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# The Cost of Inaction: Impacts of WFP Refugee Assistance Shortfalls on Food Security Outcomes in Uganda

Uganda hosts the largest refugee population in Africa, which quadrupled from 390,000 to 1.6 million from 2014 to 2024. Most of these refugees are women, children, and older persons fleeing conflict in South Sudan, the Democratic Republic of Congo (DRC), Somalia, or Sudan. In 2023, the United Nations World Food Programme (WFP) provided food assistance to 1.4 million of these refugees. It gave a 60% food ration to those deemed to be highly vulnerable and a 30% ration to the moderately vulnerable, while moving the least vulnerable refugees off monthly food assistance and connecting them to long-term livelihood opportunities. All new arrivals received a 100% food ration for the first three months. Most WFP food assistance—61% in 2023—was in the form of Cash-Based Transfers (CBT). A soaring demand for humanitarian assistance is straining an already underfunded WFP, which faced a funding gap of \$110 million to sustain emergency operations through 2023 (WFP 2023, WFP 2024).

## Quantifying Inactions: Unveiling the Cost and its Ripple Effects

The study analyzed the potential consequences of reductions of up to 50% in WFP assistance to refugees in Uganda. By combining LEWIE simulations and econometric analysis, it suggests how these cuts would affect both refugee and host community households near refugee settlements.

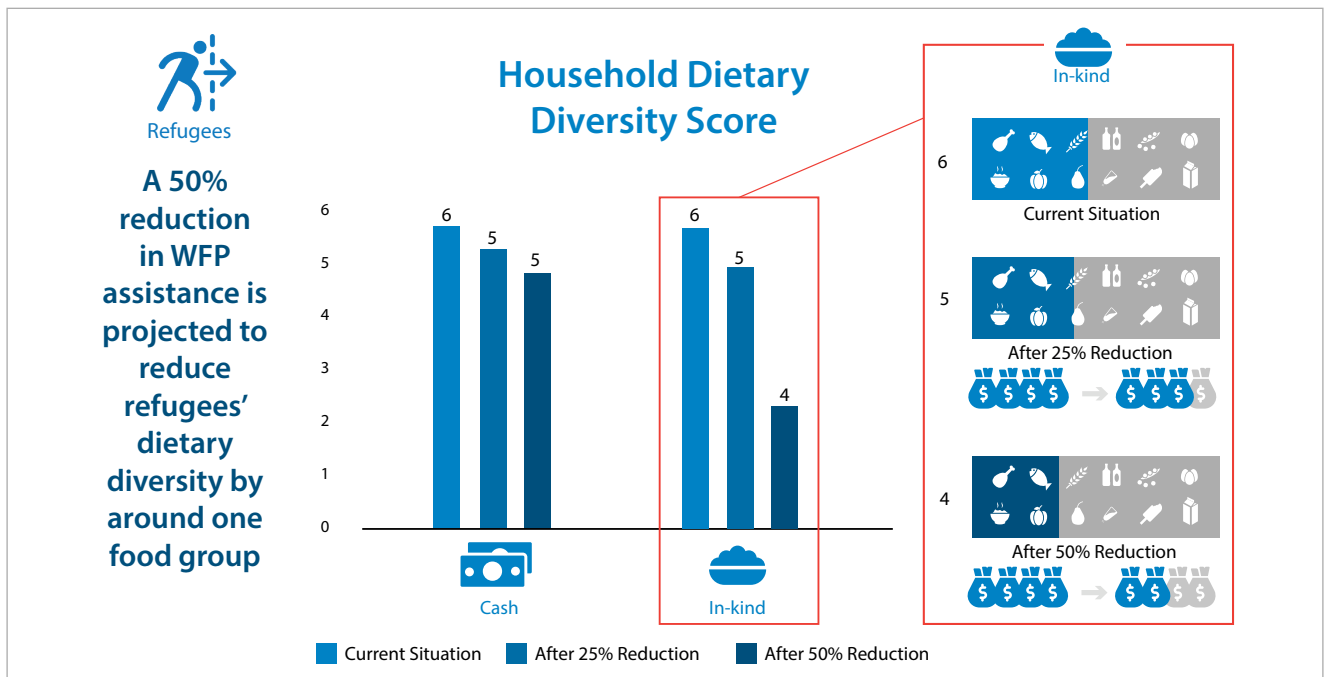
The study seeks to answer two main questions:

1. What happens to the well-being and food security outcomes of refugees who receive WFP assistance (beneficiaries) if this assistance is reduced?
2. Would host community households living near refugee settlements, which do not receive this assistance, also be affected?

## Findings: Projected Impacts of Reduced WFP Assistance

The study found that a **50% reduction in WFP assistance** is likely to have large negative impacts on food security outcomes for refugees:

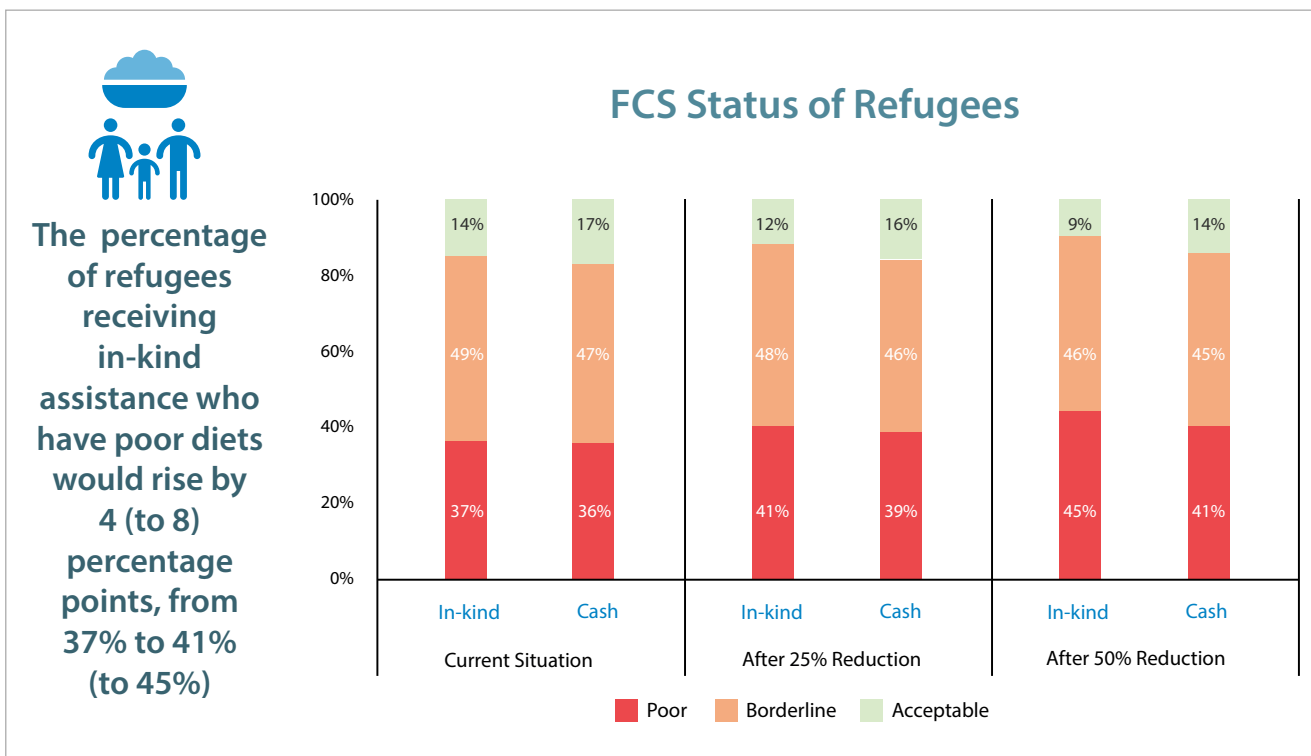
- Dietary diversity, measured by the Household Dietary Diversity Score (HDDS), is projected to decline for refugees receiving both cash and in-kind food assistance, due to reduced income and limited access to various food groups. **The number of food groups that refugees consume, on average, is projected to fall by more than one food group, from 6 to 4, for those receiving in-kind assistance, and just under one food group, from 6 to 5, for those receiving cash assistance.** The impacts are smaller, but still striking, if the reduction in WFP assistance is 25% instead of 50%.



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- WFP assistance plays a critical role in maintaining food security for refugees. A reduction in assistance is projected to cause a substantial decline in their Food Consumption Score (FCS), pushing many into “borderline or poor” dietary adequacy category. The model predicts that the percentage of refugees

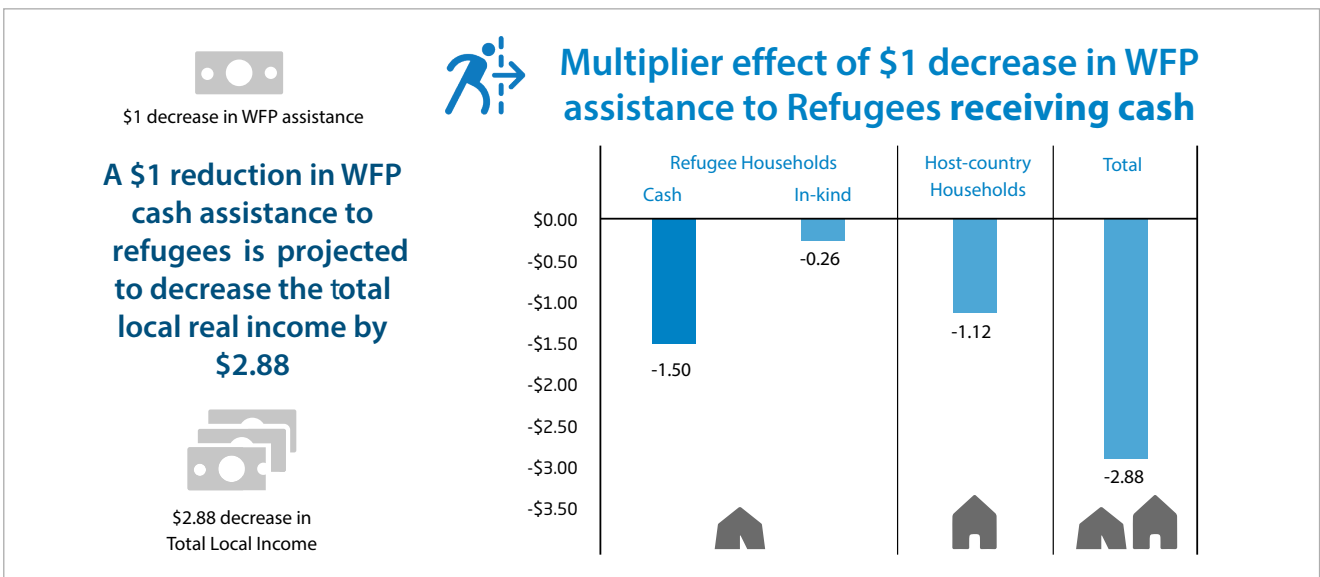
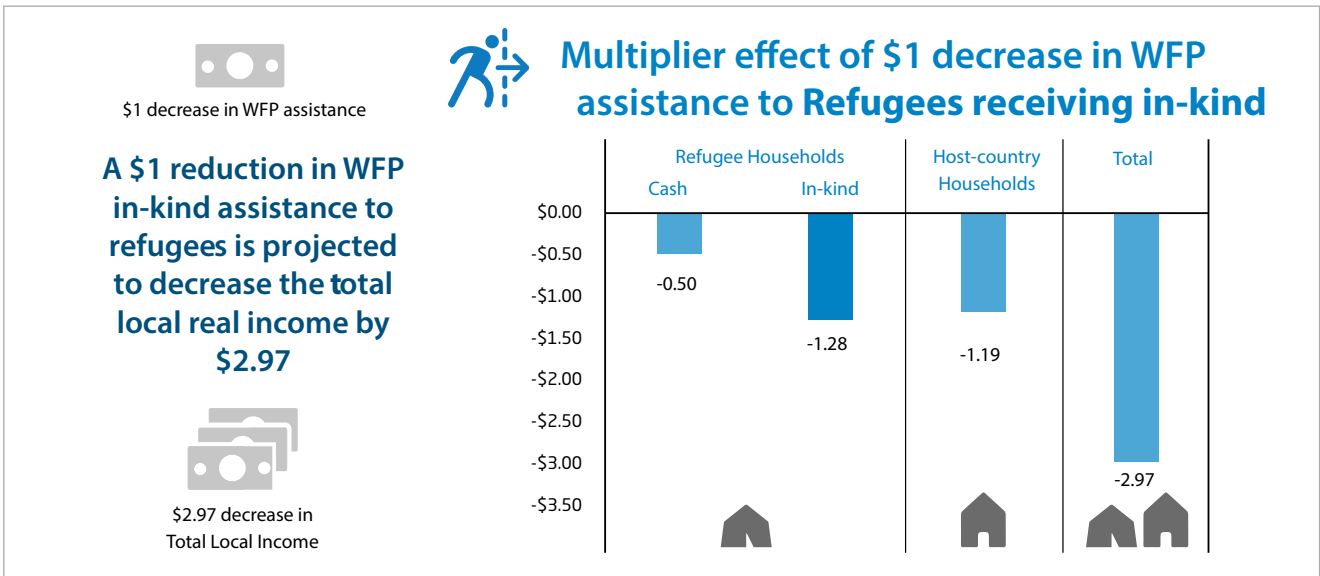
receiving in-kind assistance who have poor diets would rise by 4 (to 8) percentage points, from 37% to 41% (to 45%), if assistance were to reduce by 25% (to 50%). The percentage of refugees receiving cash assistance with poor diets would increase by 3 (to 5) percentage points, from 36% to 39% (to 41%), respectively.”



**Local income spillovers magnify the negative effects of WFP cuts on food security outcomes:**

- A decrease in WFP transfers leads to lower real (inflation-adjusted) income for both refugee and host community households. This happens because refugees lose direct WFP support, and the local economy contracts due to their reduced spending. Economic contraction spreads the negative impacts to host households.
- The negative spillovers will happen whenever cuts are applied to WFP beneficiaries, regardless of whether they receive in-kind or cash assistance. **Each \$1 reduction in transfers**

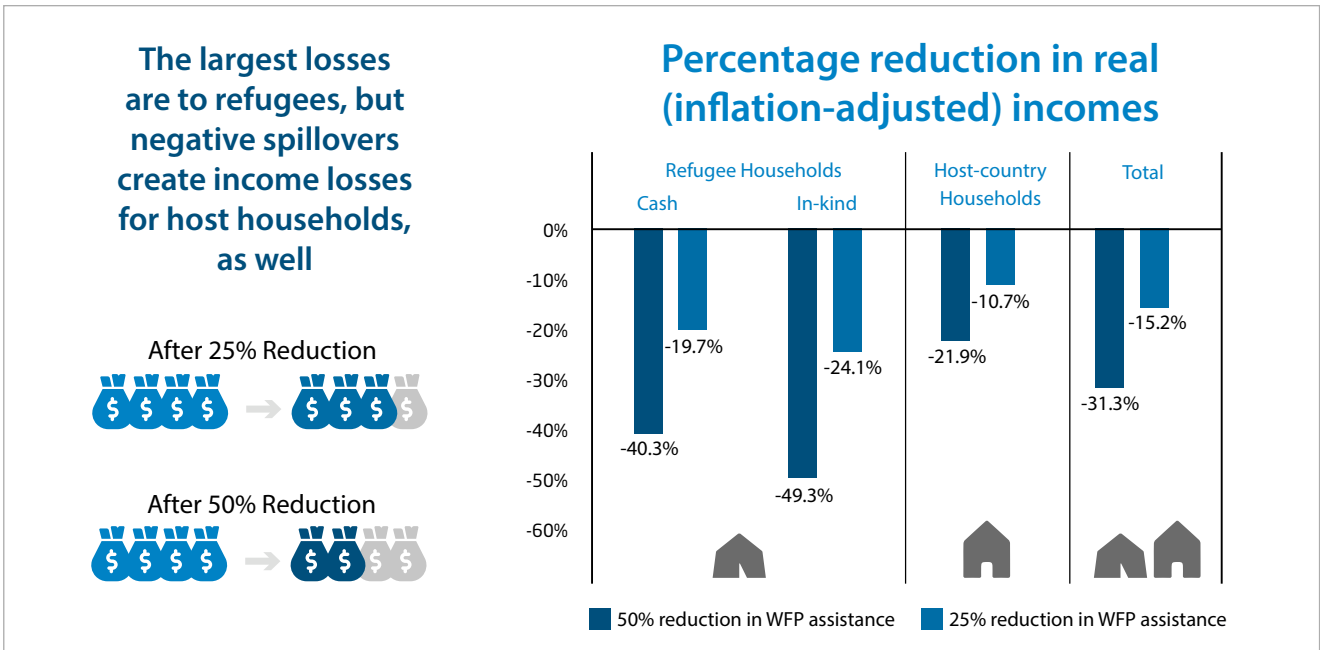
to refugees receiving in-kind assistance lowers their income by an estimated **\$1.28**. Negative spillovers reduce the income of **refugees receiving cash assistance by \$0.50 and the income of host households by \$1.19**. The total impact on local income, or local GDP multiplier, is **-\$2.97 per lost dollar of WFP assistance**. A similar pattern of direct and indirect impacts results from a \$1 decrease in WFP assistance to refugees receiving cash, with a total local income loss of **-\$2.88**. The largest negative impact is on the refugee group that loses WFP support, but the negative spillovers to the other refugee group and to host households are significant in all cases.



**A \$1 reduction in WFP assistance to refugees is projected to decrease the incomes of both refugee and host community households. Total local real income, or GDP, falls by \$2.88 to \$2.97 per \$1 decrease in WFP assistance, depending on which refugee group loses support.**

- The income impact of a 50% reduction in WFP assistance is projected to be most severe for refugees receiving in-kind assistance, who suffer a 49% income loss in real or inflation-adjusted income,

followed by refugees receiving cash, who lose 40%. Host community households near refugee settlements suffer a 22% income loss because of negative spillovers through local markets.



*A 50% reduction in WFP assistance to beneficiaries reduces real, or inflation-adjusted, incomes for all households. The largest losses are to refugees, but negative spillovers create income losses for host households, as well.*

## Conclusions

In short, food security is at risk for all households, including host community households, because of market spillovers that spread the negative income impacts of WFP cuts through local economies.

The findings suggest that a reduction in WFP assistance would have severe consequences for refugees' dietary diversity and food security in Uganda. The negative impacts on household incomes would be felt not only by refugees but also host community households, due to the interconnectedness of the local economy. This study emphasizes the importance of considering these broader effects when making decisions about WFP assistance programs.



## Annex. How We Did This Study

The study uses a two-step approach, with one building on the other:

- 1. Local Economy-Wide Impact Evaluation (LEWIE):** This method creates a model that simulates a local economy. Imagine a map showing how money flows among people and businesses. The model uses data on how people spend money, what businesses produce, and how they trade with each other. This allows researchers to predict how changes in WFP assistance (like a reduction in food or cash assistance) would ripple through the local economy, affecting prices, production, and ultimately, household incomes.
- 2. Econometrics:** Household income impacts from the LEWIE simulations are fed into an econometric model to estimate how changes in income from reduced WFP assistance affect refugees' food security outcomes. Data from refugee food security assessments are used to estimate this relationship with indexes commonly used by WFP to predict how food security would change if WFP assistance were reduced.

By combining these two methods, the study provides a comprehensive look at how reduced WFP assistance to refugees is likely to affect the income and food security outcomes of refugees, as well as the incomes of host community households.

This study leverages primary household data collected from two waves of WFP Post-Distribution Monitoring (PDM) surveys with refugee households in 13 settlements in Uganda, carried out in April and September/October 2023. In total, information from 2,350 comprehensive interviews of refugee households receiving cash-based transfers and 951 households receiving in-kind food assistance were used to construct micro models of each of the two refugee household groups, including their consumption and production activities. Host-community households were not included in these surveys. To construct the host-household side of the model, we used data from a survey of 618 households in communities within a 15 km radius around two refugee settlements, Adjumani and Rwamwanja, in 2016. These data were gathered as part of an earlier WFP-sponsored project.

The survey data reveal that refugee households share similar demographics, and they have similar incomes. However, their income without WFP assistance is 44% lower than that of host community households living near refugee settlements.

The two WFP PDM refugee surveys used the FCS module to gather recent food consumption information; however, this module was not used in the host household survey. Many refugee households struggle with inadequate diets, even with WFP support. Those receiving cash assistance generally fare better than those receiving in-kind support. Cash refugees also have slightly more dietary diversity than refugees receiving in-kind assistance.



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