Uneven Pathways: Who Benefits from Mentorship & Cash, and Why Others Don't

Lessons from Re:BUiLD's studies on refugee and host livelihoods in Kenya & Uganda

Insights for Economic Inclusion Practitioners and Policy Makers

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The Context: Micro-Entrepreneurship as a Necessity

- **Limited Formal Employment:**

Refugees and vulnerable hosts in urban centers often rely on micro- and small-scale businesses for income.

- **Traditional Interventions:**

Capital support (cash transfers) and basic business training are common strategies, but results are often mixed.

- **Vulnerability Gaps:**

These traditional approaches often fall short for women and marginalized groups, who face multiple structural and social barriers.

Study Design – Nairobi, Kenya

Location:	Low-income neighborhoods in Nairobi
Study & duration:	9 months - Randomized Controlled Trial (RCT)
Participants:	Approximately **2,023** mentees and **1,902** mentors
Profile:	• Mentees were refugees and Kenyans, interested in business, aged 18-35. • Mentors were established Kenyan business owners.
Four treatment arms	**1.** Pure Control (delayed cash); **2**. Cash Only; **3.** Cash + 1:1 Basic Mentorship; **4.** Cash + 1:1 Mentorship + Perspective Sharing Training for mentors.
Mentorship model:	Mentee-Mentor paired for **eight 1:1 weekly meetings**
Cash Grant:	**56,000 KSH** (approx. **$424**) lump-sum grant
Costs:	Cash only: **$762** per participant. Cash + Mentorship: **$1,181 - $1,182** per participant.

Study Design – Kampala, Uganda

Location:	Low-income neighborhoods in Kampala
Study & duration:	24 months - Randomized Controlled Trial (RCT)
Participants:	Approximately **2,000 mentees** and **600 mentors**
Profile:	• Mentors and mentees included both Ugandan hosts and refugees • Mentees had less than six years of business experience.
Four treatment arms	**1.** Pure Control (delayed cash); **2**. Cash Only; **3.** Cash + Basic Mentorship; **4.** Cash + Shared Fate Mentorship
Mentorship model:	Groups of **3 mentees with 1 mentor**; meeting **weekly for 6 months**; group composition varied by nationality and gender
Cash Grant:	**2,000,000 UGX** (~ $540) lump-sum grant.
Cost:	Cash only: **$881** per participant. Cash + Mentorship: **$1,200** per participant.

Summary of Findings

- **Kenya:** Cash is effective, particularly for new businesses; Mentorship mainly benefits Men

- **Uganda:** Cash is effective, particularly benefiting larger businesses; Mentorship risks for women

Findings

General Impact: Cash alone and Mentorship + Cash had large, positive impacts on business outcomes (profits, likelihood of operating a business, productive assets, time invested in the business). Monthly profits increased by an average of **77% ($34)** in Nairobi and **$27** for men in Uganda.

Cash also had positive impacts on household wellbeing and positively influenced social cohesion and policy attitudes toward refugees in Uganda.

Mentorship Value: Mentorship showed **mixed and sometimes negative** results, with cost effectiveness concerns. While Mentorship + cash increased profits for **Kenyan men** and **refugee men in Uganda** and provided psychological well-being benefits for **Kenyan participants,** mentorship **did not meaningfully change business outcomes** on average compared to cash alone. In Uganda, women experienced **profit reductions** as a result of mentorship.

Targeting: Greater impacts for **new businesses** in Kenya - strong outcomes concentrated among those who did not own a business at baseline. In Uganda, benefits of cash were concentrated among individuals with **larger, more profitable businesses** at the start of the program.

Findings

Cost effectiveness: When it comes to economic outcomes, cash may be more cost-effective. **Cash alone was significantly more cost-effective** for achieving economic outcomes than Cash + Mentorship. It cost $3.43 - $3.61 to increase profits by $1 with cash only, versus $4.56- $5.07 with mentorship.

Program costs per participant: Cash-only: $762 - &881 | Cash + mentorship: $1,181 - $1,200

Gender Disparities: Mentorship showed mixed results: In Kenya, refugee **women do not seem to benefit** from any of program variations. They also invested less of the grant in productive assets. In Uganda, we see marginally positive outcomes for men (refugee men saw a $26 USD profit increase) but see **negative effects on profits for women**, especially those mentored by other women.

Unpacking the WHY behind the complex findings

Insights From The Follow-on Qualitative Study (2025)

Unpacking the Nuance: Motivation for the Qualitative Study

Objective	To explore the complex dynamics behind the RCT outcomes, especially the heterogeneity observed by gender, nationality, and business capacity.
Focus Questions	What mechanisms inhibited or enabled mentorship success? Why did women benefit less than men? Why did outcomes differ between large/established vs. small/new businesses? Why did outcomes differ between refugees and hosts?
Methodology	32 FGDs were conducted across both cities with 235 participants who were part of the mentorship arms in the RCTs. Groups were segregated by gender, nationality, and business size/performance to capture specific subgroup experiences.

Core Insights: Implementation, Barriers, and Exclusion

1. Mentorship Quality	Experiences varied widely, highlighting the challenge of implementing **large-scale mentorship** while guaranteeing quality and uniformity.
2. Women's Barriers	Greater **household responsibilities, partner dynamics, and social constraints** limited women's ability to fully invest time and capital in their businesses.
3. Business Maturity	**New entrepreneurs** (Nairobi) showed high motivation and adaptability; **established businesses** (Kampala) leveraged existing networks and reputations. All found grants often insufficient.
4. Host Advantage	**Host community men** had the "home advantage" (better market access/information) over refugees. Mentors rarely provided adequate network connections.
5. Limited Social Cohesion	Participants viewed the program primarily as an **individual economic goal.** Language barriers, discrimination, and sectoral mismatches constrained cross-group interaction.

Mentorship Quality: Challenges of Scale and Selection

Key Challenges Cited

- **Inconsistent Quality:** Mentors were sometimes arrogant, dismissive, or lacked expertise. Some mentees felt they knew more than their mentors.
- **Lack of Connections:** The most frequent complaint was mentors failing to provide meaningful business connections, often because they were in different sectors or were absent.
- **Logistics:** Absenteeism and mentors being located far away created logistical hurdles.

Recommendations for Practitioners

- Mentorship can be effective but likely works best at a **smaller scale** with careful design.
- **Rigorous Screening:** Select mentors based not just on business expertise but on interpersonal skills, availability, and commitment.
- **Targeted Matching:** Ensure alignment between mentor and mentee, ideally by business sector, to ensure advice is relevant and practical.
- **Monitoring:** Implement close monitoring of sessions to ensure quality and fidelity, despite potential added costs.

Unlocking Women's Potential: Addressing Household and Social Barriers

Binding Constraints

- **Double Workload:** Caregiving and domestic duties were the most frequently cited barrier, leaving limited time and energy for business growth.
- **Diverted Capital:** Profits were often diverted toward urgent household expenses (school fees, food). Women struggle to separate family and business money.
- **Spousal Dynamics:** Married women faced unsupportive or controlling spouses, reducing their economic independence. Men, conversely, were perceived as having greater determination and willingness to take risks.

Recommendations for Practitioners and Policy Makers

- **Tailored Support:** Move away from a one-size-fits-all model. Provide targeted support such as childcare stipends or cash for basic needs to prevent diversion of business capital.
- **Systemic Engagement:** Improving women's outcomes requires an enabling environment that includes **spousal sensitization** and household engagement to promote shared responsibilities.
- **Capacity Building:** Offer market-focused training (financial literacy, business management) and facilitate safe, structured peer-support spaces to build collective confidence and reduce rivalry.

Capital Constraints: Matching Support to Business Maturity

New vs. Established

- **Start-ups:** Demonstrated high motivation and adaptability (especially in Nairobi), but faced crippling initial costs (e.g., rent and licensing) that often exceeded the grant amount.
- **Larger/Established:** Benefitted from existing supplier networks, access to finance, and customer trust (Uganda). However, some established owners (Kenya) showed complacency or diverted funds.

Insufficient Grants

- The grant amount was widely cited as insufficient due to rising inflation and high initial costs. Grants were often split between business needs and personal household expenses, diluting business capital.

Recommendations for Practitioners and Policy Makers

- **Avoid "One-Size-Fits-All":** Tailor support based on business size, type, maturity, and vulnerability.
- **Grant Design:** Implement business plan-based grants and provide additional capital to start-ups specifically to cover high initial costs like rent and licensing.
- **Financial Access:** Facilitate access to supplementary financing, such as connections to Urban Savings and Credit Associations (USLAs) or loans, to promote long-term sustainability and reduce reliance on grants.

Bridging Divides: Addressing Host Advantage and Exclusion

Structural Barriers for Refugees

- **"Home Advantage":** Host men generally possessed better market access, information, and fewer restrictions than refugees.
- **Legal Hurdles:** Refugees consistently faced challenges with documentation, including refugee IDs and business licenses, leading to harassment by city officials and limited access to financial services.
- **Insecurity:** Refugee **women**, in particular, faced heightened risks of insecurity and harassment, which limited their business operations.

Social Cohesion Gaps

- **Language:** Language barriers (e.g., between Eritreans and other groups in Kampala) were the primary hindrance to cohesion.
- **Individual Goals:** The focus on individual business growth undermined the implicit goal of collaboration and connection between hosts and refugees.

Recommendations for Policy and Practice

- **Intentional Cohesion Design:** If social cohesion is a goal, it requires explicit instruction to collaborate, clear incentives, and messaging that reiterates both individual and group goals.
- **Addressing Discrimination:** Implement continuous sensitization against discrimination for hosts to foster understanding and acceptance of refugees.
- **Systemic Change:** Policy makers must work to address persistent barriers such as the lack of basic documentation for refugees to level the playing field.

Takeaways and Recommendations for Future Programming

- **Targeting is Paramount:** Practitioners must move away from a **"one-size-fits-all"** model. Support must be adapted based on gender, refugee status, and business maturity.
- **Cash Grants vs. Mentorship:** Cash is typically more cost-effective for improving economic outcomes. If mentorship is used, it should be highly refined (rigorous selection, strong matching, close monitoring) to justify the added cost.
- **Structural Barriers Remain:** Persistent constraints like **women's household responsibilities** and **refugee documentation issues** continue to stifle economic progress. Addressing these requires household engagement, policy advocacy, and differentiated assistance.

Links to the main reports

1. Re:BUiLD Wave 1 RCT Research Brief. Study on the impacts of Cash + mentorship

2. Unpacking Effects of Mentorship on Refugees and Hosts in Kampala and Nairobi - A Qualitative Study

3. Re:BUiLD website

4. Securing Documentation Campaign for Refugees in Kenya and Uganda, 2025