

Promoting urban refugees' self-reliance in Kenya

GiveDirectly's unique model of large unconditional cash transfers (\$775 per recipient) has been proven to have transformative impacts on incomes, economic well-being and social inclusion of urban refugees - ultimately leading to sustained self-reliance. Based on this robust evidence, we are scaling up our refugee programming in Nairobi and aiming to grow our large cash transfer programmes in/around settlements - contributing to the Shriika plan Differentiated Assistance Framework.

Kenyan's urban refugees

Kenya is now the fifth-largest refugee-hosting country in Africa with approximately 782,468 refugees and asylum seekers residing in the country as of 30 August 2024. Most refugees are currently concentrated in three areas: 27.5% (214,902) in Kakuma Refugee Camp and 9.6% (74,952) in Kalobeyei Integrated Settlement - both in Turkana County, and 49.3% (385,328) in Dadaab, Garissa County.

While there has been significant attention given to these refugee populations, there has been relatively little focus on the 13.4% (105,161) of refugees currently residing in Nairobi and other urban metropolitan areas. In Nairobi, where the majority of Kenya's urban refugees live, refugees are highly dispersed and often reluctant to seek support or risk mobility, for fear of being arrested and deported or sent to a refugee camp.

Large cash transfers for urban refugees: a platform for self-reliance

Pilot programme (2022-23)

GiveDirectly (GD) Kenya piloted a Large Cash Transfer project in the Nairobi Metropolitan Zone between 2022 and 2023, providing Ksh 100,000 (circa \$775) to 1,180 recipients. GiveDirectly's large cash transfers are designed to have transformative and lasting impacts - allowing recipients to take care of their basic needs, and invest in productive assets and income generating activities. GD's model is distinct from other cash programmes for refugees in its unconditionality and the size of the transfers. Findings from this pilot revealed that large-size cash transfers have the potential to create and improve livelihoods outcomes for the majority of the less-reached urban refugees:

- 59% reported spending on productive assets (an average of \$640 per household)
- 73% of refugees reported spending their transfers on improving existing businesses
- 77.2% reported a positive change in income by an average of 81% as a result of the transfer.

These trends in spending and income generation point towards improved economic well-being, and business performance, enabled by increased financial inclusion, and ultimately leading to sustained self-reliance. The improved access to economic opportunities enabled the displaced persons to participate in society, contributing to economic growth and enhancing the sense of belonging by the refugees. As well as being highly impactful, this model is also more efficient than programs that deliver smaller, more frequent payments. Our evidence has influenced other urban refugee actors (e.g. IRC) to increase the amount of cash they are providing.

Scale-up (2024-25)

Building on this experience we are now launching a new programme targeting 4,400 recipients with Ksh 100,000 transfers. The differentiating features of this programme, building on the pilot are:

- Targeting the host population as well as refugees (70/30 ratio)
- Facilitating access to complementary interventions on financial and digital inclusion and business skills, provided by the Equity Group Foundation

- Conducting an RCT to compare the outcomes for individuals receiving just cash vs those also receiving the complementary interventions vs a control group

GD's programmatic attributes

Key features of GD's refugee programme design and implementation include:

- Localisation > We work with local refugee-led organisations (RLOs) to identify and sensitise the most vulnerable refugees - complementing their interventions and constrained resources
- Risk management > Our rigorous approach including a firewalled Internal Audit team running checks on recipient lists; separate teams for enrollment, call center, follow up, and safeguarding; and randomized payment days to minimize the risk outsiders can predict cash-out activity to target recipients
- Reach and inclusivity > targeting refugees in the 17 urban areas in Nairobi in which they are residing
- Graduation potential > By targeting recipients who have already received livelihoods interventions from other organisations, we are providing them with the financial platform to invest and graduate

Creating the enabling environment for cash for refugees

Based on our robust evidence, we know that large cash transfers are a critical driver of sustainable self-reliance for refugees. We are therefore calling for:

1. **Large Cash Transfers to be embedded in key Policy Frameworks** including:
 - The Shirika Plan that seeks to convert Camps into Integrated Settlements
 - The Nairobi County Refugee Integration and Community Building Strategy (NCCG)
 - The WFP-led differentiated assistance framework process
2. **Key donors (institutions and foundations) to make policy and funding commitments towards large cash transfers**
3. **Peer and allies (UNHCR, Refugee-focused NGOs, RLOs) to shift programming towards large cash transfers**

In support of these goals, we are:

- **Supporting the enabling environment for refugee livelihoods:** working with the Department for Refugee Services (DRS) and Nairobi Municipality on facilitating business opening, premises and access to funds; Facilitating access to bank accounts through Equity bank
- **Strengthening programmatic linkages** with initiatives to support access for refugees to NSSF and SHIF
- **Engaging with ReDSS** on a learning agenda for urban refugees
- **Actively engaging in key working groups** including the Economic Inclusion Working Group, Cash Working Group, and Technical Working group for the NCCG

Looking ahead: GD's ambition for scaling up cash for refugees in Kenya

- Build evidence on the optimal cash amount for urban and camp/settlement-based refugees to achieve self-reliance, in support of the Differentiated Assistance Framework
- Test the optimal design of cash transfers at different stages of the refugee journey - e.g. for new arrivals (as we are doing in Uganda)
- Explore the scope for large cash transfers in camps and settlements in support of the Shirika plan