

A Path to Self-Reliance for Displacement-Affected People

Summary Report on Economic Inclusion Barriers and Market Assessments in Kenya and South Sudan

This document is prepared for publication by Norwegian Refugee Council (NRC) for humanitarian and development professionals. It is a compilation to present the NRC's Economic Inclusion (EI) Framework that is a conceptual framework paving the pathway towards self-reliance for displacement-affected people, the pilot project funded by IKEA Foundation for testing this framework and developing an intervention model while collecting the evidence to what works, and the key assessment findings as the first phase of the pilot project.



Local market in Dadaab, Kenya. Photo: Samuel Hall/NRC

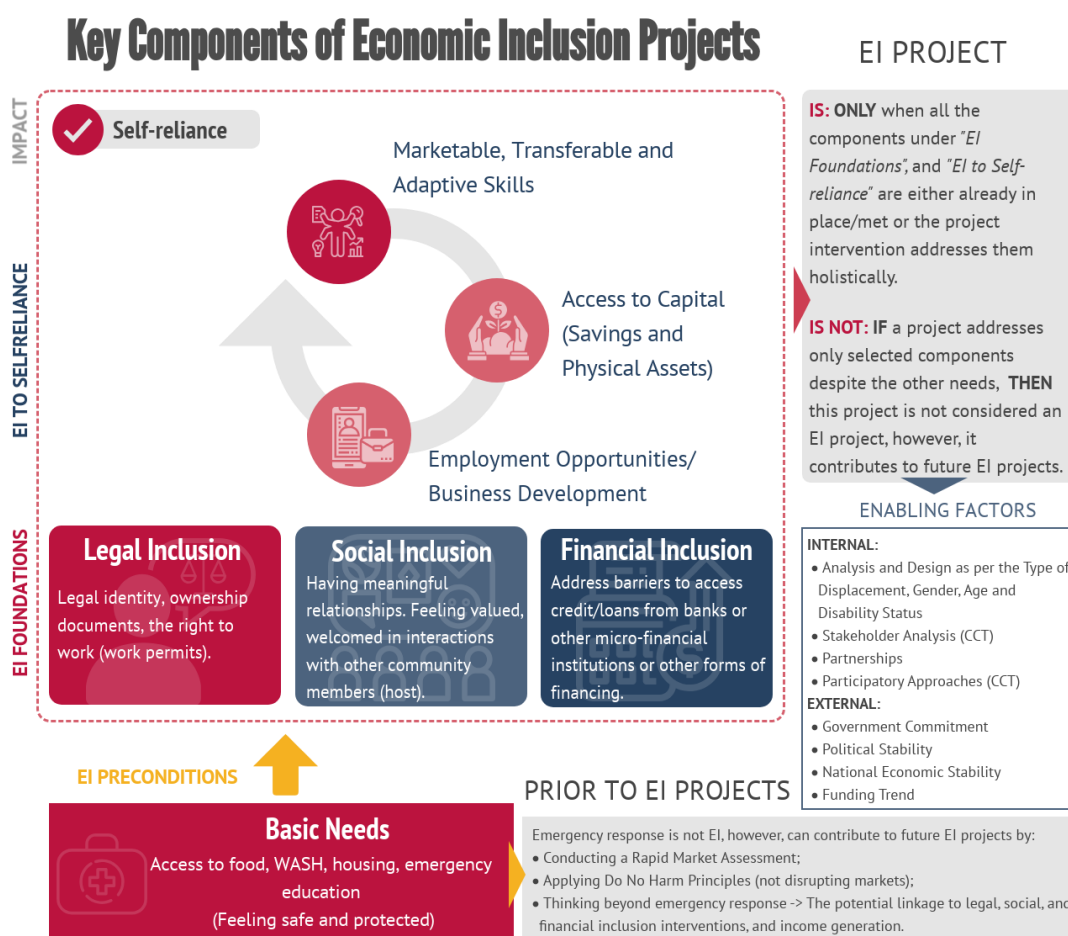
1. WHAT IS NRC'S ECONOMIC INCLUSION FRAMEWORK?

In the evolving landscape of prolonged global crises affecting over 100 million¹ forcibly displaced individuals, there is a growing imperative for humanitarian entities and donors to pivot toward cohesive and comprehensive strategies. The urgency to **unravel and harness the sustainable economic potential of refugees, internally displaced people (IDPs), and host communities toward self-reliance** is clear. Today's humanitarian system and responses are inadequate to address displaced people's medium to long-term needs. There is a need to shift away from short-term humanitarian

¹ <https://www.nrc.no/news/2023/may/nrc-and-the-ikea-foundation-partner-to-support-forcibly-displaced-people-on-the-road-to-self-reliance/>

strategies and funding that delivers basic assistance year-after-year to a system that better supports self-reliance and strengthens durable solutions. In this context, NRC is **testing an EI Framework, a practical pathway to support displaced populations move towards self-reliance**, that is preceded by a solid understanding of the EI barriers (i.e. legal, social, financial, capital, skills, and market linkages) displacement affected people face and addressing them holistically through tailored support packages with self-reliance as an end goal. EI approach is a cornerstone in advancing the agenda for sustainable solutions. Integrating displacement-affected communities into local economies through EI not only fosters income generation but also equips individuals with essential assets for successful (re)integration, return, or relocation. NRC's commitment to Durable Solutions (DS) and the 2030 global ambition of Self-Reliance positions EI as a strategic pathway in their efforts.

The EI Framework presented below, emphasizes a phased approach. The EI framework should be read from bottom up as it highlights the essential pre-conditions required before moving to building EI foundations and EI to Self-Reliance. Prior to designing EI projects, it is important to make sure the preconditions are fulfilled by addressing immediate needs during emergencies that enables target groups to survive. Then, the focus should shift to understanding the different barriers to EI and addressing the systemic and practical barriers that could cover both foundational activities and those that lead to self-reliance. EI leads to self-reliance when all the required components in each context are applied in a holistic manner managing the different barriers that are on the way.



While there may be similarities with other approaches, such as the Graduation Approach, the Graduation Approach specifically targets ultra-poor households, making it a potentially expensive program due to consumption support as part of the response for addressing the immediate needs response. On the other hand, what renders the EI Framework unique is its relevance to protracted crises and its focus on displacement-affected individuals whose basic needs are already met through other types of programming as part of the crucial humanitarian response covering consumption support by different actors including government, UN agencies, other NGOs, or even other projects of NRC itself. Additionally, the EI Approach incorporates addressing legal inclusion barriers as part of the response package rather than as referral only. Furthermore, EI adopts a dual approach by addressing practical barriers individuals face while concurrently working on adapting systems for sustainable solutions, utilizing existing institutions, training materials, functions, and having market linkages as an integrated part of the response.

2. THE ECONOMIC INCLUSION AS A PATHWAY TO SELF-RELIANCE – A PILOT PROJECT

Through *Economic Inclusion (EI) as a pathway to Self-Reliance project* in Kenya and South Sudan, the IKEA Foundation and Norwegian Refugee Council (NRC) are partnering to help forcibly displaced people and their host communities in Kenya and South Sudan to improve their livelihood and self-reliance. This 2-year project started in January 2023 and is being implemented in four phases: 1. Assessment, 2. Inception and 3. Project Implementation 4. Early evidence tracking.

This document presents the results of the assessment phase and summarizes the key findings that were extracted from a comprehensive report that is internally available. **The report provides a comprehensive overview of systemic and practical barriers faced by displaced populations and opportunities for self-reliance. The findings guided NRC in adapting the pilot project interventions** to address identified challenges and enhance economic inclusion for the self-reliance of displacement-affected people.

3. ASSESSMENTS CONDUCTED

As part of the Assessment phase (Jan-Sep 2023) of the project, through an external consultancy by Samuel Hall, two assessments were conducted with a dual focus, one to assess and surface the systemic and practical barriers that displacement-affected people face (the EI Barrier Assessment) and secondly, to highlight their opportunities to reach self-reliance (the Market Assessment). The **EI Barrier Assessment** focused on understanding the demographic profiles of the target group as well as barriers to legal, social, and financial inclusion as well as to marketable skills, access to capital and market linkage to employment/entrepreneurship. Whereas the **Market Assessment** was conducted to identify livelihood options/opportunities and gaps in the market. The findings from the EI Barriers Assessment informed the scoping of the Market Assessment.

Methodology: This research adopted a comprehensive mixed methodology, incorporating both quantitative and qualitative approaches. In addition to a thorough literature review on economic inclusion barriers and markets in the target locations, the study involved the collection of supplementary primary data. Qualitative research methods, such as key informant interviews, semi-structured interviews, and workshops, were employed to gather nuanced and context-specific insights, enriching the depth of the analysis. The research was conducted in Dadaab, Kenya with refugees and respective host community and Aweil, South Sudan with returnees and host communities. The table below summarizes the tools used and number of respondents.

Table 1: Overview of Research Tools

Research Tool	Target Group	Sample Size	Total
Economic inclusion barrier assessment			
Economic Inclusion Barrier Assessment Survey	Refugees, returnees, and host community members in Dadaab and Aweil	Aweil: 148 host community members, 497 returnees (645 total) Dadaab: 218 host community members, 409 refugees (627 total)	1,272
Market assessment			
Market Barrier Assessment Survey	Businesses (producers, processors, services)	Aweil: 19 host community members, 44 returnees; (63 total) Dadaab: 6 host community members, 37 refugees (43 total)	106
Key Informant Interviews (KIIs)	NRC staff, National Implementing Partners (national and local NGOs), Government Officials	Aweil: 6 KIIs Dadaab: 11 KIIs;	17
Focus Group Discussions	Consumers, Traders, Host Community Members; and Refugees (Dadaab), Returnees (Aweil)	Aweil: 4 FGDs Dadaab: 4 FGDs	8

The key findings are summarised below, starting with the EI Barrier Assessment, and proceeding with the Market Assessment findings.

3.1. Economic Inclusion Barrier Assessment Findings

3.1.1. Context

In the East Africa & Yemen (EA&Y) region, displacement is influenced by complex drivers, leading to vulnerabilities for refugees, IDPs, returnees, and hosts. In Dadaab, Kenya, the refugee complex accommodates over 339,000 refugees, mainly from Somalia. The camp, comprising four sites, faces challenges in access to basic services. While humanitarian support aids residents, 40% still struggle with food security. Host communities in Garissa County also contend with poverty, limited education access, and climate shocks affecting pastoralist livelihoods. In South Sudan, Aweil hosts over 100,000 returnees amidst economic challenges. The region, impacted by conflict and flooding, faces issues like high illiteracy rates and limited infrastructure. Economic pressures result from the gradual repopulation and market dynamics influenced by border closures with Sudan. The context underscores the complexity of returns in South Sudan, where social cohesion challenges and cyclical movements shape livelihood strategies. EI interventions must consider intricate power dynamics and market complexities for effective impact.

3.1.2. Demographic Data

Demographic data from the EI Barrier Assessment highlights distinct profiles in Aweil and Dadaab. Aweil comprises **77% returnees, 23% hosts**, with an average age of 37, and **91% women**; in Dadaab, **65% are refugees, 35% hosts**, with an average age of 41, and 65% women. Refugees in Dadaab have, on average, spent 11.4 years in the area, slightly more than Aweil returnees with 10.8 years. Aweil has 4% surveyed returnees in the area for 1-3 years. Some Dadaab refugees have been there since the camp's inception in 1991.

Regarding education, approximately **60% in both areas lack formal education**. Aweil has higher proportions with secondary (7%) and higher education (12%) than Dadaab. Women generally have lower education levels than men, warranting further exploration, especially given the low number of men surveyed in Aweil.

Basic needs assessments reveal higher food security in Aweil (78.6% Level 2) than in Dadaab (46% Level 3 Crisis), with longer food shortages in Dadaab. Access to **services** varies among age groups and locations. In Aweil, younger individuals (18-24) have the least access, and women report limited access to water and healthcare. In Dadaab, those aged 25-34 have the least access, with women (10%) reporting limited access, though less pronounced than in Aweil.

Infrastructure challenges include insufficient **transport** in Aweil, hindering market activities. Civil war in Sudan affects goods' availability and prices. **Water supply** issues impact both areas, affecting various activities like home gardens, crop farming, and poultry raising. Limited irrigation exacerbates water scarcity.

Both locations lack reliable **electricity and internet** access. In Dadaab, reliance on generators limits study hours; internet challenges affect freelancers, potential business owners, and jobless youth. In an inflationary context, **infrastructural barriers**

contribute to rising prices (40-50%) of essential goods. Poultry farmers face challenges using grain meant for human consumption as chicken feed.

3.1.3. EI Foundations - Legal Inclusion Barriers

The identified legal barriers highlight the challenges faced by communities in Aweil and Dadaab, emphasizing the necessity for targeted strategies to enhance legal inclusion and economic participation. The findings show significant legal obstacles exist in both countries, with difficulties obtaining national identity cards, work permits, and business licenses. In both locations, 95% of respondents are unable to get a business licence, whereas 70% of respondents experience movement restrictions.

Legal Barriers in Dadaab:

- About **73%** of refugees **lacked formal registration**. Somali refugees faced this challenge more (86%) than Ethiopian refugees (62%).
- Refugees faced obstacles like lack of formal registration, limited mobility, and the inability to obtain work permits. While hosts faced barriers to business licenses, mainly due to financial limitations.
- **96%** of refugees cannot obtain **work permits in Kenya**, despite the 2021 Kenya Refugee Act.
- The encampment nature led to **informal market dynamics**. Refugee entrepreneurs navigated movement restrictions by paying camp guards and host community members. Local authorities and communities condoned unauthorized businesses due to mutual benefits.
- Refugees were not allowed to own land outside camps, limiting farming and agriculture businesses. Uncertainty about **land tenure** and restrictions hindered business development. Business owners paid taxes without representation.
- There was a **risk of elite capture** as powerful refugee entrepreneurs gained control over markets. Institutionalized informal practices presented challenges to establishing formal market systems in and out of refugee camps.

Legal Barriers in Aweil:

- Returnees in Aweil **lacked documentation, access to land**, facing **language barriers**, and **education incompatibility**. National ID cards and higher education certificates were often required for jobs, making it more difficult for them to access due to the lack of documentation or recognition of the documents.
- **Limited mobility** due to insecurity/gatekeepers.
- Hosts in Aweil faced fewer legal barriers than returnees but cited **capital and asset constraints** for obtaining business licenses.

3.1.4. EI Foundations - Social Inclusion Barriers

The findings underscore the crucial need to address perceptions and trust issues for enhancing social inclusion and community engagement, especially within economic inclusion initiatives. Economic disparities between displaced populations and host communities are evident in both Aweil and Dadaab. Notably, Dadaab exhibits high trust levels in community leaders and NGOs, while Aweil experiences low trust in authorities.

Social connections and trust are identified as pivotal for business sustainability in both locations, with movement restrictions in Dadaab posing obstacles to social and market integration. Aweil faces additional challenges, with discrimination by foreign traders against local traders adversely affecting social cohesion.

Social Barriers in Dadaab:

- **Integration Challenges:** Limited social inclusion and integration persist between refugees and local populations in Dadaab, with Somali refugees facing particular difficulties. Frustration arises from disparities in wages for similar work between refugees and hosts.
- **Ambiguous Host-Refugee Nexus:** The host-refugee relationship in Dadaab is intricate, centred around the camp's economic activities. Host communities may feel slighted due to perceived preferences of aid organizations for refugees.
- **Trust in Representatives:** Compared to Aweil, Dadaab exhibits higher levels of trust. Refugees in Dadaab feel more heard by community leaders, and hosts report elevated trust levels in various actors and institutions.
- **Trust in INGOs:** Trust levels in International Non-Governmental Organizations (INGOs) are higher in both locations. In Dadaab, 73% of refugees and 80% of hosts express "complete" or "a lot" of trust in INGOs.

Social Barriers in Aweil:

- **Trust in Representatives:** Trust in community leaders, government officials, and the justice system emerges as a significant social barrier in Aweil. **Over half** of hosts and returnees report having little or no trust in community leaders.
- **Community Engagement:** Community engagement in Aweil shows distinctive features, with returnees more likely to participate in community work and have children playing with members of the host community compared to refugees in Dadaab.

3.1.5. EI Foundations - Financial Inclusion Barriers

In both locations, common financial barriers encompassed the lack of access to formal financial services, information gaps, insufficient assets, digital illiteracy, and limited trust in financial institutions. Almost all respondents (**92-99%**) in both Dadaab and Aweil **lacked access to formal financial services**. Over **80%** of respondents **lack** any form of savings.

Financial Barriers in Dadaab:

- Limited access due to **high interest rates** in financial services, coupled with **digital illiteracy**.
- The **lack of assets** to open a bank account and missing information on the process were also reported as the main obstacles to accessing formal financial services for refugees and hosts.
- Around **1 out of 2** respondents in Dadaab are interested in accessing financial services.
- Most of those surveyed used cash only, and stored savings at home.

- Refugees were more likely to **rely on credits from friends and family** members, while the host community tends to rely on bank accounts held by friends or family members.
- The **lack of Sharia-compliant loans** was also a barrier for religious beliefs.

Financial Barriers in Aweil:

- Primary barriers included **asset shortages and informational gaps**.
- Prevalent **distrust in financial institutions**, linked to prior local banking system bankruptcies.
- Challenges for traders and business owners in **accessing loans**, leading to reliance on informal sources.
- Around **1 in 3** respondents are interested in accessing financial services.
- Most of those surveyed in used cash only and stored savings at home.
- Availability of digital financial services hindered by **insufficient funds for smartphones and digital skills gaps**.

3.1.6. EI to Self-Reliance - Skills Barriers

The findings underscore the necessity for targeted skills training aligned with local market demands and the diverse needs of both host and displaced communities. The assessment scrutinized skills barriers in Aweil and Dadaab, revealing significant common challenges with majority lacking the technical training and access to education/training, skills recognition, and confidence in applying acquired skills. More than **50% never had a technical training**, and those who did the qualification was not recognized. Language barrier was prevalent in both locations too.

Skills Barriers in Dadaab:

- Refugees in Dadaab faced barriers like lack of documentation and recognized previous education for accessing education and technical training. Hosts faced challenges due to insufficient marketable, transferable, and adaptable skills.
- 84% of refugees with technical training lacked confidence in applying acquired knowledge, attributed to various factors. Hosts were comparatively more confident but still expressed concerns.
- Refugee traders emphasized the need for management, communication, and financial skills.

Skills Barriers in Aweil:

- Limited access to technical training was the primary skills barrier in Aweil.
- Challenges for youth seeking specialized and marketable skills, hindering enrolment and labour market access.
- Job seekers found it challenging to meet experience and specialization criteria, impacting employment prospects.

3.1.7. EI to Self-Reliance - Capital Barriers

Assessing the capital barriers uncovered challenges in savings, property ownership, assets, land access, income sources, and remittances. Overall, both locations faced capital barriers to entrepreneurship and economic inclusion, underscoring the need for

tailored interventions addressing savings, property ownership, and access to resources for diverse communities in Aweil and Dadaab.

Capital Barriers in Dadaab:

- Refugees face difficulties due to a lack of savings, limited access to land, and heavy reliance on international aid.
- 90% of refugees do not have access to land. Hosts are more likely to have access to land with 58% of them having access in Dadaab.
- Hosts exhibit higher savings compared to refugees, who rely on family investments and find aid support insufficient.
- Challenges in business ownership include a lack of electricity and essential farming equipment.
- Low wages and high inflation rates compound capital barriers for refugees.

Capital Barriers in Aweil:

- Limited assets, primarily household furnishings, pose challenges.
- Lack of savings and inadequate documentation hinder property transactions.
- Restricted access to land and livestock impacts economic opportunities. 26% of returnees in Aweil do not have access to land. Hosts are more likely to have access to land with 86% of them having access in Aweil.
- Both hosts and returnees rely on wages from casual daily work or agriculture / fishing / herding, and unable to have sustainable business due to insufficient capital.
- High costs and low wages prevent capital accumulation for business expenses.

3.1.8. EI to Self-Reliance - Market Linkage (Employment/Business) Barriers

Assessing the barriers of market linkage to employment and business in Aweil and Dadaab, revealed similar challenges across both locations for hosts, returnees, and refugees while also confirming the barriers identified above. The unemployment rates are quite high in both locations and are primarily linked to the lack of skills, lack of capital and financial resources.

Market Linkage Barriers in Dadaab:

- **Unemployment** rates in Dadaab are reported at **83%** for hosts and **72%** for refugees. A significant portion (25%) of refugees in Dadaab left their previous jobs due to displacement.
- Lack of regulation and authority is highlighted as an employment and market barrier by respondents in Dadaab. Despite that there is no authority or decision-maker who represents business owners in Dadaab, still business owners have to pay taxes to the Kenyan government. At present, there is no regulation of poultry farming business and small-scale agriculture does not require licensing.
- Structural challenges due to geographic and socioeconomic barriers, **including the isolation of Ifo camp and limited interactions with the rest of the country.**

Market Linkage Barriers in Aweil:

- **Unemployment** rates in Aweil are reported at **51.4%** for hosts and **51.5%** for returnees.
- Both hosts and returnees in Aweil attribute unemployment to **shortage of job opportunities**, insufficient work experience and **limited networking**.
- In Aweil, almost 50% of individuals face work challenges such as low wages and extended working hours.
- Retailers face challenges maintaining or expanding businesses due to a lack of capital and unique aspects of the South Sudan market.
- In Aweil, wholesalers often sell directly to consumers, hindering smaller businesses from making a profit and entering the market effectively.
- Saturated business sectors, including tea-making, porridge-making, and restaurants, struggle with customer demand and increasing prices.
- Key employment and market barriers in Aweil include a lack of access to technical training and education at the local level for both hosts and returnees.
- Inability to speak the local language is identified as a barrier to enrolling in schools, training programs, or securing employment in Aweil.
- Success drivers align with Aweil, emphasizing client relationships, social networks, and **securing a good business location**.

Finally, the field research conducted in both locations confirms that: 1) the consequences of climate change (floods, drought); 2) the political and security context, have an aggravating effect on the barriers already considered. In Aweil as in Dadaab, where women and children often make up 75 to 80% of the communities studied (refugees or returnees), women often play the role of care givers and income generators, while often being more victims of socio-cultural barriers, which exposes them to certain vulnerabilities (legal, social, economic, financial but also in terms of access to qualifications, training and the job market.

3.2. Economic Inclusion Barrier Assessment Findings

The EI assessment besides identifying barriers elaborated above also gathered key information on the target group's livelihood interests and market relevance, based on which, a shortlist of 20 livelihood options was tailored to Dadaab and Aweil. Aligning with the EI NRC framework, political and climatic variables were considered for prioritization. Moreover, two workshops were also organised to discuss relevant scoring criteria and prioritization for selection of livelihood options for each location. Through triangulation of market data and interviews, three priority livelihood options were identified for each country for in-depth analysis.

- The preferred livelihood options in Aweil were selected: crop production, livestock, and hairdressing in Aweil; while crop production, poultry, and hospitality in Dadaab.
- Common barriers to business creation/expansion include lack of capital and financing options.
- Context-specific challenges include water scarcity, electricity issues, internet access, and climate concerns.

For the Market Assessment then a total of 106 additional in-depth interviews were conducted with different market actors (63 in Aweil, 43 in Dadaab).

3.2.1. Overall Market Assessment Findings

The findings provide insights into the predominant employment sectors, gender-specific work patterns, unemployment rates, self-employment trends, and income disparities between host and displaced populations in Aweil, South Sudan, and Dadaab, Kenya.

Approximately **80% of respondents** in both Dadaab and Aweil reported **receiving income on a daily basis**. In Dadaab, **host communities** reported a median **daily income** of 500 KES (**\$3.62**), while **refugees** reported a lower median of 200 KES (**\$1.45**). Conversely, in Aweil, both **host communities** and **returnees** reported similar median daily incomes, with hosts earning 1,200 SSPs (**\$9.21**) and returnees earning 1,000 SSPs (**\$7.68**). However, across both locations, **displacement-affected individuals exhibited higher variability in daily income earnings compared to host communities**. The international poverty line, set by the World Bank, is approximately \$1.90 per day per person, indicating that refugees in Dadaab live way below the poverty line. This income disparity highlights the economic vulnerability faced by refugee households in Dadaab compared to hosts and counterparts in Aweil.

Overall Market Assessment in Dadaab:

- **Main Employment Sectors:** Unskilled activities, with hosts engaged in unskilled trading (47%) and refugees in unskilled trading and work (76%).
- **Gender-specific Engagement:** Women mainly work in small shops; men engaged in manual activities and craftworks.
- **Unemployment Rates:** Higher in Dadaab compared to Aweil, with 83% unemployment for hosts and 71.8% for refugees.
- **Income Disparities:** Hosts earned 2.5 times more than refugees on average. Hosts in Dadaab are more optimistic about income stability compared to hosts in Aweil.

Overall Market Assessment in Aweil:

- **Main Employment Sectors:** Agriculture (45-59%), Unskilled work (day labourers, porters, waste collection, transport labourer, shoe shining), Trade (hawking, street trade, small shops, etc.).
- **Gender-specific Engagement:** Both women and men engaged in agriculture (60% and 45% respectively). 45% of women employed as daily labourers or traders in small shops.
- **Unemployment Rates:** Similar between host and returnee populations, with around half of the respondents not working.
- **Income Disparities:** Hosts earned around 20% more than returnees on average. Both hosts and returnees received income daily.

3.2.2. Livelihood Options Findings

Livelihood Option Findings in Dadaab

Traders in Dadaab engage in selling at **local markets**, with some venturing to other locations, while refugee traders source goods from host communities and international agencies. Regarding consumer satisfaction, hosts express contentment with availability and prices, while refugees face restrictions, expressing dissatisfaction with **prices and the availability of goods**. Various actors participate in the market, including farmers, transporters, wholesale traders, butchers, retail shops, and customers; aid agencies contribute by providing water and internet services. Transportation challenges are evident, with the use of boda-boda, lorries, and donkey carts, but obstacles arise due to high fuel costs, poor roads, and seasonal accessibility. Over the past five years, market dynamics have witnessed fluctuations in suppliers influenced by environmental conditions such as drought, inflation, cholera outbreaks, and restrictions affecting market participation. Business relationships play a central role, relying on connections through friends, family, and social media, fostering trust-based transactions.

Promising sectors include crops, livestock, and hospitality, with identified common challenges such as legal, social, and financial inclusion barriers, transportation issues, and dependence on relationships. Despite these challenges, there are opportunities for growth, fuelled by increased demand and evolving market dynamics, particularly in crop production and hospitality.

Crop Production:

- **Main Crops:** Drought-resistant crops; tomatoes, sukuma, watermelon, potatoes, onions, green pepper, banana, mango, lemons, maize, millet, sorghum, okra, spinach.
- **Value Chain:** Involves farmers, suppliers, traders, and transporters.
- **Challenges:** Limited land for refugees, lack of legal integration, social and financial inclusion barriers, skills gaps, and capital limitations.
- **Opportunities:** Strong demand, potential for expansion, demand for food in neighbouring cities.

Poultry Farming:

- **Products:** Poultry and eggs.
- **Challenges:** Legal barriers to movement, social and financial inclusion challenges, lack of skills and capital, insufficient water, transportation costs, and disease outbreaks.
- **Opportunities:** Increased demand, potential for expansion, considerations for business growth.

Hospitality/Catering:

- **Products:** Cooked food - rice, maize, chicken, eggs, tea.
- **Challenges:** Legal, social, financial inclusion barriers, lack of skills, limited capital, high costs of ingredients, reduced customers during the rainy season, and security concerns.
- **Opportunities:** Strong demand, potential for business expansion, increase in profit, customers, sales, and employment.

Livelihood Option Findings in Aweil

In Aweil, the findings highlight challenges faced by different livelihood options in Aweil, including market access issues, dissatisfaction with prices and product availability, and the need for external support for growth and sustainability.

The **market access** is facilitated through key locations such as Aweil Main Market, Apada traders/retailers, wholesalers in Aweil Main Market, and the border market in Kirr Adem. However, market dynamics are affected by transportation challenges, high prices, and seasonal inaccessibility. Consumer dissatisfaction arises from reported issues such as **high prices, hoarding by traders, and unavailability of various products**, compounded by a lack of wholesalers contributing to price increases. Aweil markets face challenges due to shortages in imported goods from the civil war in Sudan, and their operations rely on trust and cooperation rather than formal contracts. Discrimination from foreign traders toward local residents is noted. Over the past five years, there has been an overall decrease in customer demand due to rising prices and limited job opportunities, leading some traders to cope with economic difficulties by resorting to farming.

Crop Production:

- Identified crops include rice, sorghum, okra, groundnuts, and beans.
- Challenges include market saturation, increased input prices, transportation costs, floods, droughts, and pests.

Livestock:

- Cattle, goats, and honey are sold; goats and sheep considered most valuable.
- High transportation costs, unreliability of roads, financial, skills, and capital barriers.
- Difficulty in selling products; limited savings and reinvestment in businesses.
- **Market Opportunities** - Limited market saturation in the livestock sector. Opportunities to buy from suppliers in neighbouring countries with more capital and financial support.

Hairdressing/Beauty Salons:

- Majority reported increased customers, sales, or profit in the past year.
- Majority operate out of homes; customers pay in cash.
- Challenges include seasonal fluctuations, high input costs, and difficulty in providing services during the rainy season. Also, majority consider their businesses unsuccessful despite positive indicators.
- **Market Opportunities** - Hairdressing seen as a promising livelihood, especially for women. Predictions of future growth require external support in equipment, capital, and financial aid.

3.3. Conclusions

The findings reveal critical barriers across legal, social, financial, skills, capital, and market linkage dimensions in both Aweil and Dadaab, emphasizing the need for targeted interventions. Significant **legal** barriers, including challenges in obtaining

national identity cards, work permits, and business licenses, were identified in both locations. The encampment nature in Dadaab led to informal market dynamics, and there was a risk of elite capture. In Aweil, returnees faced obstacles accessing land, and legal barriers were common due to insecurity and gatekeepers. In **social** inclusion, trust issues and economic disparities between displaced populations and hosts are evident. **Financial** barriers encompass the lack of access to formal services, high interest rates, digital illiteracy, and trust issues. **Skills** barriers underscore the necessity for targeted training aligned with market demands, with both locations facing common challenges. **Capital** barriers, such as limited assets and inadequate savings, hinder entrepreneurship. **Market** linkage barriers highlight high unemployment rates linked to skill and capital deficiencies, with specific challenges in market dynamics and saturation. Additionally, climate change and the political and security context aggravate these barriers, impacting vulnerable groups, particularly women and children.

The market assessment findings present a nuanced understanding of economic activities in Aweil and Dadaab. In Aweil, where crop production, livestock, and hairdressing were identified as preferred livelihood options, challenges such as market saturation, transportation costs, and discrimination from foreign traders were noted. Dadaab's market dynamics, encompassing crop production, poultry farming, and hospitality, revealed fluctuations influenced by environmental conditions and transportation challenges. While crop production faces obstacles like legal barriers and limited land for both refugees and returnees, there are opportunities driven by strong demand and potential expansion. Similarly other options were found to have potential for growth and expansion. Overall, the findings highlight the need for targeted interventions addressing specific challenges while recognizing the potential for economic growth and self-reliance in these diverse communities.

3.4. Assessment Recommendations

In both South Sudan and Kenya, the following recommendations build on existing efforts and address additional challenges identified through the assessment.

Aweil: Traders and consumers in Aweil employ various strategies, with a focus on agriculture due to limited capital. Recommendations include skills training, legal documentation facilitation, market regulation advocacy, acknowledging local market complexity, promoting agricultural value chains, supporting women's entrepreneurship, and strengthening digital economic inclusion.

1. Enhance economic opportunities through the development of skills training for various livelihood options, including the digital skills.
2. Facilitate streamlined legal documentation processes and continue Information, Counselling and Legal Assistance (ICLA) for women and children, ensuring comprehensive assistance for legal inclusion and support.
3. Advocate for market regulation while acknowledging the local market complexity.

4. Promote and support the development of holistic agricultural value chains, fostering comprehensive growth and sustainability.
5. Foster job market access for women.
6. Train public servants to support returnees effectively.

Dadaab: Interviewees in Dadaab, engaged in crop production, poultry farming, and hospitality, outlined strategies for market improvement. Additional recommendations address challenges in electricity access, market integration, and the need for further support for farmers.

1. Collaborate with informal networks for mutual support.
2. Provide loans and financial services to minimize barriers and systematize cooperation with financial service providers, refugee-led and locally-led organizations.
3. Establish links with private sector players to enhance digital skills, improve overall skills training in business and entrepreneurship, and strengthen safeguards in digital work environments.
4. Develop climate-adaptive farming practices.
5. Favor educational inclusion and certifications.
6. Generalize integrated support connecting skills training with services.
7. Advocate for the implementation of the 2021 Refugee Act.

4. WHAT'S NEXT: PAVING THE PATH TO SELF-RELIANCE

This Economic Inclusion project isn't just a pilot; it's an upgrade. It is not merely assessing barriers; it is sculpting the blueprint for the displacement-affected population's journey toward self-reliance. This publication marks the conclusion of the assessment phase, setting the stage for action.

As we dive into project implementation, we are not just rolling out interventions; we are crafting evidence. We are deciphering what works and what does not. It's not just about NRC's programs; it's about advancing the entire humanitarian response. We're not just building evidence; we're fuelling collaboration, and a future where economic inclusion is not a challenge but a success story. Join us on this transformative journey!

5. WANT TO LEARN MORE?

For further inquiries and additional information, please do not hesitate to contact Shpresa Osmani, NRC's Global Economic Inclusion Project Manager, at shpresa.osmani@nrc.no. Your queries and interest in NRC's Economic Inclusion Framework and pilot project are highly welcomed.