Kakuma & Kalobeyei Economic Integration

UNHCR
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Overview- Kakuma & Kalobeyei

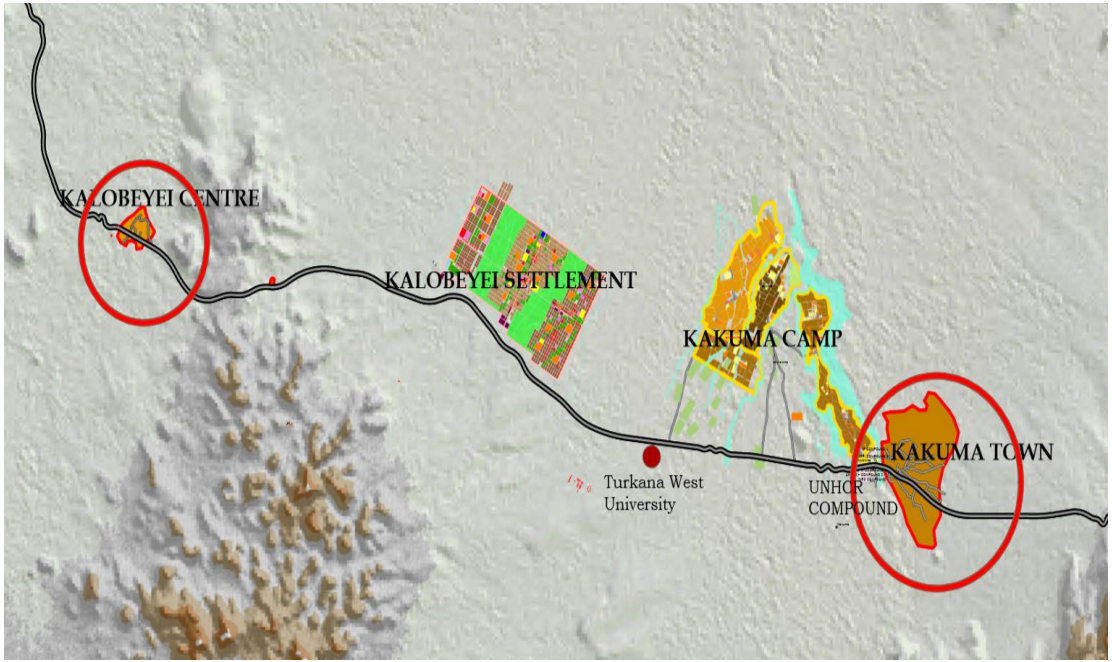
Refugee Population

198,146
As of 31 Oct 2020

5,008
New arrivals in 2020

Partnerships

- 10 UN Agencies
- 30 local & International NGOs
- National and County Government
- Private Sector



Local Population

Turkana County 926,976 (National Census 2019)
Turkana West Sub County 239,627 (National Census 2019)
Kakuma Ward 33,539 (National Government CDF Board)
Kalobeyei Ward 17,624 (National Government CDF Board)

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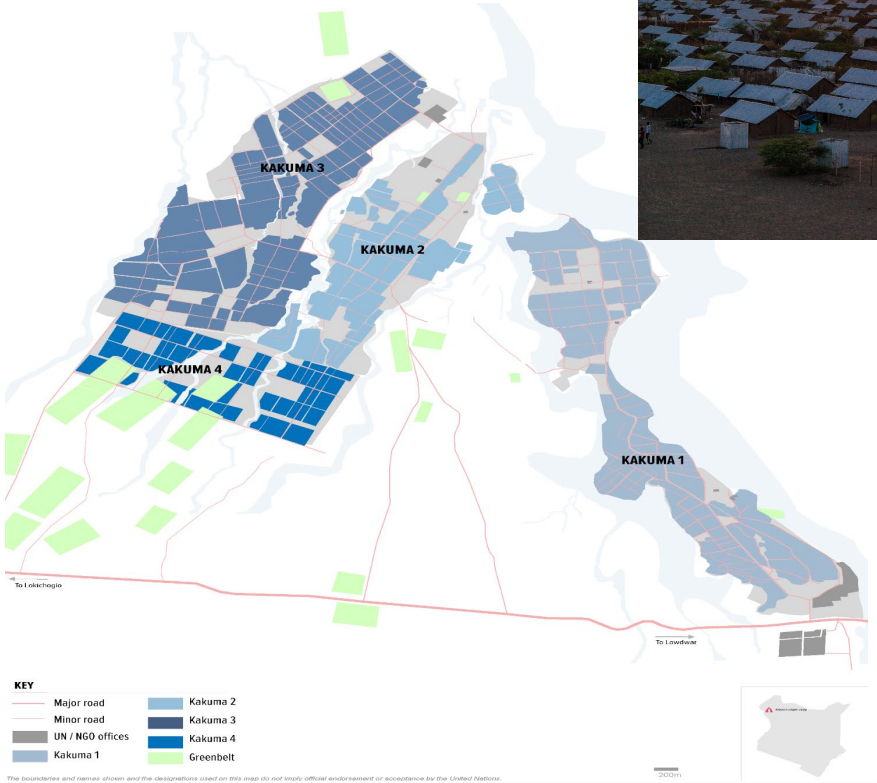
Kakuma Camps Profile

Country of Origin	Kakuma
Total	**157,718**
Somalia	34,998
South Sudan	84,092
DR Congo	12,578
Ethiopia	5,477
Burundi	9,126
Sudan	9,476
Uganda	1,205
Eritrea	34
Rwanda	625
Other	107



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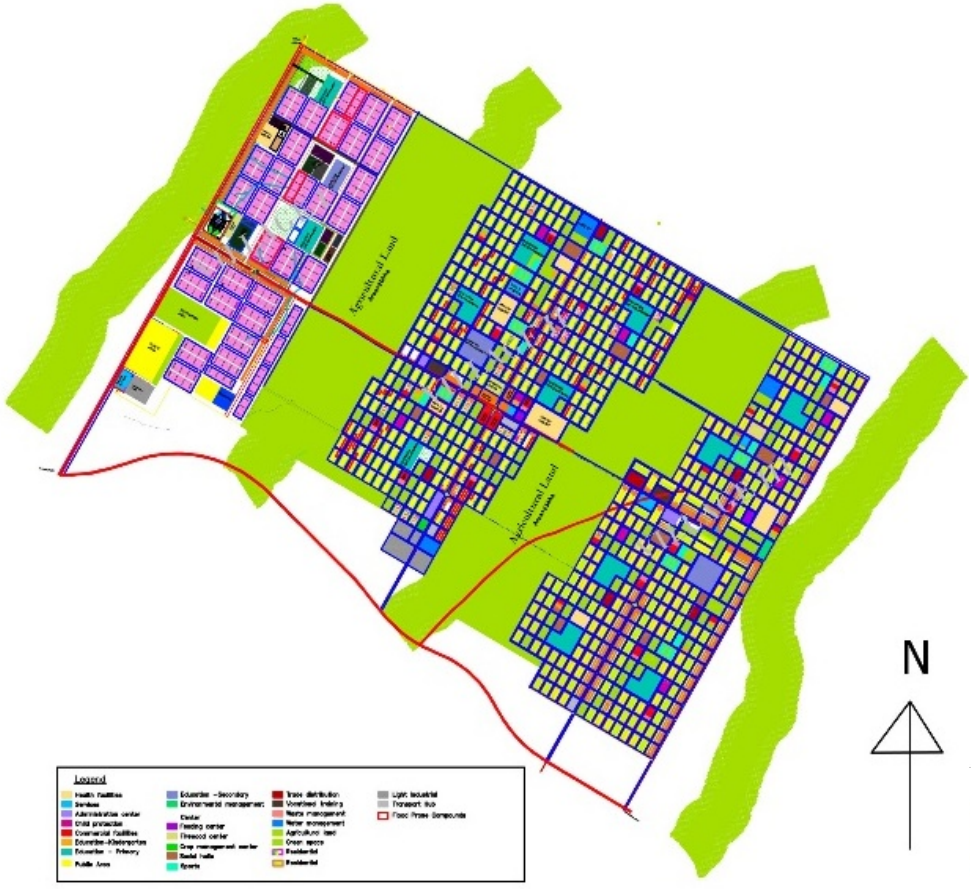
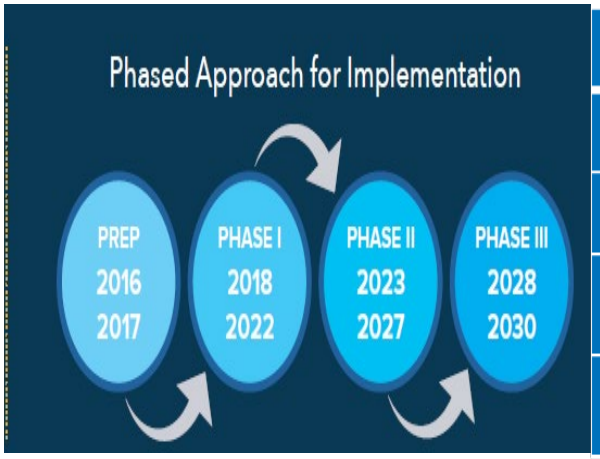
Kalobeyei Settlement Profile

Country of Origin	Kalobeyei
Total	39,623
Somalia	103
South Sudan	29,446
DR Congo	1,465
Ethiopia	4,967
Burundi	2,744
Sudan	354
Uganda	439
Eritrea	1
Rwanda	63
Other	41



Kalobeyei Integrated Socio-Economic Development Plan (KISEDP)

See KISEDP Plan and Progress Report for details and potential areas of investment. Available at: https://www.unhcr.org/ke/kisedp-2



KISEDP COMPONENTS	
1. Health	2. Education
3. Water, Sanitation	4. Protection
5. Infrastructure & Spatial planning	6. Agriculture & Livestock
7. Sustainable Energy Solutions	8. Private Sector & Entrepreneurship

Objectives

1. Create enabling economic environment for private sector and financial services
2. Invest in basic socio-economic infrastructure – enhance and inclusive service delivery
3. Enhance financial inclusion to increase self-reliance and reduce poverty
4. Higher, specialized education and support market- driver capabilities to build local economy

- Government-led
- Area-based approach
- Community-centered
- Market-driven
- Sustainability-focus

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Overall economic integration environment

1. **Supporting and enabling County Government**
   - KISEDP - led by Turkana County Government
   - Increasing engagement with Kenya Chambers of Commerce and Industry- Turkana Chapter
   - LAPSSET Corridor connecting Nairobi and other major cities with Kakuma and Kalobeyei
   - installation of fiber optic cabling across major towns

2. **Municipality Status**: Kakuma Municipality Status under formalization – urbanization plans underway

3. **Onsite Biashara/Huduma Center:** Under preparation for business licenses, permits, registration services

4. **CASH and Banking Services:**
   - Equity Bank and Kenya Commercial Bank - **46,000 bank accounts** for refugees in Kalobeyei & Kakuma
   - Village Savings and Loan Association (VSLA) - affordable credit access to local entrepreneurs.
   - Increasing cash interventions - raising purchasing power and circulation of cash in the local economy.

Overall economic integration environment

5. **Over 2,500 small local business** with 2.4m KES revenue collected by County Government in 2020; 3m KES in 2019- (drop due to covid). Number of private sector companies growing

6. **Agri-business:** Commercialization of production from horticulture/agriculture

7. **Energy:** Business and households are increasingly being connected to sustainable energy including solarizing boreholes, medical facilities and public centre. 2 Refugee owned private companies- Yelele Limited (Kalobeyei) & Okapi Green (20 kWp) (Kakuma)

8. **Infrastructure:** large projects (dams, university, stadium) hiring of local labour and using local supply markets

9. **Barriers:** informal vs formal economy, limited job market and opportunities and access to these, low literacy level, impact of Covid

KISEDP Component - Private Sector and Entrepreneurship

Approaches:

a) **livelihoods graduation approach** creating a clear pathway towards livelihoods improvement and ultimately, self-reliance of refugee and host communities.

b) **Market-based approaches**

c) **Skill Development: 7 Technical and Vocational Education and Training (TVET) Centres**, offering accredited and professional learning in:

- accounting and management
- finance and digital literacy, entrepreneurship,
- masons, plumbers, electricians, mechanics and drivers;
- Upskilling by **Toyota and L'Oréal**
- Internship opportunities, apprenticeship programmes

KISEDP Component - Private Sector and Entrepreneurship

d) Small business support

- **2,500** small business: retail, fresh produce, fashion and design, Covid masks, creative films, soap manufacturing run by refugees and Turkana. Construction materials, such as building stones and timber, locally sourced through local suppliers. Made 51- SGBV survivors

e) Access to financial services

- VSLA, formation of business associations
- Direct assistance (grants) to small business owners revolving loan scheme which facilitated access to 0% interest loans
- Expanding micro-finance

f) Host community: In addition to above, tailored efforts include:

- Agro-forestry and fruit tree production
- Livestock and pasture production
- Natural resources management
- Small business, market development.
- Dry land farming
- Use of climate smart technologies

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Cash Based Interventions

- WFP “Bamba Chakula” cash intervention for food items
- **KES 0.92 billion** delivered by UNHCR as cash assistance used in the local markets boosting local businesses.
- Plans to expand use of **cash for energy and livelihoods** in 2021
- **5,321 households** supported by UNHCR for building materials using local suppliers and labour;
- **KES 200 million** cash provided for purchasing basic needs from local markets
- Equity and Kenya Commercial Bank (KCB) expanding their geographical coverage

Opening of bank account

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KKCF Kakuma Kalobeyei Challenge Fund

IFC International Finance Corporation
WORLD BANK GROUP

Creating Markets, Creating Opportunities

aecf

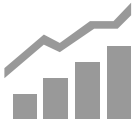
TURKANA COUNTY GOVERNMENT

KKCF OBJECTIVES

Building on data from *Kakuma as a Marketplace*, IFC designed a five-year, $25 million project that aims to:

1

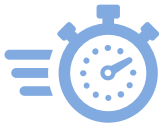
Support the entry of new businesses and social enterprises to improve employment, increase access to products and services, and potentially reduce prices

2 

Provide opportunities to scale up the operations of companies and social enterprises already present in the area

3

Develop and grow businesses owned by both refugees and members of the host community

4 

Reduce the time and cost to obtain specific business permits, licenses, and registrations

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INNOVATIVE APPROACHES

5
years

The five-year project has three components:

Rolling competitive business challenge

- Target SMEs, social enterprises, and local/refugee entrepreneurs
- Provide performance-based grants and technical assistance

Investment climate and policy advisory

- Work with county government to create a conducive business environment

Hands-on support to larger companies

- Facilitate entry of larger companies into Kakuma, including by illustrating and quantifying the business opportunity

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Kakuma Kalobeyei Challenge Fund (KKCF) kkcfke.org

Support entry/expansion of firms and social enterprises to improve employment, increase access to products and services, and potentially reduce prices:

3 windows:

1. Private Sector: performance-based grants/ co-financing; US $250,000 to US $750,000
2. Social Enterprise: Performance based grants/ co-financing from US $100,000 to US $750,000
3. Local Enterprise Development: To be launched 2021

Priority areas: Water, Sanitation, Recycling, Childcare, Renewable Energy, Agri-bussines, Financial services

Selection criteria: small. Medium sized companies, legally registered, operation of 2 years, geographic focus, viability, potential to attract commercial funding,

What next:

1. Expanding and increasing:

- access entrepreneurship opportunities
- opportunities and access to professional, technical and vocational training skills
- market access at the local, regional and national, and international levels
- food production, agriculture and livestock value chains and market systems
- household incomes and self-reliance

2) Advocating with Financial Service Providers, e.g. microfinance institutions, to have relief measures such restructuring and refinancing loans, putting on hold repayment, promoting digital services etc.

3) Monitoring and mitigating impact of COVID-19

4) Promoting private sector investment and support