



Economic Inclusion of young adult refugees and vulnerable host community in Turkana County

Market Systems Analysis of the Online Freelancing, Fashion Design and Early Childhood Education Sectors in Kakuma Refugee Camp and Kalobeyei

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Contents

Abbreviations	v
Acknowledgements.....	v
Executive Summary	vi
1. Introduction.....	1
1.1 Project introduction.....	2
1.2 Study purpose and scope.....	3
1.3 Study Methods.....	4
1.4 Report Structure	5
2. Market Overview	6
2.2 Country.....	6
2.2 Turkana County.....	9
2.3 Sub country: Turkana West and the Kakuma area	11
2.4 Recent history and trends	13
2.5 Role of the target group.....	14
3. The Market System	15
3.1 Supporting functions.....	16
3.1.1 Government Policy frameworks	16
3.1.2 Other support functions	17
3.2 Rules and Regulations	19
3.2.1 Government Policies	19
3.3 Core market	20
3.3.1 Information and Communications Technology: Freelance Value Chain.....	20
3.3.2 Freelance Value Chain: Constraints analysis	21
3.3.3 Clothing: Fashion Design Value Chain.....	23
3.3.4 Fashion Design Value Chain: Constraints.....	26
3.3.5 Early Childhood Development Education Value Chain.....	27
3.3.6 Early Childhood Development Education Value Chain: Constraints Analysis	28
3.4 Constraints summary.....	29
4. Opportunities.....	32
4.1 Key opportunities.....	32
4.1.1 ICT Freelance Value Chain	32
4.1.2 Fashion Design Value Chain	33
4.1.3 Early Childhood Development Education Value Chain	33
4.1.4 Opportunities cross cutting – rules and regulations	34
4.2 Proposed sector and project visions.....	34
4.3 Potential areas for intervention.....	35
4.3.1 Recommendations - general	36
4.3.2 Recommendations - organizational	37
5. Conclusion	39
References.....	40

Annex A: Research Interview List	41
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Figures

Cover: Students studying in the Digital Inclusion Activity 2023

Figure 1: Signs of non-governmental government and bilateral organizations working in the Kakuma Camps and Kalobeyei. (Photo Credit: JRS).....	2
Figure 2: Kenya’s economy has recovered strongly after Covid: Nairobi at dusk	6
Figure 3: Map of Kakuma Refugee Camp.....	7
Figure 4: Map of Kalobeyei settlement.....	7
Figure 5: Relation between Kakuma and Kalobeyei	8
Figure 6: With fishing, pastoralism is the main economic activity in Turkana.....	10
Figure 7: Kakuma 2 and 3 Refugee Camps from the air	11
Figure 8: The Burundian Market in Kakuma 3.....	12
Figure 9: Small electronics shop in Kakuma 3.....	15
Figure 10: The Market System at Kakuma-Kalobeyei	16
Figure 11: Poor construction of roads leads to flooding, making movement around the camp difficult after rains	18
Figure 12: Value Chain: Digital Freelance.....	22
Figure 13: Value Chain: Fashion design	24
Figure 14: Mode of Business Enterprise: Fashion design value chain	24
Figure 15: Mode of Production: Fashion design value chain	25
Figure 16: Mode of Marketing: Fashion design value chain	25
Figure 17: Mode of business enterprise: Fashion design value chain.....	26
Figure 18: Value Chain: Early Childhood Development Education	28
Figure 19: Many privately run Early Childhood Education centres have begun in the camp- settlement.....	29
Figure 20: Okapi Green set up this solar array to provide electricity in Kakuma 3.....	30
Figure 21: Peace House Business - a multi-faceted fashion design training institute.	36

Tables

Table 1 : Summary of Constraints Analysis.....	30
Table 2 : Summary of Opportunities	34
Table 3 : Recommended Interventions divided into Push and Pull.....	38

Abbreviations

AIMS:	Approach to Inclusive Market Systems
CBO:	Community-Based Organization
CIDP:	County Integrated Development Plan
DRC:	Danish Refugee Council
DRS:	(Kenyan) Department of Refugee Services
ECDE:	Early Childhood Development Education
FGD:	Focus Group Discussion
ILO:	International Labour Organization
JRS:	Jesuit Refugee Service
KII:	Key Informant Interview
KISEDIP:	Kenyan Integrated Socio-Economic Development Plan
KNCCI:	Kenya National Chamber of Commerce and Industry
KUSP:	Kenyan Urban Support Program
LWF:	Lutheran World Federation
MHPSS:	Mental Health and Psycho-Social Support
MSA:	Market Systems Analysis
NGO:	Non-Governmental Organization
OAU	Organization of African Unity
RCK:	Refugee Consortium of Kenya
RLO:	Refugee Led Organization
SHIRIKA:	Socioeconomic Hubs for Integrated Refugee Inclusion in Kenya)
SME:	Small and Medium Enterprise
UNHCR:	United Nations High Commissioner for Refugees
WUSC:	World University Service of Canada

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Executive Summary

The refugee camps of Kakuma and the adjacent Kalobeyei integrated settlement together host a population of 285,238 people (UNHCR, 2024). The economy is estimated to generate USD 16.5 million based on estimates of household consumption (World Bank Group, 2018). This would likely be still larger if it were not for the locations' geographical isolation from large centres of population and presence in one of the poorest counties of Kenya. Yet the economy has steadily grown, care of the presence of these forcibly displaced people, the host community mainly centred on Kakuma township, and the work and investment of over 40 humanitarian and development actors in the community and the work of the local county government.

The NGOs perform many essential humanitarian functions however, as economic activity has grown, we can see their actions as forming essential investments in the community and economy: they have themselves become market actors.

The May 2024 announcement of the development of the camps to a full integrated settlement signals the start of a purposeful transition whose objective is a sustainable and viable local economy big enough to prevent displaced people being drawn to larger markets like Nairobi when movement restrictions are lifted.¹

Adapting the ILO market sector - value chain selection methodology the project working group chose three market sectors - value chains as experiencing growth, feasible for JRS intervention and the subject of refugee and host population interest (International Labour Organization, 2017). These were information and communications technology: freelance, clothing fashion design and manufacture and early childhood development education.

Analysis of these value chains, their opportunities and constraints gave rise to a series of recommendations to inform project work in the coming years as follows:

General Recommendations

Online Freelance

1. Facilitate discussions between NGOs hosting freelance courses with a view to coming to agreement about common sourcing of computers at the same time as identifying suppliers of computers and parts willing to open franchise or other solutions in Kakuma.
2. To develop with Konexio, Tent Partners, and Kakuma-Kalobeyei based refugee led organizations a Kakuma based agency for freelance refugee talent moving towards a hub - BPO model.
3. Map current training in Kakuma and work with Konexio / researchers to establish market needs to design further second level course options, maintaining strategy of broad entry level training.
4. To continue working with UNHCR and other NGO actors for a comprehensive delivery of identification documents acceptable to online platforms and technical companies.

¹ This is a hypothetical scenario that will one day governments will have to be faced., although there is no schedule or stated intention of such at the present time.

5. Facilitate with Education providers and security companies access to facilities in the evening for overnight online work.

Fashion Design

6. Facilitate discussions with fashion design producers, both refugee and host, and the KNCCI with a view to setting up a formally recognised cooperative hub / model of one person agencies to generate economies of scale for negotiating better pricing of inputs, transport in exchange for volume and decent work conditions.
7. Facilitate discussions with fashion design producers and initiate the development of a business model for the creation of a marketing agency for Kenya designed goods destined for Nairobi:
 - a. To market goods produced in Kakuma to Nairobi vendors and markets
 - b. To negotiate competitive rates with sources of materials – kitenge etc
 - c. At the same time to tender for online marketing of goods produced in Kakuma to various publics inside and outside Kakuma.
 - d. To explore and commission the creation of an app for centralised ordering of cloth and other inputs and for products.
8. Support LWF's initiative in market trade fairs for greater exposure of products.
9. Negotiate internally and develop business plan for Kakuma based school uniform production.

Early Childhood Development Education

10. To facilitate discussions with Action pour le Progres and other at present informal training facilities for the preparation of ECDE teachers to broker registration of their training courses with the Ministry of Education and the Commission of University Education (This may need a sponsoring institution like Bishop Makhon who could be incentivised by numbers on offer).
11. Separately to explore feasibility then resource development of online components of ECDE Diploma courses for delivery directly to candidates within Kakuma-Kalobeyei.

Organizational Recommendations

1. To continue supply side direct implementation of technical and lower tertiary level courses under the Pathfinder project, while commissioning research into:
 - i. A mixed mode online Early Childhood Development Education course,
 - ii. Market trends in online freelance and related activities,
 - iii. Potential partnerships to institute a business - research institute to support the transition of Kakuma into an integrated settlement, researching and developing with refugee and community-based organizations, entrepreneurial solutions to issues that arise.
2. To establish a refugee and local based advisory council from the student and wider community bodies to advise on a transition from a supply side to an integrated supply and demand side project and supporting strategies.

3. To expand the partnership with the Chamber of Commerce (KNCCI), introducing to course participants early information on registration of new businesses.
4. To further conversations with a view to hosting solar electrical technician training in a JRS centre in collaboration with Okren as a pilot for cooperation with refugee led initiatives.
5. To work with Peace House Business Fashion design on a business model for their mixed training – fashion design and uniform business by placing them in touch with Tangaza University Social Entrepreneurship for business model development, KNCCI for registration, and working with them to overcome their loss of materials in a fire which caused them to default on an Inkomoko-brokered loan.
6. To negotiate with Konexio or other institutes to introduce e-marketing and commerce and begin work with an appropriate RLO on developing their hub model towards a delivery centre concept.
7. To restructure the job placement role to that of a business – market solutions officer to work strategically with development actors including investment groups on facilitation tasks proposed above.
8. To assist motorcycle maintenance and repair participants to map their value chains, analyse constraints and opportunities and co design an appropriate systems intervention with them.
9. To investigate and map the leather preparation and shoemaking value chain.

The transition to a viable locally based economy requires extensive private investment and the development of some kind of (light) industrial base which not only can overcome the high costs of transport to sell competitively in markets such as Lodwar, El Doret, Kitali and Nairobi but can leverage the locality's advantages of lower costs of production and potential for abundant cheap, renewable energy.

However such growth in the market demands changes in humanitarian methodologies and alteration of roles away from supply side interventions towards facilitation of local refugee led and community based and local government initiatives.

Renewable sources of energy, cheap internet and efficient marketing are vital ingredients to develop all the value chains investigated. They are, along with the social capital that is a strength of the locations, the key requisites for such transition.

1. Introduction

As of April 30, 2024, Kenya hosted 770,255 refugees and asylum seekers in four principal locations, Dadaab Refugee Camp in the country's east, Kakuma Refugee Camp and Kalobeyei settlement in the country's north-west, and in the two main cities, Nairobi, and Mombasa (UNHCR, 2024).

Kakuma Refugee Camp and Kalobeyei Settlement, the geographical focus of the study, together host 285,238 refugees and asylum seekers, consisting of 53.2% men and 46.8% women.¹ To this can be added an estimated 20,000 host community members resident in Kalobeyei. More than half of the refugee population (154,065 persons or 54.4%) are under the age of 17 years (UNHCR, 2024).

The largest group of refugees in the Kakuma area originate from South Sudan, with smaller numbers from Somalia, Burundi, and Sudan. The population continues to grow steadily, from 193,694 in 2019 to the current figure of 285,238. Registrations of people from South Sudan, the Democratic Republic of Congo, and Burundi and a high live birth rate, estimated to be above 400 per month, continue this upward population trend.

Jesuit Refugee Service (JRS) has been present in Kakuma camp since 1992, providing services varying from primary, secondary, tertiary, post-secondary and inclusive education, to protection, livelihoods and MHPSS.² Today, it implements secondary education, post-secondary training, and livelihoods ("JRS-Pathfinder"), protection and inclusive education, centring on safe havens.

Lack of access to training and few opportunities for decent work, particularly for youth, sees an estimated 70% of the camp population with neither steady means of employment nor income. The majority report themselves as not looking for work and thus reliant on continued assistance from the World Food Program and non-governmental organizations. This belies a thriving informal economy with over 2,000 businesses generating, together with NGOs and other contributions, an estimated in US\$16.5 million revenue based on household consumption (Kakuma as a Marketplace, 2018).

There are currently around 40 non-governmental, government and bilateral agencies working in Kalobeyei and the Kakuma Refugee Camps providing humanitarian and development assistance ranging from basic, vocational, and tertiary education to medical and pharmaceutical services to business incubation and start up assistance. UNHCR and the government Department of Refugee Services (DRS) together manage the camp and settlement. They coordinate services, liaise with local and national governments and, with government, develop strategy and elicit resources.

To these can be added 1,253 refugee-led or community-based organizations currently registered with the Kenyan Chamber of Commerce and many informal one or two person businesses that remain unregistered.

Government, non-governmental, and bilateral organizations, and remittances collectively provide much of the investment for current business activity in the camps. Recent years have seen increased engagement of private enterprise and finance organizations that has led to increased private investment. The advent of the ILO's Prospects project funded by

² MHPSS Mental Health and Psycho-Social Support

the World Bank, will give significant impetus to business activity of all kinds and the economy in general.



Figure 1: There are currently around 40 non-governmental government and bilateral organizations working in the Kakuma Camps and Kalobeyei. Photo Credit: JRS

1.1 Project introduction

JRS-Pathfinder began as a pilot project in January 2019, aiming to strengthen the local economy and community of Turkana County by economic inclusion of refugee and asylum seekers from Kakuma-Kalobeyei. It hoped to achieve this by market-informed supply side interventions, centring on professional education and training, career guidance, liaison with employers and job placement.

JRS-Pathfinder was an evolutionary development of JRS's work in tertiary education. In response to participant feedback on projects running from 2010 to 2017, it sought to connect participants with meaningful jobs or business, enabling their social and economic contribution to the community. It also broadened the target population to include people with incomplete secondary education, roughly ninety percent of refugees.

The target population was 18–35-year-old refugees and host community members resident in the four Kakuma Camps, Kalobeyei settlement and Kakuma township. They ideally have some secondary education but are unemployed or engaged in precarious or occasional work with decent work deficits. Fifty percent of participants must be female. Finally, applicants must not be engaged in other studies or training.

The objectives of the project were as follows:

- **Objective A:** Previously unemployed participants gain self or wage employment because of market informed skills training, job placement, and entrepreneurship support.
- **Objective B:** Participants previously employed in precarious or occasional work, stabilize their employment, through gaining a relevant qualification, increasing their job retention, career progression and/or take up of business.
- **Objective C:** Young refugees and host community members enrolled in an associate / bachelor's degree (2 and 3 years respectively) in a skills area or work sector for which there is demonstrated market demand, make progress towards the next year of studies.

In 2023, the project engaged 259 (131m, 128f) people enrolled in one of; early childhood development education (ECDE) certificate-to-diploma training, digital Inclusion implemented in partnership with Konexio, or online bachelor's degree programs. Most participants, 183 (101m, 82f), participated in the online bachelor's degree program conducted in partnership with Southern New Hampshire University. (Jesuit Refugee Service Kenya , 2024)

In total, 86 participants (31m, 55f) completed participation, while 173 (99m, 74f) are continuing with various skills acquisition courses.

Of those graduated, 84 have found or continued in employment (98%), with 27 having received a higher salary or promotion due to their skill development. This marks a 34% increase in employment figures from 2022. (Jesuit Refugee Service Kenya , 2024)

A further course, the Certificate in Social Entrepreneurship, was offered during the pilot in collaboration with Tangaza University, with positive results but has been temporarily discontinued due to funding constraints.

1.2 Study purpose and scope

The purpose of this Market Systems Analysis is to design the Pathfinder intervention in Kakuma for the next 3 years (2025-7). The pilot evaluation, completed in October 2023 for activities carried out from 2019 to 2022, recommended direct engagement with the market, by increasing demand-side interventions, looking for and acting on opportunities to strengthen value chains and support functions in the local economy. At the same time, it saw the integrated approach of both supply and demand interventions, the high level of participant engagement in, and ownership of, the project, and the mixed online / face to face modality of training as strengths to be continued.

Box 1: Market Systems Approach

The market systems approach is one which aims to address the root causes why markets may not be meeting the needs of certain subsets of the population, including people living in poverty, youth, and other disadvantaged people. The approach builds on the capacities and incentives of market actors – both private and public – to increase the likelihood that positive results are sustained and even scaled after intervention. *Source: ITCOLO Market based livelihoods interventions for refugee and host communities.*

This demands thorough analysis of the market system, firstly identifying sectors relevant to the target group, that are experiencing strong growth, and thus the potential to absorb new entrants, and that are both feasible for refugee participation and JRS intervention.³

Value chains were selected from each market sector identified. They were mapped with key constraints identified and analysed, along with corresponding root causes that limit functionality within the system. These analyses in turn lead to recommendations for systems interventions with a focus on boosting income and generating employment, contributing to poverty reduction and overall economic growth.

The study covered the four camps that make up the Kakuma Refugee Camp and three villages of Kalobeyei settlement. While it does not encompass Kakuma township within its primary geographical area, it considers the intersection of the camp-settlement economies with that of the 60,000 person Kakuma township as integral. The analysis also includes considerations of gender responsiveness, inclusion of people living with disabilities and decent work.

Box 2: What is a market system?

A market system is the inter-connected network of actors and factors that interact to shape the outcomes of an economic exchange. These exchanges are governed by a range of:

- *Supporting functions.* The context- and sector-specific functions that inform, support, and shape the quality of exchange, such as information, skills, infrastructure, finance, and access to markets.
- *Rules and Norms.* The legislative and regulatory environment, including policies, voluntary standards and social norms that guide day-to-day attitudes and conduct.

Supporting functions and rules are carried out by a wide range of market actors, from businesses to financial institutions, trade associations, regulators, and government agencies. When certain rules or functions do not operate well, a market system *constraint* is created that reduces the effectiveness of the system and reduces the value captured by the people and market actors involved in the transaction.

Market systems development programmes aim to create positive systemic changes. A systemic change takes place when there is a lasting improvement in one or more market system constraints which leads to improved outcomes for target groups, be they workers suffering from poor safety and health conditions, or young people excluded from the labour force. Programmes discover why market actors have not addressed such constraints themselves, and then work on improving their incentive and capacity to perform new or improved roles. *Source: ITCOLO Market Led livelihood interventions for refugees and host communities.*

1.3 Study Methods

The current study adapts the ILO - UNHCR approach to inclusive market systems (AIMS), the *Value Chain Development for Decent Work* and the Springfield Centre's *Operational Guide on the M4P Approach* (International Labour Organization, 2015). The research used primary and secondary data including observation, key informant interviews (KIIs) and focus group discussions (FGD) as well as compilation of quantitative data.

There is considerable material documented of the Kakuma context: reports were chosen for their anticipated relevance.

³ The Target population are 18–35-year-old refugees and host community members in the Kakuma Kalobeyei area who have some secondary education and are unemployed or engaged in precarious or occasional work. See p.2.

The research was carried out in three phases:

1. **Desk research:** Available literature was surveyed to provide a knowledge framework for the primary data collection. This included review of national laws, sector data and market analyses (For a list of main sources used, see References).
2. **Field research:** Primary research was conducted in Kakuma Camps 1, 2, 3 and 4, Kalobeyei and Kakuma township during two weeks at the end of February and beginning of March 2024. There was a total of 23 KIIs performed with NGOs, multi laterals, refugee and host owned and run formal and informal businesses and the local chapter of the Kenyan Chamber of Commerce in Kakuma township.

These provided an in-depth picture of the sectors from a diverse set of actors and opinions. A detailed list of all the interviewed stakeholder organisations is included in Annex A.

At the same time a systems analysis of the supporting functions and key rules and regulations affecting the markets was carried out.

3. **Sector selection and value chain mapping and analysis:** Following the field research, sectors with growth potential and that were feasible for future JRS intervention were shortlisted and specific value chains chosen. These were mapped, including key market actors and relevant support functions, rules and regulations.
4. **Constraints** were identified in each value chain, with each subjected to a root cause analysis. **Opportunities** were also identified. These analyses led to recommendations for systems interventions and JRS project design.
5. A **validation workshop** was held on the 10th of July with key informants to elicit feedback, and to lay the foundations of future partnerships.

Notes

All data collected through primary research has been made anonymous. Instead of individual references I use generic terms such ‘interviewee(s)’, “key informants” or “respondents,” and “KIIs” to refer to sources of information.

The study is based on the perceptions and opinions of individual refugee and host community members, organizations, and government sector stakeholders. Where possible information from Key Informant Interviews and Focus Groups was triangulated using different sources, however this was not always possible.

The views and opinions in this assessment are those of the author and not necessarily of Jesuit Refugee Service Kenya Country or East Africa Regional offices.

1.4 Report Structure

The report begins with a description of the macro-economic context in which the Kakuma region’s economy is situated, its history, trends, and roles of the target group.

The second section describes the three market sectors selected for deeper analysis, with value chains identified and mapped. Key constraints and opportunities are identified and analysed in each.

These analyses give rise to recommendations for a small number of systems interventions to address root causes of constraints and leverage the opportunities to realise the potential of each value chain to absorb new entrants.

There is a secondary set of specific recommendations for the JRS-Pathfinder project.

2. Market Overview

2.2 Country

Kenya is a presidential republic occupying 580,367 sq km of sub-Saharan Africa and hosting a population of 57,052,004 (2023 est.). The total GDP of the country is US\$115.075 billion (2024 est.) or an average of US\$2,194 per capita (World Bank Group, 2023).

Kenya's economy is the fourth largest in the Sub-Sahara region (after Nigeria, South Africa, and Ethiopia) and one of the fastest growing, with strong agriculture, emerging service and tourism industries, and broadband and mobile-money platform investments.

The economy recovered quickly post pandemic, expanding 4.8 percent in 2022, a rate broadly aligned with those of the pre pandemic decade. However, adverse weather conditions in 2022, high debt affected by depreciation of the Kenya Shilling, and inflation due to oil and food hikes, have kept the estimated growth to 5.3% of real GDP and put significant cost of living pressure on households (World Bank Group, 2023).

Kenya's medium-term growth outlook is bright. Real per capita incomes are expected to grow 2.8 per cent in the medium term and poverty is expected to resume its pre-pandemic downward trend. The strong GDP growth is underpinned by easing in the cost-of-living pressures, expected robust private investment and a reduction in public investment (World Bank Group, 2023).

Higher electricity tariffs are expected to keep energy prices elevated and increase the cost of production for small businesses. However, great potential exists for the use of renewable energy sources to service growing electricity consumption needs. The existence of mini grids powered by solar energy in Kakuma 3 demonstrates the potential application of renewables in the Kakuma area. This would help lower the country's exposure to fuel price shocks and supply chain disruptions.



Figure 2: Despite shocks, Kenya's economy has continued its upward path of steady growth: The Nairobi skyline at dusk. Photo credit: <https://dissolve.com/stock-photo/City-skyline-Nairobi-royalty-free-image/101-D1028-111-529>

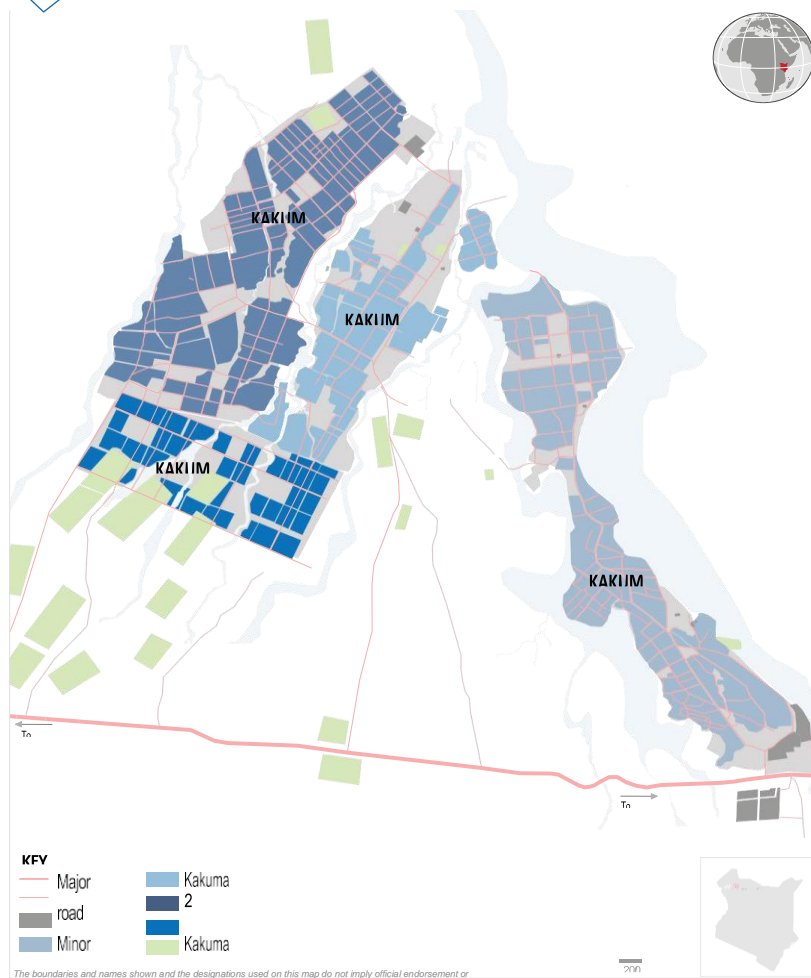


Figure 3: Kakuma Camp was founded in 1992. The camp is bordered in the south by the main A1 highway to Lokichogio and in the south-west by Kakuma township. JRS began work there in 1994. Credit: UNHCR



Figure 4: Kalobeyei settlement is situated 3.5 kilometres from Kakuma and was founded in 2016. Credit UNHCR



Map Sources: UNCS, UNHCR

The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Printing date: 13 Jan 2020

Figure 5: Map showing the locations of Kakuma Refugee Camps, Kalobeyei and Kakuma Town in relation to each other. Credit: UNHCR

Kenya's exports were worth an estimated US\$7.4 billion in 2022. The top ten in terms of value are the following:

1. Coffee, tea, spices: US\$1.7 billion (23.4% of total exports)
2. Live trees, plants, cut flowers: US\$694.2 million (9.4%)
3. Mineral fuels including oil: US\$450.8 million (6.1%)
4. Ores, slag, ash: US\$335.9 million (4.5%)
5. Animal/vegetable fats, oils, waxes: US\$310.5 million (4.2%)
6. Fruits, nuts: US\$279.3 million (3.8%)

7. Clothing, accessories (not knit or crochet): US\$225.4 million (3%)
8. Vegetables: US\$215.5 million (2.9%)
9. Iron, steel: US\$201.7 million (2.7%)
10. Knit or crochet clothing, accessories: US\$174.3 million (2.4%)

As seen in the list, Kenya's largest goods exports are low in complexity (as they are mostly agriculture and minerals) while the services sector drives export dynamism (Workman, 2024).

2.2 Turkana County

The Kakuma Camps and Kalobeyei settlement are in Turkana County, the largest of the 47 counties in Kenya and one of the poorest. Its capital is situated at Lodwar, roughly 120 kilometres south of Kakuma. The county is predominantly inhabited by the pastoralist Turkana people.

The population of the county was estimated at 997,338 in 2022. This is projected to increase to 1,073,645 in 2025 and to 1,130,667 in 2027 continuing the 8.4% growth of the ten years to 2019. Even so, the average population density remains low, at 14 persons per square kilometre (World Bank Group, 2020).

The population is predominantly young, generating high demand for education and related infrastructure. Thus, children of primary school age (6 – 13) numbered 132,008 in 2019 and are expected to increase to 152,814 in 2025 and 160,454 by 2027. Those of secondary school going age and early adulthood (15 – 29 years) numbered 344,230 in 2022, 31.25% of the county population. They are expected to increase to 375,614 and 388,150 in 2025 and 2027, respectively. The camp population mirrors these overall demographic trends.

A World Bank – UNHCR survey, *Understanding the Socio-Economic Conditions of Refugees in Kenya Volume B Kakuma Camp*, discovered a higher rate of poverty among refugees of 58 compared to the national average of 37 per cent (measured by the international poverty line for extreme poverty of USD 1.90 per capita per day). However, this is lower in comparison to the Turkana County average of 72 per cent. In general, refugees in Kalobeyei were better off than their counterparts in Kakuma (World Bank Group, 2020).

The major economic activities and sources of livelihoods in Turkana County are pastoralism and fishing. Goats, camels, donkeys, and zebu cattle are the most common livestock, while fishing is practiced in the waters of Lake Turkana, with Tilapia and Nile Perch among the main species caught. Adjacent to the camp on the A1 highway lies a slaughterhouse which serves the camps, town and Kalobeyei while the "fishing in the desert" initiative in Kakuma 2 raises tilapia and catfish for local consumption.

Hydroelectric power generation from Turkwel dam is the major source of electricity for the county. As mentioned, there is great potential for the use of clean energy sources such wind, and solar which the camp population have begun leveraging on a micro scale.

Lastly, the Lamu South Sudan Ethiopia Transport (LAPSSET) Corridor passes through the county bringing forth opportunities for investment in tourism and related sectors.

Most formal wage employees (86%) work for county and national government while 99 per cent of people in the informal sector work in micro enterprises in the wholesale or retail trades or motor vehicle and motorcycle repair sub sectors. Low average monthly incomes

(<48,000KES) mean revenues are limited for such businesses the majority of which are unlikely to take on employees.



Figure 6: With fishing, pastoralism is the main economic activity in Turkana. Photo credit: JRS

The ILO-Prospects Turkana County Integrated Labour Market Assessment identified a group of the informal economy sectors and associated value chains as the most likely to have potential to create employment. These included:

1. Accommodation and Food Service activities
2. Professional, scientific and technical services,
3. Information and communications
4. Agriculture
5. Forestry and fishing
6. Wholesale and retail trades
7. Motor vehicle and motorcycle repair

The assessment also notes that 90% of informal enterprises require skills in management and marketing in the short to medium term (ILO Prospects Turkana County Integrated Labour Market Assessment 4).

On the supply side, the same study noted the predominance of males in the existing workforce (65 per cent) and their relative youth and inexperience. Nevertheless, female workers comprise about half the workforce in the small retail and service business categories. Both males and females exhibit a low skill base with low earnings. As a result, there is low labour market mobility and long lead in times to obtaining employment.

The rates for vocational education and training are likewise low, with 14 per cent of workers having primary education and one per cent of workers secondary. These low levels of

education limit opportunities and increase vulnerability in terms or recovery from business closure or sudden shocks. Demand-driven training opportunities include accountancy and bookkeeping, entrepreneurship, human health, education, catering and accommodation, information and communications technology, disaster management, plant operation clerical and professional activities (ILO Prospects Turkana County Integrated Labour Market Assessment 4).



Figure 7: The Kakuma camps and Kalobeyei settlement occupy an extensive area in the semi-arid Turkana County, subject to localised flooding after rains, making movement around the facility challenging. Kakuma 2 and 3 Refugee Camps from the air. Photo Credit: JRS

2.3 Sub country: Turkana West and the Kakuma area

In Turkana West, the population faces multiple socio-economic challenges and vulnerabilities, with the economy in the Kakuma-Kalobeyei area continuing to depend on humanitarian assistance. Pastoralism is the main livelihood for the host community, the Turkana people, with many practising nomadism.

The key characteristic of the Kakuma market system is the prevalence of the forcibly displaced population, the largest human settlement in Turkana County, and the associated large group of humanitarian and development actors who both bring financial and human resource and generate demand for services. At the same time remittances provide some investment. Rates of private investment remain low though there are signs of increase.

Thus, a recurring question concerned the integration of the refugee subeconomy into the greater area economy so that benefits from the investment of non-governmental and bilateral organizations are shared with the entire Kakuma / Turkana population. This

became a factor in the selection in all three sectors studied: all had significant opportunities for cross over into, or involvement of locals in, the respective value chains.

Five of the seven sectors identified in the Turkana County assessment feature in the long list of sectors with growth potential in the camps-settlement. The exception are forestry, fishing, and agriculture, fishing centring on the Lake Turkana area some 176 kilometres to the east, forestry also being located far from the camp. The lack of large-scale irrigation in the vicinity limits commercial agricultural activities, however groups of Somalian women grow vegetables in the camp for local sale. Finally the local Turkana people dominate the livestock sub sector as it is their traditional source of livelihood.

One sector featuring in the JRS survey, but not in the ILO-Prospects study, was digital freelance, with other Information and Communication Technologies.

Relationships between the host and refugee communities in Turkana West are complex.



Figure 8: The Burundian market in Kakuma 3. Photo Credit: JRS

The host community recognizes the economic benefits of the flow of humanitarian aid into the refugee community, and its flow-on effects in the form of infrastructure development, employment, economic opportunities, and social programmes (International Labour Organization, 2022). A survey done by NRC – IHRC in 2018 counted approximately 2,500 businesses in Kakuma Kalobeyei, representing 30 per cent of all known businesses in the county. Many of these are in the camp's twelve markets in addition to Kakuma town's 232 shops (NRC and IHRC, 2018).

Other studies estimate the total household consumption capacity of the camp area to be KES 1.7 billion, or \$16.5 million), representing 29 percent of the county's \$56 million

household consumption. This figure is likely conservative and does not include in-kind aid, distribution of products, or the provision of free services by humanitarian agencies (World Bank Group, 2018).

There have been periodic conflicts regarding access to the limited resources of water and firewood, environmental degradation caused by the presence of the large population, land ownership and sometimes encroachment disputes and over access to infrastructure and facilities. These conflicts are heightened during the dry seasons when access to resources is especially scarce.

During the time of conducting this survey there were protests from the local Turkana people asking for more direct employment opportunities from NGO actors.

2.4 Recent history and trends

In March 2021 the Kenyan government announced the closure of both Dadaab and Kakuma refugee camps, citing security concerns, the result in part of deteriorating relations with the Government of Somalia (Felleson, 2023, 42). Negotiations between UNHCR, government and other stakeholders resulted in a new policy direction and the eventual development of the SHIRIKA plan to manage the large refugee populations.⁴ This plan promotes self-reliance of refugee communities and their economic and social integration into the Kenyan society and economy. As part of this initiative, Dadaab and Kakuma have become municipalities as the first step towards their creation as integrated settlements of both refugee and Kenyan nationals.

The SHIRIKA plan is consistent with Kenya's adoption the 2016 New York Declaration for Refugees and Migrants, the Comprehensive Refugee Response Framework (CRRF) that calls for increased support to refugees and the countries which are hosting them, and the 2018 Global Refugee Compact. SHIRIKA provides an overarching framework within which local and county plans sit.

Its objectives are the following:

1. Ease the pressure on refugee-hosting communities in Garissa, Turkana, and urban areas by mobilizing additional financial, technical, and material support in the spirit of responsibility sharing;
2. Facilitate the transition from refugee camps set up to integrated human settlements and robust economic hubs;
3. Enhance refugee and host community socio-economic inclusion for enhanced self-reliance and resilience;
4. Facilitate the transition of refugee basic service delivery from humanitarian-led approach to government systems.

At County level the planning initiative most relevant to Kakuma and Kalobeyei is the *County Integrated Development Plan 2 (CIDP 2)*. Parallel to this is KISED, the *Kalobeyei Integrated Socio-Economic Development Plan*, which arose from a request from the County Government to UNHCR for a more sustainable and integrated approach to refugee

⁴ Socio Economic Hubs for Integrated Refugee Inclusion in Kenya

assistance leading to the foundation of the Kalobeyei Integrated settlement (Felleson, 2023, 42).

During this study, Interior Cabinet Secretary, Mr. Khiture Kindiki, publicly announced Kakuma's transition to an "integrated settlement" under the second Kenyan Urban Support Program (KUSP2) with upgrading of infrastructure such as roads, electricity, and sewage. (Report in the Star 7 May 2024 -<https://ow.ly/CM3U50RyV69>).

However, evaluations of the Kalobeyei experiment have raised reservations as to the long-term viability and the continuing reliance of the model on foreign humanitarian assistance:

It is important to bear in mind that the plan, in many instances, is a vision built on what are seen as the potentialities of economic development and integration, not a scaling up of already existing processes and achievements (Felleson, 2023, 42).

Any larger policy initiative for Kakuma needs to account for these reservations. In particular, the desire to expand agricultural livelihoods for both refugees and hosts needs to overcome infrastructure inadequacy, including scarce water supplies for crop irrigation and livestock. The transition to a market economy needs careful management to prevent a haemorrhage of population to Nairobi and to shift the burden of investment from humanitarian to development organizations and private sources.

2.5 Role of the target group

The characteristics of the target group reflect the patterns of vulnerability of the larger population, with refugee or asylum seeker status adding additional barriers and complications, despite their overall lower rate of poverty. Such additional barriers include:

- access to finance, markets and information, often the result of insufficient identity documentation or lack of collateral;
- Discrimination, and relations with host communities;
- Differences between policies and their implementation;
- Difficulties in operational management for entrepreneurship support (Pooja Chhabria, 2023)

To this must be added a legal framework that, although partially supportive of KISED and subsequent initiatives, continues to restrict movement and *de jure* integration of refugees.

According to the above mentioned UNHCR World Bank 2021 report, nearly 80% of working age refugees (15 – 64) are outside the labour force, a rate double that of Kenyans at both county and national levels. This is largely due to a lack of income generating opportunities. (World Bank Group, 2020).

Most of these people report themselves as not seeking work or being unavailable to work – this is particularly the case among women whose domestic activities render them "not seeking work," although the report notes their interest if jobs were available compatible with their lifestyle (World Bank Group, 2020).

Those who are working do so mostly in small informal wholesale or retail enterprises or in education. The tracer survey conducted by JRS for the Pathfinder project in 2022 found just under 50 per cent of applicants to the program already in work, with teaching and micro enterprise being the two main occupations cited. KIIs done for this study also indicate large



Figure 9: Those who work do so mostly in small informal wholesale or retail enterprises or in education. Electronics shop Kakuma 3. Photo Credit: JRS

informal health and transport sectors operating in the camp with little licensing and generating, in the case of boda drivers, low levels of income.

Bodas are often unlicensed rendering them vulnerable to police checks and solicitations of bribes or fines. It also associates with high accident and injury rates, generating a thriving motorcycle repair market (KII). Informal health premises dispense medication for acute illnesses such as malaria and are rarely licensed, although during the study period a collaboration between the County government, the Kenya Medical Training College and UNHCR saw 50 students begin Diploma Studies in nursing.

There is a strong male bias in almost all sectors because of tradition and cultural norms: Boda drivers are overwhelmingly male as are motor-cycle repair businesses while small enterprises have more females especially in the clothing and fashion sectors where they approach 50 percent. Other sectors that are open to women's participation are online freelance, and education.

3. The Market System

The market system is the overall picture of how a market sector operates. It includes the supply-demand transactions in the core value chains, the supporting functions and rules and regulations that shape the way in which businesses and employees work and interact.

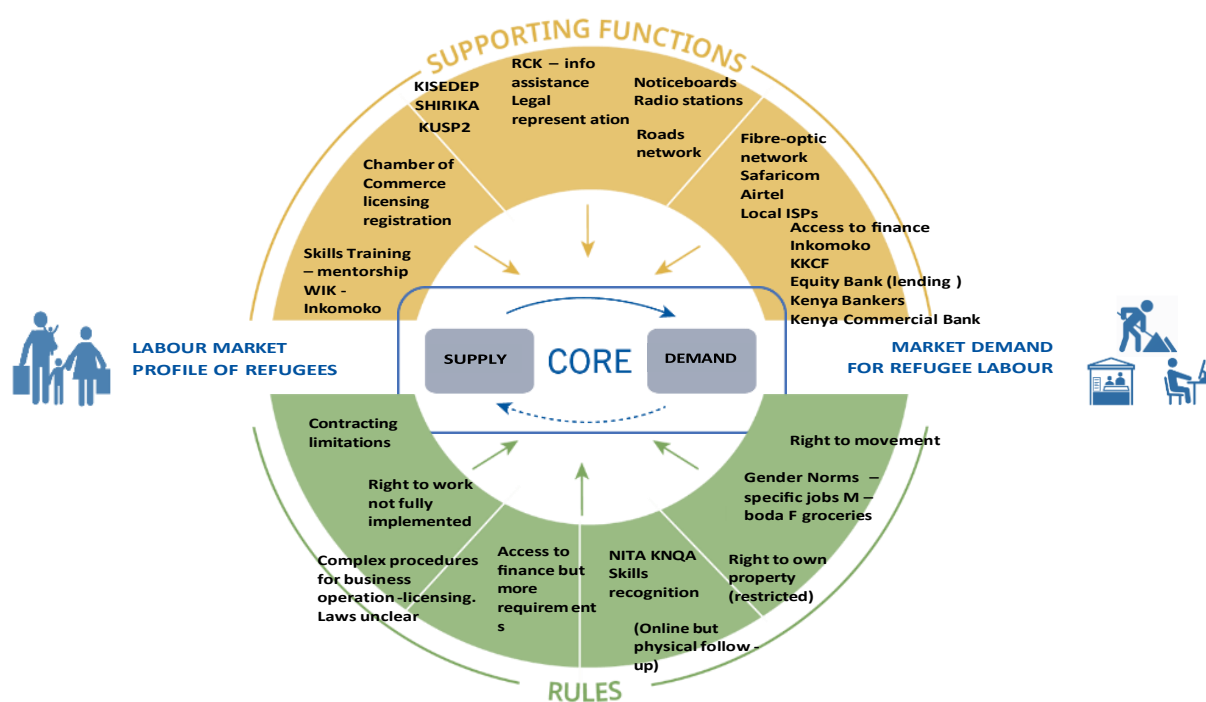


Figure 10: The market system in Kakuma-Kalobeyei

The market system takes a broader view, because what happens in the surrounding context affects the commercial activities of the different actors of the various value chains, with flow on effects to the welfare of the target group.

In considering this, one firstly notes that Kakuma – Kalobeyei is an artificially constructed market. Its location is the result of decisions by government in collaboration with UNHCR to offer protection and humanitarian support to forcibly displaced people from, mainly, Sudan, South Sudan, Ethiopia, and Eritrea. The site was chosen on semi-arid land, away from significant centres of population, but near the international borders where most asylum applicants were crossing. This offer of protection was intended as temporary.⁵

3.1 Supporting functions

On the surface, the network of support functions serving and surrounding Kakuma – Kalobeyei looks comprehensive, however access and use varies immensely among sections of the refugee populations. At the same time local application of national policies such as the SHIRIKA plan can be problematic.

3.1.1 Government Policy frameworks

There are three policy areas that were seen in KIIs as providing support at a strategic level to labour market growth in Kakuma- Kalobeyei. These are respectively KISEDEP 2, SHIRIKA, and KUSP2. As noted, they in turn reflect international agreements acceded to by the

⁵ UNHCR defines protection in the following manner: “All activities aimed at achieving full respect for the rights of the individual in accordance with the letter and spirit of [international human rights](#), [refugee](#) and [humanitarian law](#). Protection involves creating an environment conducive to respect for human beings, preventing and/or alleviating the immediate effects of a specific pattern of abuse, and restoring dignified conditions of life through reparation, restitution and rehabilitation. (This concept of protection which applies to all humanitarian action including outside refugee contexts is related but distinct from the concept of [international protection](#).) (UNHCR, n.d.)

Kenyan government, which emphasise the need for strategies that promote refugee self-reliance and integration.

The Kenyan Integrated Socio-economic Development Plan (KISED) Phase 2 continues the four strategic objectives of phase 1 to create an environment to attract private sector investment, investment in the socio-economic infrastructure, innovative aid and service delivery and the creation of avenues to higher education and skills delivery (UNHCR, 2023). It built on the prior establishment of Kalobeyei integrated settlement outside the western border of the camp towards Kalobeyei township in 2015, a proposal of the County government to UNHCR when the latter was faced with an influx of Sudanese people. The evaluation of KISED saw positive results despite a funding shortfall.

The SHIRIKA Plan provides the national government policy foundation to transforming the refugee camp at Kakuma into an integrated settlement supporting the socioeconomic inclusion of refugees and hosting communities in Turkana. It was in this context that government formally announced, “upgrading [of] informal settlements and refugee camps into integrated settlements,” under the Kenyan Urban Support Program.

3.1.2 Other support functions

In line with these policies there is a group of support functions intended to assist the refugee and host population addressing barriers to business and employment that in practice have varying levels of impact (see Fig.10, on page 16, above). These vary from various kinds of business support to mostly NGO provided training.

For general business matters, the Kenyan National Chamber of Commerce and Industry (KNCCI) has an office in Kakuma town and assists businesses to register as a benefit of membership. Annual membership fees vary from 3 to 5,000KES for basic membership up to 200,000KES for Platinum. The exact fee depends on the revenue turnover and the number of employees of the business. Although there are an estimated 3,000 businesses, the KNCCI reported 1,532 members from the refugee community. Legal matters can be referred to the Refugee Consortium of Kenya (RCK).

A representative presented the Chamber’s services at the validation workshop for this study, inviting attendees to become members as there remains a slow take up among refugees. The reported causes vary from the membership fee for small start-ups who do not see the value addition to the distance to their offices in town.

Refugees are legally entitled to open bank accounts in Kenya. In Kakuma-Kalobeyei there are two banks, Equity and Kenya Commercial, that perform this function. Both have agents operating in the camp. The identity requirements for refugees are higher than those for nationals, but Equity opens accounts on presentation of the refugee manifest, the document most refugees possess. Applicants receive a card which can itself be used as proof of identity in some circumstances. Mobile money is common, chiefly MPesa.

The lack of a readily accepted identity document is a barrier for many digital freelance workers. even when they have bank accounts. For example, Payoneer accepts only the official UN “Blue book” as valid Identity (so not the manifest) with the result that several workers who performed contracted work for Appen, brokered by JRS-Konexio, cannot access their wages. JRS is working with UNHCR to make the blue book more widely available.

Many NGOs, including JRS, have traditionally provided micro grants for start-ups, however this model is unsustainable, and results have been mixed. InKomoko Kenya, the Kakuma - Kalobeyei Challenge Fund (KKCF), who share the same premises in Kakuma town, the KNCCI and Jiinui Growth Program (JGP) broker private investment capital to businesses

and offer acceleration finance and accompanying training. It follows that they are geared to larger organizations with some track record so there is still a gap for sources of capital for small start-ups and not not-for-profit entities like ECDE centres which do not attract the larger investments.

There are good sources of information with radio stations and noticeboards existing in the camp and an increasing network coverage for social media and internet.

Many NGOs and some institutions provide training courses of varying kinds in the camps: these are discussed under the specific value chains. Refugees have access to recognition of their skills through NITA or KNQA who operate an online application system with payments made through mobile money transfer. The fees however are high and form a barrier to access for refugees. For example, certificates for the SNHU degree course offered in collaboration with JRS cost 12,000 KES (USD 92). Difficulty paying leads to an inability to submit the credential which in some cases prohibits the take up of work. Given the numbers of students studying in JRS sponsored courses (100 in each of Nairobi and Kakuma) there is a clear opportunity for incentivising NITA-KNQA with a minimum number of applications per annum in return for fee reduction from JRS-sponsored students.

Electricity is available in small areas of Kakuma – Kalobeyei only: there are mini grids including that constructed by Okapi Green in Kakuma 3 while Renewvia Energy Kenya Limited, a subsidiary of the US based Renewvia, began a solar grid supplying 500 households, schools, businesses and institutions in 2019, expanding to 2,500 in 2022. Renewvia and Okapi Green have formed a joint venture, Okren, to attract investment to expand their network to Kakuma 4 and further villages of Kalobeyei. Elsewhere the lack of electricity, or its availability only through small petrol generators, which are costly and inefficient to operate, sharply limit the possibilities of commercial activity.

There is a fibre optic network providing internet through Airtel and Safaricom who provide the infrastructure for local Internet Service Providers and sell directly to consumers. The limitation of electrical power also effects the distribution of internet locally.

Finally transport emerges as a support function mostly in terms of its absence. Connecting roads in the camp are of poor quality with little drainage. They are subject to flooding after rains, and erosion, particularly near watercourses. When they contain water, the watercourses erode sections of roads, housing, and some public buildings such as the Don Bosco Vocational Centre in Kakuma 2.



Figure 11: The road network is of poor-quality inhibiting movement around the camp particularly after rains.
Photo Credit: JRS

The reasons for this include the intended temporary nature of the camp, uncertainty about its future, and the fact that the refugees have not formed a political constituency hitherto.

KISEDIP acknowledges the importance of

physical infrastructure for the viability and sustainability of the camp economies and the economic inclusion of refugees. Solutions include refugees moving to permanent residence and host community moving to the camp (along the lines of Kalobeyei) thereby moving the government to invest in the road and sewer network and to extend the national electricity grid to the area.

3.2 Rules and Regulations

Refugees in Kakuma come under the core mandate of UNHCR as stipulated in the 1951 refugee convention and its 1967 protocol. Kenya is a signatory to the same convention, also to the 1969 OAU refugee convention. These instruments frame the fundamental obligations of the country towards so called convention refugees. The UN Conventions Articles 17 and 18 grant refugees the rights to engage in wage and self-employment respectively and to establish a commercial or industrial company.

3.2.1 Government Policies

The Constitution of Kenya incorporates refugees' right to work and to operate a business. The 2021 Refugee Act continues to designate specific counties to host refugees but with a new caveat that "takes to account the special circumstances of refugees in seeking gainful employment or enterprise or to practice a trade or a profession where they hold qualifications recognized in Kenya." (Refugee Consortium of Kenya). Thus the right of movement under the same legislation remains limited for refugees. In the Kakuma context they have unencumbered access to the Kakuma town but must apply to the DRS to go further. The application process normally requires a documented reason from an NGO or sponsor, and while quick, it constitutes a continued form of dependence.

Limitations on the right to movement prevents, for example, refugees going to Lodwar or Nairobi for trade purposes without permits, so they continue to be dependent on middlemen which can be costly and prone to corruption.

The same document asserts opportunities for "Social economic inclusion of refugees into the Kenyan economic and social spectrum through access and recognition of refugee documentation" (Refugee Consortium of Kenya). Several courses, including nursing and Early Childhood and Primary Education are hosted in Lodwar. Students stay in hostels attached to the institutions during the semesters, returning to camp periodically and having to renew their permits.

Several courses including nursing and Early Childhood and Primary Education are hosted in Lodwar. Students stay in hostels attached to the institutions during the semesters, returning to camp periodically and having to renew their permits.

Refugees have a restricted right to own property, though in practice few do. This is cited as a key limitation to agricultural and pastoral activities. The local Turkana people dominate pastoral activities, which remain their main source of economic activity and livelihood.

More generally, the right to work is not fully implemented as business licensing remains unclear and burdensome for some. Business licensing is a country function but often refugees do not understand well the processes and information they need to provide. The Chamber of Commerce provides an important service here, as does the Refugee Council of Kenya and some NGOs, but more is needed with information provided in English Arabic and Swahili.⁶

⁶ For example, the Refugee Consortium of Kenya provide documentation in multiple languages.

3.2.2 Gender and other Norms

Both the Turkana people and the different refugee ethnic groups share attitudes towards gender roles and their application to specific jobs. Thus, Boda drivers and transport is seen as a male occupation, domestic work as female. Herding and pastoral work is generally seen as male while agricultural activities can be both male and female.

Teaching has been traditionally male but there is a marked shift towards female teachers partly because of long-term NGO involvement. These are difficult to move: the three value chains chosen offer opportunities for women.

3.3 Core market

To select the relevant value chains for further analysis, the reference group adapted the ILO market sector - value chain selection methodology (International Labour Organization, 2017). Questions were developed for scoring under three headings: Potential for Employment Creation, Relevance to the Target Group, and Feasibility to Intervene. Answers were scored and the scores for each value chain aggregated. The group considered eighteen value chains for selection shortlisting eight in the manner described. Questions were then revised and the scores weighted, with the total adding to 100.

Five were eliminated on the feasibility criteria as the group encountered absence of information and/or cooperation from potential Key Informants who saw the survey as threatening their “market share,” testament to their isolation from authorities and humanitarian organizations they perceive as market actors.

The final choices were information and communications technology: freelance, clothing fashion design and manufacture and early childhood development education teaching with three others, motorcycle maintenance and repair, leather preparation and shoemaking and primary health care and pharmacy noted for further investigation when or if information becomes available. Interestingly, a group from the motorcycle value chain attended the validation workshop to learn how to map and analyse their value chain.

3.3.1 Information and Communications Technology: Freelance Value Chain

Online freelance platforms such as Fiver, Remotasks and Upwork facilitate professionals to connect and work with clients. They can be used for a variety of purposes such as finding clients, tracking work, and hiring technical or creative freelancers. The freelancers provide a variety of services tailored to their skill base. This can range from entry level tasks such as translation, interpretation, transcription, data entry and data annotation to, at more advanced levels, app and web development, search engine optimization and coding.

Digital Marketing refers to the action of independent professionals offering digital marketing services to businesses via online platforms such as social media websites and search engines to reach many customers, improve brand visibility, and sales.

The online freelance sector world-wide has seen a period of continuous growth that accelerated during the pandemic. Valued at USD 1.95 trillion in 2022, it is expected to grow at a rate of 12.5 per cent annually to achieve and market value of USD 5.63 trillion by 2031. (Skyquestt, 2024). Digital Marketing is set to grow faster off a lower base, at a rate of 32.1 per cent to reach a value of USD 24.1 billion worldwide by 2028.

The Kenyan government provides minimal regulation over the sector although it is developing a mechanism to record and tax earnings.

It is also an area that provides ready access to women: JRS first cohort of 33 was all female.

For training, WUSC, RAI, LWF, Don Bosco, NRC, DRC, AREL, ITC-SIR, K4BLI, GIV and JRS host or have hosted digital training courses. WUSC partners with a refugee led organization while JRS utilise specialist ICT training provider Konexio that links successful graduates with online platform work in companies such as Upwork and Appen. LWF has taken a further step, partnering with Ambitious Africa, a Finnish based NGO, which did extensive market research in Scandinavian countries to identify 3 D Modelling as a market niche in need to talent. The end user companies helped design a six to eight weeks long course and assisted with funding guaranteeing a level of employment to successful graduates. Some JRS participants expressed interest in doing this course and it is hoped this will develop as an area of collaboration.

Revenue and incomes generated range between 80 and US\$120 a month average in the case of the JRS Digital Inclusion alumni. There are many opportunities identified for growth and diversification. RLOs such as RAI also provide training courses more tailored to local needs.

3.3.2 Freelance Value Chain: Constraints analysis

Apart from the freelancers and remote platforms, the main actors in the value chain are computer and other hardware retailers, repairers and maintainers, Internet Service Providers and electricity distributors. There are no local dealers for computers, although there are a handful of local repairers. These are not always well known, some pursuing their work on foot attending to clients *in situ* while others do it as side-businesses: here, timelines for completion of service can be unreliable. Spare parts are sourced in Nairobi. Sending laptops to Nairobi is costly and time consuming. The reason for this constraint is the thinness of the market and the custom of NGOs to source and maintain the computers in Nairobi.

Collectively, estimates of the numbers of computers procured each year in the Kakuma area vary from 1000 to 2000, bordering on commercial viability for at least one dealer. Additionally, it is estimated that at any one time there are 360 people undertaking courses in the Kakuma area. These last for a period of three to six months. Extrapolating this over a period of three years it is estimated conservatively that 2160 people have participated in these courses to which 720 are added each year. If we take a retention rate of 80% one can estimate that 1,728 people are engaged in online freelance work in the Kakuma Kalobeyei area.⁷

Safaricom and Airtel are the main commercial Internet Providers for Kakuma using optic fibre cables. There are an increasing number of start-ups who provide local network coverage at (refugee or Turkana) market friendly rates (see, for example, in the camps, Kakuma Ventures, Okren or Action Pour le Progress while Kalobeyei Village 2 has Dahir and Shultan's wifis). Most of these charge in the region of 20KES per hour. These Internet Service Providers can potentially address constraints of internet cost and lack of coverage. Starlink also provides an opportunity for internet provision.

⁷ These estimates are based on 12 RLOs and NGOs working in the sector hosting an average sized cohort of 30 people. They are likely conservative.

Hitherto untapped sources of internet exist in the camps-settlement. When rains limit movement, or the distance to training centres is far, or there is a need to work overnight without compromising safety, schools and other centres that already have internet access could provide a solution with minimal additional cost. The incentive for these institutions would be cost sharing for the service itself and security through the night.

In the absence of commercial investment, NGOs presently feature at several points in the value chain, at the inputs, sourcing of hardware and transporting from Nairobi, providing internet at least initially and brokering online work with mainly overseas based platforms. This questions the sustainability of such programs and invites more investigation into sustainable approaches.

Freelancers in Kakuma generally need to work during the night to bid for jobs as they become available in the US time zones, the most lucrative market. Several RLOs have piloted a hub model where freelancers work from one location in cooperation. There is an opportunity for the foundation of delivery centres or Business Process Outsourcing (BPO) hubs that could contract for larger jobs with tech companies. These centres would employ a manager to oversee usage, procurement of internet, accounting and security and ideally could attract private investment.

Locally (Kenya) based platforms such as Taloka also offer the potential of business within the Kenya time zone.

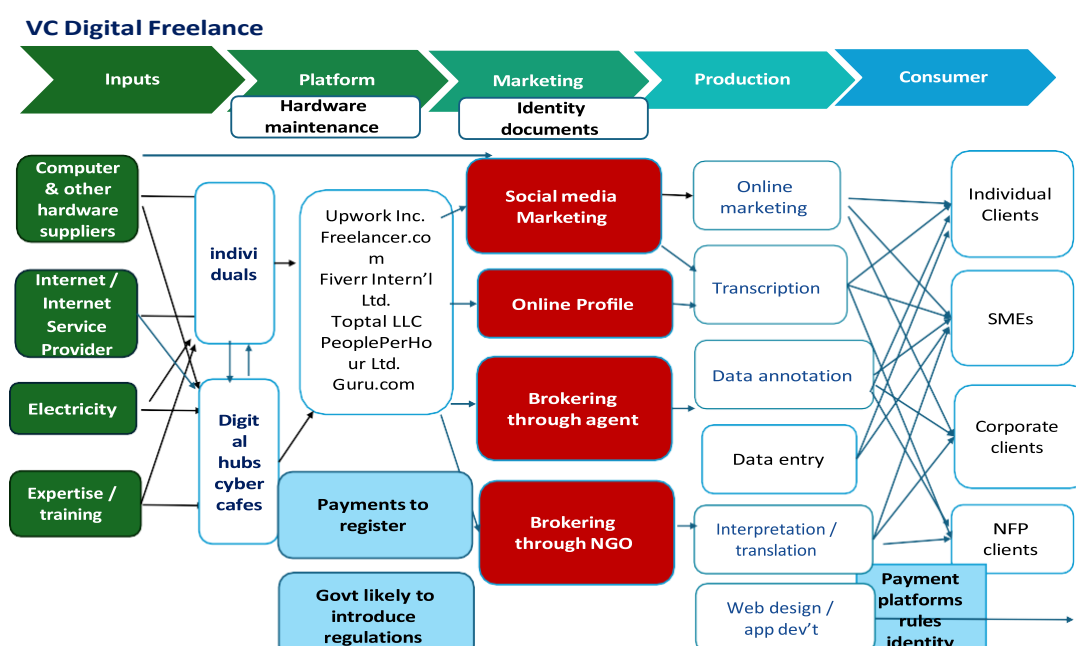


Figure 12: Value Chain: Digital Freelance

The issues of remote procurement of hardware seem solvable with the foundation of a local supplier, however for this to be viable there would likely need to be agreement among NGOs to purchase and source repairs and maintenance locally. The incentive is the potential for less costly procurement and quicker spare parts supply.

As it is a new sector of work, and highly individualised, there has been little appraisal of online freelancing in relation to decent work criteria. The exposure to online scams, malware and harassment has the potential to pose both protection issues and security risks. This needs to be monitored closely as the sector continues to grow and research into data protection for the Kakuma context is recommended

Key informants cited issues of identity verification as an ongoing constraint especially with asylum seekers as most payment platforms do not accept the refugee manifest as proof of identity. UNHCR and DRS have been working cooperatively with JRS and others to expedite the system of approval of issuing the “blue book” and to ensure identification for asylum seekers.

Lastly soft skills development is critical for this area and better overall marketing with a narrative of refugee talent preferred to that of poor refugees (KII).

3.3.3 Clothing: Fashion Design Value Chain

In recent years, the fashion design and tailoring value chain has emerged as a significant and dynamic sub sector of clothing and tailoring. Turkana County sources its clothing from Nairobi and towns such as Lodwar and Kitale to the south: it does not manufacture its own clothing, so the presence of large refugee populations has provided both a market opportunity and a potential high growth value chain.

Although it did not feature in the ILO Prospects study, various market assessments, including that done for JRS in 2018, cite tailoring and clothing manufacture as a growth area (Samuel Hall for Jesuit Refugee Service, 2018). KIIs indicated the relatively low entrance requirements and initial capital outlays, variety and flexibility of business models and accessibility to women make an area of opportunity of great interest from the refugee population (Breinscope Consultants for World University Service of Canada, 2020).

Don Bosco, DRC, and LWF provide training in basic clothing design and manufacture, with some at advanced levels, however there is reported a gap in more advanced training and computer enhanced design to help businesses meet contemporary market needs in competitive markets like Nairobi (KII). To these trainers can be added several medium sized RLOs including Peace House Business which, at the time of our visit, was building and small training academy.

In a JRS survey for this study, 96% of respondents reported having relevant skills to operate in the industry, 4% indicating limited or lack of skills. 53% of respondents reported possessing advanced skills, 22% intermediate and 24% reported basic skills (Jesuit Refugee Service, 2024).

Existing producers divide roughly into two kinds of business model. The majority (80%) consist of one machine, mostly informal businesses working from a shop front or from home, while 28% consist of hand sewers and 2 % of larger multi machine enterprises located in a workshop or shop employing others and with additional seamsters working on contract. The latter use electric machines capable of more complicated and automated sewing.

Resultant revenue depends on the business model and varies from 10 to 75,000 KES (USD 75-550) per month among the surveyed businesses, translating to 10-20,000 KES (USD 75-150) individual income depending mainly on skill levels. The average monthly income per business is 20,000KES.

Apart from machinery and tools, sourced from Nairobi, the main input is kitenge cloth, a printed version of West African *kente*. Kenya produces cotton mainly for export, in line with government incentives. Little is made for the local market, so the materials need to be imported from Uganda and Congo through so called “Congolese transport channels” which are subject to duties and extortion at the border crossings. The resultant prices fluctuate greatly. Other cloth for school uniforms is imported from Nairobi.

Also, cheaper imported batik designs are flooding the market and more recently cheaper Chinese made machines sourced have been made available. These are ordered and delivered through dealers in Nairobi.

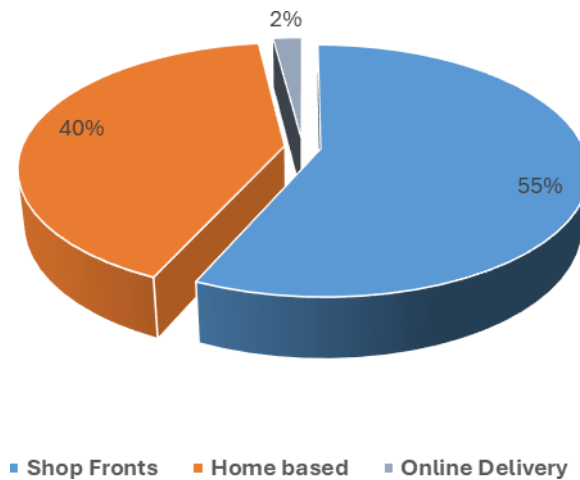


Figure 13: Mode of business operation: fashion design

Suppliers facilitate transport and delivery of materials with some coming directly from the Democratic Rep-public of Congo through Kampala. Payments for materials can be high and are competitive: although producers can order material ahead of time. These producers sometimes go to wholesalers in Nairobi and Kitale for designs and orders.

The value chain is dependent on efficient and cost-effective transport links with suppliers and retailers outside Kakuma. Multinationals such as Wells Fargo and G4S offer courier and transport services however local logistics businesses, J Pees Ventures and Tosha, offer competitive cost-effective services. In addition, Tosha has offices in the camp.

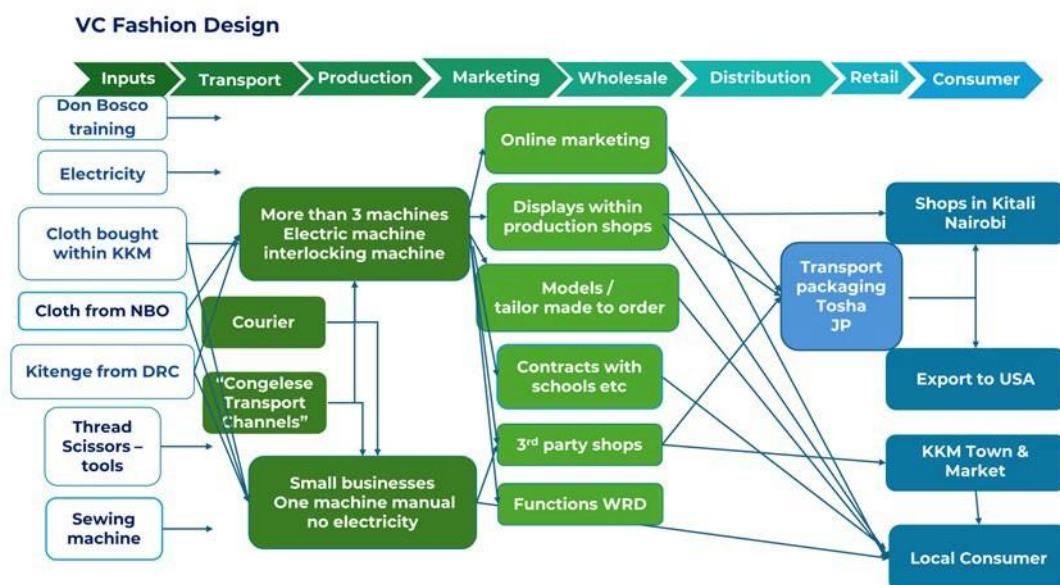


Figure 14: Value Chain: Fashion Design

All the companies prepare the parcels for shipment via lorry to, mainly, Nairobi, Kitali and Eldoret, where garments and bags are displayed and sold in malls such as Westlands and

local markets. A small amount is exported overseas either by courier or with refugees going on resettlement. However, informal export of goods in bulk to Nairobi accompanying refugee travellers can be subject to extortion by local officials.

Marketing is principally by word of mouth, through events such as Kakuma's Got Talent held with assistance from LWF on the annual World Refugee Day and some social media. KIIs indicated that while the sector has grown virtually from zero in the last five years, it is yet to be saturated: actors interviewed all indicated they have more work than they can handle.

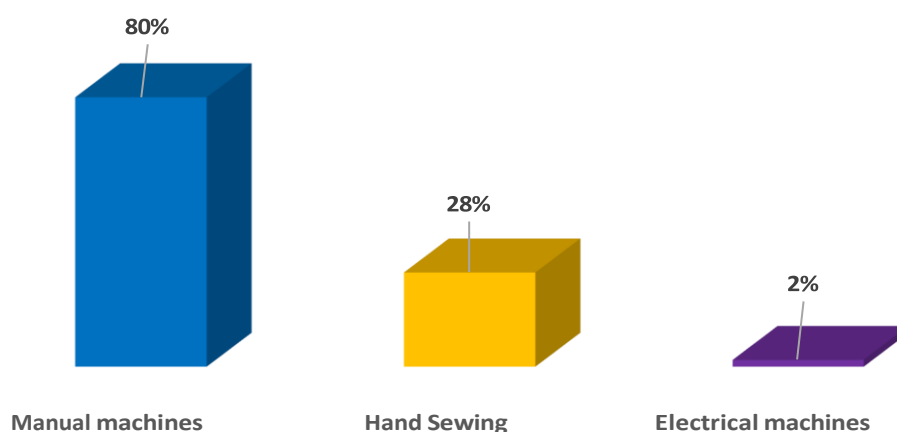


Figure 15: Mode of production: Fashion design value chain

These practitioners cite opportunities provided by general growth in demand, the lack of diversity in designs, lack of choice for people with less common sizes or groups such as people with disabilities. Ethical sourcing represents another potential growth area where material is sourced from suppliers who provide decent work practices. Lastly e-marketing is a growing area – already marketing is done most often by middlemen on Instagram and Facebook as well as word of mouth and the organization of special events for World Refugee Day to showcase products.

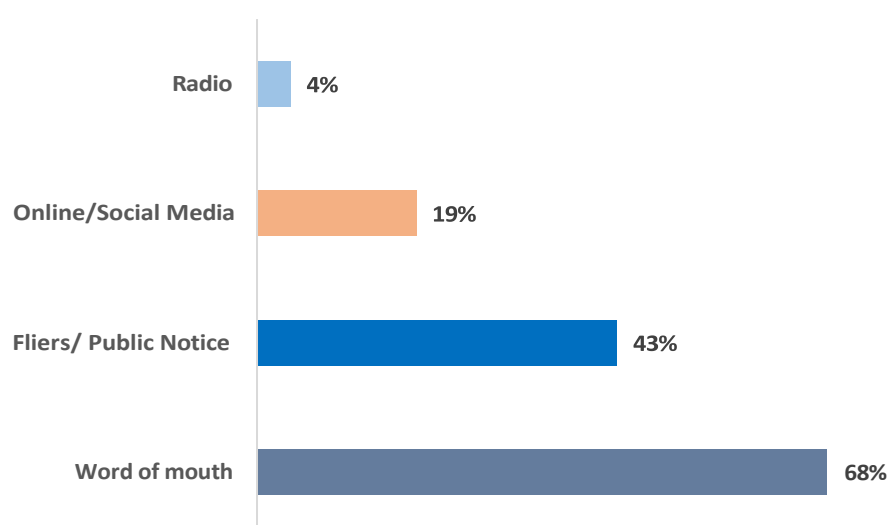


Figure 16: Mode of marketing: fashion design value chain

3.3.4 Fashion Design Value Chain: Constraints

Constraints can divide into three groups. Firstly, the lack of skills and equipment for advanced design was cited as a competitive disadvantage: the training available is at more basic levels while the industry moves ahead with digital design which lends itself more easily to mass production.

Secondly, information flows concerning transport and suppliers in materials and machines, market linkages to vendors in Nairobi for both inputs and sales and limited marketing practices form a second group of constraints. At present middlemen facilitate Facebook and Instagram marketing for a small fee. The Chamber of Commerce mentioned the opportunity to leverage local trade fairs and market days in Kakuma town giving more direct access to the local market beyond the refugee camp. Also, there is potential for e-marketing – NRC has begun a course in e marketing in recent months,

The background cause of these constraints is Kakuma’s geographical isolation from centres of population and sources of inputs and outlets for export produce, producing a reliance on existing transport and wholesale operators in Nairobi. Both in Nairobi and Kakuma itself, poor marketing is an associated cause, except for school clothing which is characterised by established contracts.

Already Tosha and J.Pees have developed a more cost effective and adaptable model for transport as they will collect from the production source, package and send the goods to Nairobi or elsewhere.

Given lack of control over geography, and inevitable reliance on existing modes of transport, the cause of the constraint involves the lack of information about alternatives to, particularly, wholesale operators. This in turn is caused by lack general market knowledge and information flows.

An additional constraint is the effect of periodic flooding of roads within and between the Kakuma camps which restricts both employee and customer access and exposure and delays production. The cause is partly changes in climate and partly the poor quality of the roads network. Improvement in the latter associated with the adoption of the KUSP2 will assist better local connections and transport.

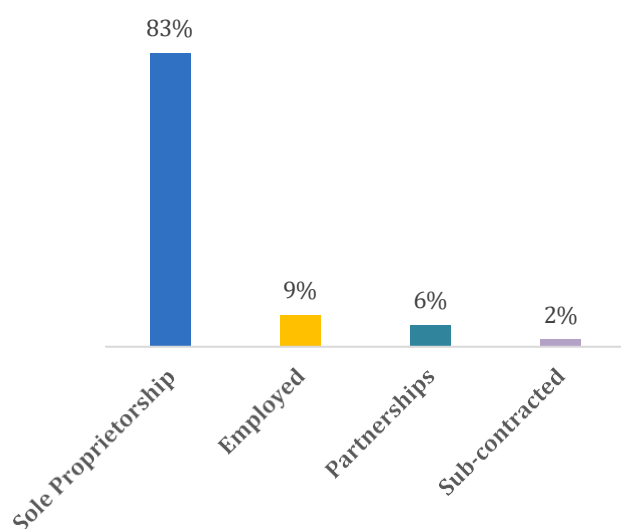


Figure 17: Mode of business enterprise: fashion design value chain

The lack of a comprehensive electricity distribution infrastructure is a third constraint. It limits the use of more sophisticated machinery and the generation of greater production volumes at lower cost. Kakuma’s has yet to be placed on the national power grid. There are plans to do so but the timeline is unclear.

However local alternatives exist. The Okrapi Green mini grid uses solar panels to provide cost effective to electricity to a section of Kakuma 3. This refugee led company has entered a joint venture with Renewvia to form Okren. Okren has purchased land in

Kalobeyei to build a solar array that will supply power to 30,000 connections in Kalobeyei and Kakuma 4.

Finally, the licensing of businesses remains a challenge with many one person operators preferring to remain informal to retain flexibility. The Chamber of Commerce, the Refugee Council and others remain key players.

3.3.5 Early Childhood Development Education Value Chain

The education service sector represents a both an essential service for the populations of Kalobeyei – Kakuma and a growing source of stable livelihood for young teachers. Sixty per cent of the refugee population in Kenya is aged 17 years or under and in Kakuma – Kalobeyei there are above 400 live births are reported monthly (UNHCR, 2024). The education sector can be delineated into four groups: ECDE, Primary, Secondary and TVET / Higher Education. This study looked at the ECDE value chain which lies outside the Kenyan system and lacks some of the structural barriers experienced by other sub sectors.

There are 13 LWF and 6 FCA administered ECDE centres in Kakuma and 7 CBO owned and operated schools in Kalobeyei. These offer Early Childhood to Primary Grade 3 under the Kenyan curriculum: 4 of the 7 in Kalobeyei are registered with the Ministry of Education under the integration plan (SHIRIKA).

The Kalobeyei example represents a strong growth in CBO owned and operated schools as 5 years ago there were none. It also mirrors a smaller growth in privately run primary and secondary schools in the camp.

Both LWF and JRS train Early Childhood Development Education teachers, sending them to institutes in Kakuma, Lodwar and Nairobi.

There is a local teacher training institute, Saint Clare's, in Kakuma town, however this remains far for many camp residents particularly when they are working. In Lodwar there is Bishop Makhon, their courses requiring students to board during semesters, adding considerable expense and temporarily removing sources of income for the participants' families. As a result, LWF has suspended their program while JRS has struggled to control expenses of this clearly unsustainable model.

In the meantime, several informal ECDE training institutes have begun in the camp itself, with RLOs providing training courses. This overcomes transport and other barriers however they lack the registration and quality of the larger institutions, limiting the employment opportunities for participants. A model of collaboration between NGO, Church or government-run institutions and locally located RLOs or CBOs, could exploit the growing connectivity in camp, expand student uptake and be applied beyond ECDE to fashion design and other sectors, and thus increase the skills base needed to grow the Kakuma – Kalobeyei economy,

During the study period a consortium of NGOs including IRC, LWF, Save the Children and the Kenyan Ministry of Education announced a large teacher training program with funding from the Lego Foundation.

Trained ECDE teachers earn 15,000KES a month while untrained teachers earn 7,000KES (USD112 and 52 respectively).⁸ LWF engages 45 trained ECDE teachers.

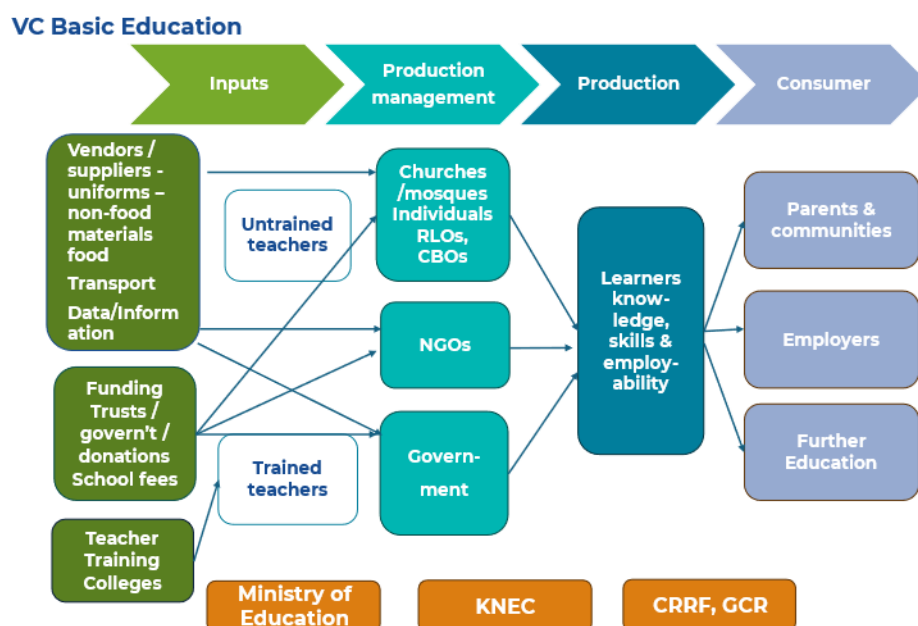


Figure 18: Early Childhood Education Value Chain

3.3.6 Early Childhood Development Education Value Chain: Constraints Analysis

The main constraints in the value chain were identified as the lack of qualifications of most teachers, caused by a combination of the expense of multiple year training for the Diploma and the requirement for a C+ Form 4 pass grade to qualify for training. Some practising teachers do not have this so there is no incentive to upskill. Trained teachers command a higher salary and in general provide a better-quality service, attracting more students to the centre.

Another group of constraints centres on the physical infrastructure and its resilience to climate extremes. All schools interviewed spoke of the exposure of school buildings, property, and the road network, to flooding, which disrupts school activities while extreme weather events also lead to parents not working and being unable to afford school fees or ancillary costs such as uniforms or learning materials. The poor quality of many school buildings and their lack of adaptation to the host climate adds to this vulnerability, the result of funding constraints.

Finally, one key informant spoke of the frustration sourcing uniforms locally, preferring to purchase them more cheaply in Nairobi.

⁸ ECDE teachers require a Diploma in ECDE: untrained teachers must have form 4 education.



Figure 19: Many RLOs, and community groups have begun privately run ECDE centres. Photo Credit: JRS

3.4 Constraints summary

The Kakuma – Kalobeyei populations share with their Turkana hosts broadly four groups of constraints (See also Table 1, below).

They are best described as low productivity and relatively high costs and poor adaptation to market trends.

These arise in the first place from the difficulties of accessing inputs and machinery – tools and maintaining the latter. Kakuma’s geographical isolation from population centres and sources of inputs results in high transport costs and little control over capital or input purchases.

The root causes include the remoteness from sources of inputs including hydroelectricity. There results a heavy reliance on third party buyers and transport of key inputs such as computers and other IT hardware, kitenge cloth and machinery for fashion design and learning and building materials for Early Childhood Development Education.

This “tyranny of distance” extends to the poor urban infrastructure within the camp complex. They serve to increase basic costs, limit productivity and constrain decent work practices as they encouraging small individual and informal start-ups who respond to niches in the local market. In the Online Freelance the isolation extends to a time zone that differs from that of the core markets in the United States.

The same geographic and time zone isolations limit market penetration in the key markets for Kakuma-made produce and services in the online freelance and fashion design sectors. In both sectors, there is need of good market information. In the case of fashion design, a way of serving the larger markets of Nairobi and other Kenyan urban centres while in the

case of online freelance there is need for up-to-date market information for the global market that can only come from prospective employers and their intermediaries.

For rules and regulations constraints include the adequacy of identity documents acceptable for business registration, opening of bank accounts, and registration for mobile money and work platforms. The root causes are a mix of inadequate knowledge of UN documents and asylum procedures leading to misunderstandings of the meaning of refugee status.

Another set of constraints lies is the cost of gaining equivalence for qualifications gained elsewhere in the Kenya system.

The last group of constraints centres on work practices and decent work deficits. Small informal businesses are vulnerable to exploitation from suppliers and distributors – consumers. Little is known of the long-term effects of online work for remote employers who have, under a contract system, few if any obligations of duty of care. This leads to potential exploitations and the lack of any social security for workers who fall ill for a period.



Figure 20: Okapi Green set up this solar array to provide cost effective electricity in Kakuma 3.
Photo Credit: JRS

Value Chain-Sector	Constraint	Initial Cause	Root cause
Online Freelance	Poor productivity take-up of contracts	Main markets in US operating at a 7-9 hour-time delay.	Lack of access to facilities late afternoon / night. Movement around camp after dark a security risk. Poor road network during rains.
	Poor productivity take-up of contracts	Dependence on NGO actors for electricity, internet	Low electricity coverage in Kakuma

	Lack of access to hardware at good prices	Distance to maintainers-repairers and spare parts – reliance on NGO supplies	Kakuma’s geographic isolation from sources of parts – hardware. High duties on electronics.
	Slow Payments & lack of access to some platforms or iConnect	ID requirements not always aligned with UN documentation	
	Slow adaptation to new opportunities	Limited training opportunities	Poor information contact with companies / employers
Fashion Design	Limited Competitivity	Markets and inputs sources are far. Added cost for transport, poor market information	Reliance on local buyers or third-party transport to anonymous retailers. Little market feedback
	Limited Competitivity market access	School uniforms sourced outside Kakuma as it is less expensive	High cost base, small scale producers, cost of transport
	Decent work deficits	Lack of security during times of illness – manual machines with individual operators	Electricity supply poor, informal nature of businesses, poor access to financial services, poor documentation.
	Limited markets to sell to	Word of mouth marketing only local	Few commercialized retailers, no systematized marketing
	Low productivity	Manual machinery keeps volumes low for one person producers.	Lack of electricity, Lack of training in e-design and sewing, few training options and poor online infrastructure
	Low productivity / volume of sales	Time of flooding	Poor road network prevents transport of supplies, labour, and products
Early Childhood Development Education	Expense of construction of facilities	Supply of raw materials for building	Distance, costs of transport and limited choices
	Poor supply of learning materials	Expense of locally available learning materials	Transport costs from sources of supply
	Poorly trained teachers	Expense of teacher training	Geographic isolation, few choices, thin market
Cross cutting	Poor supplies of inputs expensive and available with often time delay	Poorly developed urban infrastructure: roads, electricity, waste disposal, plumbing, internet coverage.	Lack of capital investment in community. Status of community as temporary
	Limited market opportunities	Sales to a cash poor community and limited export opportunities	Limited marketing and high transport costs

	Poor market adaptation	Lack of good market information	Isolation from markets for products and services
	Decent work deficits, little job security	Transient nature of businesses high costs and opportunistic nature of production	Informal nature of businesses, poor business planning and market research

Table 1: Summary of Constraints Analysis

4. Opportunities

The national government has created a broadly enabling environment for refugee entrepreneurship, business and employment through the model of integrated settlement proposed for Kakuma refugee camp. While there are gaps in implementation it nevertheless frames opportunities for systems interventions.

4.1 Key opportunities

In all three chosen sectors there is evidence of excess demand for services or products associated with a growing population, increasing links between refugee and local populations and a growing economy. There are also increasing links with regional centres such as Lodwar and Kitale, Nairobi and, in the case of online freelance, global actors such as Upwork.

4.1.1 ICT Freelance Value Chain

The high growth nature of the digital freelance value chain presents huge opportunity. Training in higher level skills would help diversify the portfolios of people entering the sector and give greater possibility for individual career paths while capitalizing on continued market growth in the sector.

There is a particular opportunity in digital marketing, given the large geographic area of Kakuma – Kalobeyei which militates against large shop front sales of goods and services ranging from fashion clothing to photography to computer repair (KII). Other digital opportunities mentioned in KIIs and in the Industry Research Reports, are listed below:

- Search Engine Optimization manager
- Content writer / content marketing
- Graphic designer
- Email marketing
- Videographer
- Advertising business consultant
- Business management developer
- Cold caller and sales assistants
- Virtual assistant for ecommerce
- Web designer
- Google Advertisements and account verification
- Advertisement creation

- Copywriting (KII)

To realise entry into these value chains, several constraints need to be overcome, including the lack of diversified high-level training, the lack of industry contacts to confirm needs and trends and development of the inputs part of the value chain, as discussed above.

The model of Refugee Led internet hubs carries potential for development into delivery or Business Process Outsourcing Centres (BPOs). This would need considerable upskilling, the organization of which would benefit from greater information flows and coordination between existing NGO trainers.

The need for sustainable solutions to the provision of cheap internet, hardware sales and repair and brokering of opportunities for online platforms through agencies presents a series of activities likely to result in systemic change. A more detailed feasibility study for an IT – computer supplier is needed but any such proposition would benefit from cooperation between agencies who have hitherto shown reticence to work together let alone enter into agreements.

A compromise for hardware supply might exist with locating a refugee led or partnered supplier in Lodwar. For internet, the model piloted by Action pour le progress, Okren and others can be strengthened with appropriate investment. Starlink is another potential source of cost-effective internet.

There are a small group of computer maintenance and repair technicians in the camp most of whom operate on a “briefcase” model of word-of-mouth marketing and attendance at a customers’ residences or businesses. Opportunities exist for better marketing, and transport linkages to a shop front operation which would have better access to electricity.

4.1.2 Fashion Design Value Chain

To realise the opportunities that exist for expansion and growth, people within the fashion design sub sector need to continue to employ the existing variety of business strategies, while accessing better information around business registration and processes for scaling from owner operated non-electrical-machined shop fronts to multiple employee businesses using electrical equipment. A cooperative model of individual businesses coming together in a production hub is a suggested first step towards better information flows, and negotiation of better fees for transport of inputs and products.

There exist opportunities for greater penetration into export markets both in Kenya and internationally. This needs a strategy for marketing, production and supply while creating stronger linkages with retailers and markets in Nairobi in particular.

A dedicated Nairobi-based RLO could specialise in marketing and sourcing inputs, charging a commission on products sold through their services, or an app created in which retailers can order their goods the production for which could be distributed among Kakuma producers. The highly competitive Nairobi market will continue to draw goods made in Kakuma but these must remain cost competitive with locally sourced products so transport fees must be held low.

Another opportunity exists in higher level training using computer technology to design patterns.

4.1.3 Early Childhood Development Education Value Chain

The opportunities that exist in the ECDE value chain lie in the fee-paying private school model with fee payments generating an estimated 15-20,000 KES monthly for teachers to pay the teachers – professionals and attract new entrants to the profession. The opportunity

for entry of new teachers depends on the development of more cost-effective teacher training, in turn needing the cooperation of an accredited Teacher Training Institute willing to teach the courses at least partly online.

4.1.4 Opportunities cross cutting – rules and regulations

While the government frameworks aim to construct an enabling environment for business in Kakuma-Kalobeyei there exist several administrative hurdles around Identification documents for people at various strategies of the refugee status determination process that could be standardised as identity documentation for purposes of business registration, bank account opening, health and education and so on. The ideal situation would be an e-document which gets amended as new status becomes available.

Value Chain – Sector	Opportunity
Online freelance	Diversification of products – services
	Greater efficiencies in delivery of existing services
	Contract work for big tech
	Digital marketing
Clothing Fashion Design	Facilitating cost effective inputs and transport to capitalize on school uniform market
	Increase market share in Nairobi with cheaper cloth supply
	Identify and leverage export markets
	Electronic pattern design
Early Childhood Development Education	Expansion through construction of new centres
	Greater efficiencies in sourcing learning materials
	New modalities of teacher training
Cross cutting	Standardized ID documentation suitable for employers – contractors
	Cheaper recognition of previous qualifications
	Economies of scale for transport of produce to market in Nairobi
	More efficient computer purchase maintenance
	Electricity mini grids

Table 2: Summary of opportunities

4.2 Proposed sector and project visions

Online Freelance - Sector

That Kakuma – Kalobeyei integrated settlements and Kakuma town become a centre of cost-effective, efficient excellence in the provision of remote business services for global industry across a range of freelance tasks and disciplines.

Project

JRS couples its facilitation of the delivery of digital inclusion courses with research to establish market need for other courses targeting entrance level professionals, using its position to facilitate strategies for unblocking of supplies of hardware, internet and electricity.

Fashion Design - Sector

That Kakuma – Kalobeyei integrated settlements and Kakuma town become a centre of cost-effective manufacture of fashion clothing and marketing for the local population but primarily for export to the large urban markets of Africa and overseas.

Project

That JRS enters the sector in a manner that does not duplicate current initiatives to reinforce RLO-led training initiatives leading to formalization and sustainability, mainly through the facilitation of cost-effective supplies and transport of cloth for the school uniform market.

Early Childhood Development Education - Sector

That Kakuma – Kalobeyei integrated settlements and Kakuma town become centres of comprehensive coverage of early childhood development education to assist overcoming a key element of multi-dimensional poverty and overcoming low rates of functional literacy among the populations, through development of the supply of materials value chains and cost-effective teacher training.

Project

JRS facilitates training with reputable training institutions to lower the cost of training and includes ECDE as a career path in offering career choices for secondary graduates, while working with RLOs, CBOs and statutory to regularise their programs.

4.3 Potential areas for intervention

Jesuit Refugee Service is a relative newcomer to Economic Inclusion in Kakuma and joins a large group of humanitarian and development agencies already working to open the economic opportunities for the target populations.

JRS's strength has been its supply side interventions, training courses in primary teaching and social entrepreneurship, which have given way to degree courses in management, communications and health care and training for digital freelance work. It complements the work of Don Bosco who target mainly trade skills and some tertiary and professional training NGOs and institutes. The need for such training continues in this camp-based market.

However, the proposal for transition of Kakuma to an integrated settlement provides a unique set of opportunities, through leveraging of market systems and assisting the local government and Church to establish and/or further develop training institutions for host and refugee communities alike. Thus, groups like JRS need to resource and facilitate a transfer of social capita and expertise to local community based and refugee led organizations.



Figure 21: Peace House Business employs 16 technicians to fulfil production contracts and shop-front sales, as well as running a training institute.

4.3.1 Recommendations - general

Online Freelance

1. Facilitate discussions between NGOs hosting freelance courses with a view to coming to agreement about common sourcing of computers at the same time as identifying suppliers of computers and parts willing to open franchise or other solutions in Kakuma.
2. To develop with Konexio, Tent Partners, and Kakuma-Kalobeyei based refugee led organizations a Kakuma based agency for freelance refugee talent moving towards a hub - BPO model.
3. Map current training in Kakuma and work with Konexio / researchers to establish market needs to design further second level course options, maintaining strategy of broad entry level training.
4. To continue working with UNHCR and other NGO actors for a comprehensive delivery of identification documents acceptable to online platforms and technical companies.
5. Facilitate with Education providers and security companies access to facilities in the evening for overnight online work.

Fashion Design

6. Facilitate discussions with fashion design producers, both refugee and host, and the KNCCI with a view to setting up a formally recognised cooperative hub / model of one person agencies to generate economies of scale for negotiating better pricing of inputs, transport in exchange for volume and decent work conditions.
7. Facilitate discussions with fashion design producers and initiate the development of a business model for the creation of a marketing agency for Kenya designed goods destined for Nairobi:
 - a. To market goods produced in Kakuma to Nairobi vendors and markets
 - b. To negotiate competitive rates with sources of materials – kitenge etc
 - c. At the same time to tender for online marketing of goods produced in Kakuma to various publics inside and outside Kakuma.
 - d. To explore and commission the creation of an app for centralised ordering of cloth and other inputs and for products.
8. Support LWF's initiative in market trade fairs for greater exposure of products.
9. Negotiate internally and develop business plan for Kakuma based school uniform production.

Early Childhood Development Education

10. To facilitate discussions with Action pour le Progres and other at present informal training facilities for the preparation of ECDE teachers to broker registration of their training courses with the Ministry of Education and the Commission of University Education (This may need a sponsoring institution like Bishop Makhon who could be incentivised by numbers on offer).
11. Separately to explore feasibility then resource development of online components of ECDE Diploma courses for delivery directly to candidates within Kakuma-Kalobeyei.

4.3.2 Recommendations - organizational

1. To continue supply side direct implementation of technical and lower tertiary level courses under the Pathfinder project, while commissioning research into:
 - a. A mixed mode online Early Childhood Development Education course,
 - b. Market trends in online freelance and related activities,
 - c. Potential partnerships to institute a business - research institute to support the transition of Kakuma into an integrated settlement, researching and developing with refugee and community-based organizations, entrepreneurial solutions to issues that arise.
2. To establish a refugee and local based advisory council from the student and wider community bodies to advise on a transition from a supply side to an integrated supply and demand side project and supporting strategies.
3. To expand the partnership with the Chamber of Commerce (KNCCI), introducing to course participants early information on registration of new businesses.

4. To further conversations with a view to hosting solar electrical technician training in a JRS centre in collaboration with Okren as a pilot for cooperation with refugee led initiatives.
5. To work with Peace House Business Fashion design on a business model for their mixed training – fashion design and uniform business by placing them in touch with Tangaza University Social Entrepreneurship for business model development, KNCCI for registration, and working with them to overcome their loss of materials in a fire which caused them to default on an Inkomoko-brokered loan.
6. To negotiate with Konexio or other institutes to introduce e-marketing and commerce and begin work with an appropriate RLO on developing their hub model towards a delivery centre concept.
7. To restructure the job placement role to that of a business – market solutions officer to work strategically with development actors including investment groups on facilitation tasks proposed above.
8. To assist motorcycle maintenance and repair participants to map their value chains, analyse constraints and opportunities and co design an appropriate systems intervention with them.
9. To investigate and map the leather preparation and shoemaking value chain.

Recommended Push interventions	Recommended Pull interventions
<ul style="list-style-type: none"> • Continuation of supply side direct implementations and institution of research into broadening of course offerings 	<ul style="list-style-type: none"> • Expansion of partnership with KNCCI for purposes of greater rates of business registration etc.
<ul style="list-style-type: none"> • Hosting of solar installation and maintenance courses 	<ul style="list-style-type: none"> • Facilitation of multiple partners to establish localised hardware and internet supplies and easier access to finance.
<ul style="list-style-type: none"> • Multi-faceted assistance to Peace House Business 	<ul style="list-style-type: none"> • Facilitate and-or incentivise development of an App for direct ordering of produced clothing from Nairobi and supplies.
<ul style="list-style-type: none"> • Partnerships for introduction of e-marketing courses 	<ul style="list-style-type: none"> • Facilitation with multiple partners, the formation of a Kakuma based agency for freelance refugee talent as a first step towards a hub model.
<ul style="list-style-type: none"> • Assistance to motorcycle value chain actors to further develop group strategy. 	<ul style="list-style-type: none"> • Facilitation of multiple refugee led informal operators in fashion design the creation of a hub to generate economies of scale for negotiation of transport and supply contracts, access to electricity and machines and generate flexible formalization of businesses

<ul style="list-style-type: none"> • Feasibility study of advanced training for computer guided clothing design and production. 	<ul style="list-style-type: none"> • Alternative facilitation and incentivization of fashion businesses the creation of a Nairobi-based agency for ordering inputs negotiating transport, marketing and selling Kakuma produced produce.
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Continue with Tech companies UNHCR and banks to negotiate acceptable ID requirements and guarantees for money transfer.
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Negotiate with Okren and others replicating the mini grid model for parts of Kakuma without electricity access.

Table 3: List of recommended interventions divided into Push (supply-side) and Pull (demand-side).

5. Conclusion

Kakuma – Kalobeyei, despite its combined population, represents a thin market due to its geographical isolation, artificial foundation and location in one of the poorest counties of Kenya. Yet its economy has been steadily growing, assisted by the investment of over 40 humanitarian and development actors in the community and, more recently, by an enabling policy environment.

KISED2, the March 2024 announcement of Kakuma as a municipality, and that of the development of the camps to a full integrated settlement in May 2024 confirms trends under way, specifically a move towards a development model of intervention using private sources of investment equity.

The objective is a sustainable and viable local economy big enough to resist a critical mass migration to Nairobi when movement restrictions are lifted.

The transition requires both private investment and some kind of (light) industrial base which not only can overcome the high costs of transport to sell competitively in markets such as Lodwar, El Doret, Kitali and Nairobi but can leverage the advantage of lower costs of production and cheap renewable energy.

It above all requires a change in behaviour of many humanitarian actors who continue working in a siloed manner, resisting sharing of information, cooperation and the localisation agenda. Growth in the market demands changes in humanitarian methodologies and alteration of roles away from supply side interventions towards facilitation of local refugee led and community based and local government initiatives.

Renewable sources of energy, cheap internet and efficient marketing are vital ingredients to develop all the value chains investigated. They are, along with the social capital that is a strength of the locations, the key requisites for such transition.

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Annex A: Research Interview List

Semi-structured Interviews

1. Okapi Green (now Okren) Kakuma 3
2. Kenya National Chamber of Commerce and Industry Kakuma Town
3. Windle International, Compound 3.
4. Peace House Business, Kalobeyei Village 1
5. Action Pour le Progres, Kakuma 3
6. JRS Secondary Education Department

7. Community Health College, Kakuma 3
8. Light Academy ECDE Kalobeyei
9. LWF Compound 1
10. Kakuma Kalobeyei Challenge Fund (KKCF)
11. Motorcycle and bicycle repair Kakuma 1
12. Xavier University, Kolkata, India
13. Konexio

Unstructured Interviews

1. Individual Barber Kakuma 3
2. Don Bosco Centre Kakuma town
3. UNHCR Department of Livelihoods
4. Electronics Business in Kakuma 3
5. GIZ
6. J. Pees Limited.
7. Inkomoko Kenya
8. Kakuma Kalobeyei Challenge Fund
9. Film Aid Kenya
10. Konexio Africa

Observations

1. Motor-cycle repair, multiple locations
2. Fashion design multiple locations
3. UNHCR led Livelihoods Working Group

