

MULTI-YEAR STRATEGY 2023-2026

LIVELIHOODS AND ECONOMIC INCLUSION

UNHCR KENYA



June 2022

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EXECUTIVE SUMMARY

As of June 2022, Kenya hosts about 555,183 refugees and asylum-seekers in Kakuma/Kalobeyei Integrated Settlement, Dadaab refugee camp, Nairobi, El Doret, Nakuru and Mombasa. Of this population, around 45% are 18-59 years old, which make up most of the working age population. Unemployment is high amongst refugees and host communities in both camps and urban areas and most refugees live under the internationally recognized poverty line of a daily average income of USD 1.98 per person per day. Refugees face a range political, policy, and economic barriers which hinder their full integration into Kenya's labour market.

This Multi-Year Strategic Plan 2023-2026 is developed jointly with government and non-government partners working on refugee self-reliance in Kenya. It provides a framework for UNHCR's engagement in the livelihoods sector. Over the planned period, UNHCR will collaborate with its partners to create self and wage employment opportunities for refugees, asylum seekers, and their host communities in Kakuma-Kalobeyei Integrated Settlement, Dadaab refugee camp, and urban areas by pursuing five strategic priorities:

Strategic Priority 1 – Promotion of an enabling environment for socio-economic integration of refugees and asylum seekers

Strategic Priority 2 – Facilitation of market-driven technical and entrepreneurial skill development

Strategic Priority 3 – Improvement of access to financial services

Strategic Priority 4 – Facilitation of investment in new & innovative value chains and economic sectors

Strategic Priority 5 – Improvement of livelihoods data and analytical systems

In line with UNHCR's [Global Strategy Concept Note on Refugee Livelihoods and Economic Inclusion 2019-2023](#), UNHCR will play a 'catalytic' role in delivering livelihoods and economic development programmes in camps, settlements, and urban areas. This catalytic role requires UNHCR to facilitate the delivery of projects and initiatives by development partners, private sector, NGOs, and other entities that have common interests in supporting refugee self-reliance. Implementing this strategy will allow the delivery of a comprehensive refugee response in line with the Global Compact on Refugees. Leveraging partnerships with the private sector, livelihood operational partners and development partners will strengthen referral pathways for refugee inclusion into livelihoods and economic inclusion programming. In line with the [Comprehensive Refugee Response Framework](#), UNHCR will encourage all partners to include host communities in their programme delivery alongside refugees and asylum seekers. Doing so will prevent the risk of inter-communal conflict amongst refugees and their host communities. It will help secure more political support from the host government by showcasing the positive economic impact of refugee markets.

In Kakuma and Dadaab, UNHCR will work with the Turkana and Garissa County governments to continue the implementation of the Kalobeyei Integrated Socioeconomic Development Plan (KISED) and re-ignite the process for the finalization of the Draft Garissa Integrated Socio-Economic Development Plan 2019. In line with the Roadmap for Solutions and the Marshall Plan, which is expected to lead to the 'settlement model' in Kenya, UNHCR will promote KISED as a model of good practice which can be replicated in Garissa. Similarly, UNHCR will work with the County Government of Garissa to finalize and implement the draft Garissa Integrated Socioeconomic Development Plan (GISED) during the planning period. This approach will encourage the Government of Kenya to include refugees in its County Integrated Development Plans.

This Strategic Plan is in line with the 2030 Agenda for Sustainable Development, UNHCR's corporate livelihoods strategy, Kenya's Vision 2030, the Kampala Declaration on Jobs, Livelihoods and Self-reliance for Refugees, Returnees and Host Communities in the IGAD Regions, Kalobeyei Integrated Socio-Economic Development Programme (KISED), and the UNDAF (2019-2022). It has been informed by recent and important socio-economic studies, such as the International Finance Corporation (IFC) study (Kakuma as a Market Place), the ILO market assessment conducted in Dadaab, the World Bank's analysis on the socioeconomic conditions of urban and camp-based refugees in Kenya in 2022, and other related socio-economic assessments.

1. INTRODUCTION

1.1. Purpose of the Strategy

This document summarizes UNHCR's four-year multi-year strategy for livelihoods and economic inclusion of refugees and asylum seekers in Kenya, covering the period of 2023-2026. It is a vision document that outlines the strategic direction of the organization, which is the product of a multi-stakeholder consultative process led by UNHCR's Representation Office in Nairobi from January to May 2022. The strategy is in line with UNHCR's corporate programmatic goal of developing multi-year strategies across UNHCR's global operations to guide long-term assistance and solutions to refugees, asylum seekers, and other persons of concern.

The document articulates the socio-economic context, previous achievements, current challenges as well as new developments in the legal and policy environment relating to the socio-economic rights of refugees and asylum seekers in Kenya. Based on a rigorous analysis of gaps, challenges, and opportunities, it articulates a grounded and concrete response strategy, including a set of five strategic priorities and multiple key activities therein, intended to guide the action of UNHCR and its partners in urban as well as camp settings.

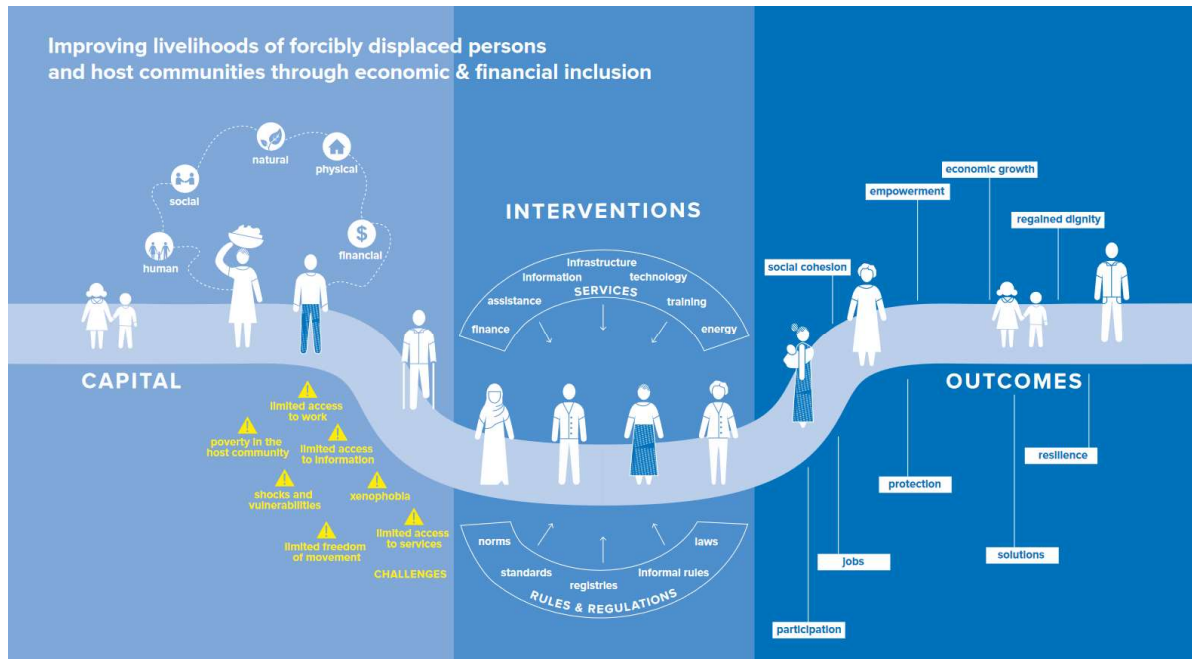
Primarily, the document is intended to serve as an internal compass for the UNHCR country operation in Kenya, including Nairobi, Dadaab and Kakuma. Beyond that, it can be utilized by UNHCR's various partners, including government entities, donors, sister UN agencies, private sector companies, NGOs, refugee rights groups, and academic institutions as a reference guide that can be consulted when identifying key challenges and opportunities for developing and implementing livelihoods and economic inclusion programmes and projects supporting refugees and asylum seekers in Kenya.

1.2. UNHCR's Corporate Livelihoods Strategy

UNHCR's Global Livelihood Strategy Concept Note 2019-2023¹ outlines the rationale for investment in livelihoods and socio-economic inclusion of refugees and asylum seekers. It also clarifies UNHCR's catalytic role in programme development and implementation vis-à-vis its partners from public and private sectors. Importantly, it notes the key role of implementing a 'market-based' livelihoods strategy that is anchored in local context and seeks to empower refugees and asylum seekers to develop their assets and expertise, access financial and non-financial services, and undertake sustainable income-generating activities to support themselves and their families. Only and inclusive approach anchored in a progressive enabling environment where refugees and asylum seekers can exercise their full socio-economic rights can lead to desirable outcomes.

¹ <https://www.unhcr.org/publications/operations/5bc07ca94/refugee-livelihoods-economic-inclusion-2019-2023-global-strategy-concept.html>

Figure 1. Market Systems Approach to Refugee Livelihoods and Economic Empowerment



As shown in Figure 1 above, refugees across the world, including in Kenya often bring with them a set of humans, social, physical, and non-physical capital, but are restricted to access work, market information, or government services in their host countries. They face xenophobia and suffer from lack of freedom of movement anchored in encampment policies, which make them vulnerable to shocks and dependent on humanitarian aid. Implementing a market-based approach to inclusion is a sensible strategy, which depends not only on access to a wide range of support services including finance, training, access to education at all levels, coaching and job placement services, but also on a conducive enabling environment shaped by rules and regulations governing refugee rights and obligations. Understanding the market system and the challenges refugees may face in accessing livelihoods and economic opportunities is therefore key to designing appropriate interventions which can lead to optimal impact.

1.3. Guiding Frameworks

This strategy is underpinned by a series of relevant global, regional, national, and local policy frameworks. These frameworks provide avenues for inclusion of refugees and asylum seekers in existing and future development plans that international actor, such as various United Nations agencies and donors, as well as regional bodies such as the Intergovernmental Authority on Development (IGAD) and the East African Community (EAC) are implementing in Kenya. In addition, the strategy is aligned with national and county development plans that the Kenyan government has developed to guide the overall economic, social, and political development of the country.

1) Sustainable Development Goals/United Nations Sustainable Development Cooperation Framework 2022-2026²

The UNSDCF emphasizes United Nations Development System normative commitments. It enshrines the central 2030 Agenda determination to “leave no one behind” (or “LNOB”) at its heart. UN programming under the UNSDCF is required to be people-cantered, gender-sensitive, respect human rights and have a particular focus on the poorest, most vulnerable and those furthest behind. It must prioritize integrated and joint programming approaches, addressing core programming principles in a holistic manner, not as add-on modules. These principles are integrated throughout all stages, guiding both process and content. The key principals are: Leaving No One Behind; a Human Rights-Based Approach; Gender Equality and Women’s Empowerment; Resilience; Sustainability and Accountability.

In terms of SDGs, this strategy specifically seeks to advance better socio-economic conditions for refugees and asylum seekers in Kenya by tying into SDG1 (No poverty), SDG2 (Zero hunger), SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation, and infrastructure), SDG 10 (Reduced inequalities), SDG 11 (Sustainable cities and communities), and SDG 17 (Partnerships for the Goals).

Figure 2. List of Sustainable Development Goals -United Nations



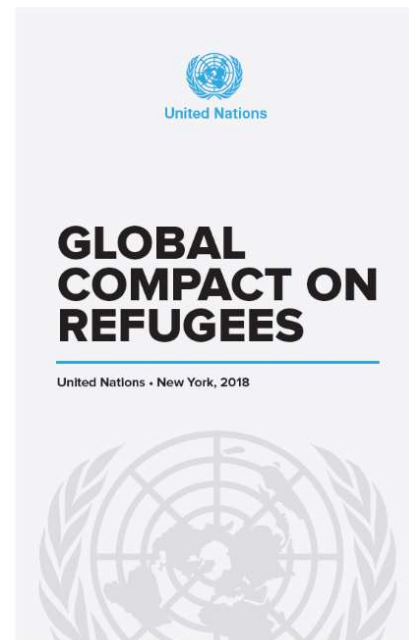
² [Kenya UNSCDF 2022-2026.pdf](#)

2) Global Compact on Refugees and the Comprehensive Refugee Response Framework

The [Global Compact on Refugees](#) is a framework for more predictable and equitable responsibility-sharing, recognizing that a sustainable solution to refugee situations cannot be achieved without international cooperation.

It provides a blueprint for governments, international organizations, and other stakeholders to ensure that host communities get the support they need and that refugees can lead productive lives.

It constitutes a unique opportunity to transform the way the world responds to refugee situations, benefiting both refugees and the communities that host them.



3) Kampala Declaration on Jobs, Livelihoods and Self Reliance for Refugees, Returnees and Host Community in the IGAD Region

The [Kampala Declaration](#) on Jobs, Livelihoods, and Self-Reliance for Refugees, Returnees, and Host Communities, signed in March 2019 by IGAD member states, contains commitments which are an important part of realizing the objectives of the Global Compact for Refugees in the IGAD region. The Declaration holds real potential for realizing Compact objectives globally and builds on the 2017 Nairobi Declaration on Durable Solutions for Somali Refugees. The Declaration emphasizes the crucial importance of planned and active participation, inclusion and collaboration of all parties as being fundamental in realizing in practice refugees' right to work and access to economic opportunities.

4) Kenya's Vision 2030



[Kenya Vision 2030](#) is the long-term development blueprint for the country and is motivated by a collective aspiration for a better society by the year 2030. The aim of Kenya Vision 2030 is to create “a globally competitive and prosperous country with a high quality of life by 2030”. It

aims to transform Kenya into “a newly-industrialising, middle income country providing a high quality of life to all its citizens in a clean and secure environment”.

The Vision is the product of a consultative process conducted between October 2006 and May 2007 and has four pillars:

- Economic Pillar
- Social Pillar
- Political Pillar
- Enablers and Macro Pillar

5) Refugee Act 2021

The Government of Kenya gazetted and published the Refugees Act, 2021, on 23 November 2021, and the law came into effect in February 2022. The passage of the new Act provides more opportunities, rights, protection and solutions for refugees and asylum-seekers in Kenya and is in line with Kenya’s commitments under the Comprehensive Refugee Response Framework (CRRF), the Global Compact on Refugees (GCR), and other international and regional instruments.

6) Kalobeyei Integrated Socio-Economic Development Programme (KISED)

In 2015, UNHCR and the Government of Kenya agreed to pilot an innovative approach by developing a settlement promoting the self-reliance of refugees and the host population by enhancing livelihood opportunities and promoting inclusive service delivery. Subsequently, the County Government, UNHCR and partners embarked on a 15-year comprehensive multi-sectoral and multi-stakeholder initiative, also known as [Kalobeyei Integrated Socio-Economic Development Programme \(KISED\)](#) in Turkana West. KISED uses an area-based approach and will directly and indirectly benefit the Turkana West population which is comprised of approximately 230,000 refugees and 320,000 host population.

7) Draft Garissa Integrated Socio-Economic Plan (GISED)

Following the model set by KISED in Turkana, UNHCR and the Government of Kenya worked on a draft Integrated Socio-Economic Plan in Garissa (GISED) in 2019. The Plan is part of the County Development Plans and targets refugees and their host communities living in Dadaab. Progress of the process was hindered by the onset of the COVID 19 pandemic.

2. SOCIO-ECONOMIC CONDITIONS OF REFUGEES AND ASYLUM SEEKERS IN KENYA: CHALLENGES AND OPPORTUNITIES

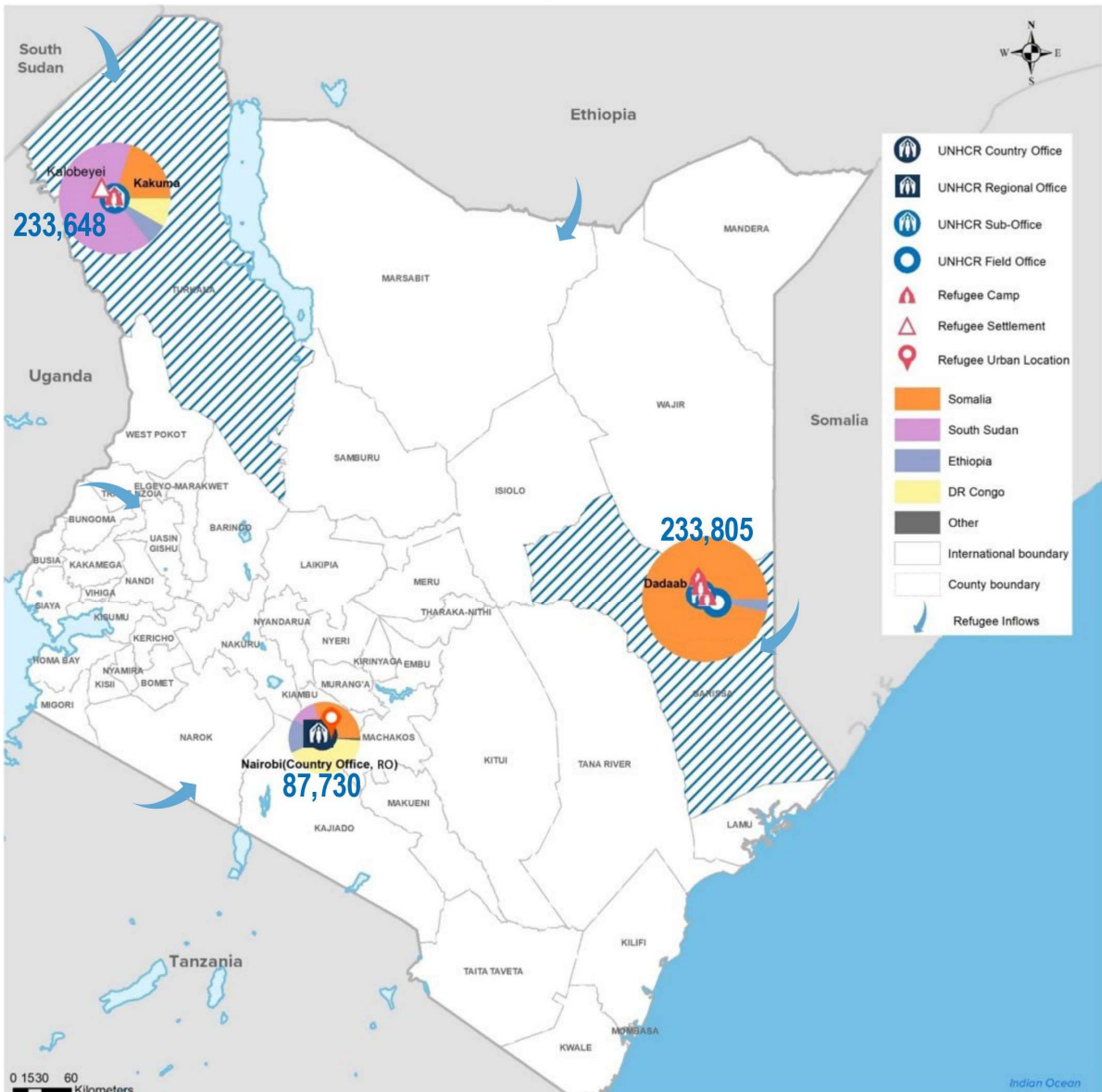
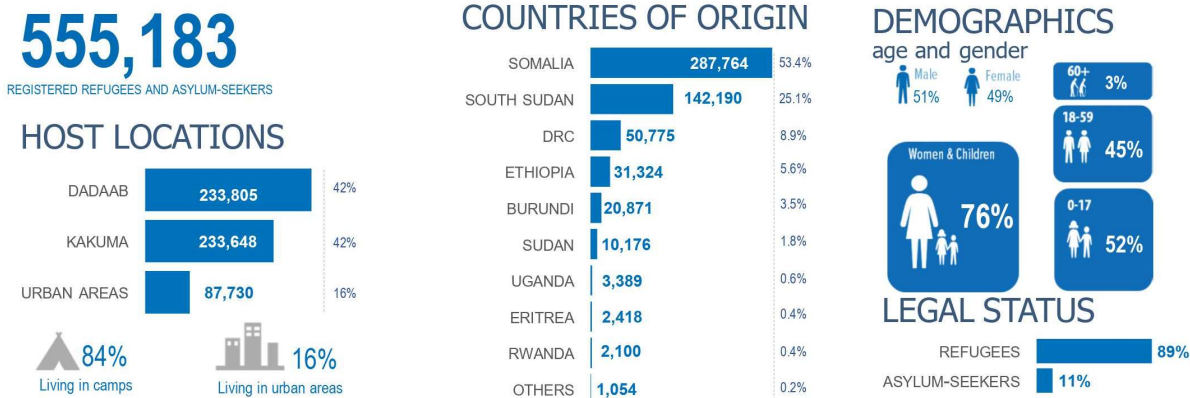
The Kenya refugee operation is impacted by the political and humanitarian situation as well as the drought emergency in the region, due to developments in the two main refugee producing countries (i.e., Somalia and South Sudan). In Somalia, despite the moderate gains made in the past few years, the humanitarian situation in 2023 - 2026 is expected to remain fragile, with over 24.2 million people in need of humanitarian assistance in Sub-Saharan Africa. In addition, the situation in South Sudan continues to be fragile, which make the prospects of voluntary returns out of reach. Other countries, notably the Democratic Republic of Congo, Burundi and Ethiopia continue to be responsible for refugee outflows into Kenya.

As of June 2022, Kenya hosts about 555,183 refugees and asylum-seekers³ in Kakuma/Kalobeyi Integrated Settlement, Dadaab refugee camp, Nairobi, El Doret, Nakuru and Mombasa. Most refugees and asylum-seekers are from Somalia (54%), followed by South Sudanese (24.5%), Congolese (8.9%) and Ethiopians (5.8%). Persons of concern from other nationalities including Burundi, Sudan, Uganda, Eritrea, Rwanda, and others make up 6.7% of the total population (501,049 as at the end of October 2020). Almost half of the refugees in Kenya reside in Dadaab (44%), 40% in Kakuma and 16% in urban areas (Nairobi), alongside

³ UNHCR Operational Data Portal, May 2022: <https://data.unhcr.org/en/country/ken>

18,500 stateless persons. Currently, Kenya continues to be among the top refugee hosting countries in Africa.

Figure 3. Refugee Statistics - Kenya



In Kenya, access to livelihoods and economic opportunities remain precarious for refugees and asylum seekers. The Kenyan economy has high rates of unemployment and is unable to serve its own citizens, a situation that has been exacerbated by the impact of the COVID-19 pandemic. Of the population of 555,183 refugees and asylum-seekers, around 45% are 18-59 years old, which make up most of the working age population. This puts the absolute number of work-eligible refugees and asylum seekers at 249,842 people, meaning that the refugee hosting economies in Kakuma, Dadaab, and urban areas should offer around 250,000 job opportunities for refugees and asylum seekers, something which is a highly ambitious feat, since the Kenyan economy suffers from weak labour markets, high unemployment rates, and high inflation – and it favours Kenyan nationals over refugees. Providing sufficient job opportunities for refugees and asylum seekers is therefore a major challenge for UNHCR and its partners, which requires continuous investment in basic economic infrastructure, enhancement of the legal and policy environment, and involvement of the private sector as well as multilateral development banks and international partners.

Unemployment is high amongst refugees and host communities in both camps and urban areas. According to a recent World Bank comparative analysis on the socioeconomic conditions of urban and camp-based refugees in Kenya in 2022⁴, only 15-42% of refugees have access to employment opportunities. Youth unemployment amongst refugees aged 15-29 is alarmingly high at 52%. The highest employment rate amongst adults is in Nairobi, where 42% of refugees have employment, followed by Kalobeyei integrated settlement (39%), and Kakuma refugee camp (20%). Whilst credible data on the exact employment rates for refugees living in Dadaab is scarce, recent partner assessments indicate an overall employment rate of 16.3%. Regardless of the potential inconsistencies in data, what is clear is that all refugees and asylum seekers suffer from high unemployment rates, be it in camps or in urban areas. This means that most refugees live under the internationally recognized poverty line of a daily average income of USD 1.98 per person per day. Same is true for the host communities. For example, in Kakuma 37% of host communities live under the poverty line (corresponding figure for refugees in Kakuma: 58%). This aggravates the situation for refugees seeking employment in Kenya due to the limited opportunities available in the economy. Competition for jobs and livelihoods is therefore a key challenge for both refugees and their host communities.

Just like their host community counterparts, majority of refugees and asylum seekers are employed in the informal sector, which constitutes the backbone of the Kenyan economy. Of the 926,100 new jobs created in Kenya in 2021⁵, 83% were in the informal sector that has low entry barriers relating to capital, skill requirement and regulations, but is also characterized by unfavourable, precarious, and indecent working conditions.

⁴ UNHCR Operational Data Portal: <https://data.unhcr.org/en/documents/download/89599>

⁵ Economic Survey 2022, Kenya National Bureau of Statistics: <https://www.knbs.or.ke/wp-content/uploads/2022/05/2022-Economic-Survey1.pdf>



Refugee Market in Kakuma ©UNHCR/Saboor Atrafi

Policy and regulatory environments are not conducive and do not easily allow UNHCR's persons of concern to access formal job opportunities or set up businesses. While existing laws allow the right to work for refugees and provides for work permits, the major hurdle is enforcement/implementation which requires enhanced advocacy with relevant regulatory and government agencies. Refugees and asylum seekers have limited access to conventional and mobile banking services as well as driving licenses. Access to market-based technical, vocational, and entrepreneurial training is limited and recognition of prior learning is cumbersome. Documentation, registration, and issuance of refugee IDs and processing of asylum applications have been delayed by the COVID-19 lockdowns and limit the possibility of connecting UNHCR's Persons of Concern (PoCs) to economic opportunities. Although work will be done to improve the situation, these challenges are expected to linger on for the period of 2023-2026.

Inherent bottlenecks associated with refugees hinder their ability to exploit economic opportunities in the formal economy. These barriers include political, policy, and economic. According to a labour market assessment conducted by Refugees International in November 2021⁶, political barriers include:

- Refugees and asylum seekers are seen as security threat
- There is a perception amongst hosts that refugees get more services
- That refugees and asylum seekers degrade the environment

Policy barriers include:

⁶ [From Displacement to Development: How Kenya Can Create Shared Growth by Facilitating Economic Inclusion for Refugees — Refugees International](#)

- Encampment, where refugees are required to live in the designated camp settlements
- Lack of freedom of movement
- Lengthy process to obtain refugee IDs
- Lack of access to mobile money and financial services in general
- Lack of access to work permits due to cumbersome administrative procedures
- Lack of access to driving licenses
- Lack of ability to own land
- Non recognition of prior technical and professional skills and certifications

Economic barriers include:

- Limited job opportunities in host areas, both camp and urban settings
- Lack of adequate education and skills
- Limited access to financial capital
- Limited basic infrastructure in the camps to support income generating activities
- Distance of the camps from major markets

Internally, UNHCR lacks a solid socio-economic database, which is key to tracking the impact of previous interventions and facilitating the development of projects and programmes that are put forward by UNHCR's partners, including NGOs, development partners and multilateral development banks, and the private sector. Developing such a database or enhancing the capacity of UNHCR's ProGres system to better integrate socio-economic information will be an important priority over the planning period.

In terms of opportunities, there are a range of policy and legal frameworks that can be leveraged to advance refugee livelihoods and self-reliance. The new Refugee Act 21 which came into effect in February 2021 is a positive new development. The Act recognizes the rights of refugees to participate in economic and social development and provides a legal framework for advancing refugee inclusion by highlighting the need to consider refugees in national and county development plans, and emphasizing the shared use of public institutions, facilities and spaces between refugees and host communities. It also provides recognized refugees the right to engage in gainful employment, economic enterprise, or trade subject to applicable laws.

The Act also mentions that refugees shall be enabled to contribute to the socio-economic development of Kenya through facilitation of access to required documentation. Considering challenges with the issuance of work permits under the previous law, it is hoped that under the new Act (through its implementing Regulations) the process of obtaining a work permit and facilitating recognition of professional qualifications acquired outside the country of asylum will be easier and more straightforward, and that both refugees and asylum-seekers would be able to benefit from these provisions.

The Huduma Bill 2021 is another legal framework that could potentially unlock existing bottlenecks with regards to refugee identification cards. The draft Bill, which is in the Kenyan parliament, envisages issuance of identification cards for all residents in Kenya, including refugees (i.e., the Refugee Huduma Card). If the Bill passes the parliament, refugees will be integrated into the Kenyan National Integrated Identity Management Systems (NIIMS) with implications for mainstreaming and wider recognition of refugee socio-economic rights and obligations. Such an ID may allow a more seamless access to government services, including Tax IDs, driving licenses, business permits, and work permits. It may also reduce current delays in issuing refugee IDs.

The Recognition of Prior Learning (RPL) policy framework in Kenya whose goal is to provide a framework for recognition of all acquired competencies was finalized in June 2021 and is currently at the initial roll out stage. This policy framework is critical to the development of a responsive and equitable education and training system that facilitates access, mobility, progression, and fair chances to the disadvantaged, discouraged and traditionally marginalized groups including the immigrants, refugees and asylum seekers. The framework offers an opportunity for UNHCR and its partners to work with the Kenya National Qualifications Authority (KNQA) to recognize and support refugees with certification of their competencies, including prior learning and previous experience, irrespective of which learning settings or in what country the skills were acquired.

Recognition of Prior Learning has the potential to provide a cost-effective, complementary learning pathway to formal education and training and to facilitate multi entry–exit between the education system and the labour market. The RPL process aims at mitigating barriers and establishing functional and credible systems for recognition of knowledge, skills, and competences. Many refugees and migrants have experience, skills, and professional qualifications which are not recognized. Thus, a comprehensive RPL system is critical in making visible competencies of migrant workers and refugees. This will also facilitate smooth transition and integration to the host communities and to their countries of origin upon return.

The County Integrated Development Plans (CIDPs), which are developed by all Counties in Kenya, offer concrete opportunities to work with local government institutions and leadership to integrate refugee livelihoods and self-reliance at the local level. The Kalobeyei Integrated Socioeconomic Development Plan (KISED), which is anchored in Turkana's CIDP serves as an example of good practice in this regard. The ongoing discussions regarding the next phase of KISED 2023-2027 offers a good opportunity to mainstream refugee livelihoods and operationalize the provisions of the Refugee Act 21. Its Garissa counterpart, the draft 2019 Garissa Integrated Socioeconomic Development Plan (GISED), which was delayed due to the

impact of the COVID-19 pandemic, can be revitalized, and aligned with the upcoming CIDP planning exercise in Garissa and Dadaab.

Increased involvement of the private sector and multi-lateral development banks in supporting refugee livelihoods is another opportunity. The 2020 launch and operationalization of the 'Kakuma Kalobeyei Challenge Fund' (KKCF), a blended finance facility, funded by multiple donors and managed by the International Finance Corporation (IFC) offers a good opportunity to facilitate investment by private sector from within and outside Kenya into the Kakuma and Kalobeyei refugee hosting market. Increased private sector activity can provide more job and income generating opportunities for both refugees and their host communities. Depending on the ultimate outcome of the initiative, this model can be replicated in Garissa and Dadaab. In addition, important financial institutions such as Equity Bank and Kenya Commercial Bank have secured waivers from the Kenyan Central Bank to open branches in Kakuma and Dadaab refugee camps. Their presence is opening doors for increased access of refugees and host communities to financial services. Furthermore, the tripartite memorandum of understanding between UNHCR, the International Labour Organization and four microfinance institutions offers opportunities to advance access to financial and non-financial services to refugees and asylum seekers in the camps. The memorandum of understanding between UNHCR and the Kenya National Chamber of Commerce and Industry is also beneficial to expand collaboration with private sector entities on advocacy, skills development and market linkages for refugees and asylum seekers. In terms of communication services, major telecommunication companies such as Safaricom and Airtel offer services in the camps, although refugees face challenges to access sim cards and mobile money services due to regulatory requirements (i.e., Know Your Customer Requirements). There is a recognition amongst the telecommunication companies that existing KYC requirements should be lifted, so that refugees can have seamless access to sim cards and digital banking services.

During the consultative process for the development of this plan in May 2022, the Kenyan government announced its intentions to develop a Marshall Plan that promotes a settlement approach which enhances inclusion and integration of refugees into their host communities, following the integrated settlement model. The Plan, which takes its name after the famous World War II Marhsall Plan in Europe, envisages investment in key economic and social sectors in refugee hosting areas following the settlement model. Depending on how the discussions unfold, the Plan can provide opportunities for channelling long-term investment in refugee livelihoods and self-reliance by government as well as international donors and organizations.

3. PREVIOUS ACHIEVEMENTS AND LESSONS LEARNED

Previous livelihoods interventions have enhanced the skills and assets of refugees and asylum seekers for increased self-reliance and business activity in Kenya. Through a multiparter implementation approach, UNHCR has been able to deliver livelihoods projects in collaboration with the International Finance Corporation, The World Bank, ILO, UN-Habitat as well as various implementing and operational partners, notably Danish Refugee Council, Norwegian Refugee Council, Don Bosco, and International Rescue Committee, among others.

In Kakuma, the operation has worked with the County government of Turkana to implement the Kalobeyei Integrated Socio-Economic Development Plan, set up the Kakuma Kalobeyei Challenge Fund, provide technical and vocational skills training and business development services, and construct the Huduma Biashara Centre in Kakuma jointly with the International Finance Corporation. The operation has also facilitated the provision of micro-finance services, digital skills trainings, agriculture development, and artisanal production by refugees.

In Dadaab, UNHCR has worked with the International Trade Centre, Danish Refugee Council, Norwegian Refugee Council, and other partners to implement market-based livelihood projects aimed at building the human, financial, physical, social, and economic capitals of targeted persons of concern and identified host community members in Dadaab Complex. The operation has provided vocational skills training to youth, enterprise development/business training and start-up kits to refugee owned enterprises, digital skills, micro-finance services, cash-based interventions, and advocacy sessions with relevant national and country government departments in Garissa. The operation has also worked with the Kenya National Chamber of Commerce as well as key private sector companies to strengthen access to financial and telecommunication services for refugees in Dadaab.

In urban areas, UNHCR has worked with L'Oréal, Toyota, Oracle, and other partners to provide vocational skills trainings in beauty and fashion industry, auto mechanics, and the ICT industries. The operation has also engaged in advocacy efforts related to promotion of an enabling environment for socio-economic inclusion of refugees and asylum seekers in Kenya. While progress has been made, there have also been setbacks due to the COVID-19 pandemic restrictions, government's announcement of closure of camps in 2021, and delays in project implementation on the ground. A notable achievement has been in the artisanal supply chain, where UNHCR has collaborated with two local social enterprises, Bawa Hope and RefuSHE, to provide technical and business skills trainings to urban refugees and support value chain development in the artisanal sector.

The lessons learned point out the importance of effective and impactful partnerships with the national and local government bodies, notably the county governments, the multilateral development banks, and critically the private sector. As UNHCR is a humanitarian organization, it is most effective at delivering livelihoods programmes when it relies on the expertise, financing, and influence of development partners. Its key contribution is to coordinate efforts and serve as a catalyst by connecting resources of partners with the socio-economic needs of refugees, asylum seekers, and their host communities.

4. LIVELIHOODS AND ECONOMIC INCLUSION STRATEGY 2023-2026

To address the challenges and opportunities presented in the previous section, UNHCR Kenya will work on creating employment and income generating opportunities for refugees, asylum seekers, and host communities in Kakuma, Dadaab, and urban areas where refugees live (predominantly the capital Nairobi).

The overall objective for 2023-2026 is to promote self-reliance through facilitation of self-employment and wage-employment opportunities for refugees, asylum seekers, and host communities in Kenya. This objective is in line with UNHCR's Global Results Area 3: 'Empowering communities and achieving gender equality', which seeks to create a shift in the protection and solutions for persons of concern as a result of advancement in community support mechanisms, gender equality, and livelihood.

In line with UNHCR's corporate livelihoods strategy, UNHCR plans to play a 'catalytic' role in delivering livelihoods and economic development programmes in the camps and urban areas. This catalytic role requires UNHCR to facilitate and coordinate, through the livelihoods working group and beyond, the delivery of projects and initiatives by development partners, private sector, NGOs, and other entities that have common interests in supporting refugee self-reliance. Implementing this strategy will allow the delivery of a comprehensive refugee response in line with the Global Compact on Refugees. As much as possible, UNHCR will leverage on partnerships and collaborations with different stakeholders including the private sector and development partners to enhance optimum refugee inclusion in existing livelihood programmes. In line with the Global Compact on Refugees, UNHCR will encourage all partners to include host communities in their programme delivery alongside refugees and asylum seekers. Doing so will mitigate the risk of inter-communal conflict amongst refugees and their host communities. This will provide an evidence base of socio-economic inclusion of refugees and host community and will be a tool for advocacy with the government by showcasing the positive economic impact of refugee markets.

In Kakuma and Dadaab, UNHCR will work with the Turkana and Garissa County governments to continue the implementation of the Kalobeyi Integrated Socioeconomic Development Plan (KISED) and re-ignite the process for the finalization of the Draft Garissa Integrated Socio-Economic Development Plan 2019. In line with the Roadmap for Solutions, which is expected to lead to the 'settlement model' in Kenya, UNHCR will promote KISED as a model of good practice which can be replicated in Garissa (FY 2022/2023 -

2027/28). Similarly, UNHCR will work with the County government of Garissa to finalize and implement the draft Garissa Integrated Socioeconomic Development Plan (GISED) during the planning period. Cross-border coordination with Somalia will be strengthened to support skills transfer and labour mobility for voluntary repatriation beneficiaries, something which will hasten reintegration and economic inclusion of returnees in their country.

Following its corporate programming modality, the following principles will guide the implementation of UNHCR's livelihoods strategy:

Guiding Principles

- **Age, Gender, and Diversity Mainstreaming:** Implement UNHCR's AGDM approach to the selection of targeted PoCs, be it in financial inclusion, vocational training, business coaching, or new projects.
- **Protection and solutions:** Implement the programme with the view to providing protection and solutions to refugees and asylum seekers by addressing their socio-economic vulnerabilities.
- **Market systems approach:** Pursue a market-based approach to delivering services in line with UNHCR's Global Economic Inclusion Strategy 2019-2023, Minimum Economic Recovery Standards
- **Partnerships:** Work in partnership with the national and county governments, communities, the private sector, development, and humanitarian partners to develop a comprehensive inter-agency response that maximizes resources and complements all actors' contributions.
- **Participation:** Promote the participation of the community (host and refugees) in the economic inclusion process from design to evaluation. Adopt a community-based approach.
- **Equity, Inclusivity, and Integrity:** Promote a non-discriminatory approach through establishing a fair targeting system that takes into consideration Age, Gender, and Diversity mainstreaming (AGDM), holistic approach to provision of services, capacities, needs, opportunities and exit strategies, as well as impartiality and neutrality in targeting and service provision.
- **Sustainability:** Promote long-term programming, establish an M&E system (including a baseline), and build on existing programmes to ensure coherence and inclusivity. Adapt market and evidence-based approaches.
- **Innovation:** Adapt innovative approaches to facilitate the access to information/market and livelihoods opportunities.

- **Do No Harm:** Undertake actions and implement procedures and programmes in a way that does not place persons of concern at further risk of harm, directly or indirectly, including through unintended consequences.
- **Proactiveness and Flexibility:** Adopt flexible strategies to the programme that are tailored to the local context (economy, law, culture, market) while continuously advocating for reform changes.

Key Strategic Priorities

The programme will have five major areas of action/key strategic priorities:

Strategic Priority 1 – Promotion of an enabling environment for socio-economic integration of refugees and asylum seekers

Strategic Priority 2 – Facilitation of market-driven technical and entrepreneurial skill development

Strategic Priority 3 – Improvement of access to financial services

Strategic Priority 4 – Facilitation of investment in new & innovative value chains and economic sectors

Strategic Priority 5 – Improvement of livelihoods data and analytical systems

Strategic Priority 1

Promotion of an enabling environment for socio-economic integration of refugees and asylum seekers

Under this strategic priority, UNHCR will focus on advocacy for lifting the existing barriers that currently prevent the full socio-economic integration of refugees and asylum seekers in Kenya. It will work with all its partners to undertake the following key activities:

- Advocate to improve the legal and policy environment: Leverage opportunities presented in the Refugee Act 2021 and the draft Huduma Bill to increase access to work permits, KRA PINs, business licenses, driving licenses, refugee IDs, financial services, ownership of land and property, and freedom of movement.
- Develop a strategic communication and advocacy strategy in partnership with the Department of Refugee Services to sensitize government entities regarding the socio-economic rights of refugees and asylum seekers: disseminate information on the legal framework governing refugee issues to different government entities to ensure that

refugee identification documents are recognized and accepted by all government actors to enable optimum service delivery and access to national services, therefore enhancing access to livelihood and economic opportunities.

- Joint advocacy with ILO and other partners to expand the right to work and decent working conditions as well as facilitation of access to work permits and business licenses.
- Include refugees in County Integrated Development Plans (KISED, GISED).
- Advocate with development actors and government to include refugee-hosting areas in development aid strategies and national development plans.
- Advocate for refugee inclusion in existing services provided by the Government (i.e., Huduma and Biashara centres).

Implementation approach: Work in coalition with private sector, UN, NGOs, academic and research entities, and government institutions.

Strategic Priority 2

Facilitation of market-driven technical and entrepreneurial skill development

Under this priority, UNHCR will collaborate with its partners and donors to facilitate skills development and entrepreneurship amongst refugees, asylum seekers, and their host communities. Using a market-based approach, it will identify skills that are in demand and present potential for employment creation amongst UNHCR's persons of concern. It will target youth aged 15-35 including women and people with disabilities. The following key activities will be pursued:

- Undertake labour market assessments in collaboration with ILO and other partners to identify skills that are in demand and offer employment opportunities post-graduation
- Provide vocational skills trainings to refugee and host community members, including youth, women, and people with disabilities
- Provide entrepreneurship/business skills trainings and coaching to improve the capabilities of TVET graduates to form businesses and access self-employment opportunities
- Support refugees with certification and recognition of prior learning, in line with the Kenyan Government's Policy on Recognition of Prior Learning 2022

Implementation approach: Government of Kenya, Kenya National Chamber of Commerce and Industry, partners such as ILO/IFC, NRC, ITC, IRC, and MADE51 partners.

Strategic Priority 3

Improvement of access to financial services

This priority focuses on lifting existing financial and non-financial barriers so that refugees and their host communities can have better access to banking services and financial capital. It will focus on the implementation of the following key activities:

- Facilitate the expansion and availability of financial services in the Kakuma and Dadaab refugee markets (loans, savings, Islamic finance)
- Expand central bank regulations to include refugee ID in the banking system and Know-Your-Customer requirements (refugee ID acceptance, reporting requirements)
- Improve access to mobile banking services (e.g., M-PESA, Airtel Money, T-cash, etc)
- Support microfinance institutions, informal Savings and Loan Associations to provide savings and loan services to refugees and refugee-led businesses
- Build the capacity of the MFIs and informal Savings and Loan Associations
- Continue bilateral advocacy initiatives with different stakeholders from Government and private sector (e.g., Banks, Telecom Operators, GSMA, Central Bank of Kenya)

Implementation approach: Government of Kenya (Central Bank, Department of Refugee Services), Kakuma Kalobeyi Challenge Fund, Africa Entrepreneur Collective, ILO, KCB, Equity Bank, GSMA, Safaricom, UNHCR Partners

Strategic Priority 4

Facilitation of investment in new & innovative value chains and economic sectors

This priority focuses on identification of new and forward-looking economic sectors and value chains that hold notable potential for job creation for refugees and their host communities. Examples include digital economy, insect farming, app-based transportation, waste recycling, biogas, market-based water supply, amongst others. UNHCR will focus on facilitating investment by the private sector, multi-lateral development banks and other interested actors in such sectors. There is a recognition that a few of these sectors and value chains can offer employment opportunities while solving existing social and environmental problems in the refugee camps.

The following key activities will be implemented:

- Undertake market and value chain assessments to identify economic sectors, gauge employment potential, and ascertain market viability
- Facilitate market research efforts of operational partners and research institutions interested in scoping refugee markets and identifying investment opportunities
- Facilitate investment in new products and services with economic potential through UNHCR financial means, where appropriate, or investment by other partners and donors
- Advocate with the private sector to attract investments that will contribute to the economic growth of Kenya and create jobs for both Kenyans and refugees.
- Support the private sector with information on the market systems in refugee-hosting areas (supply, demand, financial service providers, etc). Advocate with different actors, e.g., World Bank, AfDB, KfW to attract private sector investments that will contribute to the economic growth of Kenya and create jobs for both Kenyans and refugees.
- Provide technical support to sub-county governments to conduct market needs assessments and to develop strategic plans for economic inclusion.
- Establish linkages with relevant ministries through the partnership with UN and development agencies (e.g., ILO, IFC and the Ministry of Labour).

Implementation approach: Partnership with ILO, World Bank, AfDB, IFC, FAO, County Governments, NGOs, Research Institutions, Private Sector.

Strategic Priority 5

Improvement of livelihoods data and analytical systems

In order to ensure sustainable livelihoods and promote economic inclusion, livelihoods programming should be data driven. Data collection will not be limited to skills and experience but also to documentation, socio-economic status including vulnerability and deprivation, qualifications, health, social networks, and geographic location. Having comprehensive data about refugees and their host communities will encourage the private sector to open new markets given the availability of a specific labour workforce.

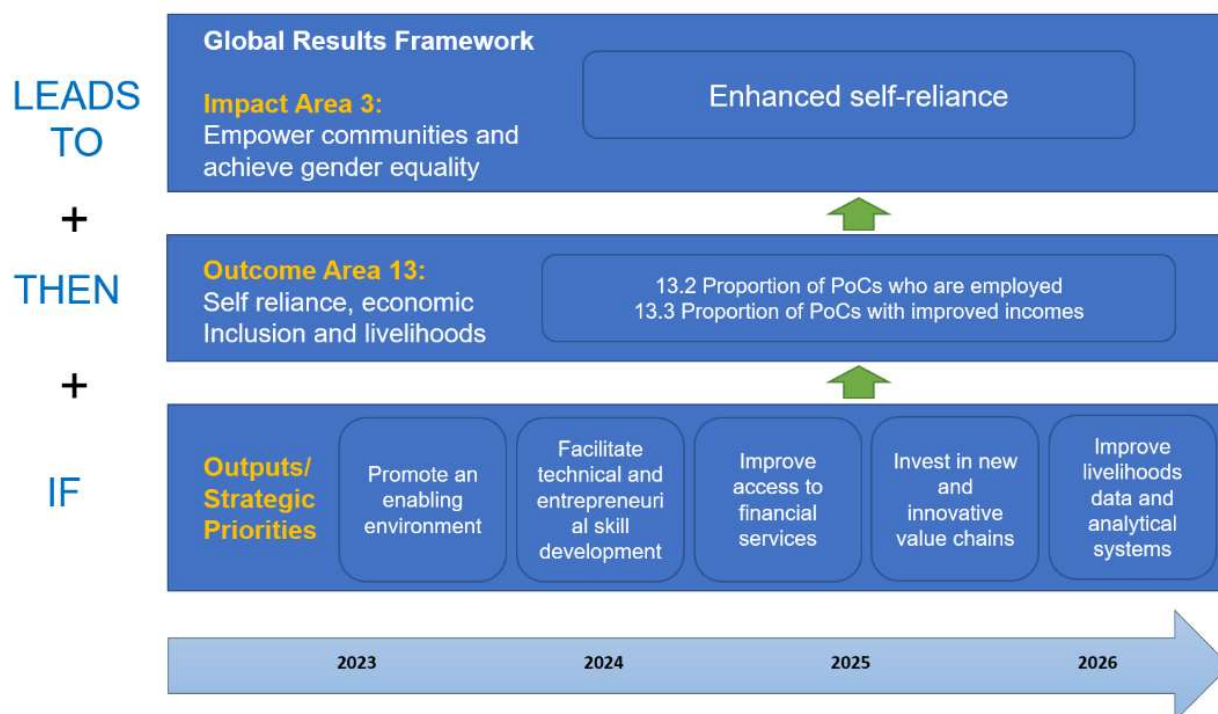
Therefore, UNHCR will undertake the following activities:

- Establish a livelihoods database linked to ProGres version 4.
- Conduct or follow up on socio-economic profiling jointly conducted by the World Bank in Kakuma and Nairobi of the refugee population.
- Conduct an asset mapping, including physical, social, human, and financial capital.

- Continue to advocate with the Government of Kenya to include refugees in national statistical surveys.
- Support and make use of internationally and locally produced empirical research of relevance to livelihood issues.
- Engage development agencies in including refugees in their programmes and in joint assessments given their expertise and access to financial resources.
- Establish a fair targeting system for livelihoods interventions based on capacities and opportunities aiming at providing solutions for refugees.
- Lobby with the relevant national and county government agencies to facilitate UNHCR's access to host community data in order to measure reach and impact concerning integration.

Implementation approach: Partnership with UNHCR-World Bank Joint Data Centre, Kenya Analytical Programme on Forced Displacement/World Bank, Improvement of data in ProGres database, Pilot data collection in livelihoods sector.

5. THEORY OF CHANGE AND RESULTS FRAMEWORK



6. ASSUMPTIONS AND RISKS

The overall assumptions for the programme are as follows:

- 1) The roadmap for solution leads to a shift from camp closure to integrated settlement model, thereby allowing UNHCR and its partners to continue to develop and implement livelihoods and economic inclusion programmes in the camps and urban areas
- 2) The political environment, in view of the upcoming elections in August 2022, will not change dramatically to the detriment of refugees and asylum seekers. The new government will continue to constructively engage in dialogue on refugee protection and solutions.
- 3) Refugees are allowed more freedom of movement, so that they can more easily conduct business activities
- 4) Refugees are allowed easier access to work permits, business licenses, driver licenses, documentation
- 5) Partners, including donors, government entities at national and local level, private sector, multilateral development banks, NGOs, and academic institutions remain committed to inclusion and self-reliance for refugees and their host communities
- 6) If there is a massive new influx of refugees and asylum seekers from neighbouring countries, livelihoods and economic inclusion will continue to be funded and prioritized

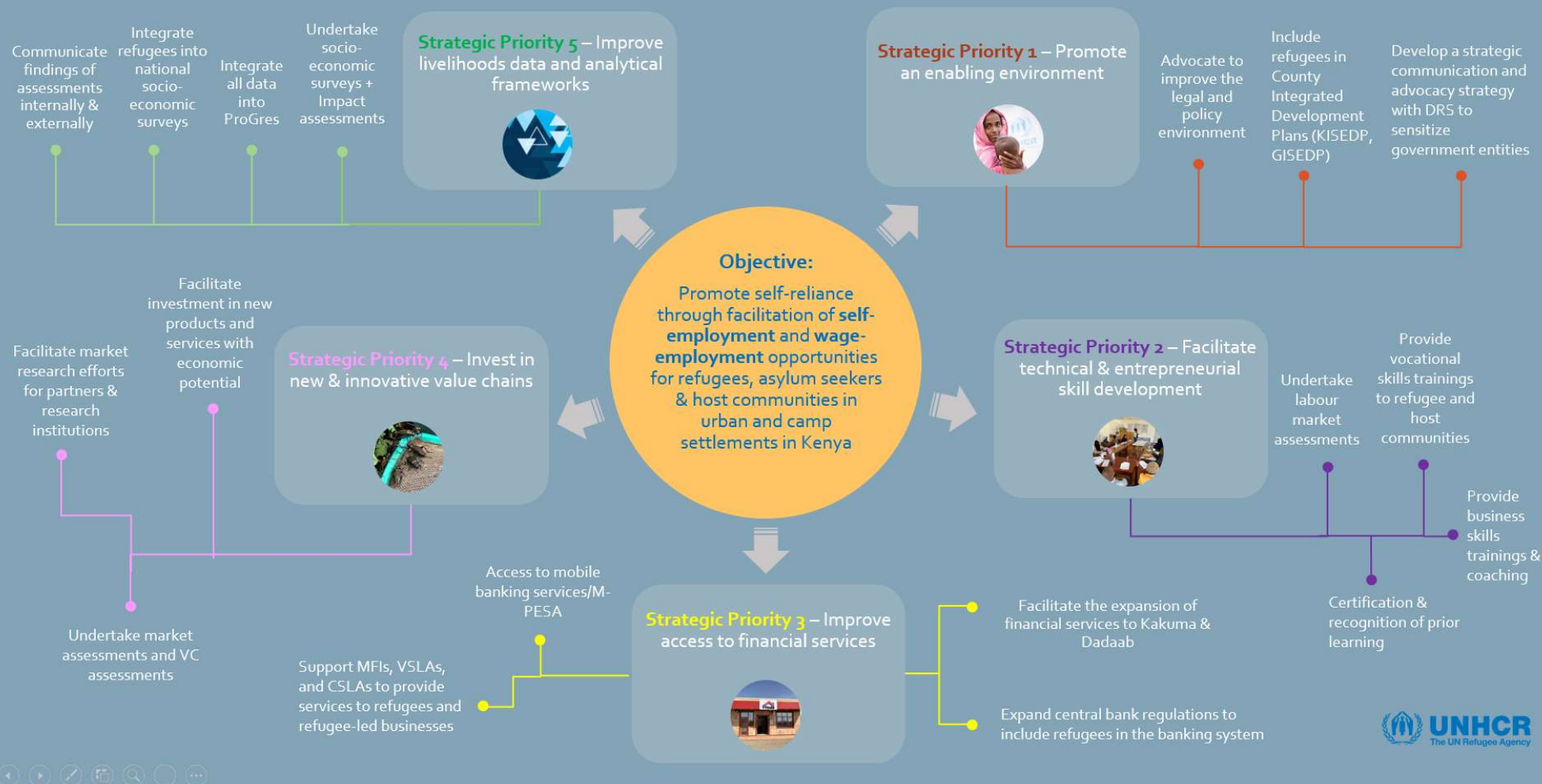
Top three risks envisaged during the planning period are as follows:

Risk	Likelihood	Impact	Response
The change of government after the August 2022 elections would further shrink the enabling environment for refugees and asylum seekers in Kenya	Medium	The new government would renew rhetoric on closure of the camps. Such a situation will constrict UNHCR's ability to develop and implement meaningful livelihoods project directly, or through its partners.	Invest in continued advocacy and sensitization of the new government regarding the positive impact of refugees on Kenya's economy as well as their socio-economic rights under the 2021 Refugee Act, the 1951 Refugee Convention and its 1967 Protocol, as well as the OAU Convention.
Conflict and insecurity in Ukraine, Ethiopia, South Sudan, and Somalia would divert resources and attention of the donor community away from refugee livelihoods in Kenya	High	Restrained ability to address socio-economic needs of PoCs in Kenya	Accept the risk, downsize livelihoods interventions, and implement critical activities related to advocacy for a better enabling environment for refugees and asylum seekers. Leverage private sector investment and expertise in developing livelihoods project and investing in refugee markets.
Lack of adequate resources, including staffing, and financial capital	Medium	Constricted capacity to effectively scale up livelihood interventions at country level. This situation will result in inadequate capacity to manage financial services, MADE51, data management and coordination outcomes, which will have a negative impact on ultimate programme delivery.	Recruit additional staffing for financial services and MADE51. Retain the current focal point for socio-economic data who is currently working on KAP-FD.

7. INFOGRAPHIC - LIVELIHOODS STRATEGY 2023-2026

UNHCR's Livelihoods Strategy 2023-2026 - Kenya

May 2022



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