RE BUiLD

Boosting Livelihoods

How Donors Can Better Support Urban Refugees in Kampala and Nairobi

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Over [60 percent](#) of the world's 35.3 million refugees live in urban areas, mostly in low- and middle-income countries. There is a myth that people who move from refugee camps and settlements to urban areas are self-reliant, and therefore no longer require external support. They are assumed to be younger and better educated than their camp- and settlement-based peers. This paper challenges this myth by exploring the distinct needs of urban-based refugees, and the lack of donor programming supporting these needs.

To do so, this paper focuses on the needs of refugees and asylum seekers based in Kampala, Uganda and in Nairobi, Kenya, and reviews whether and how three bilateral donors (the United States (US), European Union (EU), and Germany) and three MDBs (the World Bank, African Development Bank (AfDB), and Islamic Development Bank (IsDB)) in Uganda and Kenya support urban-based refugees.

The purpose of this paper is to offer recommendations for those donors interested in expanding their support to urban-based refugees. While this paper and its recommendations have specific relevance for those urban-based refugees in Kampala and Nairobi, they have broader relevance to urban refugee populations in all low- and middle-income countries.

Key recommendations

1. **Encourage refugee-hosting governments to expand freedom of movement.**
2. **Identify and overcome practical barriers to essential services for urban refugees, including documentation.**
3. **Provide direct financial support to city and local authorities.**
4. **Partner with refugee-led organisations to design and deliver services.**
5. **Integrate refugees into national surveys.**
6. **Mainstream refugee inclusion into the urban development sector.**

Box 1 - Methodology

This paper, produced by the International Rescue Committee (IRC) and the Center for Global Development (CGD), is based on a reading of secondary literature, clarification interviews with key stakeholders, and Re:BUiLD's experience delivering services to urban refugees. Refugees in East Africa: Boosting Urban Innovations for Livelihoods Development (Re:BUiLD) is a five-year program that fosters self-reliance for urban refugees and other vulnerable host community members in Nairobi and Kampala, with an overarching goal of understanding 'what works' to achieve this change. It started in 2021, being implemented by the IRC in collaboration with partners, and is funded by the IKEA Foundation.

Refugees in Kampala and Nairobi

- **136,887 refugees and asylum seekers living in Kampala**; around eight percent of the total refugee population (as of December 2023).
- **96,348 registered refugees living in Nairobi**; around 15 percent of the total refugee population (as of October 2023).

In Uganda, refugees who choose to live outside settlements forfeit access to regular humanitarian assistance programmes. Many refugees live in both Kampala and refugee settlements, moving between the two to benefit from access to services and employment opportunities.

In Kenya, to move to the city from a camp or settlement, registered refugees must obtain a movement pass (for work, education, and visiting family). In practice, refugees are rarely able to obtain these passes. Refugees can be arrested if they leave the camp/settlement without a movement pass. Even if they make it to Nairobi, to legally work, refugees must obtain a permit which is rarely issued due to stringent documentation requirements. As a result, refugees in Nairobi are often excluded from both the formal labour market and humanitarian assistance.

Refugees in Kampala and Nairobi are more likely than their camp- and settlement-based peers to be of working-age, have fewer dependents, and to be involved in income generating opportunities, mostly through self-employment. Additionally, surveys have found that urban-based refugees were more likely to be self-employed, to have higher education levels and were less likely to receive humanitarian assistance.[1]

Understanding the needs of urban refugees

This section outlines three distinct needs and barriers faced by urban-based refugees that donors, host governments, and city authorities should mainstream into urban development policies. Addressing these gaps, whether through financing reform or localised partnerships, can improve the effectiveness of refugee aid delivery and support capacity-building for cities, which will need to accommodate growing populations in the decades ahead.

Access to essential services without recognised documentation

In both Kampala and Nairobi, it is difficult for city-based refugees to access essential services (such as healthcare, education, and business support) without the right ID. In Kenya, a complex set of requirements has led to a range of different documents held by refugees, leading to confusion for refugees and providers of services. Meanwhile, while a refugee ID should legally be sufficient to access services in Kampala, service

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[1] Combined findings from the World Bank (2019), World Bank and UNHCR (2021), IIED (2023), and Re:BUiLD client surveys.

providers may still limit access in practice as they are unaware of refugees' legal rights. Governments and city authorities in both countries are, however, making significant commitments to address these documentation challenges, and donors should support and drive these efforts, further linking their financing to progress in policy and practice.

Access to decent housing

Housing challenges for urban refugees in Nairobi and Kampala are significant and contribute to their overall vulnerability. These challenges arise from a combination of factors, including a lack of documentation, but also the high cost of housing in urban areas and discrimination and xenophobia. Given these barriers, many of the refugees report being forced to live in overcrowded, substandard, or informal housing arrangements. These arrangements often lack basic amenities such as clean water, sanitation facilities, and electricity, posing health and safety risks. Many face a constant threat of eviction. Landlords may take advantage of refugees' legal vulnerability to demand higher rents, impose unfair conditions, or forcibly evict them without recourse to legal protections. Local authorities can play an important role in addressing these challenges. For example, in Kampala, the city authority collaborates closely with refugee-serving agencies through local councils, to address and mitigate issues of unfairness in housing needs for urban refugees. Yet city governments could do more if they were supported by donors and national governments in alleviating resource constraints and setting up inclusive affordable housing initiatives.

Access to social and professional networks

Social and professional networks are instrumental in refugee integration as they facilitate the dissemination of vital local information, provide emotional and practical support, aid language acquisition, and offer avenues for employment opportunities and access to financial resources. However refugee networks often lack diversity and refugee women in particular have limited options to build useful connections, while support networks are of particular importance to women to help manage households and childcare. Common language and religion are facilitators for accessing networks within host communities. Refugee-host social ties play an important role for developing professional networks and helping overcome barriers to work.

Local refugee-serving organisations in Nairobi and Kampala are working to enable access for refugees to key formal and informal networks and improve their representation in local governance. Donors should increasingly partner with such organisations to better identify and reach urban refugees, as well as fund programs that enhance refugees' social and professional networks.

Donor support for urban refugees

Support from the international donor community, including private sector donors such as the IKEA Foundation, in urban settings is crucial to encourage more inclusive service provision and address the challenges faced by urban refugees. The 2018 Global Compact on Refugees (GCR) calls for international responsibility sharing that includes financial support to refugee populations alongside host communities. Likewise, the UN's Agenda 2030 includes refugees among the vulnerable groups in its goals for accessible housing, health, inclusive quality education and decent work, among others. Despite these international commitments, host governments and donors often look to humanitarian actors to provide support for refugees. However, the humanitarian system is systematically underfunded and is therefore unable to provide sufficient support.

Reviewing support from selected bilateral donors (US, EU institutions and Germany) and multilateral development banks (MDBs) (the World Bank, the African Development Bank and the Islamic Development Bank) for refugees in Kampala and Nairobi, we find that all donors have strong focuses on both supporting sustainable and inclusive urbanization, and on addressing the impacts of forced displacement - though usually these were not integrated.

Most humanitarian financing remains focused on support to camps and settlements. Some bilateral development donors had concrete projects to support the cross-over between urban development and displacement; the US Department of State's Bureau of Population, Refugees, and Migration (PRM) has a clear strategy to support urban refugees and a couple of dedicated projects, and the EU's Directorate-General for International Partnerships (INTPA) has an integrated response for secondary cities in Uganda, though not focused on Kampala. Germany is building on its research with urban refugees to start implementing livelihoods projects in Nairobi and Kampala, though largely its assistance is flowing to camps and settlements outside the capital cities. Most support in cities tends to be within the livelihoods and protection sectors (US); self-reliance, social cohesion, and water and sanitation (INTPA); and vocational training and livelihoods (Germany). More could be done to increase the stock of housing and make it more accessible to refugees, and promote access to social networks.

Likewise MDB support focused on urban development in Nairobi and Kampala does not explicitly integrate refugee populations. While the World Bank has supported a range of research which has highlighted the distinct needs facing urban refugees, recent projects in Kenya and Uganda do not have an explicit focus on urban refugees. In Kenya, for example, the majority of funding under the IDA Window for Host Communities and Refugees (WHR) appears to be going towards supporting the country's efforts to transform its refugee camps into integrated settlements, with little attention to refugees in Nairobi. The African Development Bank (AfDB) has a strong focus on urban issues and infrastructure improvements without including refugees in Kampala and Nairobi as explicit beneficiaries. Finally the Islamic Development Bank (IsDB), of which Uganda is a member, is planning to implement one of their most important projects to support refugees called 'Skills, Training, and Education Program (STEP)' in Uganda. It is promising that beneficiaries will be needs-based, and could therefore include urban refugees in Kampala and other secondary cities.

Ideally, projects addressing urban infrastructure or services—such as housing, water and sanitation, and transport—need to take into consideration how refugees will be affected by, and access, these services. To do so, donors should align their priorities with those of the host government, supporting efforts to expand urban refugee rights and fulfill commitments made in the GCR and the UN's Agenda 2030.

Policy Recommendations

While these recommendations emerge from a review of support to those in Kampala and Nairobi, they have broader relevance to urban refugee populations in all low- and middle-income countries.

1. **Encourage refugee-hosting governments to expand freedom of movement** and ensure refugee IDs are legally accepted to access services in urban areas, making it easier for refugees to live and work outside of camps and settlements. This should include ensuring that refugees who choose to leave camps and settlements do not lose their rights to humanitarian assistance if need arises.

Spotlight: Donors could consider supporting efforts such as the World Bank's IDA Window for Host Communities and Refugees (WHR), which links financing to policy progress on refugee inclusion and integration. Countries should adopt an action plan fostering long term solutions. Since becoming eligible, Uganda has received US$841 million under the WHR. Uganda's inclusion in the IDA19 mid-term review shows that it has made substantial progress on its action plan, by adopting national plans to integrate refugees into education, health, and water and sanitation systems, as well as district planning and statistics.

2. **Identify and overcome practical barriers to essential services for urban refugees, including documentation.** Even in countries with progressive refugee policies, such as those that enable freedom of movement, there are gaps between the laws as written and as implemented. Consult refugees and refugee-serving organisations to understand where barriers to accessing services still exist, and work with city authorities to overcome them.

Spotlight: In Kenya, the government aims to support the establishment of 250,000 affordable housing units annually, which connects with a broader transformative agenda to spark inclusive economic growth in existing and emerging urban hubs. Currently, refugees are not eligible for these units. Refugee-serving agencies and donors could therefore identify advocacy and financing opportunities within this housing scheme, and engage the Kenyan Government on how to systematically integrate urban refugees.

3. **Provide direct financial support to city and local authorities**, rather than solely national governments. Such authorities are tasked with integrating urban-based refugees with little support, but can be more willing than national governments to expand inclusion. Support them to gather data on the specific needs of urban refugee populations and create comprehensive urban development plans (e.g., extending tenancy protections to refugees and encouraging service providers to recognise documentation).

Spotlight: With direct financial support from the EU Trust Fund for Africa as well as key technical support from the Italian non-governmental organization Associazione Centro Aiuti Volontari (ACAV), the Koboko Municipal Council (KMC), in Uganda, has been able to implement several health, education, and economic empowerment projects for urban refugees and host communities. According to an ACAV programme manager, these accomplishments "would have taken [KMC] close to 40-50 years to accomplish" without the EU financing support.

Spotlight: The Nairobi City County Government (NCCG) has recently formed a technical working group that includes the national Department of Refugee Services, UNHCR, NGOs and refugee-led organisations to start developing a new integrated urban development strategy, for which they will call on donors to support implementation.

4. **Partner with refugee-led organisations to design and deliver services.** It can be difficult for donors and larger civil society organisations to identify and reach urban-based refugees. Instead, partner with refugee-led, refugee women-led, and refugee-serving organisations already present within urban areas, systematically involving them in the design and delivery of responses. In doing so, work with these organisations to challenge stereotypes of refugees among host communities to foster social cohesion.

Spotlight: The Re:BUiLD program collaborates closely with local partners, including Pamoja Trust and Shining Hope for Communities (SHOFCO) in Nairobi, as well as Platform for Vendors (PLAVU) in Kampala. These partnerships facilitate the integration of refugee communities and enhance their engagement with city authorities. This collaborative effort aims to identify and overcome barriers to accessing essential services, ensuring that refugees can more easily integrate into their host cities and access the support they need. Additionally, they support refugee-led organizations and connect them with existing community networks, for example OAKS Solutions in Nairobi that supports refugees advocacy and integration.

Box 2: People-first partnerships for MDBs

MBD such as the World Bank should move from operating strictly through a "government-first approach" working with national governments only, to a "people-first" strategy that reaches the most vulnerable communities including displaced populations. This requires funding and formalizing partnerships with non-sovereign actors like civil society and local actors, including city authorities. During its 2023 Annual Meetings, the World Bank took a critical step in this direction by committing to work more closely in partnership with civil society as part of its "Evolution Roadmap". Options for partnership can range from advisory services informing project design to hybrid or direct financing models for implementation.

IRC's innovative finance team has developed guidance for such an advisory model for MDBs and other investors operating in refugee-hosting communities to partner with local humanitarian agencies. This approach ensures that refugee and host communities are meaningfully engaged in the development of financing projects. Similarly, Refugees International has advocated for the World Bank to further engage with refugee-led organisations for the design and implementation of refugee responses.

5. **Integrate refugees into national surveys**. Despite evidence on challenges facing urban-based refugees, comprehensive data on who lives in cities, where they are, and what support they need is lacking. This is especially the case for refugees who are not legally allowed to live in cities. Donors should provide adequate funding and technical support to build the capacity of national statistics offices and work with humanitarian and city actors to fill data gaps on urban refugees, including building refugees into national surveys. In doing so, they should utilise anonymous but gender-disaggregated responses in challenging legal environments to improve programming, support, and policymaking that is responsive to refugees' needs.

Spotlight: Kenya's has committed to develop criteria for including refugees in its National Education Management Information System (NEMIS), which determines capitation grants and eligibility for national exams. This could increase financing for under resourced schools with high refugee populations.

6. Mainstream refugee inclusion into the urban development sector. Displacement-focused staff sitting within bilateral and multilateral donors should work internally to 'mainstream' refugee issues, making sectoral staff (especially those working on urban development) aware of the urban refugee population and their distinct needs. For example, donors could require projects to include refugee beneficiaries if they are delivered in certain areas, or provide resourcing to dedicated internal units that review project documents in advance. More broadly, donors' urban development policies should include an analysis of displaced populations' needs and how they can benefit from improved urban services.

Spotlight: UN Habitat and IOM developed a Toolkit on Integrating Migration into Urban Development Interventions which intends to provide information and tools to support partners to understand how migration can be reflected in the design, implementation, monitoring and evaluation of urban development interventions. The tools can be adapted to various contexts to make development cooperation more coherent and effective by harnessing the development potential of migration and ensuring that any related challenges and/or opportunities are fully assessed.

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