Thousands of refugee households in Uganda move towards self-reliance

A session at the joint learning summit at Mestil hotel

Uganda has long been recognized for its progressive and inclusive refugee policy, hosting more than two million refugees, nearly half of whom are children. In this context, the challenge is no longer solely about humanitarian assistance, but about fostering sustainable pathways to self-reliance and resilience for both refugees and host communities, writes **GLORIA KEMBABAZI.**

Two major initiatives, the Sustainable Market Inclusive Livelihood Pathways to Self-Reliance (SMILES) project and the Graduating to Economic Resilience (GER) project, are at the forefront of this transformation, demonstrating how integrated, evidence-based approaches can reshape livelihoods in fragile settings.

The SMILES project is a five-year initiative (November 2022–October 2027), funded by the IKEA Foundation, supporting 14,000 extremely vulnerable households approximately 70,000 individuals in Kyaka II and Kyangwali refugee settlements in Western Uganda.

It is implemented by AVSI Foundation in partnership with UNHCR and the Office of the Prime Minister_, and delivered through a consortium of global and local partners, including Innovations for Poverty Action, Makerere University, and DAI Global LLC.

At its core, the SMILES project integrates the Graduation Approach with Market Systems Development. The Graduation Approach provides a sequenced pathway out of extreme poverty through consumption support, asset transfers, skills development, and coaching, while Market Systems Development ensures that beneficiaries are not isolated from broader economic opportunities but instead actively participate in functioning markets. This dual strategy targets women, youth, and their households, focusing on key sectors such as livelihoods, agriculture, food security, protection, energy, and environmental sustainability.

The SMILES project complements the Graduating to Economic Resilience (GER) project which is funded by the UK Foreign, Commonwealth and Development Office.

The GER project operates in Kikuube and Kyegegwa districts and similarly applies the Graduation Approach to transition vulnerable households from economic fragility to resilience. Its interventions include consumption support, financial inclusion through Village Savings and Loan Associations (VSLAs), and technical skills development through initiatives such as youth apprenticeships and Farmer Field and Business Schools.

Together, the Sustainable Market Inclusive Livelihood Pathways to Self-Reliance (SMILES) project and Graduating to Economic Resilience (GER) project represent a comprehensive effort to address poverty not just as a lack of income, but as a multidimensional challenge requiring systemic solutions.

A significant milestone for both projects was the joint Learning Summit held on March 26, at Mestil hotel.

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The summit provided a platform for disseminating evidence, sharing results, and fostering dialogue among key stakeholders, including government officials, development partners, researchers, and implementing agencies.

More importantly, it created space for critical reflection on what works, what can be scaled, and how such models can be sustained in resource-constrained environments.

In his opening remarks, John Makoha, the country representative for AVSI Foundation, emphasized the transformative potential of integrating the Graduation Approach with Market Systems Development. "What we are seeing is not just short-term recovery, but a clear pathway toward dignity and independence for thousands of households," he said.

"By combining social protection with market access, we are enabling families to build sustainable livelihoods that will last beyond the life of the project." He further noted that over the past 24 months, more than 10,000 households across Kyaka II and Kyangwali have taken meaningful steps toward resilience and self-reliance.

The urgency of such interventions is further heightened by declining humanitarian funding. As resources become more constrained, the need for cost-effective, scalable, and evidence-based approaches becomes critical. Integrated models like SMILES and GER projects not only maximize impact but also ensure that beneficiaries are equipped with the tools and opportunities needed to sustain themselves beyond project timelines.

From a policy perspective, the importance of such initiatives cannot be overstated.

Geoffrey Mugambe, from the Department of Refugees at the Office of the Prime Minister, highlighted that Uganda's large refugee population necessitates tailored interventions that go beyond basic aid. "We must move from dependency to productivity," he stressed.

"Refugees have skills, talents, and aspirations. Our role is to create an enabling environment where they can participate meaningfully in the economy and contribute to national development." He also emphasized the importance of stronger collaboration, noting that "no single actor can address challenges of this scale alone—partnerships are essential."

The role of evidence in shaping policy and practice was also a key theme at the summit.

Victoria Pugnal, a Senior Programme Manager at the British High Commission, highlighted the strong performance of the first phase of the GER project, which recorded an impressive 89.4% graduation rate.

"An 89.4% graduation rate is not just a statistic, it represents real households that have moved out of extreme vulnerability into a position of greater stability and hope," she said. "This demonstrates that when interventions are well-designed and data-driven, they can deliver transformative results even in the most challenging contexts."

Looking ahead, the lessons emerging from SMILES and GER have far-reaching implications. First, they highlight the importance of integrating humanitarian and development approaches a concept often referred to as the humanitarian-development nexus. By addressing immediate needs while simultaneously building long-term capacities, these projects offer a blueprint for sustainable impact.

Second, they demonstrate the value of partnerships. The collaboration between government institutions, international organizations, research bodies, and local communities has been instrumental in driving success. Such multi-stakeholder engagement ensures that interventions are contextually relevant, inclusive, and aligned with national priorities.

Finally, the projects underscore the need for adaptability. Operating in dynamic and often unpredictable environments requires continuous learning and adjustment. The Learning Summit itself is a testament to this commitment, providing a structured mechanism for capturing insights and translating them into improved programming.

The SMILES and GER projects represent a significant step forward in redefining how refugee and host community support is delivered in Uganda. By combining proven methodologies with innovative market-based approaches, they are not only transforming individual lives but also contributing to broader systemic change.

As humanitarian funding becomes increasingly constrained, such models offer a compelling case for investing in resilience, self-reliance, and sustainable development.