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Mapping the refugee journey towards employment and entrepreneurship

Obstacles and opportunities for
private sector engagement in
refugee-hosting areas in Kenya

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List of acronyms

CRRF	Comprehensive Refugee Response Framework
FGD	Focused Group Discussion
GCR	Global Compact for Refugees
GISEDP	Garissa Integrated Social Economic Development Plan
IRC	International Rescue Committee
IGAD	Intergovernmental Authority on Development
ITC	International Trade Centre
KII	Key informant interview
KISEDP	Kalobeyi Integrated Socio-Economic Development Plan
KRA	Kenya Revenue Authority
NGO	Non-governmental organisation
OAU	Organisation of African Unity
REF	Research & Evidence Facility
RAS	Refugee Affairs Secretariat
RSD	Refugee Status Determination
SME	Small and Medium-sized Enterprises
UNHCR	United Nations High Commissioner for Refugees
WFP	World Food Programme

Executive summary

This report presents the results of a study investigating the current pathways to employment and entrepreneurship for refugees in Kenya, and the actual and potential role of the private sector in creating economic opportunities in Kenya's refugee-hosting areas. In recent years, a range of stakeholders has shown increasing interest in promoting private sector investment in Kenya's refugee-hosting areas. Market assessments and other studies point to the potential of private sector engagement not only in boosting the local economy, but also in propelling self-reliance among refugees. As donors, policy makers and humanitarian actors turn their attention to whole-of-society approaches that view refugees as actively embedded within host communities and markets, the study examines the steps refugees must take to gain employment or become entrepreneurs in Kenya, as well as the challenges and opportunities for private sector firms to employ refugees or act as catalysts for entrepreneurship.

The study was carried out jointly by Botho Emerging Markets Group and the Research and Evidence Facility (REF). The research employed a qualitative methodology, which included an extensive literature review of available data, reports and studies, and interviews with private sector actors, refugees, national and county government officials, and staff from The United Nations High Commissioner for Refugees (UNHCR) and organisations working in Kenya's Dadaab and Kakuma refugee camps.

Key findings

1. There are real opportunities for promoting private sector engagement in Kenya's refugee-hosting areas, but these are limited by the fact that refugees lack access to the right to work legally and to travel outside the camps.
2. Equitable and reliable pay and job security are key concerns for refugees with respect to employment.
3. Movement outside of the camps is essential for promoting refugees' economic inclusion because it enables them to take advantage of opportunities beyond their immediate locations and for entrepreneurs in the camp to access goods without having to go through intermediaries.
4. Documentation and registration are imperative for refugees to secure employment or pursue entrepreneurship, but the process for obtaining both is ambiguous and changes frequently, which dissuades many refugees from pursuing these routes.
5. There is a lack of adequate information among private sector actors on how to engage or employ refugees.
6. A coordinated engagement and partnership strategy and promotion of best practices and positive precedence of private sector engagement in refugee-hosting areas are vital.
7. An enabling environment and incentives, facilitated by the government, would promote greater private sector engagement in refugee-hosting areas.
8. Relationship dynamics between refugee and host communities must inform employment/entrepreneurship programme development and private sector engagement in order to build social cohesion and mitigate existing tensions.

Recommendations

1. Advocate for refugee self-reliance through greater freedom of movement and easier documentation processes

Freedom of movement is a requirement for refugees not only to seek work but also to acquire the requisite documentation for work authorisation. However, the process of obtaining documentation and authorisation can appear ambiguous and convoluted for refugees. Restrictions on movement, unpredictable movement authorisation processes, and unreliable and often inscrutable work permit and documentation application requirements are significant barriers to refugees' economic inclusion and self-reliance.

- *Addressing these issues is the responsibility of government, but should be at the forefront of advocacy priorities for civil society organisations, donors and private sector actors.*

2. Address gaps in information and understanding among refugees regarding their right to work and documentation processes through demystifying procedures and providing free facilitation services

Considering the complexity of documentation required for the right to work and the gaps in understanding of these processes among refugees, an urgent recommendation is to encourage initiatives that address these information gaps.

- *Camp implementation partners and civil society organisations should work with UNHCR and the Government of Kenya to demystify the documentation process by ensuring refugee applicants have the requisite information on movement passes and work permits.*
- *Implementation partners and private sector actors should also provide a free facilitation service to help refugees acquire the requisite documentation for work and travel and to guide them through the application process.*

3. Promote an enabling environment for private sector investment by addressing information gaps on working in refugee-hosting areas and employing refugees

In addition to refugees' gaps in understanding the complex documentation processes, private sector actors also lack information on how to work in refugee-hosting areas and how to legally employ refugees.

- *Platforms such as the Kenya Private Sector Alliance, Kenya Association of Manufacturers, Federation of Kenya Employers, and the Amahoro Coalition could support this process through awareness-raising activities.*
- *Private sector actors already working with refugees or in refugee-hosting areas should share best practices and success stories of their work in refugee-hosting areas.*

4. Facilitate local economic development through donor-funded programming, with close government and private sector coordination

The main refugee-hosting counties, Turkana and Garissa, are in the early stages of private sector investment, despite being vibrant markets in their own right. Local economic development must, therefore, accompany initiatives for promoting private sector investment in refugee areas. In doing

so, protection from exploitation, increased job security and reliable wages must be central concerns for all actors.

- *Donors (government and institutional) should expand their support to facilities that provide technical and financial support to small and medium enterprises.*
- *Governments, donors and private sector investors should ensure their interventions focus on extending protections beyond those who work in the formal sector (through advocacy to policymakers), and include both refugees and hosts.*
- *Donors (government and institutional) should focus on facilitating decent work, not just numbers of jobs/businesses created, and where possible align interventions with Kenyan actors already working on these issues.*

5. Expand targeted assistance to ongoing initiatives in refugee-hosting areas through mentorship, technical and financial support

- *Private sector actors could target support at existing initiatives through 1) mentorship, career counselling and business training support to refugee entrepreneurs; and 2) offering expertise in certain business areas, such as legal, finance, operations, logistics.*
- *Private sector actors could also support or create a job-matching or employment agency that links refugees with available opportunities.*

1 Introduction

The private sector is a major potential employer of refugees, and there is increasing momentum around private sector engagement in refugee-hosting areas in Kenya and in the region more broadly. The private sector's role in enhancing economic inclusion for refugees as well as host communities by facilitating greater access to economic opportunities, navigating market systems, integrating into the formal labour market and leveraging resources for investment into refugee-owned enterprises is of growing interest to a number of stakeholders. However, private sector engagement is a complex, multifaceted issue that requires coordination at various levels among a range of actors. Previous research has identified that refugees struggle to secure formal work in Kenya (O'Callaghan & Sturge, 2018), and there remains a need not only to map the steps refugees must take from their arrival in the country to successful employment, but also to understand the obstacles to employment and entrepreneurship. Such mapping and analysis are essential if private sector firms are to more successfully mobilise to employ refugees and act as catalysts for entrepreneurial activities.

From June 2020 to April 2021, the Research and Evidence Facility (REF), funded by the European Union Emergency Trust Fund for Africa (Horn of Africa Window), in collaboration with Botho Emerging Markets Group, undertook a study to investigate the process of employment and entrepreneurship for refugees in Kenya, as well as the obstacles and opportunities for private sector engagement in Kenya's refugee-hosting areas.

The core objectives of the research study were to:

1. Examine the steps refugees must take to find employment or entrepreneurship in Kenya.
2. Investigate the steps a private sector firm must take to employ a refugee or support refugee entrepreneurship in the country.
3. Based on the above, recommend steps to be taken to address blockages in facilitating refugee workers' employment.
4. Identify concrete opportunities for private sector engagement with refugees in Kenya – either as employers or as catalysts for entrepreneurship – accounting for the steps both refugees and firms must take for this to occur.

For the purpose of the study, we use the umbrella term 'private sector' to mean an assortment of sole proprietorships, small and medium-sized entities, large corporations and multinationals, engaged in a variety of businesses that generate employment and contribute to economies at different levels.

The next section details the methodology used for the study, following which we provide contextual information on Dadaab, Kakuma and Kalobeyi refugee-hosting areas, and on the legal frameworks and policies related to refugees' economic inclusion in Kenya. This is followed by an analysis of the current state of play of private sector engagement in Dadaab, Kakuma and Kalobeyi as well as in Turkana and Garissa Counties as a whole. Finally, the report lists the key findings of the research and makes recommendations for furthering refugee economic inclusion and private sector engagement targeted at various stakeholders (government officials and bodies, donors, private sector actors and others).

2 Methodology

This qualitative study utilises both primary and secondary data. It is underpinned by an extensive desk review of academic journals, studies conducted by research institutes, Kenya's legal documents and analyses produced by non-governmental organisations (NGOs) and international organisations working in the field of forced migration, including the United Nations.

Primary research consisted of 24 in-depth key informant interviews (KIIs) with camp implementation partners; refugees residing in Dadaab, Kalobeyei, Kakuma and Nairobi; representatives of national government departments and agencies; representatives of county governments; private sector representatives and donors. Interview participants, particularly from the refugee communities, were purposively sampled to ensure diversity in terms of nationality, gender, age, geographical scope, engagement in business (for refugees) and existing business investment in refugee locations. Participants were identified through the research team's existing networks, including referrals to allow us to include second- and third-degree connections. Refugee interviewees comprised seven men and four women, hailing from Dadaab (3), Kalobeyei (3), Kakuma (3), Nairobi (1) and Nairobi and Dadaab (1). Refugees claimed Somali, Congolese, South Sudanese, and Burundian nationalities and ranged in age from 23 to 52 years. Private sector representatives interviewed were based in Nairobi and operated primarily in the services sector broadly, specifically financial services, legal services and telecommunications industries. Firms ranged in size from 10 to 1,400+ employees.

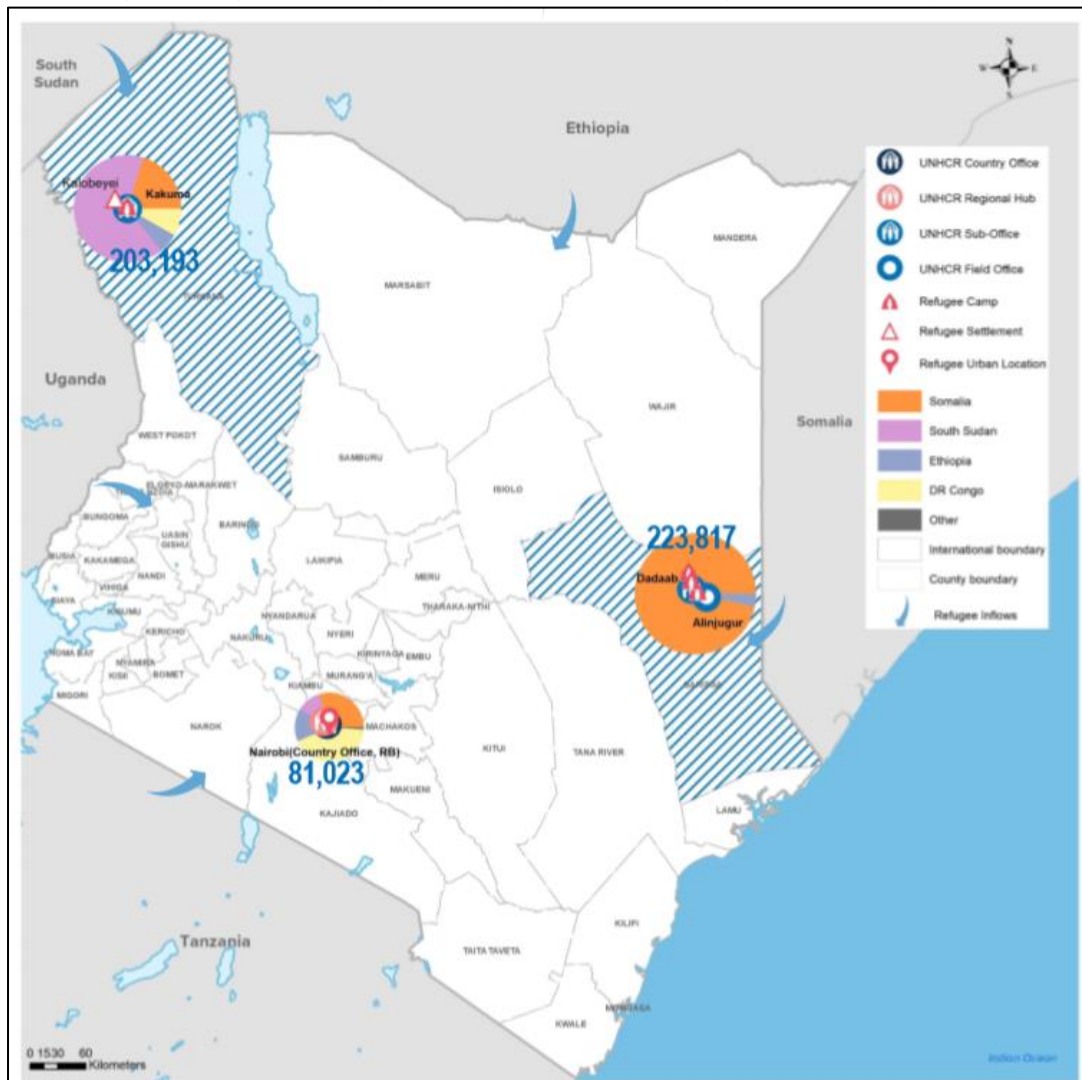
KIIs were split into two phases, with the first set of interviews conducted in January 2021, and the second between mid-February and mid-March 2021 as a result of logistical uncertainties surrounding the COVID-19 pandemic. While the original intent was to conduct in-person interviews in Nairobi, Kakuma and Dadaab, because of the pandemic, and in accordance with government directives and health protocols, only one KII was conducted face-to-face in Nairobi. The remaining 23 KIIs were conducted virtually using various platforms, such as Zoom and telephone calls.

Interviews were transcribed, coded, and analysed using NVivo software. Given its small sample size, the study does not intend to generalise about the state and potential of private sector engagement in refugee economic issues, but rather seeks to provide detailed insights into some of the experiences and perspectives of different stakeholders regarding refugees' employment and entrepreneurship in Kenya.

3 Background

Kenya has hosted refugees for the past three decades and currently hosts over 500,000 refugees and asylum seekers in its two main camps – Kakuma/Kalobeyei (40.6 %) and Dadaab (43.6%) – and in urban areas (15.8%)¹. Kakuma lies about 850 km and Dadaab 470 km from the capital city, Nairobi. Dadaab camp complex is situated in Garissa County, close to the Kenya–Somalia border and was established in 1991 to host Somalis fleeing their country’s civil war (World Food Programme, 2014). Kakuma camp is in Turkana County in the northwest of the country, situated near Kenya’s border with South Sudan, and was established in 1992 to host (southern) Sudanese refugees (World Food Programme, 2014). The Kalobeyei settlement, which was opened in 2016 and is located 40 km from Kakuma, aims to promote resilience of refugees and hosts. Over half the refugees in Kenya are from Somalia (54%), followed by South Sudan (25%) and the Democratic Republic of Congo (9%), with the remainder from Burundi, Sudan, Eritrea, Uganda and others.¹

Figure 1: Registered refugees and asylum seekers in Kenya, as of 31 January 2021



Source: UNHCR Kenya (2021b).

¹ <https://data2.unhcr.org/en/country/ken> (retrieved June 29, 2021)

Refugee management in Kenya is guided by the Refugees Act of 2006, while the 2010 Constitution is the overall guiding law. The Act defines refugee status, outlines the rights and duties of refugees and asylum seekers, and establishes institutions that manage refugee affairs in the country, such as the Refugee Affairs Secretariat (RAS) and the Refugee Appeal Board. The Act also provides refugees with the right to move and earn a living in line with the international conventions and frameworks to which Kenya has committed.

RAS conducts status determination and is responsible for refugee management in Kenya, including reception, registration and issuance of documentation. The Refugee Appeal Board receives appeals from asylum seekers whose applications have been rejected (UNHCR, 2021). The UNHCR, whose role is to facilitate the protection and needs of displaced people, performs some functions that sometimes lie within the government's mandate – such as refugee status determination – in cases where the government is unwilling or lacks the capacity to fulfil these obligations (Norwegian Refugee Council & International Human Rights Clinic, 2017). As part of its commitment to refugee protection, Kenya is also in the process of revising the Refugees Act 2006 through the Refugees Bill (National Council for Law Reporting, 2019) (see below).

Despite the history of refugee hosting in Kenya, increasing security concerns have been raised by the government related to the suspected presence of the Somali terrorist group Al-Shabaab within Dadaab camp, and its connections to terrorist attacks in Kenya in 2013 and 2015 (Republic of Kenya, 2016; O'Callaghan & Sturge, 2018). These concerns led to an order to close the camps issued by the Kenyan government in 2016. However, Kenya's High Court subsequently ruled the order unconstitutional. Nevertheless, talks about closing Dadaab have continued and, in March 2021, citing national security concerns, the Kenyan government issued an ultimatum to UNHCR to provide a plan and timeline for closing Dadaab and Kakuma refugee camps (Al Jazeera, 2021).

After negotiations with UNHCR Kenya, the government revised the closure plan to June 2022, and UNHCR Kenya has responded by announcing that it is committed to working with the government towards identifying solutions for different refugee groups in the camps, including by enhancing voluntary repatriation efforts; acceleration of issuing national ID cards to the more than 11,000 Kenyans previously registered as refugees; provision of alternative-stay arrangements for those from the East African community; and facilitation of resettlement to third countries (UNHCR Kenya, 2021a). The camp closure orders were declared despite the commitments that Kenya has made to international and regional frameworks for durable solutions to refugee situations, including the Global Compact for Refugees (GCR) affirmed in 201

4 Legal frameworks and policies related to refugees' economic inclusion in Kenya

Kenya is a signatory to a number of international and regional instruments focusing on the rights and protection of refugees. Significant instruments include the 1951 Refugee Convention Relating to the Status of Refugees; the 1969 Organisation of African Unity (OAU) Convention Relating to the Status of Refugees (now referred to as the African Union Convention); the New York Declaration for Refugees and Migrants (2016) with the Comprehensive Refugee Response Framework (CRRF) annexed; the Nairobi Declaration on Somali Refugees (IGAD, 2017b); the Djibouti Declaration on Refugee Education (IGAD, 2017a); the Global Compact on Refugees (UNHCR, 2018); and the Kampala Declaration on Jobs, Livelihoods, and Self-Reliance for Refugees, Returnees and Host Communities in the IGAD Region (IGAD, 2019).

The New York Declaration (2016), which asserts that protecting refugees and supporting the countries that host them is an internationally shared responsibility, is considered a milestone in addressing emerging and protracted refugee situations globally. It was unanimously adopted by the United Nations General Assembly (UNHCR, 2016). The CRRF, annexed to the Declaration, provides a structure to ease pressure on host countries by enhancing self-reliance for refugees, expanding access to third-country solutions and supporting conditions in countries of origin for safe return (UNHCR, 2016). The CRRF champions the idea that refugees should be granted access to education and labour markets to build their skills and contribute to local economies under the broader paradigm of self-reliance (UNHCR, 2016). Kenya formally adopted the CRRF in October 2017, committing it to being a CRRF pilot country.

As a member of the Intergovernmental Authority on Development (IGAD), Kenya has made several commitments towards the implementation of the CRRF within the region. The Nairobi Declaration (2017) was the first joint instrument by the eight IGAD member states on the implementation of the CRRF and aims to facilitate durable solutions for Somali refugees, including reintegration of refugees who return to Somalia. Although originally focused on Somali refugees, the spirit of the Nairobi Declaration has since been expanded to include refugees throughout the IGAD region, regardless of their country of origin. Some of the commitments made by Nairobi Declaration signatories relevant to employment and livelihoods include: enhancing education and skills development for refugees with a view to reducing their dependence on humanitarian assistance; aligning domestic laws with the 1951 Convention to enable refugees to access gainful employment; and strengthening the capacity of governments to prioritise the registration and documentation of refugees (IGAD, 2017a).

More recently, the Kampala Declaration on Jobs and Livelihoods (2019) was the first regional instrument to define the role of the private sector in refugee livelihoods. Signatories committed to strengthening and simplifying processes for the free movement of refugees, expanding access to labour markets by expediting access to jobs, and engaging the private sector in the creation of sustainable livelihoods (IGAD, 2019).

At the national level, Kenya first passed into law an Act on Refugees in 2006 that expressly gave the government greater control over refugee affairs. Before 2006, most refugee protection and assistance issues in Kenya, including status determination, were handled by UNHCR (Norwegian Refugee Council & International Human Rights Clinic, 2017; Zetter & Ruaudel, 2016b). The Act has been amended several times and most recently, in Act No. 11 of 2017 of the 2006 Refugees Act, the RAS, under the Ministry of Interior and Coordination, was made responsible for the administration and management of refugee affairs. The latest amendment is part of a wider shift in Kenya's approach to refugee hosting, from one of *de facto* acceptance of the presence and movement of refugees within its borders to one of increased restriction which, it has been argued, contradicts its commitments under the international and regional instruments mentioned earlier in this section (Betts et al, 2018b, 2019a; IRC, 2018; Norwegian Refugee Council & International Human Rights Clinic, 2018).

Recent attempts to amend national laws to facilitate self-reliance for refugees have been unsuccessful but opportunities remain for potential improvements. In 2017, President Kenyatta rejected a Refugee Bill that would have granted refugees clearer legal pathways to obtaining work permits and owning land, despite the bill having parliamentary approval (Norwegian Refugee Council & International Human Rights Clinic, 2017). During parliamentary discussions on the bill it was agreed that integration should be removed as a possible durable solution for refugees, a move linked to concerns around Somali refugees using it as a pathway to gain Kenyan citizenship (O'Callaghan & Sturge, 2018). These actions further support the work of Zetter and Ruaudel (2016b), the Danish Refugee Council and ReDSS (2016) and the International Rescue Committee (IRC) (2018), who found that many governments prioritise 'voluntary' repatriation of refugees over other durable solutions, namely local integration and resettlement. The Refugees Bill of 2019 was gazetted by the Government of Kenya in August, 2019 and was given a first reading in Parliament in September 2019². It is now committed to the Departmental Committee on Administration and National Security (DCANS). Once cleared by DCANS it should finally be submitted for presidential assent into law.

² <http://regionaldss.org/wp-content/uploads/2019/11/ReDSS-Refugee-Bill-review-002.pdf>

5 Private sector engagement in Kenya's refugee-hosting areas: state of play

The New York Declaration, the Kampala Declaration and the CRRF all promote refugees' economic inclusion and self-reliance. Private sector engagement is crucial to this, in terms of stimulating job opportunities and economic activity in displacement-affected and refugee-hosting areas (IGAD, 2019; REF, 2020a). Globally, there are examples of increasing private sector interest in engaging with and supporting refugees. In the past decade, for example, the private sector (including individuals and "partnerships with companies, foundations and philanthropists"), increased their contributions to UNHCR more than ten-fold, from US\$34 million in 2008 to \$400 million in 2018 (UNHCR, 2018b). In Kenya, long distances between urban areas and refugee camps in Turkana and Garissa counties, and the poor condition of roads and other infrastructure are some of the barriers to private sector engagement. For example, Kakuma is 120 km from the nearest airstrip in Lodwar, and given the poor roads in the area the car journey to the camp complex can take up to four hours (IFC, 2018). In 2016, Dadaab was not connected to the national electricity grid and, although local alternatives exist through private operators, mini-grids are inadequate to support private sector operations at scale (Moving Energy Initiative, 2016).

These critical infrastructural barriers notwithstanding, there are a number of initiatives currently underway. Kakuma and Dadaab are vibrant markets in their own right, valued at \$56 million and \$25 million, respectively, with a number of retail businesses and services (Samuel Hall, 2019; UNHCR, 2018a; World Bank, 2018). The majority of these are small and medium-sized enterprises (SMEs) that conduct self-employment activities and operate informally in order to reduce costs (UNHCR, 2018).³ To further nurture these fledgling markets and attract private sector investment, initiatives such as the Kakuma–Kalobeyi Challenge Fund, a five-year programme of the International Finance Corporation (IFC), implemented by the Africa Enterprise Challenge Fund, Turkana County government and UNHCR, was launched in 2018. In parallel, the UNHCR and the Turkana County government launched the Kalobeyi Integrated Socio-Economic Development Plan (KISED, 2018–2022), whose overall goal is "to boost the local economy by enabling the environment and building skills/capabilities in order for refugees and host communities in Turkana West to increase their self-reliance, access inclusive national service systems and successfully function in their new market environment" (UNHCR, 2018a). The first strategic objective of KISED is to "create a conducive environment that attracts investment from the private sector and financial service providers to promote the local economy". Similarly, the more recent Garissa Integrated Socio-Economic Development Plan (GISED), with initial funding from the European Union⁴, aims to encourage

³ The majority of businesses in Kenya are best classified as micro, small and medium-sized enterprises. See

<https://www.undp.org/content/dam/kenya/docs/IEG/MSME%20SURVEY%202016%20-%20HIGHLIGHTS%20OF%20BASIC%20REPORT.pdf>.

⁴ The EU Kenya Delegation supports projects aligned with GISED, rather than direct funding to the County.

greater private sector engagement in the county.⁵

Market assessments by the IFC, World Bank, the International Labour Organization (ILO) and UNHCR on refugee economies in Dadaab and Kakuma all aim to provide a foundation to stimulate private sector interest and investment in these areas (World Bank, 2018; ILO, 2020a). Despite the aforementioned policy and infrastructural barriers, private sector engagement with the refugee community in Kenya currently takes many forms. These include provision of services such as financial services, education, and clean and off-grid energy; sources of refugee employment; and government or NGO contractors to supply essential goods such as ready-to-use therapeutic food (GIS & SNV, 2020; IFC, 2019; REF, 2020a; UNHCR, 2021). Kenyan private sector actors – such as Equity Bank, Safaricom and Sanivation – are increasingly directing their attention to refugee-hosting areas as viable markets for their products and services. Equity Bank provides financial services to refugees under Bamba Chakula, a cash-based assistance initiative in Dadaab, Kalobeyei and Kakuma that was designed by the World Food Programme and Safaricom (Betts et al, 2019a). Equity Bank also works with refugee entrepreneurs who act as last-mile agents to serve the local market – an interviewee from the financial services sector for this study noted that nearly 50 of Equity Bank’s agents in Kakuma and Kalobeyei are refugees who went through a due diligence process to verify identification, tax compliance and appropriate business licensing.

Moreover, select members of the private sector within East Africa, including Kenyan firms, came together to launch the Amahoro Coalition at the Global Refugee Forum in Geneva in December 2019. The aim of the Coalition is to mobilise the African private sector to support African refugees through skills development and livelihood opportunities (Botho Emerging Markets Group, 2020).

Corporate or corporate-adjacent philanthropies, bolstered by significant funds and shifting strategies to focus on displaced populations, also play a role in refugee employment and entrepreneurship in Kenya. Equity Bank, for example, provides scholarships and training opportunities to refugees under its Wings to Fly programme, a collaboration with Mastercard Foundation to support top performing secondary school students to attend tertiary education (UNHCR Kenya, 2020). In addition to this partnership, Mastercard Foundation devotes 25% of all scholarships under its Scholars Programme to refugee youth across Africa, including Kenya (Mastercard Foundation, 2019a). In recent years, Mastercard Foundation has also positioned itself as a thought leader in refugee education and livelihoods in East Africa, funding several pieces of research on secondary education, Technical and Vocational Education and Training opportunities, and job matching for refugee youth in Kenya (Mastercard Foundation, 2019b; World University Service of Canada, 2019). IKEA Foundation has committed €30 million to the IRC for its Re:Build programme on employment, entrepreneurship, and financial inclusion for urban refugees in Kenya and Uganda (IRC, 2021). The Foundation also committed €5 million to IRC for its BILLY programme, which offers skills-building, apprenticeships, start-up grants, and networking with local employers to refugees and other young people in Nairobi (IKEA Foundation, 2020).

Several international companies are becoming involved with refugee economic issues in Kenya, typically through partnerships with NGOs or international organisations. Mastercard’s corporate arm (a separate entity from the Mastercard Foundation) co-chairs the Smart Communities Coalition Innovation Fund with the United States Agency for International Development (USAID), focusing on funding and implementing private sector-led solutions, particularly in energy, in refugee contexts. Their first cohort of awardees included Solar E-Cycles and OfGen, who received funding to launch electric bicycles as a mobility solution within and between Kakuma and Kalobeyei (USAID, 2021).

⁵ <https://cog.go.ke/media-multimedia/reportss/category/106-county-integrated-development-plans-2018-2022?download=356:garissa-county-integrated-development-plan-2018-2022>.

According to a representative from a donor government interviewed for this study, the freelancing and online work platforms UpWork and SamaSource have worked with the European Union, the International Trade Centre (ITC), the Danish Refugee Council and the Norwegian Refugee Council in Dadaab to provide online and international work opportunities for refugees.

Regional companies with relatively less household brand recognition than the likes of Safaricom are starting to emulate the involvement of larger multinational corporations. For instance, a donor representative interviewed for this study spoke about Kenyan-owned INSTA Products, a producer of ready-to-use therapeutic food, partnering with the Food and Agriculture Organisation and using funding from the IKEA Foundation to promote refugee agribusiness in the groundnut value chain in Turkana West (UNHCR, 2021). The interviewee noted:

Hopefully once INSTA [Products] really starts engaging in this, maybe [they will] also attracting [sic] the other companies to come ... we hope that through ... bigger companies coming in, they would be able to provide jobs both to the refugees and the host communities.

The African Entrepreneur Collective (AEC) works with refugee entrepreneurs in Kakuma–Kalobeyei and Dadaab, providing them with business support services and financial services, including loans, so they can grow their businesses (Earth Security Group, 2020). Lastly, although still in the process of sourcing applications and conducting due diligence at the time of writing, the Kakuma–Kalobeyei Challenge Fund aims to create further opportunities for both local and external private sector and social enterprise actors to bolster their presence and activities in Turkana County in particular.

Even though private sector firms are engaging more in refugee settings as donors, there are few examples of the private sector engaging with refugees as direct customers and relatively little evidence of refugee employment in major or large private sector companies. The experience of SNV, a Dutch development organisation in Kakuma providing clean energy solutions, revealed that many refugees are unable to afford clean energy products, even with subsidised costs (REF, 2020a). Sanivation, another private company offering water, sanitation and hygiene (WASH) and energy solutions found that the provision of free goods in camp aid packages can distort the market and make it harder for the private sector to operate efficiently there (even if these goods are needed by aid recipients). Despite its earlier provision of WASH and energy products in Kenyan refugee camps, a reduction in funding from UNHCR led Sanivation to cease operations in these areas as a result of competition from goods and services offered in camp settings (REF, 2020a; Botho Emerging Markets Group, 2020). Overall, many larger private sector firms engage with refugees as part of government or NGO tenders or under their Corporate Social Responsibility initiatives (Botho Emerging Markets Group, 2020).

The Kenyan government's commitments to strengthening private sector engagement under the Kampala Declaration are promising developments. Further commitments by county governments to create, fund and manage a one-stop-shop business development Huduma Biashara centre in Turkana West for provision of legal documentation and business development services to refugees and host communities engaging in businesses (UNHCR, 2018a) may help to address the information gaps businesses and entrepreneurs face when seeking to start operations in the area and show a level of ownership over these kinds of initiative from local government. However, it remains unclear whether widespread private sector engagement is achievable in the existing legal and economic environment, especially with the recent announcement of the intention to close Kakuma and Dadaab camps by June 2022 (discussed above) and general uncertainty surrounding refugee issues in Kenya.

6 Key findings

1. There are real opportunities for promoting private sector engagement in Kenya's refugee-hosting areas, but these are limited by the fact that refugees lack access to the right to work legally and to travel outside the camps

Our study shows that there is genuine interest from stakeholders and concrete opportunities for promoting private sector engagement in refugee-hosting areas in Kenya. However, there are impediments to engaging with refugees due to the difficulties they have in obtaining work and/or travel authorisation. Interviewees from the private sector who currently do not work in Kenya's main refugee-hosting areas emphasised that a prospective candidate's refugee status would not be an obstacle or a determining factor *per se*, complicated legal processes notwithstanding. However, refugees do need to have the ability to work or do business legally in the country. Some private sector representatives noted the comparative advantages refugees may have in certain sectors and different parts of the supply chain, highlighting innovative but high-demand products that refugee entrepreneurs could pursue. For example, including refugee-owned businesses in larger private sector businesses' supply chains, particularly as food providers or caterers, was suggested as an option for private sector engagement with refugee entrepreneurs.

Interviewees from the private sector were also keen on working with refugees thanks to an emphasis at the corporate level on diversity and inclusion, and accompanying beliefs that refugees can bring unique perspectives to the workplace. Additionally, there was a general consensus that refugees would, or already do, contribute positively to their organisations. One interviewee working in the private technology sector explained:

We [as a company] are intentional about including people living with disability, gender diversity, age diversity and if we look at refugees as the forgotten set of people in society, the question I ask myself as a leader is how do you continue looking for ways and means of including these forgotten groups of people into the company.

Employing refugees can give businesses insight into their refugee customers. One interviewee from the financial services industry who already employs refugees expressed the view that those employees were "vital" to the company's success. In particular, employing refugees allowed the company to continue its service delivery even during the COVID-19 pandemic and amid movement restrictions because refugee employees live in the communities they serve. The interviewee noted:

And right now about a third of our team in Kenya are refugees themselves. And then the rest are a mix of Kenyan nationals as well as locals from the host community. And so we really do believe that hiring refugees is vital to the success of our work. Nobody knows these communities better than the people who live there.

This enthusiasm and interest in encouraging private sector investment and job creation in refugee areas is, however, thwarted by movement restrictions placed on refugees, as well as by obstacles in obtaining work permits. Refugees seeking employment in the formal sector require a Class M work permit, which is issued by the Department of Immigration in Nairobi and is free of charge to refugees (O'Callaghan & Sturge, 2018). To apply, however, refugees must create an online account on the Department of Immigration website, where a set of documents to support their application must be submitted online as well as in person at the Department of Immigration offices in Nairobi.

The documents needed for the application process include⁶:

- copies of a detailed and signed cover letter from the employer/organisation/applicant
- copies of a valid national passport
- a recommendation letter from the RAS
- the employing organisation's tax compliance certificate (for new cases) or both organisation and individual tax compliance certificates for renewals cases from the Kenya Revenue Authority (KRA) (Department of Immigration, 2021)

Interviewees indicated that, given these requirements, work authorisation was effectively either unavailable or impossible to obtain for refugees. Refugees interviewed in our study who had attempted to apply for a work permit reported experiencing challenges at two levels. First, some of the documents required when applying – such as national passports and KRA tax certificates – are difficult to obtain. Second, timelines for processing refugee work permits remain undefined, which means that applicants often wait for an indeterminate period of time. Refugees who applied for work permits said that they never received a response from the Department of Immigration after submitting an application. One refugee key informant made reference to the experience of her acquaintances and said:

I do know of people who applied for it, but they couldn't go beyond a certain step. They tried to, they did all the paperwork, but it just never panned out. It ended. There was no feedback, no communication, nothing in relation to where the process is.

Additionally, even though the permit is supposed to be free of charge, there are a number of hidden costs in the process. For example, non-Anglophone refugees may have to pay for translation services for required documents, which must be submitted to the Department of Immigration in English. Refugees may also have to pay unforeseen costs to obtain movement passes to travel to Nairobi or to have their papers processed once in Nairobi. Reports show that, even when refugees submit all the required documents, Class M work permits are rarely issued by the government and data on success and rejection rates are unavailable (Zetter & Ruaudel, 2016b; IRC, 2018; O'Callaghan et al, 2019).

Critically, movement restrictions make it impossible to obtain an offer of employment, which is imperative for a Class M work permit application. Movement restrictions (detailed below) not only hinder the process of finding employment outside the refugee camp, they also impede refugees' ability to travel to Nairobi to fulfil obligations related to the permit application process.

2. Equitable and reliable pay and job security are key concerns for refugees with respect to employment

Protection from exploitation, increased job security and reliable wages must be central concerns for policy and programming around refugee employment. Zetter and Ruaudel's research into refugees' right to work across several displacement settings confirms that "assessing refugees' right to work based simply on a country's legal and normative frameworks and its policies towards refugees is rarely sufficient" because, without accompanying compliance and enforcement processes, in

⁶ Whereas a work permit is a prerequisite for a Personal Identification Number (PIN, a requirement for registering a business, buying land, fulfilling tax obligations etc), the RAS had directed the KRA that refugees can be facilitated to acquire PINs without a work permit. To facilitate this process, the RAS prepares a letter for the refugees and the refugee presents this to the KRA offices. This arrangement is only available in Nairobi and accessible to individual refugees who approach RAS or UNHCR. These arrangements may have changed during the COVID-19 pandemic. Source: UNHCR personal communication

practice, refugees are likely to continue to face significant barriers to fair work and sustainable livelihoods (2018, 58). As mentioned earlier, whereas the Class M work permit in Kenya can provide a pathway for refugees to work in the formal sector, it remains elusive for refugees, and the majority of all employment – for both refugees and Kenyans – remains in the informal sector. As such, focusing solely on refugees’ access to formal employment risks excluding the experiences of many refugees and of displacement-affected communities more widely.

Shifting the focus from formal refugee employment in isolation to labour rights and market policies connected to county and national employment policies is therefore a potential entry-point for improving refugee employment. This shift in focus is also in line with Kenya’s commitment to a whole-of-society approach to responding to displacement. Given that the majority of current refugee (and host community) work is in the informal sector, focusing on protection from exploitation, improved job security and reliable wages regardless of the formal–informal debate may allow refugees’ existing informal employment and entrepreneurship activities to be bolstered rather than further restricted.

Refugees continue to pursue economic opportunities within and outside the camps while contending with work permit and movement-related obstacles. Many of the stakeholders in this study revealed high levels of business activity within the camps – even if the potential of these businesses was limited under current constraints – driven by large and small refugee business owners. From the interviews, it was also evident that refugees have diverse skill sets; refugee interviewees and other refugees they know have taken up a variety of jobs as consultants, business owners, clothing designers, tailors, counsellors, gym instructors, drivers, translators, researchers, data clerks, store managers and more.

Because of the constraints around acquiring formal employment and the Class M work permit, many refugees in camp settings are limited to incentive work. The idea of paying refugees incentives for their is a common practice in many countries and not limited to Kenya. Given that refugees have direct linkages with and know their community well, different programs have been implemented to provide refugees jobs by NGOs, including as community mobilisers, and camp management, health and education sector workers. However, incentive work has caps on the salaries they can earn. The highest monthly salary reported by incentive workers in our interviews was Ksh 10,000 (about US\$100), which corresponds with research done by Betts et al (2018b), O’Callaghan and Sturge (2018) and Zetter and Ruadel (2016a), who note that incentive work payment levels are harmonized by UNHCR. A refugee interviewee from Kakuma noted that salaries for incentive work may be even lower than Ksh 10,000, saying:

Even if you get a job in the camp and work like anyone else who is not a refugee from morning to evening, they will still pay you as an incentive worker. Which means that you will only earn 5,000 shillings [about \$50] every month, no matter how hard you work.

There is considerable discontent among refugees who participated in this study regarding the incentive work system. Some refugee interviewees perceived the system as an intentional move by the government to secure its citizens’ economic interests over those of refugees. They revealed that they would prefer a system based on merit and equality, where jobs and salaries are allocated based on individuals’ qualifications and their position within the organisation instead of on their nationality. A refugee interviewee in Kakuma contended that the pay difference between Kenyans and refugees was unfair and that refugee incentive workers do valuable work that is by no means easy:

Refugees want to be paid like any other staff in an organisation, we don't want to be paid as incentives, which is like an appreciation, you have to pay for my work, for the hard work I am doing for you.

The incentive work scheme is intended to be a practical work-around, given the limited prospects for refugees to obtain formal work permits. However, our informants emphasised that it creates precarious working conditions which put them at a disadvantage compared with their Kenyan colleagues. Opening up the focus of refugee employment to ensure protections for all workers in both the formal and informal sectors is essential for refugee economic inclusion and self-reliance.

3. Movement outside of the camps is essential for promoting refugees' economic inclusion because it enables them to take advantage of opportunities beyond their immediate locations and allows entrepreneurs in the camps to access goods without having to go through intermediaries

Movement and refugee economic inclusion are closely intertwined; movement influences the extent to which refugees are able to interact with potential employers and business partners, source goods for their businesses and connect with markets beyond the camps. As a signatory to the 1951 Convention and Protocol Relating to the Status of Refugees, the Government of Kenya has committed to granting refugees "the right to choose their place of residence, to move freely within its territory, subject to any regulations applicable to aliens generally in the same circumstances" (UNHCR, 1951, Article 26). The government's 2010 Constitution grants every person freedom of movement in Kenya (Article 39). More recent commitments to the CRRF (2017) and the Kampala Declaration (2019) further bind the government to granting refugees access to jobs, education and movement. In the Kenyan context, freedom of movement is particularly important to enable refugees to apply for a work permit (for which, as noted above, applicants need to be physically present in Nairobi), to pursue educational opportunities and training, to source inventory for businesses, and to sell their labour or goods.

Our study found that proximity to refugees was also key to mobilising the private sector to work with them, further highlighting the importance of free movement beyond remote camp settings. A senior government official from Garissa County noted that "when refugees first came to Mombasa [in the 1990s] there was quite a big outpouring from private sector in terms of support; but now camps are so far away and removed from main private sector hubs ... [there is] not much interaction or impetus to engage". Pointing to the importance of linking refugees to markets beyond camps, an implementing partner whose work focuses on refugee entrepreneurship noted the potential for knowledge sharing and competitiveness in markets:

It's a huge shock for a lot of people [refugees] we work with when we take them [to Nairobi] and we put them in these settings and they're speaking to other entrepreneurs or freelancers or, in the case of the artisans, other artists and collectives ... seeing that interaction, that understanding is so important. So, being able to move and have repeated engagement into those markets, it's necessary to understand the trends and then become competitive.

Despite movement being pivotal for refugee economic inclusion and greater private sector engagement with displacement-affected communities, Kenya's encampment policy criminalises refugee movement without a pass. A 2014 Government of Kenya directive ordered all refugees living outside Kakuma and Dadaab to return to their assigned camps immediately. The directive conflicted with the just-preceding Kituo Cha Sheria High Court decision which ruled that refugees did not have to live in camps, as encampment violated their freedom of movement and refugees' rights outlined in Article 395 of the Constitution (High Court of Kenya, 2013). Nevertheless, movement continues to be severely restricted, thereby limiting refugees' prospects for economic integration and self-reliance, and creating barriers to greater private sector engagement.

The ambiguous process of obtaining movement passes is examined in detail in the following section on documentation. However, it is worth noting here that the refugees interviewed for this study suggested that, while movement passes might be more readily issued for health or education reasons, they considered seeking passes to pursue employment opportunities to be nearly impossible. Limiting refugee movement to health or education grounds is a missed opportunity on the part of the government and camp implementing partners for facilitating greater economic inclusion and self-reliance by allowing refugees to pursue employment or entrepreneurship opportunities outside remote camp settings.

Movement to urban areas

Despite Kenya's encampment policy, some refugees opt to move without authorisation between camps and urban areas or settle in urban areas for the longer term. One refugee interviewee revealed: "It is not easy to get permission to leave the camp. That is why many people do not bother to get permission." Traveling without authorisation is risky; refugees found to be moving without a pass may be subject to arrest and forced to return to the camps. Before the government took over the Refugee Status Determination (RSD) process in 2014, UNHCR granted mandate recognition letters listing urban areas such as Nairobi as their place of residence. Some of these refugees did not relocate to camps when the 2014 directive was issued (Norwegian Refugee Council & International Human Rights Clinic, 2017). Other refugees arrive directly in Nairobi when fleeing their country of origin and have stayed there, and some are keen to pursue potentially higher earnings, wider education or employment opportunities, or to join friends and family in urban areas.

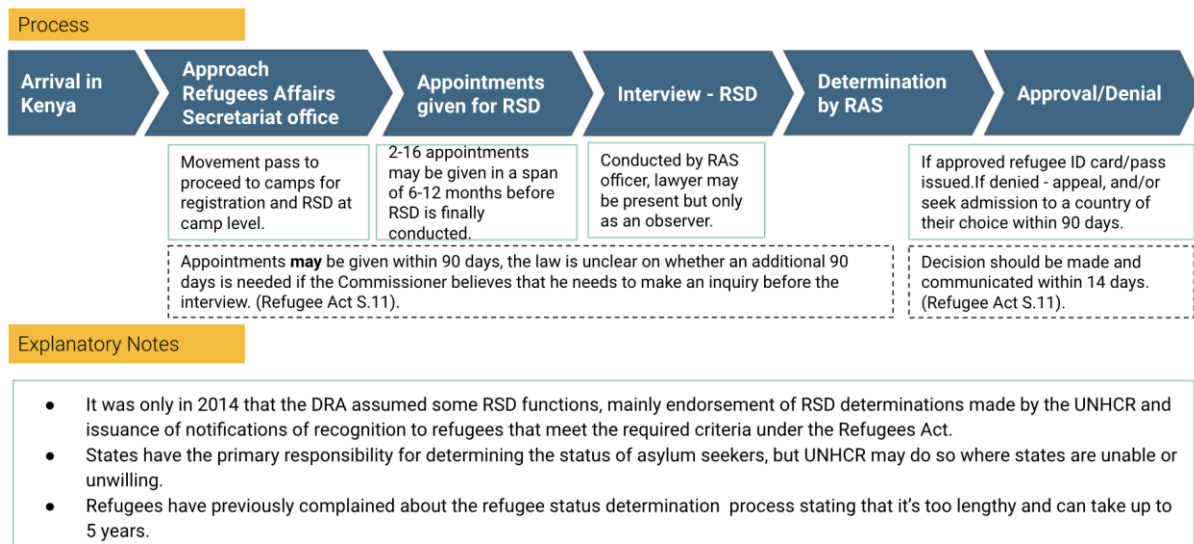
Betts et al (2018a) note that urban refugees have greater freedom of movement and may earn more than refugees in camps, but also point out that urban refugees make major trade-offs in the process (see also Pavanello et al, 2010). Living outside camps means urban refugees forgo all assistance offered by the United Nations and partners, including food aid and cash transfers. This may be an intentional oversight – Pavanello et al (2010) argue that the government's refusal to assist urban refugees is a move to dissuade them from moving to urban areas. A lack of support means that urban refugees must draw on their ethno-linguistic and religious networks to find economic opportunities and support. For example, Somali refugees and Somali Kenyans have particularly strong business, religious, kinship and financial connections (IRC, 2018; Manji & de Berry, 2019). While this may be advantageous to the refugees in some respects, this group faces many of the same challenges – such as frequently being subjected to arbitrary arrest and police abuse – that Somali Kenyans routinely face. They may also face additional risks as a result of their lack of identity and status documentation. Congolese refugees tend to adopt a different strategy – they rarely live in clusters and they take steps, such as projecting their knowledge of Kiswahili, to blend in as much as possible (O'Callaghan & Sturge, 2018). Any efforts on the part of the Kenyan government to discourage refugee mobility to cities exacerbates refugees' already challenging conditions and is a failure to recognise that free movement may (when combined with the right to work) facilitate greater refugee self-reliance and economic integration (instead of increasing their reliance on government or humanitarian assistance).

4. Documentation and registration are imperative for refugees to secure employment or pursue entrepreneurship, but the process for obtaining this documentation is ambiguous and changes frequently, which dissuades many from pursuing these routes

Documentation is integral to refugees' economic inclusion in Kenya, from obtaining refugee status to accessing financial services, securing employment or pursuing entrepreneurship. However, the process of obtaining documentation is ambiguous and unpredictable. Upon arriving in the country,

refugees are required to settle in camps and undergo a refugee status determination process (RSD), responsibility for which the Kenyan government took over from UNHCR in 2014 (Norwegian Refugee Council & International Human Rights Clinic, 2017). Individuals who are granted refugee status through the RSD process are issued with refugee identity cards (Refugee Act, 2006, Section 14). The ID card is a prerequisite for obtaining other documentation crucial to refugees' employment and entrepreneurship prospects as well as access to telecommunication and financial services. Figure 2 shows the RSD process:

Figure 2: Refugee status determination in Kenya



The registration and documentation process for refugees is marred by uncertainty (for refugees), inconsistencies and undefined timelines. In addition to the challenges surrounding obtaining a work permit examined above, this also applies to ID cards and movement passes, each of which are explored below.

Refugee ID cards

The refugee ID card is one of the first documents issued to refugees in Kenya if their RSD process is successful. An ID card is required for obtaining work permits and to register for bank accounts, SIM cards and mobile money services. Refugees have previously criticised the RSD process, stating that it is too lengthy, in some cases taking up to five years to complete, and thus excludes them from accessing the work authorisation process that would enable them to pursue economic opportunities (Refugee Consortium of Kenya, 2020). One possible explanation for the delayed processes suggested by interviewees is that this is a deliberate effort by the Kenyan government to regulate the numbers of refugees in the country, given that, under the Refugee Act, the permitted number of refugees and asylum seekers in the country at any time cannot exceed 150,000 people⁷ (Refugee Act Kenya, 2006 S16A).

In principle, the process of acquiring a refugee ID can take up to 12 months. However, interviewees reported delays to this timeline at two levels: first, in the RSD process and, second, in the time taken to physically issue ID cards once refugee status had been confirmed. One interviewee, who was successful in obtaining a card, said that, although his experience was generally positive, that may not

⁷ The cap in numbers is also not in line with international refugee law as placing such a cap may result in the expulsion of refugees and violate the principle of *non-refoulement*, and as noted above the number of refugees living in Kenya is roughly 500,000.

be the experience of other refugees:

The process is different for every refugee ... It can be simple or difficult. When you arrive at Kakuma refugee camp, you are an asylum seeker, and you cannot apply for the ID card, because you are not recognised as a refugee. I went for my first interview, to determine eligibility, and when I completed my first interview with the UNHCR, I was called for a second one. After the second interview, the decision was made that I'm now a refugee ... Once I got my recognition as a refugee I went with a photocopy of my paper to apply for my ID with RAS. I went with my wife and they took pictures and recorded our details. We were given a waiting card and we waited for three months and our ID was ready.

While this informant was able to receive his documentation relatively quickly, other refugees interviewed shared less positive experiences. One, who has lived in Kenya for the past five years, reported that they applied for a refugee ID multiple times, but had yet to be successful:

No, I don't have that document. I applied for it so many times, because you can't benefit from many opportunities in the camp if you don't have appropriate documentation. I have done my best in the application and I am now waiting to hear back.

According to other refugee interviewees, it can take three to five years from the date a refugee's status is confirmed to when the card is issued, which presents a significant challenge, since refugee ID cards expire after five years. One interviewee reported: "We were given a waiting card and we waited for three months and our ID was ready. But for some people, it can take up to three years before the ID is issued. Our IDs expire in five years, which is also a problem." Delays in the issuance of refugee IDs mean that some refugees receive their cards with only two to three years left before they expire.

Since the refugee ID is only valid for five years, refugees need to apply for a renewal upon its expiration, where they face additional delays. The transition from one refugee ID to the next may cause disruption in access to services, as new IDs may not automatically be recognised by service providers. Accessing mobile money (M-Pesa) accounts illustrates this challenge. A refugee based in Kalobeyei indicated that, since they were issued with a new ID, they only transacted through an agent who knows them personally and thus would not ask for ID (which would reveal new details not matching those originally used to register for M-Pesa):

I have access to M-Pesa as well. But M-Pesa is registered with the first ID I had. The problem with that ... it's not easy to change from the previous ID to the new ID. It's quite complex. But I'm able to also access all the services on M-Pesa. My line hasn't been closed, which is a good thing. And then if I need to transact or withdraw cash, normally what I do, within where I stay, I go to somewhere that the person knows me. So it's easier. They don't need to ask for the ID because it doesn't match the previous ID I had.

In other cases, such as accessing bank accounts, delays in renewal may prevent individuals from having access to their money until their ID cards are renewed. As stated by a Kakuma-based refugee we interviewed:

It's easy to use a bank account. You just open the account, and you just use it. The problem is with the ID and it expires. So, after four or five years you have to apply for renewal, and you wait for six months to a year. And you cannot access these services when your ID has expired.

Gaps in the issuance and renewal of refugee IDs result in the exclusion of refugees from financial services and other basic services and products, like SIM cards, that they need to keep in touch with their social networks and to receive remittances and other financial payments on their mobile phones. Some refugees have found ways to get around these challenges, such as asking Kenyan citizens to register on their behalf. An interviewee noted that:

to get an M-Pesa account is a bit challenging for a refugee, since you are not allowed to open a SIM card if you don't have an alien card.⁸ But, we normally request Kenyans to help us with the ID so that we can open M-Pesa.

These solutions may expose refugees, and the Kenyan citizens who agree to register services or devices in their names, to further risk of exploitation if the person whose name they use reneges on the arrangement or demands unfair payment.

Movement passes

Under Kenya's encampment policy, refugees are required to obtain movement passes to leave their camps for any reason (Refugees Act Kenya, 2006, S14, S17). Moreover, to renew passes, individuals must travel from where they work, go to school or are receiving medical treatment back to the camp (Norwegian Refugee Council & International Human Rights Clinic, 2017, 2018).

Presently, the UNHCR, through the Refugee Consortium of Kenya (RCK), provides necessary legal information to refugees and asylum seekers on documentation processes; this is also done through awareness campaigns, radio talk shows and legal clinics that aim to inform refugees on how to acquire movement passes and demystify these processes⁹.

Despite these efforts, refugees interviewed for this study indicated that the process of applying for movement passes not only remains ambiguous, but that they believed that decisions are made at the discretion of RAS or camp officers, who have the final say on the legitimacy of the refugee applicant's reason for travelling. Based on this assessment, camp officers may issue or reject an application without offering any justification for their decision. Providing a step-by-step breakdown of the process, one interviewee, based in Kalobeyei, indicated that refugees must submit proof to support their intention to leave the camp:

When you want to move outside of the camp you first need a genuine reason ... First of all, you have to apply [for the movement pass], then you have to get an appointment with a UNHCR officer where you explain your own reason why you want to move out of the camp. Then you give the genuine reason that you have. If you say you are going for treatment, they may ask for papers such as the referral from the hospital. If you're going for business they'll ask you for a business permit. And if you're going for training, if you're going for... any other educational issue, they're asking for an invitation or any other paper that shows you are going for what you mentioned. When they [UNHCR] approve your genuine reason, they send you to RAS who may conduct another interview to confirm whether the reasons you gave to UNHCR are correct and genuine. After that, they can either accept or reject your application.

Refugees reported varying experiences as to how long and for what purposes movement passes are issued. In one interview, an informant in Kalobeyei mentioned that a pass can never be issued for more than one month:

They give you that paper [movement pass] with the limited period you'd be spending in that area that you are going ... they cannot give you above one month. They just give you between two weeks or three weeks.

Another refugee in Kakuma revealed that, when their application is successful they are issued with a two-month movement pass:

⁸ Several refugees who participated in this study used the terms 'alien card' and 'refugee ID' interchangeably.

⁹ UNHCR Kenya, personal communication.

I get travel documents for one to two months so, if it expires when I'm in Nairobi, I come back and apply again in Kakuma.

There are no options to renew the pass outside the camp and refugees have to travel back to Kakuma or Dadaab camps for their movement passes to be renewed.

Restrictions on movement and unpredictable movement authorisation processes are especially difficult for refugee business owners who, if they lack travel authorisations, have to rely on middlemen to purchase supplies on their behalf. The use of intermediaries increases the operational costs for their businesses, reducing their revenue margins. A representative from a camp implementing organisation explained:

If you're trying to move a product and you don't have anyone who can move the product, you then have to pay intermediaries ... then it adds a lot of expenses into the business model, therefore making it much less sustainable and reducing your overall profit margin, reducing everyone's overall motivation to be engaged in that endeavour to begin with.

Lack of awareness on refugee documentation can be a barrier to economic inclusion for refugees. In addition to administrative hurdles related to acquiring IDs and passes, a lack of awareness about documentation is another barrier to economic inclusion for refugees. There are significant information gaps regarding access to work or business permits for refugees, leading some interviewees to believe that such documents are simply not available to refugees in Kenya. A refugee in Kalobeyei who had not attempted to apply for the Class M work permit told us:

The government does not facilitate the process of employment for refugees because the permit required to get employment is difficult to obtain and employers know this as well. Refugee status is not accepted by companies seeking to employ refugees.

Another refugee in Dadaab stated that applying for a permit would be a waste of time since they thought that refugees are not allowed to have work permits.

Even when refugees are well informed about the options available to them, the lack of information among potential employers and partners on the requirements for refugee documentation often leads to the loss of economic opportunities for refugees. As will be detailed below, a number of private sector interviewees in this study revealed that they lacked information on the legalities of working with and employing refugees. Despite this, some refugee interviewees had applied for jobs outside camps. Many reported that, even when they had a job offer, companies would rescind the offer once they had submitted their documentation and the company discovered that the person was a refugee. A refugee artist based in Kakuma said that he had experienced this with a number of private sector companies:

An ID also cannot be used to get you opportunities. When I was in Nairobi, I wanted to participate in an art exhibition by Safaricom, I presented my paintings and they really liked them. But when I showed them my ID they said that they couldn't allow me to participate because I did not have a national ID.

One reason for this could be that private sector companies, as previously highlighted, are not acquainted with the legal processes for hiring refugees and may assume that it is illegal to work with or hire them. One refugee interviewee said they believed that the issue was not with recognition of documentation, but rather that employers do not trust refugees.

Government representatives reported a different narrative regarding refugee documentation. All those interviewed mentioned that the process is clear. Representatives at both county and national levels were keen to point out that application processes are free and documentation is easily awarded, which aligns with policies on paper but differs from refugee experiences in practice.

Elaborating the process of applying for a Class M work permit, a representative from RAS stated:

The process is, I believe, straightforward. Because, first of all, that person, whoever wants to do a business, you must have the refugee status to prove that you are a refugee in Kenya, you must have the refugee ID card ... although it is free, sometimes you are required to first get a job, then you come to our offices to seek the Class M work permit.

A senior government official in Turkana County maintained the same outlook when discussing the movement pass application process: The movement of refugees is permitted after obtaining a movement pass from the Refugee Affairs Secretariat and refugees are free to travel from Turkana to Nairobi for medication and to visit their relatives.

Senior county government officials acknowledged that the issuance of movement passes was largely dependent on the reasons for travel but did not give additional clarification on why applications for movement passes might be declined. An RAS interviewee explained that:

The process is easy or difficult depending on the reason why you want to leave the camp. In normal circumstances, without COVID, it is very easy to travel ... some reasons are more important than others, for example, reasons such as education, business, access to medical services that cannot be obtained in the refugee camps, are very compelling and are very fundamental so, therefore, refugees are allowed to move.

The only consistent response on the non-issuance of movement passes reported was that health and safety measures to prevent the spread of the COVID-19 pandemic were making it harder for refugees to travel in and out of the camps. Previous REF research has called for close attention to be paid to the ways in which 'temporary' COVID-19 restrictions, including those around movement, may be continued into the longer term (REF, 2020c): there is a risk of COVID-19 adding "the legitimacy of science" to restricting mobility (Landau, 2020).

Respondents from RAS and the county government believed that either refugees or the national government (respectively) were to blame for the challenges surrounding refugee documentation and registration. A senior official from RAS stated that refugees often apply for permits when it is too late, or without the right documentation:

Sometimes you find that process can be a little bit delayed – you [refugees] get the job, but start the process of obtaining the work permit and still end up missing the job. Why? Because you [refugees] went there [to apply] late – you could [not] fulfil requirements early enough to start the work.

Building on this statement, the RAS official also highlighted the importance of refugee status in documentation processes:

Most refugees have challenges in accessing those required documents. Sometimes you find that they don't even qualify. For instance, an asylum seeker is not allowed to start a business because this person does not have legal status as a refugee.

A senior government official from Turkana County, on the other hand, indicated that refugee employment is complicated by the national government and not the county governments. While the reasons why the government may be at fault were not provided by the respondent, one interviewee from RAS said that the institution was facing significant financial and capacity constraints, which hinder its ability to meet the registration needs of refugees in Kenya.

On a positive note, government representatives at national and county levels acknowledged that documentation processes for refugees should be improved. On the part of the county governments, senior government officials indicated that it is important for refugees to be settled into the country quickly to gain access to different social services. At the national government level, one interviewee

revealed that documentation for refugees was a priority for RAS to help them attain self-reliance.

Documentation for refugees is critical to their pursuit of economic opportunities and access to basic services within the community. Even if this is not the case, the government has a central role to play in removing the inefficiencies along the registration and documentation process, defining the timelines for the issuance of documentation and reducing delays between when documents are issued and when refugees receive them.

5. There is a lack of adequate information among private sector actors on how to engage or employ refugees

Private sector representatives interviewed for this study expressed keen interest in engaging with or supporting refugees by involving refugee businesses in their supply chains as vendors or suppliers, or by taking on refugee businesses as clients rather than employing them directly. However, in so doing, some of them face information gaps on the process of refugee employment in Kenya. One representative from the telecommunications sector, for example, admitted:

[One] I am not too sure whether refugees are allowed to work, two under what circumstances, and three what permits we would need to get in order to hire a refugee.

Another interviewee, a representative from a company that employs refugees in Dadaab, Kakuma and Kalobeyi and supports micro, small and medium entrepreneurs, said that the process of hiring a refugee, in his understanding, was undefined, difficult, lengthy and, ultimately, opaque. This led to his company opting for an incentive compensation route, thus circumventing the complicated and lengthy work authorisation process.

Despite their willingness to engage, private sector actors are constrained by a lack of knowledge about how to go about recruiting, employing or doing business legally with refugees¹⁰. Interviewees felt they lacked sufficient visibility into and information on the appropriate legal process for employing and compensating refugees, admitting to uncertainty about whether they were allowed to legally employ refugees at all. Interviewees also noted that they lacked information on refugees' skill sets that could add value to their businesses. An interviewee from the legal sector stated that there was no one-stop-shop to understand refugees' competences and technical skills.

We [the private sector] just need to know ... who's out there and what's out there. And based on that, now we can make a plan.

This sentiment makes it clear that there is a desire on the part of the private sector to engage, but that information gaps on what skills and services refugees are trained in and can provide to their businesses act as a barrier to them doing so. In addition, a representative from UNHCR noted that:

When it comes to refugee employment, because the legal frameworks are unclear and the private sector mainly works in the formal economy, [they] cannot provide jobs without a work permit.

Implementation partners, on the other hand, have fewer information gaps *vis-à-vis* refugee employment processes on account of their work in refugee-hosting areas. Camp implementation partners also expressed interest in harnessing the potential of private sector companies to enhance refugees' economic inclusion. One camp implementation partner noted that the public sector cannot singlehandedly provide solutions to the current job shortage in Kenya and, as such, their

¹⁰ In partnership with the Kenya National Chamber of Commerce and Industry (KNCCI), UNHCR seeks to provide information and amplify engagement processes with the private sector. Source: UNHCR personal communication

organisation “work[s] with private [sector] partners ... in the provision of [employment] opportunities or even to refine skills that [refugee populations] may have”. Another camp implementation partner talked about their close working relationship with the private sector, specifically financial institutions in cash-based interventions, and with larger, external private sector retailers who “can play a role in enhancing the performance of their [local] businesses” and ensure “retailers in these areas can manage their businesses on their own” in the long term.

6. A coordinated engagement and partnership strategy and promotion of best practices and positive precedence of private sector engagement in refugee-hosting areas are vital.

Although there was consensus among all stakeholders interviewed about the importance of fostering private sector engagement in refugee-hosting areas, the absence of a cohesive, collaborative and coordinated strategy was a key barrier to future private sector engagement at scale. Among the various actors interviewed for this study, there was a noticeable difference in understanding and vision of private sector engagement in refugee employment and entrepreneurship. From the perspective of private sector representatives, there is a desire for the government to spearhead this strategy or agenda, and to encourage, incentivise and provide information for future private sector engagement. For one such interviewee, this strategy “needs to come from the highest level of government ... and should be part of the Kenya Private Sector Alliance”. However, camp implementation partners and donor interviewees see the government either as a facilitator or an inhibitor in the process, with perceptions varying according to the level of government (county vs national). Despite these differing views, our analysis shows that whereas the government is currently viewed as an inhibitor, there is potential and enthusiasm from actors for the government to spearhead the process and be a facilitator.

From the government’s perspective, however, national and county officials see the question of their roles in refugee integration and private sector engagement differently. For example, a public-facing official at the RAS described the current status of the government as an enabler and conduit for the private sector to access refugee-hosting areas.¹¹ Yet the respondent noted that the government wants to be seen as a party to implementation, not only as a facilitator. At the same time, the RAS representative acknowledged financial and human capacity limitations that were preventing it from participating in private sector engagement in refugee-hosting areas at a deeper level. At the county level, a senior government official in Turkana County, for whom the role of the private sector is critical, described how that county administration – together with other government agencies – was tackling issues such as the lack of infrastructure to address barriers that prevent external private sector engagement in the county. The state of affairs is slightly different in Garissa County. A senior county government official reported that there are challenges in incorporating refugee issues into other development work, notably environmental degradation and climate change in the county, given limited budgets. At the same time, they noted two core barriers to working with the private sector: 1) the limited interaction with the local private sector outside of refugee issues and in broader development conversations, given its nascent nature; and 2) the difficulty of attracting private sector actors to remote parts of the country such as Garissa County.

In light of the specific constraints faced by private sector actors, government representatives, implementing partners and donors, an essential step would be to devise a cohesive and coordinated strategy of engagement, one that promotes collaboration among various actors, including refugee leaders. A coordinated strategy (led by the government) for engagement and knowledge sharing

¹¹ The researchers’ interview with the RAS official took place before the government’s announcement of its intention to close Kakuma and Dadaab camps by June 2022.

could provide an opportunity to draw on the specific skills and expertise brought by different actors, while remaining open and realistic about the constraints and challenges faced by each sector involved. For such a strategy to be sustainable, it is essential that displacement-affected communities are involved at all stages of its planning and rollout (REF, 2020d). The strategy should be sensitive to the needs of men and women, recognising that access to the labour market is often highly gendered. This should also go hand-in-hand with creating an enabling environment and incentives to encourage private sector engagement in refugee economic inclusion.

In addition, showcasing best practices and business models that have proven successful in refugee-hosting areas – in providing employment to refugee and host community members – would further incentivise private sector actors. Successful business models could be used to advocate to the government for legal and regulatory changes, as well as attract other companies to invest in refugee-hosting areas. On the basis of such positive precedence, there is potential for private sector actors to engage in advocacy, using their connections in the government, to promote changes that address barriers for companies to establish presence in an area, as well as for refugees and host communities to acquire gainful employment.

7. An enabling environment and incentives, facilitated by the government, would promote greater private sector engagement in refugee-hosting areas

Market distortions, particularly around movement restrictions, and the physical distance between Kakuma, Dadaab and larger urban cities in Kenya act as disincentives to greater private sector engagement in refugee economic issues. Many of the private sector representatives interviewed cited an insufficiency of incentives to encourage their meaningful involvement in refugee-hosting areas. Several private sector interviewees noted that many CEOs and other company leaders would “like to do good” and “are ready and willing to engage with refugees” but overcoming the information gaps highlighted earlier requires an enabling environment.

Some proposed incentives offered by interviewees included government subsidies to move into refugee areas, given the high cost of supply chain costs; tax incentives for employing refugees; and government acknowledgement or awards for working with refugees. One interviewee noted that companies need to have available cash and enough risk appetite to move into refugee-hosting areas in Kenya as “it is expensive to work there [in Kakuma and Dadaab] because of supply chain issues”. Since refugees are subject to several movement restrictions, companies have to spend on middlemen, which in turn increases their costs. When discussing possible incentives, an interviewee from the telecommunications sector noted:

Once we are clear on the law [for employing refugees], the second step would be giving a tax advantage to companies that hire refugees. You know the way there is a very clear law on disabled people and their employment rights; we need a similar policy on refugees. Companies can be given a quota on the percentage of their employees who should be refugees and once they meet that quota the company can get a tax break from the government.

Another private sector representative noted that incentives need not necessarily be financial; instead, they could be information-based, particularly focused on providing centralised information on skills and training that refugees already possess. In practice, this could be an employment agency specific to refugee-hosting areas – or working toward integrating refugees within an existing employment agency for Kenyans – that would help to match people’s skills to available job openings. The interviewee noted the potential for these incentives to extend beyond companies which employ refugees directly to include businesses that want to work with refugees as suppliers. These incentives promote different types of engagement from the private sector beyond direct

employment, which may not be feasible for all companies, given differing sizes, revenues and sectors. It is vital that any such incentives prioritise refugees' protection from exploitation, increased job security and reliable wages, as discussed above.

Private sector representatives also discussed the correlation between proof of company resilience and working in refugee communities. In particular, building a successful company in the challenging physical and infrastructural conditions of a refugee community in Kenya's main refugee-hosting settings can serve as proof of concept for new market entry in other comparable environments. This could include countries of origin of primary customer segments in refugee-hosting areas. For example, if a business caters mostly to Burundian refugees in Kakuma, it may be able to expand into Burundi itself, based on proof of concept from that community enclave and by engaging with refugee entrepreneurs interested in repatriating and acting as agents of that business. A private sector representative from the financial services sector noted:

The business lessons that we've learned from working in a really hard place now give us confidence and the systems to be able to work in so many other hard places ... I heard somebody say if you can run a thriving business in Kakuma ... you can run a thriving business anywhere.

African Entrepreneur Collective (AEC) is one example of a business that has shown proof of concept by working almost exclusively in refugee-hosting contexts. Although relatively newly operational in Kakuma and Dadaab, AEC's organisational thesis hinges on providing services and support to entrepreneurs in displacement-affected contexts and proving that refugee entrepreneurs and businesses are capable of financial success. This may serve as proof of concept for other types of enterprises seeking to expand their service or product offerings to refugee markets.

Government officials, particularly those in Garissa and Turkana counties, are important partners in creating this enabling environment and infrastructure to attract private sector investment and to foster refugee economic inclusion via private sector engagement. County and local government officials are vocal about refugees' contributions and their positive influence on their areas. According to a senior official from Garissa County we interviewed, refugees are major drivers of Garissa's economy through the influx of aid to and consumption in Dadaab. Refugees are also consumers of social and commodity services. An official from RAS went further when describing refugees' positive effects on the Kenyan economy as a whole:

Refugees participate in many areas. There are some refugees who are employed in private companies or with private people. There are so many refugees doing business among themselves and with Kenyans ... Any refugee is free to start a business in Kenya. Basically, they are taxpayers because they also benefit from the services.

A Turkana county government representative also noted improvements in infrastructure¹² and other amenities such as hospitals and schools in the county thanks to the presence of refugees (see also World Bank, 2016). The representative also remarked on the major impact new infrastructure has had on the county, mentioning the arrival of universities and the construction of several roads as evidence. These improvements have created economic and social benefits for the host communities as well, giving them the opportunity to run small businesses such as hotels. In the future, improvements in infrastructure could include business support structures like the Huduma Biashara centre in Turkana West discussed earlier in this report.

¹² Access to land is another key concern for businesses looking to engage in Kenya's refugee-hosting areas.

8. Relationship dynamics between and within refugee and host communities must inform employment/entrepreneurship programme development and private sector engagement in order to build social cohesion and mitigate existing tensions

As noted in the previous section, refugee-hosting areas have benefited from positive spill-over effects from the presence of refugees. In addition to infrastructural benefits, the presence of refugees also has a bearing on broader socioeconomic relationships in the areas, particularly for host communities (see also Vemuru et al, 2016). Refugees and host communities have multidimensional relationships, ranging from sociocultural ties to economic interdependence. Interviewees for this study mentioned that refugee and host communities regularly employ each other; sometimes this is a strategy to attract customers from certain communities, who have greater buying power. According to some refugees, this model of mutual employment seemed to be a requirement for having a successful business. A refugee in Kalobeyei noted that, once a refugee worker is employed by a host community business, “the whole community knows that [it] is a Turkana[-owned] shop, but they are used to [it] and are going there to meet their needs”. According to a refugee in Kalobeyei, refugees may feel that once their community is represented in a business, they will have an advantage while shopping at that location. They explained:

For your business ... to grow, you have to employ one [refugee] ... If you are a national, you have to employ the worker, who is well known by maybe the tribe [sic] that is huge in this place, like South Sudan ... So [South Sudanese people] will be your customer... Once they get into your business and they see somebody is South Sudan[ese], or is a refugee, [they feel they are getting a better deal] compared to other people.

Interactions between refugees and host community members in market settings in both camp and urban areas are commonplace, although these relationships vary greatly in the different locations. Market interactions range from seller–seller competition (or lack thereof) to customer–seller relationships. In seller–seller relationships, competition or antagonism stems from perceptions of one group stealing customers – a refugee living in Nairobi spoke about competition between refugee women and Kenyan women running cereal shops in Nairobi’s Kawangware market, and of tensions that would arise at times between the two groups because “[a Kenyan] will perceive that you’re [a refugee] come here to steal my clientele”. However, they also noted that these tensions were neither uniform nor constant and that there were several businesses that have both Kenyans and refugees working in relative harmony.

In customer–seller relationships, the willingness of business owners to sell products to refugees on credit may influence host–refugee relationships, depending on whether the customer ultimately pays back the credit. According to refugees from Kalobeyei and Dadaab who rely on credit from shopkeepers to meet their basic needs, these relationships may start off on a more positive note, with shopkeepers willing to sell on credit initially. However, the relationships may sour if the debt is not repaid on time and shopkeepers may even involve the police in the matter.

From interviews with refugees and camp implementation partners, certain jobs like selling charcoal or offloading cargo – particularly in camp settings – seemed restricted to host community members *de facto*. Refugees interviewed did not report these jobs as being available to them. Such jobs act as a mechanism through which the host community and refugees interact: for example, a refugee business owner could employ a host community off loader or a refugee could buy charcoal to cook their food from a host community member, but these interactions may not always be positive because of unequal power relationships and perceptions among host community members of the refugees’ relatively better economic status.

Overall, interactions between refugee and host communities are highly context-dependent. In Kakuma and Kalobeyei, there are simmering tensions between the communities based on perceptions of unequal access to services and resources, particularly for the host community¹³. As a refugee interviewee from Kalobeyei noted, “host community members consider refugees to be strangers and temporary occupants of their land”.¹⁴ According to camp implementation partners, different types of livelihood pursued by refugees (e.g. as business owners) and host community members (as pastoralists) give rise to perceptions of differences and ‘otherness’. In Garissa, on the other hand, a senior government official reported that shared ethnicity, language, religion and social networks created a form of kinship between refugees and hosts. Refugees from Dadaab themselves confirmed this, noting that having the same culture “makes it easy for us to live together”.¹⁵ Having these binding ties encourages various forms of socioeconomic interactions.

Despite mutually binding ties, host communities and refugees do not enjoy the same status and, at times, refugees may have to rely on Kenyans to help them operate their businesses. This is especially salient when considering restrictions on movement and on ownership of formal businesses. One refugee interviewee from Nairobi, who has to be a silent partner in the business they own because of their refugee status, despite having a refugee ID, told us about their business’s ownership structure:

So two Kenyans, one refugee [are the owners]. And then from there we kind of distributed the shares. Each person has [shares]: you have these shares, I have these shares ... and all of us have shares. And once that was set up, the structure was set up, I told them I can't formally be a partner because of ABCD, the reasons and all that. And it was an agreement. We put everything on paper, I'm a silent partner, but still have a shareholder in my friend's name, because we've been friends for quite a long time. And so whenever income comes, we split it evenly among the three of us.

The interviewee noted that they and their partners were long-time friends and shared similar values and aspirations, which allowed for a more balanced ownership, despite the former’s relatively disadvantaged position as a refugee. This is not the case in all economic relationships between refugees and Kenyans, however. If refugees have to rely on Kenyans for facilitation of movement from the camps to Nairobi, for example, and the relationship sours, the refugee partner may lose their stake in the business and have no legal recourse to settle the dispute or recover lost assets, because of the imbalance of power. This can be a disincentive to refugee entrepreneurs and may disempower new and growing businesses. A camp implementation partner working with an artists’ collective in Dadaab discussed further how tensions between refugee and non-refugee owners of the same business might create power imbalances and become detrimental to overall progress in different enterprises:

¹³ Concurrently, there are several examples of refugee-host community social cohesion. One such example is the *Kalobeyei Men and Women Business Association*, which has 85 members from both the refugee and host communities. This self-initiated group came together to share skills, opportunities as well as to seek loan and grand opportunities. This has also led to a more positive relationship between refugees and their Turkana hosts (UNHCR personal communication).

¹⁴ However, this is only one view and host–refugee community relationships are complex and multifaceted, with mutually dependent networks of support, trade and exchange also a key part. See, for example, Oka and Gengo (2020).

¹⁵ This coexistence is not a universal phenomenon in Dadaab, and minority clans and non-Somali refugees may not experience the same sentiment of cohesion and acceptance as others. Similarly, gender, age, disability, religion, education etc. may also shape refugees’ experiences finding work or pursuing entrepreneurship opportunities. As the REF (2020d) has written elsewhere, efforts to include refugees within planning and programming would benefit from including diverse perspectives rather than viewing refugees as a homogenous group.

The issue was trying to get them [the artists] to Nairobi with their products and just ... to understand the market ... it was so challenging. And they couldn't just move. And so in the self-help group, they had to have two local Kenyans and two refugee women. And it was very much this sense that the local women were on the board just so that they could facilitate the movement. So this was also creating this imbalance of power within the small business structure, which if you're trying to have a start-up is never an ideal situation.

Refugees, government officials, donors and camp implementation partners all recognised the importance of including host communities in interventions and noted how doing so has reduced tensions. A senior government official from Turkana County and an official from RAS we interviewed both noted their respective level of government's priority in including and engaging the host community. The interviewee from RAS revealed that the Secretariat's priority is to ensure that investments in refugee settlements involve host communities, with the aim of mitigating the risk of tensions or exacerbating disparities. The private sector can play a key role in such integrated solutions for refugees and host communities by ensuring interventions involve both communities, as well as a diversity of perspectives from *within* communities, and that power imbalances and existing tensions are not exacerbated.

7 Conclusions and recommendations

Creating pathways to dignified employment and entrepreneurship for people in refugee-hosting areas in Kenya has the potential to engender a sense of agency among individuals from the refugee and host communities, and convivial relationships between the two. Our study shows that there is ample interest, openness and willingness among all stakeholders to support refugees' economic inclusion through private sector engagement. Initiatives such as the inclusion of strategic objectives around private sector engagement in county development plans and related programmes such as the Kakuma–Kalobeyi Challenge Fund are steps in this direction. Private sector actors, as well, have demonstrated growing interest in working with refugees, either directly as employees or by incorporating them into businesses' supply chains.

However, this study has also identified significant barriers to this economic inclusion, namely refugees' inability to obtain the legal right to work and limited freedom of movement, which stall the process of self-reliance. In parallel, the study has also identified the lack of information and of incentives as key barriers to private sector investment in Kenya's refugee-hosting areas.

Based on these findings, the study makes the following key recommendations:

1. Advocate for refugee self-reliance through greater freedom of movement and easier documentation processes

Freedom of movement is a critical requirement for refugees not only to seek work but also to acquire the requisite documentation for work authorisation. The process of obtaining documentation and authorisation can appear ambiguous and convoluted for refugees. Restrictions on movement, unpredictable movement authorisation processes, and unreliable and often inscrutable work permit and documentation application requirements are significant barriers to refugees' economic inclusion and self-reliance.

Addressing these issues is the responsibility of government but should be at the forefront of advocacy priorities for civil society organisations, donors and private sector actors.

A potential entry point for such advocacy would be for the private sector to leverage the government's recent announcement that it will grant residency and work permits to refugees from the East African Community and encourage the government to extend these arrangements to non-Community refugees. The process of facilitating permits to EAC members is in the very preliminary stages, so it may be premature to know exactly how it would work and how it could be extended to the wider Horn of Africa community. However, a starting point could be to focus on providing work and residence permits to Somali refugee entrepreneurs, as a new market entry point. As highlighted in this study, having employees from the refugee community would build trust between the business and that community. In the long term, this could expand from the Somali community in Kenya to Somalia itself. Should Somali refugees elect to return to their country, they could act as agents, franchise owners or partners to support market entry and business set-up for Kenyan businesses looking to expand into markets in Somalia.

2. Address gaps in information and understanding among refugees regarding their right to work and documentation processes

Considering the complexity of documentation required for the right to work and the gaps in understanding of these processes among refugees, an urgent recommendation is to encourage initiatives that address these information gaps. For instance, camp implementation partners and county governments could work together to provide information sessions and packs posted in centralised areas (ie Huduma Biashara centres or refugee markets). The information should be translated into the languages spoken within the refugee communities to ensure a wide reach (the UNHCR Helpline, for example, could be made more user-friendly and is in the process of adding information in other languages¹⁶).

Camp implementation partners and civil society organisations should work with UNHCR and the Government of Kenya to demystify the documentation process by ensuring refugee applicants have the requisite information on movement passes and work permits. Implementation partners and private sector actors should also provide a free facilitation service to help refugees acquire the requisite documentation for work and travel and guide refugees through the application process.

3. Promote an enabling environment for private sector investment by addressing information gaps regarding working in refugee-hosting areas and employing refugees

Alongside addressing information gaps among refugees on documentation and other work-related processes, it is also critical to address information needs among private sector actors on such issues as refugee employment and documentation regulations. All partners involved in refugee issues need to collaborate to co-create tools to reduce the detachment of refugee camps from other business ecosystems in the country and to promote the exposure of refugees – entrepreneurs and otherwise – to other markets.

Platforms such as the Kenya Private Sector Alliance, Kenya Association of Manufacturers, Federation of Kenya Employers, and the Amahoro Coalition could support this process through awareness-raising sessions. Private sector actors already working with refugees or in refugee-hosting areas should share best practices and success stories in their work in refugee-hosting areas.

4. Facilitate local economic development through donor-funded programming, with close government and private sector coordination

Private sector proliferation in Turkana and Garissa Counties is in its nascent stage thanks to infrastructural and other issues noted in the report. To enhance the state of the market in these counties, existing local SMEs need funding and business training support in order to be able to offer employment opportunities for refugees, as well as to attract external investors and business partners. *Donors (government and institutional) should explore supporting facilities that provide technical and financial support to small and medium enterprises. A ‘SME Investment Facility for*

¹⁶ <https://help.unhcr.org/kenya/>.

Durable Solutions' (inspired by a report by the Swiss Agency for Development and Cooperation¹⁷) that blends philanthropic money with 'impact capital' and technical support for enterprises in displacement-affected contexts is a tangible recommendation. Such a facility could target multiple stages of businesses, offering more directed support for newer businesses to ensure that younger entities are also given adequate financial and technical support.

Protection from exploitation, increased job security and reliable wages must be central concerns for such programming and private sector incentives. *Governments, donors and private sector investors should ensure their interventions focus on extending protections beyond those who work in the formal sector, and include both refugees and hosts. Donors (government and institutional) should focus on facilitating decent work, not just numbers of jobs/businesses created, and where possible align interventions with Kenyan actors already working on these issues.* For example, through its PROSPECTS initiative, the ILO in Kenya has worked with the Federation of Kenya Employers and Kenya's Central Organization of Trade Unions to promote decent work for both refugees and hosts (ILO, 2020b).

5. Expand targeted assistance to ongoing initiatives in refugee-hosting areas through mentorship, technical and financial support

There are some key ways in which private sector actors can target support at existing initiatives. This may be through 1) mentorship, career counselling and business training support to refugee entrepreneurs; or 2) time-bound expertise in certain business areas, such as legal, finance, operations, logistics. Such an approach is similar to the work done by organisations like Venture for Africa or Endeavor, who send fellows or existing staff on short-term assignments to offer strategic support. Private sector actors already working in financial services could also provide financial support through loans to refugee-owned businesses, similar to the work done by AEC.

Private sector actors could also support or create an employment agency that links refugees with available opportunities. In practice, the agency could have a database for the private sector to find information on the different skill sets of refugees. The agency could be incubated under the proposed multi-stakeholder platform to address issues tied to refugee employment. If this idea is pursued, close attention must be paid to privacy and data protection with regard to refugees' personal information.

¹⁷ <https://earthsecurity.org/report/financing-durable-solutions-for-refugees-and-forcibly-displaced-people-creating-future-perspectives-in-times-of-crisis/>.

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