refugees' needs, bringing the model to a breaking point: 1 million refugees cut off from food assistance, food rations for some households at 22 percent of needs, and health centers closing across settlements.

With basic services closing and refugees going hungry, the Ugandan government has started reversing course and limiting access to asylum. In December 2025, Uganda issued a directive [suspending Refugee Status Determinations](#) for Somali, Eritrean, and Ethiopian nationals. The Office of the Prime Minister (OPM) says it has lifted the registration restrictions, but new arrivals must now present valid IDs from their countries of origin. Asking someone who fled persecution to produce a government ID is often impossible or dangerous: Eritreans, for instance, cannot safely approach their consular services.

The 2025 humanitarian aid cuts also exposed long-standing structural problems that have hampered Uganda's refugee response and Refugee Act commitments. The first structural problem in Uganda's refugee response relates to land. When the Act became operational in 2009, after it was passed in 2006, Uganda hosted [more than 140,000 refugees](#) and assigned each refugee household a [30-by-30-meter](#) (900-square-meter) plot of land, regardless of household size. Today, Uganda hosts [over 2 million](#) refugees. At the household level, the plot cannot feed a family. At the settlement level, a tenfold increase in population has exhausted the land base, so new arrivals receive slivers of land already occupied. The second issue Uganda's refugee response faces is access to the labor market. The [Refugee Act](#) grants the right to work, but the [Citizenship and Immigration Act](#) makes it administratively inaccessible. Employers must apply through the Directorate of Citizenship and Immigration Control; the [online application](#) requires a passport, which most refugees lack, and fees price out informal employers. And those refugees who reach formal employment have no enforceable standing under the [Employment Act](#) if underpaid or dismissed without notice.

To empower refugees and realize the benefits of existing laws, refugee response stakeholders in Uganda must work together to address a context wrought with challenges, including urgent food shortages, alarming rates of malnutrition, and clinics struggling to provide necessary medicine. These challenges are likely to intensify as donors continue to cut humanitarian aid. This makes prompt action essential. While restoring donor support for refugees' basic needs is crucial, that alone will not resolve the deeper issues. Stakeholders should also focus on the structural barriers that hinder refugees' access to land and job opportunities; obstacles that have persisted even before the recent funding reductions. Without addressing these underlying challenges, refugees will remain in a state of permanent precariousness, even if the current funding crisis were to improve. Resolving the structural issues will

take time, and, unfortunately, refugees could face dire situations in the interim. Therefore, the most effective and sustainable path forward is to pursue both immediate support and long-term structural improvements together.

Realizing the promise of Uganda's refugee policy will require tackling three gaps. First, Uganda needs a land audit and tenure reform that gives refugees genuine security of tenure. Second, it needs a work permit system that does not exclude refugees from the formal economy. Third, Uganda needs easier access to funding as displacement pressure grows. Two new instruments could help. One, the World Bank [DRDIP II](#) allocates \$180.5 million to address funding and land gaps. Its embedded [Displacement Crisis Response Mechanism](#), the first to apply disaster risk financing principles to displacement, releases funds when refugee arrivals exceed an emergency threshold. It has been activated twice in Uganda: a [2021 pilot](#) and a [2023 scale-up](#), both triggered by Congolese arrivals. But it is calibrated to sudden shocks, misses slow-onset pressure, and disburses more slowly than the crisis requires. Two, while U.S. humanitarian funding has been cut, new U.S. money is flowing through a U.S.-Uganda Health [MOU](#), signed December 10, 2025, committing \$1.7 billion and 14,000 Community Health Extension Workers. While it does not mention refugees, whether it becomes a refugee health instrument depends on deployment maps, data systems, and the Ministry of Health procurement. If it locks in funding for refugee integration into national health systems, it would close major service gaps. The architecture would also improve through support for the more than 50 refugee-led organizations operating as international actors retreat. They are chronically underfunded, excluded from direct grants, and blocked by registration rules built for international NGOs.

The good news is that Uganda does not need to wait for resources to act. Of the 10 recommendations in this report, only four require new or redirected funding. The other six are administrative decisions, policy directives, and design choices within the named actors' authority, implementable at no cost and using instruments already under preparation.

Recommendations

To the government of Uganda:

- Publicly rescind the mandate requiring national identity documentation to register Eritrean, Ethiopian, and Somali nationals. This directive re-establishes the nationality-based barriers that the Office of the Prime Minister previously rejected; its removal would align Uganda with its obligations under the [1951 Convention](#) and the [2006 Refugee Act](#) without requiring additional budgetary resources.
- Instruct the Directorate of Citizenship and Immigration Control to incorporate a specialized annex into the [digital work permit portal](#) that recognizes refugee IDs, UNHCR credentials, and settlement-based residency in place of foreign passports. Facilitating formal labor participation reduces the long-term humanitarian dependency costs that current funding levels cannot sustain.
- Authorize and release a comprehensive land audit of refugee-hosting districts to delineate settlement perimeters, agricultural potential, and natural resource distribution. Tenure reform requires a robust evidence base, and this audit is a prerequisite for unlocking World Bank financing tied to land security.
- Develop a host-community land remuneration fund alongside a refugee-specific access policy that provides secure, multi-year tenure to encourage sustainable agricultural development. Establishing a transparent, predictable compensation system will mitigate landholder resistance that currently slows settlement expansion to a pace behind arrivals.

To the UN Refugee Agency (UNHCR):

- Work with the Office of the Prime Minister and the World Bank on a sequenced transition strategy that specifies which services move from humanitarian to government delivery, in what order, and with what financing. Without a sequencing plan, UNHCR carries open-ended residual responsibility for services it can no longer fund. The strategy is its own exit ramp.

To the World Bank:

- Convene UNHCR, the World Bank, and the Office of the Prime Minister to embed a pre-authorized, threshold-based funding release directly into DRDIP II operational rules and the financing agreement, so that crossing jointly verified population thresholds releases DCRM funds automatically rather than through discretionary review. The trigger should draw on the existing OPM and UNHCR registration data, which the 2023 UNHCR–World Bank framework already permits to flow, while binding all three parties, including the Ugandan implementer. This would eliminate bureaucratic delays and protect core development funds from crisis-related reallocation. Phase I’s Displacement Crisis Response Mechanism has already proven that threshold-based release works (see the section on New Funding Mechanisms). The measure costs nothing, unlocks committed financing, and the window closes when the operational guidelines are finalized.

- Recalibrate the trigger for the [contingency fund that releases money when a refugee crisis hits](#) so that it also includes slower-onset crises. Disbursement currently triggers only when arrivals spike sharply over a short period. Uganda's present crisis follows a different pattern: a slow decline in which conditions worsen month after month as funding dries up. The fund [failed to activate on two prior occasions](#) for the same reason: the threshold was set to register only a sharp surge, leaving gradual deterioration undetected. Ensuring the threshold captures both slow-onset deterioration and sudden arrivals would allow the fund to do the work it was built for.

To the United States Government:

- Engage CDC Uganda before Community Health Extension Worker deployment maps are finalized to designate refugee-hosting districts as priority posting areas. Once maps are set, reassigning postings requires renegotiation with the Ministry of Health. The cheapest moment to include refugees is before the lines are drawn.
- Require the Ministry of Health to integrate refugee health data into the national [Health Management Information System](#) as a design specification of the MOU. A health system that cannot see its refugee population cannot plan, budget, or defend allocations for it.
- Work with the government of Uganda to anchor the Uganda Country Refugee Response Plan with multi-year commitments that are adjusted annually to actual population data and tied to verifiable disbursements, not pledge figures. Predictable financing is the primary consideration the United States brings to a reciprocal bargain with Kampala. One-year, partially disbursed pledges lead to planning assumptions that fail to materialize, leaving refugees to absorb the shortfall.

Methodology

This report draws on primary field research conducted by Refugees International in Uganda during February 2026. The research focused on the Nakivale Refugee Settlement in Isingiro District—a historic and expansive site housing displaced populations from the Democratic Republic of the Congo, Rwanda, Somalia, and Eritrea. To capture a comprehensive view of the crisis, the team engaged in extensive consultations with the Office of the Prime Minister, UNHCR personnel, and representatives from diverse humanitarian agencies. The evidence base further includes insights from legal practitioners, livelihood specialists, and displacement experts. Interviews with urban refugee communities and leaders of refugee-led organizations across the Kampala Metropolitan Area augmented this settlement-level data.

The Bargain and Its Breach

When Uganda enacted the Refugees Act of 2006, the international humanitarian community celebrated it as a turning point in refugee policy, a rare example of a low-income country translating international protection obligations into a domestic legal framework and integrating refugees into host communities rather than confining them to camps. UNHCR called Uganda a [world leader](#) in refugee policy and a [model](#) for the world. Refugees received land, freedom of movement, and the right to work. World Bank development financing followed. Uganda's self-reliance open-door model became a global reference point for durable solutions.

The model was based on an implicit bargain: Uganda would open its doors, and the international community would fund the response. Uganda upheld its end. It hosts [over 2 million refugees](#), the largest refugee population in Africa. But the refugee population grew while funding shrank. [UNHCR estimates](#) it costs \$16 per refugee per month to provide essential services. By 2025, it could only deliver \$5.

After years of underfunded needs, 2025 saw a precipitous collapse in funding levels. Total humanitarian contributions to the Uganda refugee response fell from [\\$500 million in 2019](#) to [\\$294 million in 2024](#) – even as the number of refugees increased. With the dismantling of USAID in early 2025, contributions fell further still, to between [\\$130 million and \\$140 million](#), less than half of an already depleted baseline.

What remained of the response, already running at a quarter of stated need, lost its anchor donor overnight. The wider donor retreat did not produce a crisis from a stable baseline. It accelerated a deterioration that had been underway for years.

What makes the 2025 aid cuts so significant is their scale and abruptness. The Trump administration's January 2025 foreign aid freeze and the subsequent dismantling of the U.S. Agency for International Development (USAID) removed approximately [40 percent](#) of UNHCR's total global budget in a single decision. The United States was not alone: the [United Kingdom](#), [Germany](#), and [Sweden](#) all cut their foreign aid budgets in the same period.

The impact of the funding cuts had real-life consequences. As contributions fell, UN agencies and international NGOs were forced into successive rounds of service cuts.

Impact of Funding Cuts

The consequences in Uganda are immediate. The [World Food Program](#) was forced to reduce food rations for the most vulnerable households to 60 percent of the standard. Moderately vulnerable households received 30 percent, and the least vulnerable were transitioned off food assistance altogether. Acute malnutrition across [12](#) of Uganda's 14 refugee locations rose from [5.4 to 7.8 percent](#) within a single year. The Uganda [Ministry of Health](#) described the cuts as erasing nearly two years of hard-won progress. The [livelihoods sector](#) saw multi-year projects close mid-cycle, with several major partners winding down operations entirely. By the third quarter of 2025, livelihood support for refugee and host-community households had [declined by 56 percent](#) compared with the same period in 2024. The project shutdowns affected an estimated 511,942 people, including 416,811 refugees.

UNHCR’s own emergency response capacity contracted in parallel. By the end of July 2025, the agency had resources to support fewer than 18,000 individuals with cash and essential relief items enough to cover roughly two months of new arrivals at the prevailing rate of 600 per day. The cost of meeting the basic needs of one refugee in Uganda was estimated at \$16 per month in 2025. Donor funding only covered \$5. These broad numbers have real consequences on the individual lives of refugees. Refugees International traveled to Nakivale Refugee Settlement in Uganda’s Isingiro District, one of Africa’s oldest and largest refugee settlements, to speak directly with people affected by the cuts.

The Wimana Family

Theresa Wimana, 35, is a mother of six from Goma, Eastern DRC. She left after M23 rebel attacks made it impossible to remain in Congo, fleeing alongside her mother, Janette Wimana, 60, a mother of 15, and her brother, Vitali Risasi, 30, who has three children of his own. Both Theresa and Janette had been businesswomen in Goma: Theresa earning up to \$50 on a good day; Janette typically making \$13. Janette’s son, Dusabe Safari, had been a grade school teacher in Goma, earning \$50 per month. The family paid approximately \$23 to reach the Ugandan border. All of them now sit in Nakivale Settlement, idle and under-resourced.

“We ran away from the raging conflict in the Democratic Republic of Congo,” Wimana said, “but now we are fighting another war inside Uganda, albeit a silent one.”

“Because of the aid cuts, we do not have enough food, children do not have adequate food, and we do not have enough medicine when they are sick,” she explained.



The Wimana family's experience is not exceptional; theirs is part of a larger structural problem. Every morning, a group of women congregates at a fixed spot near Nakivale to seek day labor: laundry, farm work, and cleaning. They cannot work formally due to a lack of a work permit. Even with work authorization, Nakivale's labor market is limited, and pay is low. Host communities are the main employers, since there are no major factories or large-scale employment opportunities outside manual labor, agriculture, and livestock. As a result, some days, they find work. Most days, they do not.

Jenifer Biliz, 25, a former businesswoman from Goma who has been at Nakivale for five years, washes clothes for 3,000 to 5,000 Ugandan shillings per day (approximately \$0.80 – \$1.34), enough to buy half a kilo of corn flour for her children. Her two children have dropped out of school. Jenifer's story, like many others, highlights that refugees are not unemployable; they are excluded via bureaucratic mechanisms; they can work in law, but cannot in practice.

Policy Impacts of the Aid Cuts

As a response to the impact of the cuts, Uganda reversed certain aspects of its progressive policy. In December 2025, Uganda [suspended](#) refugee status determination for nationals from Somalia, Eritrea, and Ethiopia. According to Minister for Relief, Disaster Preparedness and Refugees Hilary Onek, UNHCR's operational funding for Uganda dropped from approximately [\\$240 million to \\$100 million](#), a collapse that he cited as directly driving the suspension of refugee status determination. This marks the first significant policy retreat in Uganda's progressive refugee framework. The suspension of registration violates [Article 1](#) of the 1951 Refugee Convention. The Convention mandates individual assessment regardless of nationality, as well as Uganda's 2006 Refugee Act.

The second move made in response to the aid cuts was the temporary lifting of the prima facie status for all refugees in the Refugee Status Determination (RSD) process [early in 2026](#). Uganda maintained group registration of refugees but will now pursue Individual Refugee Status Determination. Last year, according to a UNHCR official, the Ugandan government, in concert with UNHCR, reduced the backlog of 59,000 unregistered refugees to 39,000 by accelerating RSD through several Refugee Eligibility Committee sessions. Now that the government will be pursuing Individual RSD, the number of unregistered refugees will not only swell, but the cost of renewing Asylum Seeker IDs, which are valid for only three months, will also become unsustainable, given the high cost of the documents used. According to OPM's own announcement of its 2021 joint verification exercise, [UNHCR's](#) representative put the cost of verifying over 1.5 million refugees at \$7 million. But Individual Refugee Status Determination is a far heavier undertaking. Unlike verification, which starts from an established base, RSD will start from scratch for each refugee and will involve a Refugee Eligibility Committee, thereby significantly increasing costs. That is why UNHCR recommends prima facie and group recognition in large-caseload settings, because individual case processing overwhelms capacity and accumulates [backlogs](#).

Structural Challenges

To rebuild a sustainable refugee response, the Ugandan government should fix an insufficient land and tenure system and administrative barriers to obtaining work permits. These challenges predated the 2025 aid cuts.

Land Access and Tenure System

The decline of the Ugandan refugee model has two roots: donor retreat and inadequate land, along with an overlapping land-access framework. The [Refugees Act of 2006](#) and the [Refugees Regulations of 2010](#) anchored Uganda's progressive framework on the premise that refugees would receive a plot of land sufficient to grow food, build a home, and pursue self-reliance. The increasing influx of refugees has steadily eroded available land. The Refugee Act was passed in 2006 and became operational in 2009. According to UNHCR, Uganda hosted [more than 140,000 refugees](#) when the law came into force in 2009. By [April 2026](#), [Uganda had hosted more than 2 million refugees](#), the largest refugee population on the African continent. The fourteen-fold increase in the refugee population put immense strain on this model.

The land challenge is most clearly evident at Bidibidi. When the settlement opened in 2016 to absorb incoming South Sudanese refugees, UNHCR and OPM initially assigned each household a shelter site adjacent to a 50-by-50-meter agricultural plot. According to the UNHCR site planner who drew it, refugees could “eat from day one, have that ability to be self-sufficient, and generate an income.” As arrivals outpaced the initial plan, OPM reduced the total plot to [30 by 30 meters](#) to accommodate new households. Even at that reduced size, a UNDP [analysis](#) using FAO productivity data found that a 30-by-30-meter plot could not meet the dietary needs of refugees in the absence of food rations, assuming fertile soil and maximum yields, conditions that Bidibidi's rocky terrain did not reliably provide

The contraction has been driven by demographic pressure, by the absence of investment in expanding the settlement footprint, and by Uganda's land tenure systems. Under that system, the [OPM](#) cannot easily acquire or redistribute land without negotiating with customary landowners. Customary land tenure grants communities collective ownership of land through inherited tradition and local authority rather than formal title deeds, meaning occupants can use and pass on land but hold no individual legal claim the state is bound to recognize or protect.

Uganda's 1995 Constitution recognizes four land tenure systems operating simultaneously: customary, leasehold, freehold, and *mailo*¹. Customary tenure, which is held communally, managed by clans, and

¹ *Mailo* is a form of land tenure in Uganda created by the 1900 Buganda Agreement between the British Protectorate and the Buganda Kingdom, whose chiefs had allied with the British in the conquest of the neighboring Bunyoro kingdom. The Agreement divided Buganda's land between the colonial state and the Bugandan aristocracy: roughly 8,000 square miles went as private, heritable estates to about a thousand chiefs and notables, with further allocations to the Kabaka and kingdom offices, while some 9,000 square miles of forest, water, and unallocated land was vested in the British Crown. Because the estates were surveyed in square miles, the tenure took its name from the English word “mile.” The peasants already cultivating the allocated land became tenants on it, creating a landlord-tenant relationship that Ugandan land law has managed ever since. For more see [here](#).

without formal titles, accounts for between 75 and 84 percent of all parcels nationally. In the refugee-hosting districts of West Nile, Yumbe, Adjumani, Madi Okollo, and Obongi, land is chiefly governed by customary tenure, in which authority over allocation rests with clan elders and community structures rather than the state. In areas not formally gazetted for refugee use, OPM negotiates access with local communities, so refugee plots are established through informal agreements that customary owners can contest or withdraw.

In the southwest, where Nakivale, Kyaka II, Rwamwanja, and Kyangwali are located, freehold and mailo-adjacent arrangements produce a different but equally contested architecture: registered title holders, Kibanja occupants with user rights but no title, and refugee households allocated plots by OPM all hold legally or customarily recognized interests in the same physical ground simultaneously and irreconcilably.

At the Nakivale settlement, the land dynamics have long collapsed. A UN-Habitat Settlement Profile of Nakivale, produced in collaboration with UNHCR Uganda, found that providing the settlement's refugee and host community population with the estimated two acres of land per household required for self-sufficiency would require an additional 50 square kilometers of land beyond the settlement's existing 185 square kilometers. The same profile noted that, with typical refugee plots now at only 30 by 30 meters, "an alternative approach is clearly needed," and that between one and two acres of land per household are required for self-sufficiency, a standard the current allocation meets at less than 5 percent. Field interviews Refugees International conducted at Nakivale in February 2026 documented households receiving plots that were even smaller, in some cases as small as 20 by 20 meters.

The practical consequence of this overlapping land tenure and use complexity is that the government cannot acquire or redistribute land without negotiating with customary landowners, clan elders, family heads, and community institutions whose authority the Constitution explicitly recognizes, and without providing adequate compensation.

That compensation has rarely been scaled. When the OPM designates a new settlement area, it enters negotiations with landowners who have every incentive to hold out, and a government that lacks the budget or the legal mechanisms to move quickly. The result is that settlement expansion is consistently slower than refugee arrivals, and the land that is eventually gazetted is often the land that customary owners were willing to cede rather than the land best suited for agriculture or sustainable habitation.

To address the land question, the land crisis has one root and three symptoms: the Ugandan government designated settlements on land whose underlying claims it never resolved; the hosts contest it; authorities cannot map it; and refugees cannot invest in it for the long term. The response must work in that order. First, the government of Uganda should commission and publish a national land audit of refugee-hosting districts, mapping settlement boundaries, tenure status, population density, and agricultural viability, because no reform can be designed against land nobody has counted. Second, based on the audit, it should establish a host-community compensation fund to settle outstanding claims. Third, on that settled foundation, a refugee land access framework should grant time-bound, renewable tenure on plots sufficient for farming and to serve as collateral for credit from lending institutions.

Refugee self-sufficiency must be multidimensional to be resilient, especially after the collapse of aid funding. Land and labor access are two sides of the same coin, mutually reinforcing components of this resilience. A refugee household unable to cultivate sufficient food requires a wage-based safety net. When a household cannot grow enough food, it has no buffer against the next shortfall. A failed harvest, a dry season, or a plot too small to produce a surplus leaves the family dependent on humanitarian rations that are themselves unreliable. Even modest, consistent earnings allow a household to purchase food when cultivation fails, smooth consumption across seasons, and avoid the worst outcomes, acute malnutrition and child dropout, that follow when both land and aid fail simultaneously. Thus, access to the land and labor market was intended to be mutually reinforcing. However, the labor market has become inaccessible due to structural impediments, both legal and administrative.

Labor Market Access

The promise of self-reliance was never only a promise of land. It was also a promise of work. But the right to work appears in three places in Ugandan law, and they do not speak to one another. The [Refugees Act](#) grants it. The [Citizenship and Immigration Control Act](#) administratively withholds the documentation needed to exercise it. The [Employment Act](#) does not recognize the refugee worker as a worker at all. The result is a population formally entitled to participate in Uganda's labor market but structurally locked out of it.

Four barriers sustain the exclusion of refugees from the labor market.

One, the Directorate of Citizenship and Immigration Control (DCIC) oversees work [permits](#). The [Refugees Regulations 2010](#) exempt refugees from the work permit fee requirement. However, to stamp a “free” work permit, DCIC requires an official travel document. Because of the way the Work Permit form is designed, it explicitly requires the [biodata page](#) of an official passport or the Convention Travel Document (CTD) to register an application. The system cannot bypass this field to grant a “free” permit stamp. Uganda currently only issues CTDs if you have a “[valid](#)” reason to travel.

Additionally, while the permit stamp is free, obtaining the required CTD is not. It requires processing fees of [220,000](#) Ugandan Shillings (roughly \$60). Further, the processing can only be done in Kampala. For a refugee living outside Kampala, the costs of travel, overnight accommodation, and documentation make the “free” permit completely unaffordable. The rights the law grants are blocked by a bureaucracy that does not recognize them.

Two, refugees who fled as teachers, nurses, engineers, and lawyers face a validation process designed for foreign nationals seeking permanent migration, with no refugee-specific pathway and no adapted timelines. All document translation must be conducted at the Makerere University Institute of Languages, for 50,000 to 100,000 Ugandan shillings per document (approximately \$14 to \$28). The equation fee for credentials from outside East Africa is an additional 250,000 shillings (approximately \$72), bringing the combined minimum cost of credentialing to roughly [\\$86-\\$100 per qualification](#). This is an especially difficult cost to bear for urban refugees who receive no humanitarian support.

Three, even refugees who navigate the permit system and enter formal employment have no enforceable standing if an employer underpays, dismisses without notice, or denies statutory benefits. The [Employment Act 2006](#) fails to account for refugees. Its definition of an employee turns on a contract of service, with no provision for the distinct legal circumstances under which refugees work. The Ministry of Labor officers, employment tribunals, and complaint mechanisms were built around workers with legal presence and documentation that fit cleanly into national systems. An employer who underpays a refugee worker knows the refugee faces a structural disincentive to complain: exposure to immigration scrutiny, and unfamiliarity with formal processes all function as enforcement barriers the employer can rely on. The [Employment Amendment Bill 2022](#) was the opportunity to name that gap and close it, but it did not.

Fourth, employers who could navigate the permit process often do not try, because they hold assumptions about refugee workers: that they are [transient](#), unreliable, or legally risky to hire.

Employer engagement programs, which pair information sessions with matching services and peer networks of employers who have already hired refugees, address these concerns directly and have demonstrated measurable results in comparable contexts. Simplifying the work permit application removes the legal barrier, and employer engagement removes the behavioral one.

The Cost of Exclusion

The majority of refugees in Uganda work in the informal sector. And among refugees who work in the informal sector, the majority – 72 percent – are self-employed. A 2021 ILO review found hours were longer and wages 35 to 45 percent lower than those of Ugandan nationals. When refugees are locked out of formal employment, the aid system absorbs what the labor market should. But with aid out of the system, the impact of refugee inclusion becomes more acute. However, there is a win-win situation; a World Bank study found that allowing refugees to work reduces aid requirements by nearly 45 percent, with costs falling from \$378 per refugee per year under no economic opportunity to \$78 per refugee per year under full labor market inclusion. Thus, the cost of excluding refugees from the formal labor market is steep.

Sadio's story in Kampala is living proof.

Sadio — Kampala

Every morning in Kampala, Sadio (a pseudonym) wakes before dawn to sell handmade baskets. She did not plan this professionally; she does it because she is a refugee, and employers in Uganda do not recognize her accounting degree from Somalia. She has tried. Each application hits the same wall: she cannot provide the passport number required on the work permit form.

So she weaves baskets instead.

She could register a trading company with the URSB using her refugee ID.

What she cannot do is get someone to pay her a salary for work she is qualified to perform.

Uganda's 2006 Refugee Act guaranteed her the right to work. Standing behind her and that promise is a simple fix: a work permit form that reflects her reality.

Business Registration

The safer door into Uganda's labor market is shut for most refugees, but the riskier one is open. Formal wage employment offers legal protections, a reliable income, and legal recourse under the [Employment Act](#). It is blocked by a work permit system that requires a valid passport and nationality documentation most refugees cannot produce. Refugees are channeled into self-employment because the formal alternative is blocked, not because it offers better prospects. The evidence reflects a structural push: [31 percent of working refugees are self-employed](#),² compared with 12 percent in formal employment, in occupations that provide little income, social protection, or job security. Viability, however, breaks sharply along the urban-rural line.

For refugees in settlements, self-employment as normally understood is not a realistic option. The legal barrier is low: the [Uganda Registration Services Bureau](#) accepts refugee identification documents issued by the Office of the Prime Minister, a flexibility the DCIC work permit process does not extend. But the economic barrier is prohibitive. Settlement markets are small, distorted by humanitarian aid, and populated overwhelmingly by other refugees with no purchasing power. The nearest significant markets are often hours away. Refugees International heard this directly from Theresa Wimana and her mother, Janette, a businesswoman from Goma cited earlier in the report, who fled when M23 attacked. Their skills did not disappear when they crossed the border. What was lost was their capital, goods and services suppliers, and an ideal location. At Nakivale, with no capital, no access to credit, and no viable customer base, those skills remain unused. Business registration is legally available to them. It is not practically available to them.

Urban Refugees

Beyond the settlements, approximately [159,000 urban refugees](#) live in Kampala as of early 2026, roughly 8 to 9 percent of Uganda's total refugee population. For refugees who arrived with capital, skills, and prior entrepreneurial experience, Kampala offers access to markets, infrastructure, and a large enough customer base to support a viable business. Riziki Kitumaini Malonga, who fled Goma via Rutshuru to Kampala, told Refugees International she built a baby porridge business from scratch, using it to support her five children, pay rent, and cover school fees. Umar Mohammed, a Sudanese refugee from Khartoum who arrived eighteen months ago with \$20,000 in seed money from family in Europe and the Gulf, now owns two cosmetics stores in Kisenyi. He told Refugees International he considers Kampala home and has no intention of returning to Khartoum, even if the war ends. Wimana, Riziki, and Mohamed are refugees; the only difference is that Riziki and Mohamed live in the urban area of Kampala. Wimana lives in Nakivale. The same refugee status, but the location has a huge bearing on their economic outcomes. But even for urban refugees with skills and drive, the capital barrier is severe. Financial institutions routinely treat refugees as flight risks despite [loan repayment rates exceeding 96 percent](#) according to Kiva data, and [savings group repayment rates of 94.2 percent](#) during COVID-19, per VisionFund Uganda. Without access to formal credit, refugee entrepreneurs

² The 72% figure in "The Cost of Exclusion" represents self-employment among working refugees specifically in the informal sector, while the 31% figure represents self-employment across the entire refugee population (including formal, informal, rural, and urban sectors).

in Kampala routinely register businesses and mobile money accounts under the names of Ugandan nationals, friends, landlords, and colleagues, leaving themselves entirely exposed in any financial dispute. Rather than barring refugees outright, the system pushes them into arrangements that leave them without legal protection.

Self-employment is therefore more accessible than formal employment for Uganda's refugees, but accessibility and viability are two separate things. In Kampala, self-employment is a real, if narrow, opportunity for those who arrive with the right resources. In settlements, it is a legal right with limited economic benefits. Neither pathway resolves the structural problem. Both point to the same root cause: a formal labor market that refugees are entitled to enter and an administrative bureaucracy that prevents them from joining it.

New Funding Mechanisms

If the Ugandan government takes steps to address the aforementioned structural challenges, it has the potential to secure additional resources to address funding gaps by adapting newly available funding mechanisms beyond traditional aid. Two main mechanisms are worth highlighting, one through the World Bank and another through a new U.S.-Uganda health fund.

DRDIP and the Displacement Crisis Response Mechanism

The Development Response to Displacement Impacts Project (DRDIP) is the World Bank's instrument for refugee-hosting districts in the Horn of Africa and the Great Lakes. Active in Uganda, Ethiopia, Djibouti, and Kenya, it finances infrastructure, livelihoods, and environmental recovery in areas absorbing large refugee populations. In Uganda, DRDIP has reached more than 3 million people in refugee and host communities since 2017, with primary school enrolment rising 47 percent in targeted districts and household health expenditures falling by 36 percent. DRDIP II, currently in its design window, is a single-country operation for Uganda, with \$180.5 million allocated to DRDIP from the IDA Window for Host Communities and Refugees.

The Displacement Crisis Response Mechanism (DCRM) is the contingent risk-financing instrument embedded within DRDIP II. It is built on the principle that Uganda's refugee response should no longer be financed by waiting for the crisis to hit, and then responding. DCRM is anchored in predictive, data-driven triggers that release a \$10 million contingency fund when defined crisis thresholds are met, allowing the government and its partners to scale water, sanitation, health, and education services in receiving districts. The forecasts that drive the trigger draw on cross-border conflict dynamics and indicators on both sides of Uganda's borders. The mechanism's purpose is to spare existing development finance from being drained by emergencies.

The World Bank, the Bridge

The World Bank has provided significant development funding for Uganda, including assistance for the refugee response. Much of that funding remains available, including contingency plans that could help address the emergencies resulting from the massive cuts in humanitarian aid. To date, those contingencies have been slow to materialize. Improving those contingencies could go a long way in addressing the current needs.

In 2016, the World Bank approved a project designed to address the strain that hosting large refugee populations places on Uganda's infrastructure, services, and natural resources. The project [aimed](#) "to improve access to basic social and economic services, expand livelihood opportunities and enhance environmental management for host communities and refugees."

The World Bank's engagement with Uganda's refugee-hosting districts is carried out through two instruments. The first, DRDIP I, began in 2016 as a \$50 million operation from IDA, the World Bank's lending arm for low-income countries, which provides concessional loans and grants. This was [scaled up in April 2019 with a further \\$150 million](#), bringing the [total to \\$200 million](#) across refugee-hosting districts. That first phase of the project has since closed.

In October 2025, Uganda's Parliament [approved US\\$1.341 billion in World Bank borrowing](#), spread across five projects, of which US\$ 180.5 million went to DRDIP. That \$180.5 million is the first of two IDA credits financing DRDIP II; together with a second credit of \$152.27 million, [the project's full envelope reaches roughly \\$330 million](#), both credits drawn from the IDA Window for Host Communities and Refugees.

The implementation guidelines will determine whether DCRM, embedded in DRDIP II, meets its potential. When displacement surges, the money needed to respond should arrive before the crisis deepens, not months after. The DRDIP includes a mechanism designed to do exactly that: a contingency fund that automatically unlocks when refugee arrivals exceed a defined threshold. It has been activated [twice](#), in [2021](#) and [2023](#), both times in response to surges of Congolese refugees. Both times, the money came too [slowly](#), and the trigger was too narrow, missing the kind of gradual, sustained pressure that does not spike on any single day but grinds communities down over time.

The fix needed in DCRM does not require new funding – it requires two technical decisions to be incorporated into DRDIP II's legal agreements. First, a pre-authorized disbursement ceiling needs to be set in advance so that, when the trigger is activated, funds are disbursed without waiting for a new approval process. Second, the trigger itself needs to be redesigned to capture slow-onset pressure, not just sudden surges.

Limitations of DRDIP II

At a time of significant decline in humanitarian aid, DRDIP remains the largest development finance instrument in Uganda's refugee-hosting districts. DRDIP's Community Driven Development (CDD) model funds social infrastructure, health centers, schools, and water systems, as well as environmental management and livelihoods programming.

CDD yields [positive](#) results and builds community ownership, especially in infrastructure construction. But it has limitations in sustaining what has been built once external funding ends. It is also slow by design and wholly unsuited to emergency response. That structural mismatch now defines the Uganda refugee response. For instance, malnutrition among refugees rose to [21.5 percent](#) between March and May 2025, far above the WHO emergency threshold of 15 percent. A significant number of health care providers across Uganda's settlements have been laid off. While DRDIP can fund the health center, it cannot stock it with medicines or pay the clinical staff.

While the funding available through the DRDIP II is substantial by development finance standards, it is not a sustainable substitute for humanitarian aid. Set against a response serving over 2 million people and a recurring annual shortfall of over \$120 million in the livelihoods sector alone, they are more modest. The \$10 million contingency fund embedded in the [Displacement Crisis Response Mechanism](#) cannot substitute for a collapsed humanitarian appeal. DRDIP II was not designed to do that and should not be evaluated as though it were; the World Bank certainly does not want to be viewed as a substitute for humanitarian funding.

The current design window matters more for the leverage it offers than for the sums involved. If the three fixes detailed above are implemented – a formal UNHCR-World Bank data-sharing agreement, a revised trigger protocol for slow-onset displacement, and a pre-authorized disbursement ceiling – DRDIP II becomes the instrument that enables every other dollar to work as intended. If they are not, the largest development instrument in the hosting districts stays locked in a disbursement rhythm that arrives months after the need, and the contingency fund will continue to pay for emergencies after they have already done their damage.

The World Bank has demonstrated that the transition from humanitarian to government delivery is technically achievable. Under the Uganda Intergovernmental Fiscal Transfers Program ([UgIFT](#)) and the Uganda Secondary Education Expansion Project ([USEEP](#)), 35 health facilities, 51 schools, and water infrastructure serving more than [114,000](#) people have been transferred from humanitarian management to government systems. A transition strategy is now under development: [UNHCR](#) supports the government in developing a transition strategy for service integration in health, education, and water, and the Ministry of Finance and Economic Development [procured a consultant](#) to develop a transition roadmap covering the water, sanitation, hygiene, education, and health sectors. But the strategy has not been finalized or published; implementation remains uneven; only one settlement, [Rwamwanja](#), is fully under national utility management; and the sequencing, financial triggers, and community accountability mechanisms the transition requires remain absent. Aside from the World Bank funding, a second new funding mechanism to support Uganda's refugee model is the United States-Uganda health bilateral agreement. If managed judiciously, the agreement could extend the gains DRDIP has made in refugee-hosting districts.

The U.S.–Uganda Health MOU

Even as the United States has retrenched on global humanitarian aid, it has also announced significant bilateral health agreements. Among the largest of these is with Uganda. This new funding holds promise for addressing gaps in Uganda’s refugee response, but it will depend on the details of design and implementation that play out over the coming months. Currently, the U.S.–Uganda health agreement does not mention refugees.

On December 10, 2025, the United States and Uganda signed a health Memorandum of Understanding committing the United States to providing up to **\$1.7 billion** over five years to support Uganda’s health sector. Uganda pledged to co-invest **\$577 million** in domestic health expenditures over the same period. Uganda nearly doubled its health sector allocation, increasing the budget from US\$ 2.95 trillion to US\$ 5.87 trillion, over **\$1.5 billion** for the financial year 2025/26. The new allocation represents **8.1 percent** of the total national budget, up from just over 4 percent in the previous year. As part of the agreement, the U.S. government plans to train and equip 14,000 Community Health Extension Workers (CHEW) while **Uganda’s Ministry of Health** assumes their payroll on a phased basis. The MOU directs U.S. support through the Ugandan government rather than through international implementing partners.

The MOU does not mention refugees. Whether it becomes a refugee health instrument depends entirely on decisions about deployment maps, data systems, and procurement channels. Refugees access health services through Uganda’s national system in settlement-adjacent areas. The equity risk is significant because Uganda’s national health programs have historically underserved peripheral districts, which host the majority of refugees.

The deployment map is the first and most consequential decision. Before CHEWs are assigned, the Ministry of Health’s Department of Human Resources and the CHEW National Steering Committee need to prioritize postings of health workers to settlement-adjacent districts. The Uganda Center for Disease Control, which is shaping the training architecture, should ensure that refugee health data is integrated into the national Health Management Information System (HMIS).

The MOU between the Ministry of Health and the OPM governs health services in refugee-hosting districts. It needs the same urgent attention as the deployment question. The current version was built for a system that no longer exists, one where international partners filled the gaps the national system could not. Those partners have withdrawn, but the gaps remain open. A revised MOU should do three things. First, establish a joint health coordination body that can implement operational changes without ministerial sign-off. Second, create a refugee-specific budget line within the Ministry’s funding for settlement-adjacent districts, so that refugee health needs are reflected in national planning rather than treated as separate humanitarian costs. Third, require that HMIS data from settlement clinics be reported, verified, and acted on at the same pace as national data. That last point matters most. A health system that cannot see its own refugee population in its data cannot plan for it, advocate for it, or defend its budget to the Treasury.

Conclusion

The Ugandan government's administrative gaps fracture Uganda's refugee model, and acute donor underfunding has, for the first time, prompted the country to roll back some protections. The retrenchment of Uganda's refugee policy should be understood more as a reaction to the drastic pullback of donor support than a sea change in its generosity towards refugees. But there are steps the Ugandan government can take on its own, including removing bureaucratic barriers to access to work. Beyond this, donors must step up to fulfill their side of the bargain. If the new aid landscape is unlikely to restore the needed aid levels, international actors must use alternative vehicles, such as the World Bank's programs and health funding, and ensure these include refugees.

The aim is to build a more durable model than the one being restored, financed through development tools rather than humanitarian charity, delivered by community actors rather than international intermediaries, and governed by the people it serves. The World Bank's DRDIP II and the U.S. health MOU are now active instruments that can help determine whether Uganda's refugee response can be rebuilt on a more durable foundation.

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