*Regional Program on Enhancing the Investment Climate for the Economic Empowerment of Refugee, Returnee and Host/Return Community Women in the East and Horn of Africa and Great Lakes Region*

# Improving Economic Inclusion of Refugee Women and Enhancing Investment Climate for Private Sector

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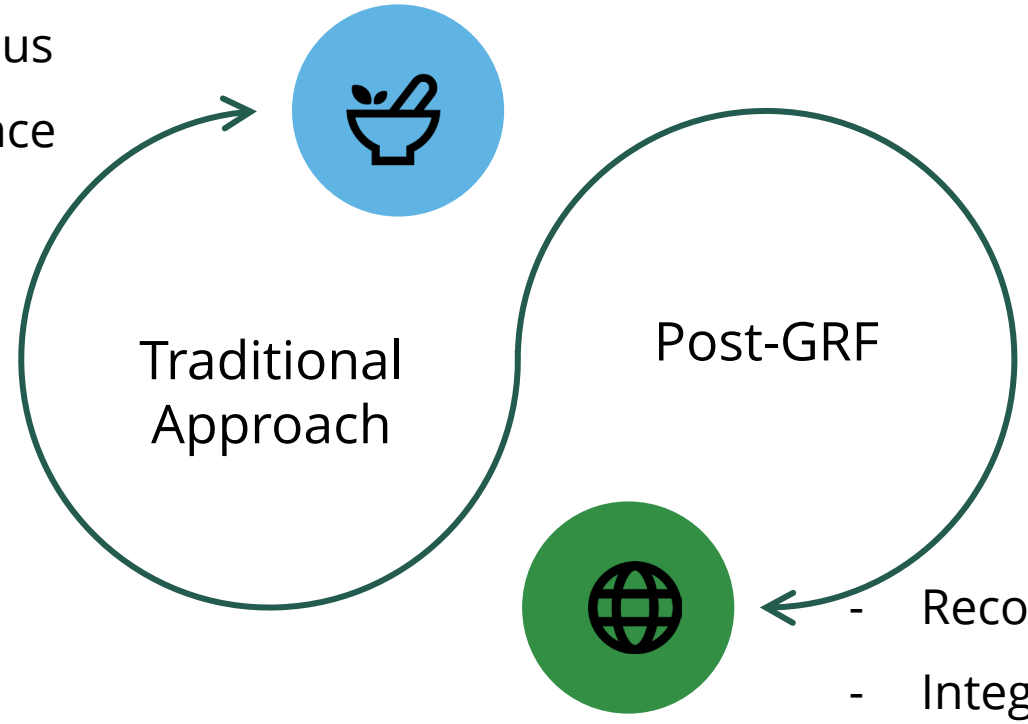
# Setting the scene

# Paradigm Shift

- Assumes short-term sojourn
- Humanitarian aid focus
- Camp-based assistance
- Aid dependency




- Recognize protracted refugee situation
- Integrated approach to support both refugees and host community
- Development focus
- Economic integration
- Self-reliance

# Programme Activities

## Scoping Missions

- **Initial scoping exercise** to 9 countries
- **Outputs**: draft IC, gender, internal DNH reports to guide sector identification

## Community Consultations

- **Subnational level consultations** in location selected by gov
- **Outputs:** Community Consultations Synthesis Report

## Public Private Dialogues

- **Meetings at national and subnational level** to discuss & agree on policy reforms & priority actions
- **Outputs**: PPD Outcomes Reports

## REC Engagements

- **Missions to HQs and peer-to-peer Dialogues to** enhance capacity of RECs through peer-to-peer learning
- **Outputs**: REC P2P Summary Reports

## Regional High-Level Workshop

- Validation of Regional Report and Roadmap
- Policy recommendations and Action Plan to improve the investment climate at national and regional level, with a focus on women's economic empowerment

# Populations of Concern in the EHAGL Region

**Key Population Statistics**

**5.6M**
Refugees and asylum seekers

**5.1M** Refugees | **456K** Asylum seekers

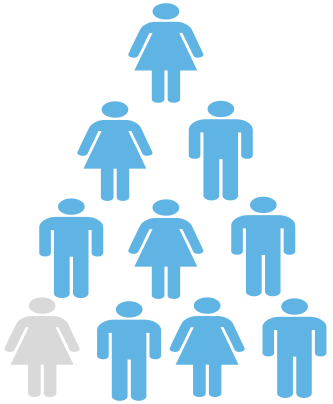
**20.7M**
Internally Displaced Persons

**15.9M** Conflict | **4.7M** Natural/Other

**445K**
Refugee returnees in 2024

**97.6K**
Stateless Persons***

***Mid-Year Statistical Report 2024



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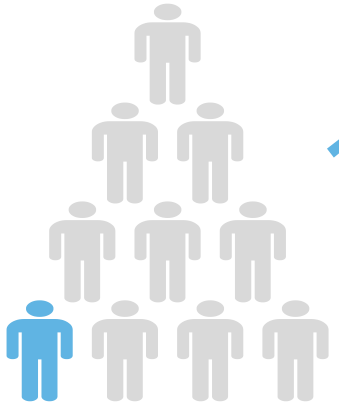
9 in 10 of Africa's displaced persons are hosted in the EHAGL region



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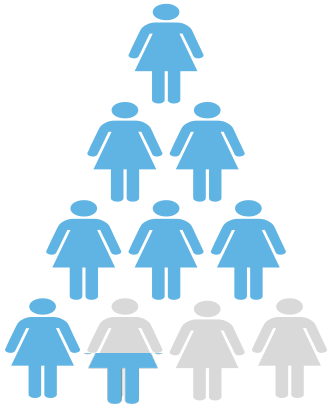
In the EHAGL region: 1 in every 10 people is forcibly displaced



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Women & Children

# Regional Economic and Development Context

## Key Dynamics

- Economic growth patterns vary considerably across the region
- Investment climate varies: some attract FDI, others face ongoing challenges
- Varied absorptive capacity
- Infrastructure investment driving growth
- Some strong performers despite global challenges
- Reform momentum in several countries

## Structural Challenges

- High unemployment rates
- Infrastructure gaps
- Limited access to finance
- Regulatory barriers
- Political instability in some areas
- Climate vulnerability

## Opportunities

- Regulatory Improvement
- Infrastructure Development
- Digital innovation
- Agricultural modernization
- Regional integration & cross-border trade
- Renewable energy

# Key Barriers

# Pathway to Refugee Economic Inclusion

### REFUGEE DOCUMENTATION
- Registration of refugee status
- Access to Refugee ID cards
- Awareness of refugee rights

### FREEDOM OF MOVEMENT
- Encampment policy and movement restrictions
- Access to travel documentation

### ENABLING BUSINESS ENVIRONMENT
- Conducive business laws and regulations
- Efficient regulatory Institutions
- Secure property rights
- Critical for both host community and refugees

### ACCESS TO EDUCATION
- Access to quality education at all levels
- Recognition of prior skills and qualifications

### LOCAL INFRASTRUCTURE QUALITY
- Availability of quality infrastructure to facilitate business activity (e.g. transport, energy, water, ICT)

### RIGHT TO WORK AND DO BUSINESS
- Right to work, access to work permit
- Right to open business / obtain business license
- Access to productive land
- Driver's license

### ICT & FINANCIAL INCLUSION
- Telecommunications access
- Access to finance: Opening bank accounts, Applying for credit/loans

### FULL ECONOMIC INCLUSION

### FULL ECONOMIC INCLUSION OF WOMEN
- Gender-sensitive service delivery

# Key Barriers

- Refugee Management and Documentation
- Business Enabling Environment
- Infrastructure Challenges
- ICT, Financial Inclusion and Skills
- Gender Barriers

# Refugee Management and Documentation

**Progressive Policies**

- Uganda: Freedom of movement, right to work
- Rwanda: Full integration in national systems
- Somalia: Open approach but limited capacity
- South Sudan: Durable Solutions Strategy

**Mixed Approaches**

- Kenya: Move from camps to integrated settlements (Shirika Plan, Kalobeyei model)
- Ethiopia: Gradual relaxation of encampment (Kebribeyah pilot, Melkadida success)

**Key Challenges**

- Process Barriers: long processing times; complex requirements; limited ID recognition
- Policy Implementation Gaps: awareness deficits; bureaucratic hurdles; inter-agency coordination
- Systemic constraints: capacity constraints; resource limitations; inconsistent application

# Business Enabling Environment

**Why It Matters**

- Fosters private sector growth benefiting both refugees and host communities
- Reduces competition for resources and social tensions
- Most actionable area for government intervention
- Strong Performers: Rwanda (investment reforms), Kenya (Integrated approach), Uganda (progressive refugee policies), South Sudan (Durable Solutions Strategy)

**Legal & Regulatory Barriers**

- Complex, costly registration procedures, and multiple overlapping licensing requirements
- High administrative costs for business formalization
- Weak enforcement mechanisms of existing regulations and weak regulatory institutions

**Common Challenges**

- State dominance limiting private sector participation
- Implementation gaps between policy and practice
- Infrastructure deficits in refugee-hosting areas
- Documentation barriers impeding access to services (e.g., Tax ID Numbers)
- "Informality trap" due to complex procedures

# Infrastructure Challenges

**Transport**

- Limited market access due to poor road connectivity (most refugee settlements >50km from major towns)
- Kenya: unpaved Garissa-Dadaab road
- Rwanda: Mahama-Kirehe connection needs upgrading
- South Sudan: Only 15km road per 1,000 km² vs. East Africa average of 101km

**Energy**

- While energy access varies regionally, access to **reliable** power is a common challenge
- Limited grid connectivity in RHAs, with reliance on unsustainable sources
- South Sudan: Only 7% energy access nationwide
- Djibouti: Among highest power costs globally
- Ethiopia: Significant power shortages in refugee areas
- Uganda: needs mini-grid solutions

**Water & Sanitation**

- Inadequate infrastructure impacts basic needs and economic activities
- Affects agricultural productivity, business operations, and value chains
- Challenges in water management during extreme weather events

**Digital Infrastructure**

- Limited connectivity in refugee-hosting areas
- Restricts access to financial & mobile money services, business opportunities, and market participation

# Other Barriers: ICT & Financial Inclusion, Skills

**ICT & Financial Inclusion**

- Limited access to services (36% of refugees live in countries with full legal recognition of UNHCR/government-issued IDs for opening bank accounts)
- Mobile connectivity (limited access to SIM cards and mobile services)
- Financial Services: restricted banking access, limited credit availability, restrictive collateral requirements
- Property rights limitations (only 46% of refugees in EHAGL region live in countries with unrestricted rights to own/lease property for business vs. 63% globally)

**Skills Development**

- Recognition of prior learning and qualifications
- Initiatives addressing this challenge: IGAD Qualifications Framework; Kenya demonstrates good practice with systems to recognize foreign qualifications; African Continental Qualifications Framework aims for continental harmonization
- Lack of equipment and facilities
- Skills mismatch

# Gender Barriers

*75% of refugees are women & Children – Refugee issues are primarily women's issues*

**Legal & Regulatory**

- Limited property/inheritance rights (e.g. land rights in Burundi)
- Weak protection against workplace discrimination
- Limited legal recognition of women-headed households

**Economic & Financial**

- Limited access to capital/collateral and credit, and higher barriers to formal banking
- Informal sector concentration and limited business networks
- Insufficient technical skills for local labor markets

**Social & Cultural**

- Time poverty from household responsibilities & childcare obligations limits mobility and access to economic opportunities, exacerbated by lack of affordable childcare facilities
- Cultural restrictions and attitudes towards women in business lag behind legal progress
- Male control of household finances & limited decision-making power
- Early marriage affects education opportunities

**Safety & Security**

- Gender-based violence risks in communities where traditional social order is disrupted
- Distance to markets/services, limited transport options & safety concerns in markets
- Personal security concerns when collecting resources (water, firewood, etc)

# Opportunities: The Roadmap

# Key Opportunities

## Infrastructure Development

- Regional transport corridors
- Industrial/refugee integration parks (Kenya, Ethiopia, Uganda)
- Shared power networks
- Urban development in secondary cities
- Water management & irrigation

## Agricultural Value Chains

- Strong agricultural bases across all countries
- Value addition in coffee, tea, livestock
- Climate-smart agriculture solutions
- Common focus on rural development

Policy, Regulatory and Institutional Reforms

## Skills Development

- TVET system strengthening
- Women's economic empowerment
- SME support programs
- Business formalization initiatives
- Regional qualification frameworks

## Digital Economy and Fintech

- Mobile money expansion & financial inclusion
- Digital ID & documentation systems
- Cross-border remittance solutions
- Tech hub development (Rwanda, Kenya leading)

## Regional Trade Integration

- AfCFTA & EAC frameworks
- Cross-border trade networks
- Growing logistics hubs
- Border region development

# Pathway to Refugee Economic Inclusion

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# Gender Focused Actions and Actors

# Addressing Challenges faced by Women

## EDUCATION

- Address root causes of school dropouts and harmful traditional practices
- Female role models and qualified female teachers to influence youth aspirations and gender attitudes.
- Provide teachers with stable contracts, defined roles, and responsibilities.
- Provide scholarships and higher education loans along with accommodation support for female students.
- Enhance educational infrastructure by partnering with education groups to expand access to ICT, e-learning, improved school facilities, teacher training, and counselling services.

## TECHNICAL AND VOCATIONAL TRAINING CENTRES (TVETs)

- TVETs to boost local economies by upskilling and reskilling adults and youth with business management skills.
- Training programs to collaborate with local employers to meet the specific demands of the job market.
- Needs assessments of TVETs to identify equipment, teacher training, and material strengths and deficiencies.
- Micro enterprise & business set-ups to be supported with startup grants for materials, tools and training.

# Addressing Challenges faced by Women

## FINANCIAL SERVICES

- Encourage banks to offer Sharia-compliant loans and empower women by aligning repayment schedules with income patterns to reduce defaults.

## COOPERATIVES AND VSLAs

- Support refugees & host communities through legally registered cooperatives, associations, and business formalization methods.
- Develop cooperative systems to enhance trade and higher value chain productivity in the agricultural and livestock sectors through better irrigation, warehouses, transportation, agro-vet training, and milk processing equipment.
- Enable refugees to observe market activities for innovative business ideas. Boost exposure of women's artisan, livestock, and farming products to expand market reach and improve profit margins.
- Extend Bureau of Standards services to refugees in remote areas, ensuring product compliance. Support informal businesses in formalizing through branding and quality control programs.

# Addressing Challenges faced by Women

## GENDER GAP IN EMPLOYMENT

- Simplify e-portal applications, ensure functional cybercafes near refugee camps, expedite RSD and refugee ID issuance, and harmonize ID serial numbers while providing KRA pins, work permits, and driving licenses.
- Address obstacles to women's employment such as leadership, flexibility, childcare, and gender equality compliance.
- Integrate GBV prevention and gender norm change into social programs and establish referral systems for S/GBV survivors to access medical, mental health, legal, and police support.
- Enhance cross-border trade by addressing gender-specific challenges, mitigating risks like confiscation, bribery, and theft, and ensuring women have access to tools and resources for redress.
- Train men on equitable resource sharing to support women's economic efforts.
- Improve security and safety for women through better roads, electricity, water, healthcare, and education infrastructure and services in camps and host communities.

# Towards an Action Plan: 5 Clusters of Action

**Economic Access:** Governments need to remove obstacles to refugee participation in the economy

**Regulatory Environment:** Governments need to establish a national legal, regulatory and institutional environment supportive of investment and economic activity

**Gender Inclusion:** Gender-related challenges in accessing services must be addressed

**Infrastructure Development:** Infrastructure needs to be in place

**Private Sector Support:** Business and investment support initiatives are needed to overcome the cumulative effects of deficits and challenges

**Implementation Approach:**

- National government to lead on most issues
- Support from RECs, UNHCR and INGO cluster, refugee organizations
- Significant investment needed – AfDB, other IFIs, donors to support
- Regional level initiatives required on specific issues
- Concurrent implementation across all areas required

# Thank you