





How Donors Can Better Support Urban Refugees in Kampala and Nairobi

JOHNSTONE KOTUT · ANNELEEN VOS · HELEN DEMPSTER · HARRISON TANG

Abstract

The majority of refugees worldwide live in urban areas. It is often assumed that these urban-based refugees are self-reliant, and therefore no longer require external support. This paper challenges this assumption by reviewing secondary literature on the experience of the 136,887 refugees who live in Kampala, Uganda and the 96,348 refugees who live in Nairobi, Kenya. It identifies three distinct challenges that these urban-based refugees face compared to their camp- and settlement-based peers: access to essential services without recognised documentation; access to decent housing; and access to social and professional networks. It then reviews whether and how the largest bilateral and multilateral donors in Uganda and Kenya support urban-based refugees, and concludes by offering recommendations for those donors interested in expanding their support. While this paper and its recommendations have specific relevance for urban-based refugees in Kampala and Nairobi, they have broader relevance for urban refugee populations in all low- and middle-income countries.

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Introduction

Over 60 percent of the world's 35.3 million refugees live in urban areas, mostly in low- and middle-income countries (UNHCR, 2020; UNHCR, 2023b; Vos and Dempster, 2021). This paper sets out to challenge the myth that refugees who move from camps and settlements to urban areas are self-reliant, and therefore no longer need support from international donors (Tshimba, 2022; Earle, 2023). Given this assumption, a general lack of humanitarian resources, and the comparative ease of delivering humanitarian services through existing coordination structures, international donors—such as bilateral actors and multilateral development banks (MDBs)—have largely focused their attention on providing support to refugees in camps and settlements rather than urban areas. This paper explores the distinct needs of urban-based refugees and the lack of donor programming supporting these needs.

Certainly, there are many benefits to refugees living in urban areas. Cities house 55 percent of the world's population, expected to grow to 68 percent by 2050 (Delbridge et al., 2022). Some of the fastest growing cities are in low- and middle-income countries, many of which also host large numbers of refugees. Such growth brings opportunities for employment, as private sector actors are more likely to cluster in and around major urban areas (Huang and Graham, 2018). As will be explored later, refugees in cities are more likely than their camp- and settlement-based peers to be of working-age and able to take advantage of these opportunities. There are also many more benefits to living in a city, including the ability to access more city-based services. However, laws and policies constraining access to work and freedom of movement can limit refugees' access to such benefits (Ginn et al., 2022). Humanitarian actors also find it difficult to provide access to services and social networks; refugees in urban areas are spread out and highly mobile, and agencies are often less coordinated in urban areas than in camps and settlements (Muindi and Mberu, 2019).

Yet urban-based refugees have specific needs that are distinct from their camp- and settlement-based peers that donors are currently largely neglecting. To illustrate these, this paper focuses on the needs of the 136,887 refugees and asylum seekers based in Kampala, Uganda and the 96,348 refugees based in Nairobi, Kenya (UNHCR, 2023a; 2023e). They represent eight and fifteen percent of the total registered refugee population in the countries, respectively. Kampala and Nairobi, which are experiencing rapid urbanisation and growing refugee populations within their periphery, are the two focus cities of the five-year *Refugees in East Africa: Boosting Urban Innovations for Livelihoods*

¹ The United Nations High Commissioner for Refugees (UNHCR) defines 'self-reliance' as the "social and economic ability of an individual, a household or a community to meet essential needs (including protection, food, water, shelter, personal safety, health and education) in a sustainable manner and with dignity." See UNHCR (2005).

² As stated, this paper is focusing on the refugees living in Kampala and Nairobi, not secondary cities in both countries. This is not to discount the importance of secondary cities (urban settlements with 100,000–500,000 people), particularly when it comes to refugee socio-economic integration. Secondary cities are some of the fastest growing globally, and are perhaps even *more* likely than primary cities to attract refugees given their location (often close to borders or camps). For example, take Uganda. In 2018, VNG International found that 26 percent of the total population of Koboko Municipal Council were refugees; and in 2022, Cities Alliance found that more than 10 percent of the population of Arua City were refugees (VNG International, 2018; Cities Alliance, 2022).

Development (Re:BUiLD) programme.³ This programme fosters self-reliance for urban refugees and other vulnerable host community members, with an overarching goal of understanding 'what works' to achieve this change (Dempster and Herbert, 2023). It started in 2021, run by the International Rescue Committee (IRC) in collaboration with partners, and is funded by the IKEA Foundation.

Within these cities, this paper reviews the support provided by 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)) to urban-based refugees in Kampala and Nairobi. We find that while all have a strong focus on supporting sustainable and inclusive urbanisation, and addressing the impacts of forced displacement, few had projects that supported urban refugees. This limited support tended to be within the livelihoods and protection sectors, with some work within water and sanitation, and vocational training. Based on our analysis of urban refugee-specific needs, donors could do more to fulfil global commitments on refugee inclusion—and improve urban refugees' access to essential services, decent housing, and social and professional networks—while ensuring all projects delivered in relevant urban areas take refugees' needs into account. Providing direct support to city governments while partnering with refugee-led organisations to review barriers and improve access to services for urban refugees is an effective approach. Thankfully, we have seen some movement from city governments and donors on this issue within the recent Global Refugee Forum, held in late 2023, but more should be done (see Box 10).



Francis Mubuyi Nyangwile, a 36-year old urban farmer and refugee from the Democratic Republic of the Congo, cuddles one of his rabbits and stands next to his wife and child. Back in Congo, Francis' family farmed for a living, so he wanted to do the same in his new home despite living in the city. Francis received Re:BUiLD's microenterprise randomized controlled trial (RCT) business grant and used it for poultry keeping, keeping rabbits, and farming vegetables. (Photo: Joseph Sosi for the IRC). August 18, 2023. Kampala, Uganda.

This paper, produced by the 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

³ For more information about the Re:BUiLD programme, please see: https://rebuild.rescue.org/.

delivering services to urban refugees. It begins by outlining the displacement situation in Kampala and Nairobi. It then describes three specific challenges faced by refugees in these cities: (1) access to essential services such as healthcare, education, and business support without recognised documentation; (2) access to decent housing, given the high cost of housing in urban areas, a lack of official documentation, and discrimination and xenophobia; and (3) access to social and professional networks. These sections also provide best practice examples from other displacement contexts. It then explores how donors *already* support these refugees, including highlighting specific notable projects. The paper ends with recommendations for how donors and MDBs can best support urban refugees in Kampala, Nairobi, and beyond.

Refugees in Kampala and Nairobi

Uganda has had a longstanding 'open-door' policy towards refugees from a wide range of origin countries (Betts, 2021). Commentators have called it "the world's best place for refugees," but in practice, refugees still face many barriers to their economic and social well-being (Rwakaringi, 2017). The country's 2006 Refugee Act and 2010 Refugees Regulations provide refugees with the right to work, access social services, and move freely around the country. That being said, refugees who choose to live outside settlements forfeit access to regular humanitarian assistance programmes (Easton-Calabria, 2021; World Bank, 2021a; Tshimba, 2022).4

With its refugee and asylum seeker population reaching just over 1.6 million people in December 2023, Uganda hosts the largest number of refugees in Africa and is the third largest refugee-hosting country in the world (Figure 1; UNHCR, 2023d). The country has a deep history of welcoming diverse refugee populations, receiving 86,000 Sudanese refugees in the mid-1950's (Merkx, 2000). Since then, Uganda has witnessed growing inflows of Congolese refugees due to persistent political instability and conflict. In the past decade, refugees from South Sudan—fleeing violence from the South Sudanese Civil War—have also sought asylum in Uganda at an unprecedented scale. South Sudanese refugees now constitute nearly 60 percent of Uganda's refugee population, while 31.7 percent of refugees originate from the Democratic Republic of the Congo (DRC). Other notable countries of origin include Somalia, Burundi, Eritrea, Rwanda, Ethiopia, and Sudan (Figure 2).

In contrast, Kenya's refugee policy history has not been so linear. Recognising the benefits of hosting (at that time, small numbers of) refugees, Kenya historically pursued a similar 'open-door' policy. After large numbers of Somali refugees began to arrive in the early 1990s, Kenya shifted to an encampment policy, requiring all refugees to live in one of two designated areas in the country (Milner, 2019). The

⁴ Uganda has previously expressed frustration at the international community for failing to provide more assistance. For example, see https://reliefweb.int/report/uganda/international-community-failing-its-commitment-refugee-crisis-uganda-ngos-warn.

⁵ Throughout, this paper uses figures referring to the total number of refugees registered with UNHCR. Particularly in countries which restrict refugees' movement, there may be a discrepancy between the number of registered refugees within a city and the number of actual 'self-settled refugees'. For example, see VNG International, 2018.

subsequent 2006 Refugees Act constrained refugees' ability to live and work throughout the country (Betts et al., 2018). Technically, if refugees lived outside of the camps—such as in Nairobi—they were unable to legally work or access services (Graham and Miller, 2021). In practice, this was more nuanced. Refugees were able to move to cities for a limited set of reasons, and UNHCR did register refugees formally within Nairobi (Campbell et al., 2011). In recent years, this policy has shifted again. In 2016, the government allowed for the creation of an 'integrated refugee settlement' (Kalobeyei), and in 2021, they signed a new Refugees Act which expanded refugees' rights. That being said, refugees are still required to live in 'designated areas'. Over the next few years, Kenya aims to transition its two camp complexes into integrated settlements under the *Shirika Plan*; however this plan does not address the rights of urban refugees in Nairobi and other cities (see Box 8; UNHCR, 2023b).

As of October 2023, Kenya hosts just over 620,000 refugees and asylum seekers (Figure 1). Somali refugees, driven by three decades of protracted conflict, have consistently represented the majority of Kenya's refugee population. In 2011, widespread famine and drought in the Horn of Africa catalysed a rapidly deteriorating humanitarian crisis, leading the Somali refugee population in Kenya to spike significantly. At this point, the share of Somali refugees in Kenya peaked at 86 percent of the total refugee population but has since tapered down to 55 percent today (Figure 2; UNHCR, 2023c). Like Uganda, Kenya has a sizable number of refugees from South Sudan, DRC, Ethiopia, and Burundi.

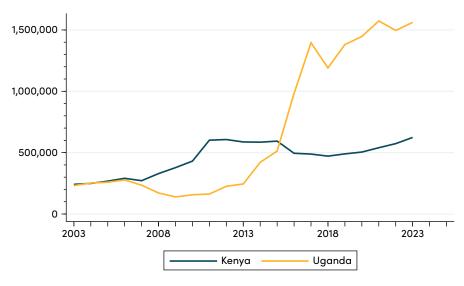


FIGURE 1. Refugees in Uganda and Kenya, 2003-2023

Source: UNHCR (2023c; 2023d). Accessed January 17, 2024. Data as at December 2023.

⁶ There does not appear to be one, common, definition of an 'integrated refugee settlement'. It refers to the practice of settling refugees near host communities and supporting integration and the sharing of resources, rather than isolating refugees in rural, closed, communities (or, camps).

⁷ Refugees from East African Community (EAC) countries can decide to no longer be treated as refugees and to use their status as EAC citizens, enabling them to work and live throughout Kenya. Approximately 90 percent of Kenya's refugees (those from Burundi, Rwanda, South Sudan, Tanzania, Uganda, the DRC, and Somalia) are from the EAC. See Leghtas and Kitenge (2022).

Uganda Kenya 1,200,000 600,000 1,000,000 500,000 800,000 400,000 600,000 300,000 400,000 200,000 200,000 100,000 0 0 2003 2008 2013 2018 2023 2003 2008 2013 2018 2023 South Sudan Democratic Republic of the Congo Somalia Sudan

FIGURE 2. Refugees in Uganda and Kenya by origin country, 2003–2023

Source: UNHCR (2023c; 2023d). Accessed January 17, 2024. Data as at December 2023.

Uganda's refugee settlements house 92 percent of their registered refugee population and are largely based in two regions: the north-west of the country (the West Nile sub-region), close to the border with South Sudan and the DRC; and the south-west, close to the border with Tanzania (Figure 3; UNHCR, 2023e). One settlement in the south-west, Nakivale, was formed in 1959 and is the oldest refugee camp in the world (Easton-Calabria, 2021). More recent arrivals from South Sudan tend to reside in the West Nile, whereas earlier movements from the DRC tend to reside in the south-west (World Bank, 2019). As of December 2023, there were 136,887 refugees and asylum seekers living in the capital city, Kampala, approximately eight percent of the total refugee population.8 This is compared with almost 1.8 million host city residents (UNHCR, 2023e). It has been estimated that 3.5 million people enter the city for job opportunities every day, mainly to work in services, trade, and manufacturing (Ernstson and Mukwaya, 2021). Similarly, evidence finds that many refugees (particularly heads of households) live in both Kampala and refugee settlements, moving between the two to benefit from access to services and employment opportunities (MMC, 2021; Bernstein and Okello, 2021; Lozet and Easton-Calabria, 2020). There is a large variety of reasons why refugees choose to move to cities in Uganda, including previous lifestyles and standards of living; hard-to-bear conditions in settlements, exacerbated by a decrease in rations and cuts to services; search for livelihood opportunities; and a desire to locally integrate (Tshimba, 2022; HINGO, 2023; REACH, 2023).

⁸ This number has increased quickly. In September 2017, the Office of the Prime Minister reported that Kampala housed 98,300 refugees, nearly double the number of refugees in the city in 2012 (50,646). See Monteith and Lwasa, 2017.

SOUTH SUDAN Bidibidi 219.540 **Palorinya** 128,925 Lobule **Palabek** 6,039/ 80,067 **Imvepi** 67,006 **Adjumani** Rhino 219,763 **DEMOCRATIC** 153.325 **REPUBLIC** OF THE CONGO Kiryandongo 81,232 Kyangwali 133,264 KENYA LEGEND Kyaka II Rwamwanja Capital City 125.723 94,778 ▲ Refugee Settlement Kampala 136,887 Source countries South Sudan DR Congo **Nakivale** Somalia Oruchinga 182,634 Lake Victoria 7,979 Burundi Eritrea Rwanda **TANZANIA** Other **RWANDA**

FIGURE 3. Map of refugee locations in Uganda

Source: UNHCR (2023e)

Kenya's largest refugee locations are Kakuma (camp)/Kalobeyei (integrated settlement) in the north-west of the country, close to the border with South Sudan, and Dadaab (camp) in the southeast, close to the border with Somalia (Figure 4; UNHCR, 2023a). As of October 31, 2023, there were 96,348 registered refugees living in the capital city, Nairobi, approximately fifteen percent of the total refugee population (ibid.). This is compared with a city size of 4.3 million people, a third of whom live in sprawling informal settlements (Sverdlik, 2021). To move to the city from a camp or settlement, registered refugees must obtain a movement pass, which is theoretically granted for a variety of purposes including work, education, and visiting family (UNHCR, n.d.; DRS, 2020). In practice, refugees are rarely able to obtain these passes; there is little information

⁹ Over time, refugees in Nairobi have self-settled into several prominent neighbourhoods based on country of origin. Somali refugees primarily reside in Eastleigh, which has a sizable host population with 'ethnically Somali' roots (UNHCR and DRC, 2012). Meanwhile, the Congolese refugee population is more scattered across the peripheral suburbs in districts such as Kayole, Umoja, and Kasarani (Betts et al., 2018). Settlement decisions in the city may be largely shaped by access to social networks, which significantly facilitate integration.

provided about how and where to obtain one, approvals appear largely arbitrary in nature, and the duration of the pass is up to the official (NRC, 2018; Lugulu and Moyomba, 2023). Refugees can be arrested if they leave the camp or settlement without a movement pass. Even if they make it to Nairobi, to legally work, refugees must obtain a permit from the Ministry of Interior which is rarely issued. As a result, refugees in Nairobi are often excluded from both the formal labour market and humanitarian assistance (Omata, 2020). Nevertheless, many refugees want to move to Nairobi. Muindi and Mberu (2019) find that the main reason is a perceived increased chance of getting support from international and local agencies, followed by family ties, and then work opportunities.

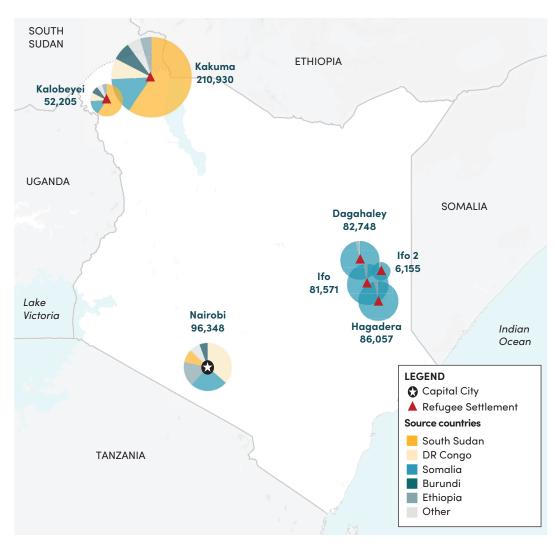


FIGURE 4. Map of refugee locations in Kenya

Source: UNHCR (2023a).

It is difficult to compare urban-based refugees to camp- and settlement-based refugees and to urban-based hosts; refugees are rarely included in censuses and citizen-wide surveys, and ad-hoc

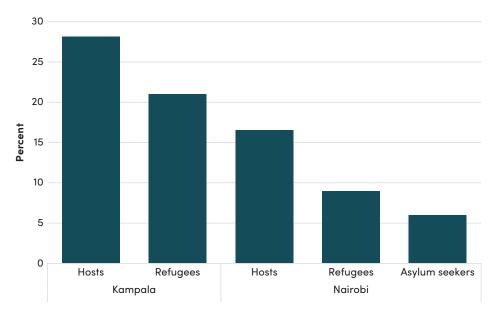
surveys may not always be publicly available or comparable (World Bank and UNHCR, 2021). Thankfully, a number of studies are beginning to emerge. In 2019, the World Bank conducted a representative survey of 2,209 refugee and host households in Kampala, the West Nile, and the Southwest of Uganda (World Bank, 2019). They found there was a larger working-age refugee population in Kampala compared with those in rural settlements (34 percent were aged between 25 and 64 in Kampala, c.f. 20 percent in West Nile and 26 percent in the Southwest). They also had a lower dependency ratio (0.8 in Kampala, c.f. 1.9 in West Nile and 1.8 in the Southwest).

Complementing these findings, in April 2023, the Re:BUILD team conducted an internal evaluation of former clients to assess their economic status and identify those who could benefit from additional services (Annex 1). In Kampala, the survey covered 372 host community members and 519 refugees, and in Nairobi, it covered 599 host community members, 290 refugees, and 133 asylum seekers. As Annex 1 shows, survey respondents in both cities were overwhelmingly female, but the refugee sample had a slightly higher proportion of male respondents compared to hosts. In terms of employment, Figure 5 shows that hosts were more likely than refugees and asylum seekers to be involved in wage employment, and conversely, Figure 6 shows that refugees and asylum seekers were more likely than hosts to be self-employed. This is consistent with the evidence on formal labour market access barriers for urban refugees. For those involved in income-generating activities, earnings varied. Interestingly, refugees in Kampala were less likely than their host community peers to be classified as low-income, while in Nairobi, the proportion of low-income clients was similar across refugees, asylum seekers, and hosts (Figure 7). However, host clients in Nairobi were more likely to be high earners, suggesting that urban refugees may experience context-specific barriers to economic mobility.

¹⁰ No asylum seekers were surveyed in Kampala, as at the time of the survey, Re:BUiLD had no asylum seekers recruited who had been served by the programme and completed services.

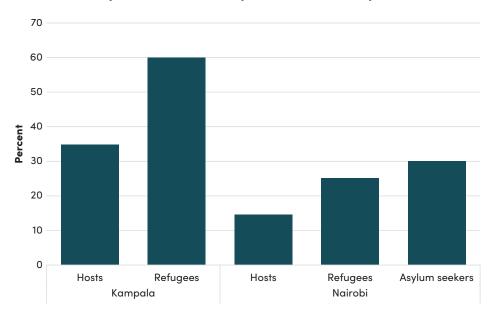
¹¹ While this evaluation provides a key snapshot of well-being among IRC clients and is useful for informing urban service delivery gaps, it is not intended to be representative of general refugee and host community outcomes in Kampala and Nairobi.

FIGURE 5. Wage employment rates among host community members, refugees, and asylum seekers in Kampala and Nairobi (April 2023)



Source: Internal Re:BUiLD survey, see Annex 1.

FIGURE 6. Self-employment rates among host community members, refugees, and asylum seekers in Kampala and Nairobi (April 2023)



Source: Internal Re:BUiLD survey, see Annex 1.

100 100 80 80 60 60 Percent 40 40 20 20 0 0 Hosts Refugees Hosts Refugees Asylum seekers Nairobi Kampala 490,000-652,164 326,000-489,999 21,501+ 16,181-21,500 625,165+ 10,761-16,180 **163,000-325,999 80,001-162,999** 40,001-80,000 5,381-10,760 2,641-5,380 1,321-2,640

1-1,320

0 KES

FIGURE 7. Wage and self-employment income distribution for host community members, refugees, and asylum seekers in Kampala and Nairobi (April 2023)

Source: Internal Re:BUiLD survey, see Annex 1.

0 UGX

1-40,000

Similarly, in Kenya, the International Institute for Environment and Development (IIED) compared Somali refugee households in Nairobi to those in Dadaab camp (McAteer et al., 2023). The majority of households in Nairobi (76 percent) received no humanitarian assistance, while close to 10 percent in camps did. 57 percent of urban-based refugees received income from work compared to approximately half that in camps. The age profile was relatively similar across both urban and camp settings, but refugees in Nairobi had higher education levels. Also in Kenya, the World Bank compared surveys on refugees in Kalobeyei (2018), Kakuma (2019), and urban areas (2020–21) (World Bank and UNHCR, 2021). They found that refugees in cities were less likely than those in camps to have children (0.6 dependents, c.f. 1.9 in Kalobeyei and 1.2 in Kakuma), more likely to be working age (45 percent were below 18, c.f. 71 percent in Kalobeyei and 61 percent in Kakuma), and less likely to be part of a female-headed household.

These four studies, conducted in the last four years, show broadly similar trends. Refugees in Kampala and Nairobi are more likely than their camp- and settlement-based peers to be of workingage, have fewer dependents, and to be involved in income-generating opportunities. Additionally, the Re:BUiLD survey found that urban-based refugees were more likely to be self-employed; and the IIED survey (in Nairobi) found that urban-based refugees had higher education levels and were less likely to receive humanitarian assistance.

¹² In Nairobi, 37 percent of refugees had secondary or tertiary education, compared with 26 percent in the Dadaab camp.

Understanding the needs of urban refugees

Many assume that the refugees residing in Kampala and Nairobi are self-reliant, requiring less humanitarian or development assistance than those living in camps and settlements (Earle, 2023). This section outlines three distinct needs faced by urban-based refugees access to essential services without recognised documentation, access to decent housing, and access to social and professional networks—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

This section outlines the difficulties urban-based refugees face in accessing healthcare, education, and business support without recognised identity documents (ID). In both Kampala and Nairobi, it is difficult for city-based refugees to access essential services without the right ID. There appears to be four interrelated issues. Refugees may not have:

- 1. A refugee ID (due to the long refugee status determination process);
- 2. A refugee ID with the right address (for example, being registered in a camp or settlement rather than in the city);
- 3. A national ID, which is required to access essential services; and/or
- 4. Other or additional documentation, which is required to access essential services.

In Nairobi, some services require a national ID and are therefore inaccessible to refugees, such as driving licences, mobile money, and bank accounts (although there are some instances of access being granted) (Vos and Weber, 2020). Others allow a refugee ID but only if it is registered in Nairobi. Refugee ID numbers have a distinct prefix for refugees registered in camps or settlements versus in Nairobi, and movement is not allowed except with a movement pass or referral for a specific service that will be limited in time. There is also limited information available for refugees on what procedures should be followed to move out of the camp or settlement. This complex set of requirements has led to a range of different documents. In 2017, the Norwegian Refugee Council (NRC) noted that refugees in Nairobi hold a combination of government-issued refugee identity cards, UNHCR mandate certificates, movement passes, waiting/appointment documents, asylum seeker passes, and proof of registration cards (NRC, 2017). This is confusing for both refugees themselves and providers of services. 57 percent of 468 refugees surveyed in Nairobi in 2022

¹³ Many of the challenges discussed in the paper also apply to vulnerable host community members. This is especially the case given the rising cost of living, unemployment, and a lack of decent housing overall. Any efforts to support urban refugees must also support vulnerable host community members to enhance social cohesion.

¹⁴ For accessing work permits, refugees from the EAC Member States (including Uganda and Kenya) can in theory benefit from a new free movement of workers regulation to apply for a work permit of up to two years that may be renewed, although they would have to renounce their refugee status. See Re:BUILD (2023c).

reported that all members of their household had supporting documentation to reside in the city (Akumu, 2022). However, as many hold refugee IDs issued with an address in Kakuma or Dadaab (and it is very difficult to change addresses), refugees noted that they frequently experience harassment from city authorities.

In Kampala, roughly 20 percent of 704 refugee households surveyed in 2018 did not have a refugee identification card. However, there were large gaps in documentation access across nationalities; over half of Burundian and Rwandese refugees reported that they were not formally registered (AGORA, 2018). Refugees can register with the Office of the Prime Minister (Refugees Management) and choose to live in urban areas, but they forfeit their right to access regular humanitarian assistance programmes which are only guaranteed for refugees with a camp registration. While a refugee ID should legally be sufficient to access services in Kampala, service providers may still limit access to refugees in practice as they are unaware of refugees' legal rights. Other barriers to services include high costs, overcrowding (coupled with competition and discrimination), limited awareness, and complex processes to access services.

Governments and city authorities in both countries are, however, making significant commitments to address these documentation challenges. Notably, Nairobi and Kampala, 15 as well as the broader governments of Kenya 16 and Uganda, 17 made substantial commitments to address documentation challenges through their pledges at the 2023 Global Refugee Forum (Re:BUiLD, 2023a). In particular, the Nairobi City County Government is institutionalising its support to urban refugees by appointing the city's first ever Chief Officer for Social Services and Refugee Affairs, mandated to improve socioeconomic programming for displaced communities and coordinate international and local humanitarian actors in support of city actions (Saliba et al., 2023). Donors should support and drive these efforts further linking their financing to progress in policy and practice.

Healthcare

One critical area where service exclusion is acutely felt is healthcare. When refugees seek medical assistance at government health facilities, they are confronted with the demand for ID. Without one, their access to healthcare is significantly hindered, leading to serious consequences for their own health and well-being, as well as public health at large. In 2019, Muindi and Mberu surveyed 847 refugees in Nairobi and found a number of barriers that prevented them from accessing government-provided healthcare, including cost, a lack of medicine stock, and language. Yet one of the major barriers identified was a lack of documentation (from 15.9 percent among those from DRC and Congo, to 44.8 percent from those from Burundi and Rwanda). Even if refugees had the money to pay for services, they were often turned away or harassed without this documentation.

¹⁵ Nairobi and Kampala's pledges are summarised in Powers (2023), among commitments from other cities.

¹⁶ See https://www.unhcr.org/media/statement-kenya-grf2023.

¹⁷ See https://data.unhcr.org/en/documents/details/105686.

More broadly in Kenya, urban refugees face unique challenges in accessing health insurance. While refugees are officially eligible for social health insurance through the National Hospital Insurance Fund (NHIF), many do not enrol due to confusion over required documentation, fees to obtain an insurance card, and other information barriers (NRC, 2017). Additionally, refugee health coverage under the NHIF may require registration under a specific hospital, precluding access to healthcare at other facilities (Thorgren and Ghasemi, 2023). UNHCR supports approximately 16 percent of refugees in Uganda to access NHIF membership; however, most of this support is provided in camps and settlements.¹⁸

In Kampala, while refugee ID should be sufficient for accessing healthcare, such IDs are not always recognised by service providers. A Re:BUiLD refugee client in Kampala, originally from Eritrea, stated in an interview: "It's frustrating when we present refugee identification documents at health facilities and are still asked for Uganda National Identification documents even though we are not Ugandans." Moreover, while medications are free in camps such as Bidi Bidi, they are not subsidised in Kampala, and refugees often cannot afford treatment (Jacobsen and Wilson, 2020). The little support that may be available through insurance or humanitarian support needs to be complemented with some financial commitment from refugees themselves.

Access to healthcare in both cities may also be more constrained for female refugees, though more research is necessary. In Nairobi, 62 percent of refugee men are employed compared to 41 percent of refugee women (World Bank, 2023c), while in Kampala, 70 percent of refugee men are employed compared to 57 percent of refugee women (UNHCR, 2021a). Access to employment provides more opportunities to enrol in some form of health insurance.

Education

Despite efforts to expand education access to refugees, government policies often require specific documentation that many urban refugee families lack. In Kenya, birth certificates are required for registration into the National Education Management Information System (NEMIS), participation in national examinations, and enrolment in certain primary schools (World Bank, 2022; IIEP-UNESCO, 2023). However, refugee children born in Kenya frequently lack birth certificates (Karanja, 2010). Even when refugees can provide documentation, barriers such as discrimination, extortion, and limited awareness of education services prevent access to quality education.

¹⁸ See https://data2.unhcr.org/en/documents/details/91830.

¹⁹ Kenya's Education Plan 2018-2022 committed to develop new criteria for including refugees into the NEMIS. This could eventually increase financing for under-resourced schools with high refugee populations, as capitation grants from the national government are based on NEMIS-registered learners. This highlights the importance of including refugees into national survey systems. See https://www.globalpartnership.org/node/document/download?file=document/file/kenya-nessp-2018-2002.pdf.

²⁰ Given gaps in registration services for refugees, UNHCR and Kenya's Department of Civil Registration have implemented outreach programs for birth registration. However, these initiatives have been limited to refugee settlements (UNHCR, 2013).

A Re:BUILD client in Kawangware expressed that "[t]he introduction of free primary education in Kenya, while a positive step, has unfortunately strained resources and led to overcrowding in schools [...] [I]n some cases, this has led to administrators prioritising Kenyan children over refugees, which is a significant concern for our community."

Refugees in Uganda have the same right to primary education as hosts, but there are notable discrepancies in access. In Kampala, 35 percent of refugee children surveyed in 2018 were not attending school, rising to 60 percent among households that had been in the city for less than a year (AGORA, 2018). This compared to just 10 percent of children in national-headed households. Many refugees also lack documentation of primary education completion in their host country, which can prevent proper grade placement and secondary school enrolment. Even when they hold primary education certifications, some school administrators still require refugees to complete Uganda's Primary Leaving Examination (PLE) at their own financial expense (Uganda Ministry of Education and Sports, 2018). For secondary education, non-settlement-based schools are costly—fees must be paid out-of-pocket by caregivers—and require refugees to compete with Ugandan nationals to obtain a place (Re:BUiLD, 2022). Refugees also face admission barriers into technical and vocational education and training (TVET) institutions, as there are no consistent frameworks to recognise educational certificates from their origin countries (Re:BUiLD, 2022).

There have been some efforts in Uganda to expand educational access. Through support from the Global Cities Fund in 2022, the Kampala Capital City Authority paid school fees for refugees and receiving community families (Saliba et al., 2023). The initiative partnered with the Makasa Rescue Foundation, a refugee-led organisation, to reach the most marginalised families. In Koboko municipality, a secondary city in Uganda, the EU has provided direct financial support to the municipality to ensure more equal access to services such as education and health for refugee and host communities (see Box 1). Other donors should equally consider providing direct financial support to city authorities who have a vital role in enabling access to services for refugees, but often limited resources. Offering technical support to gather data on refugee needs and develop inclusive urban development plans is also valuable.

BOX 1. The work of Koboko Municipality—evidence from Uganda

Koboko Municipality in Uganda has received Cities Alliance's City and Mobility Award for its inclusive approach to integrating refugees as part of the Comprehensive Refugee Response Framework (CRRF) initiative (see Box 7; Cities Alliance, 2023). The CRRF's Inclusive Urban Development and Mobility Action was initiated to strengthen the capacity of local authorities to deliver essential services and proactively address challenges posed by a growing population and limited resources.

With direct financial support from the EU Trust Fund for Africa, as well as key technical support from the Italian non-governmental organisation Associazione Centro Aiuti Volontari (ACAV), the Koboko Municipal Council (KMC) has implemented several health, education, and economic empowerment projects. These priorities were identified through a participatory approach that included refugees and host community members from initial planning stages. In the span of two years, KMC constructed three new health facilities, expanded and renovated fourteen schools, and built five shaded market spaces to host 200 vendors. The initiative also established mentorship groups for 300 women, providing them with the necessary and capital to start their own businesses. According to an ACAV programme manager, these accomplishments "would have taken [KMC] close to 40–50 years to accomplish" without the EU financing support (Cities Alliance, 2023).

As part of the process, KMC also identified key best practices for refugee integration including: ensuring equal access to essential services for both refugees and hosts, increasing refugee involvement in educational institutions and governance structures such as school management committees and parent-teacher associations, and requiring contractors to hire refugees. KMC was also supported in developing inclusive short- and long-term urban planning and development policies, using population data to lobby for extra funding to support refugees.

Business support

Many urban-based refugees aim to open a business to gain an income, especially many face difficulties in accessing formal employment (Re:BUiLD, 2023b). Refugee IDs are accepted in both Kenya and Uganda to obtain business licences and permits. However, financial/banking details showcasing the business' financial health may also be required. Additionally, legal paperwork defining business ownership, such as articles of incorporation, partnership agreements, and tax identification numbers, play a crucial role. While refugee IDs serve identity purposes, they may not meet the identity verification and authentication standards required for accessing a bank account, including 'Know Your Customer' (KYC) requirements.²²

 $^{21\ \} See \ https://global compact refugees.org/good-practices/inclusive-urban-development-and-mobility-koboko.$

^{22 &#}x27;Know Your Customer' (KYC) requirements are intended to combat money laundering. They require service providers to obtain a valid proof of identity and current residential address.

For example, in Kenya, business licence and work permit applicants must hold a tax compliance certificate ('KRA PIN'); however, even those with valid refugee identification often cannot apply because their IDs have not been integrated into national registration databases and cannot be verified (Vuni and Iragi, 2023). In Uganda, while official regulations do not prohibit banks from accepting refugee IDs or attestation letters as a means to verify KYC requirements, many banks will only accept passports and national IDs, due to perceptions of a heightened risk associated with refugee clients (Vos and Weber, 2020). Moreover, fees related to the process of registering a business in both cities may be prohibitive. Here, refugee women and female-headed households are especially vulnerable, as many struggle to earn a sufficient livelihood without taking into account such fees (McAteer et al. 2023; Box 2).



Rahma Nakazzi Nakato (21), welds a piece of furniture. Nakazzi was supported by Re:BUiLD to study welding in a vocational school. Upon completion, she was placed for internship at KenKat Workshop, a private company in Kampala, to improve her skills. Nakazzi performed well, leading to her retention at the firm. (Photo: Joseph Sosi for the IRC). August 15, 2023. Kampala, Uganda.

BOX 2. Re:BUiLD support to female clients

Re:BUILD is dedicated to promoting women's inclusion in its initiatives, which include a quota of at least 60 percent female clients. This commitment extends to enabling women in Nairobi and Kampala to enter traditionally male-dominated fields. The programme has successfully trained and assisted several women to become mechanics, plumbers, and electricians, enhancing their employment opportunities. In addressing the specific challenges faced by women, the program includes measures to combat gender-based violence and utilises established referral systems for effective intervention. Additionally, Re:BUILD offers childcare support and stipends to support female clients with young children. This allows these women to secure alternative childcare solutions, and ensures they can participate fully in the program's activities.

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, the high cost of housing in urban areas, and discrimination and xenophobia. Given these barriers, many of the refugees served by the Re:BUiLD programme have reported 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.

High cost of housing in urban areas

One of the most pressing issues for urban refugees is the high cost of housing in urban areas. Ninety-nine percent of households surveyed in Kampala in 2019 reported that they rented their accommodation, but 70 percent found their rent unaffordable; 77 percent were spending half or more of their monthly income on rent. The majority of people identified rent as their primary expenditure, particularly those living in Kampala Central and Makindye (REACH Initiative and NRC, 2019). Similarly, the Women's Refugee Commission (WRC) (2011) surveyed 251 refugees in Uganda's urban areas, many of whom reported that their highest cost was rent, ranging from 40–400,000 UGX (US\$20–200) per month.

This data is corroborated by discussions within the Re:BUiLD programme. Clients report that meeting rent is one of their biggest worries. For example, a Congolese refugee in Nairobi pointed out: "Seeking refuge shouldn't mean surrendering to unaffordable shelter. In Nairobi, the cost of rent eclipses our dreams, testing resilience in our pursuit of a safe haven." The high cost of rent may be driven by the lack of affordable and adequate housing in Kampala and Nairobi, especially in areas where refugees reside (Parker, 2002; Mbaka and Njogu, 2021). Yet, even in the same neighbourhoods in Kampala, refugees report higher rental costs than citizen-headed households (AGORA, 2018). Unlike locals who can rely on their internal networks to identify vacant houses, refugees often struggle to access such information due to minimal participation in the local social networks.

In Nairobi, IIED found out that among newly arrived refugees, their biggest reported challenge was the poor condition of housing (39.2 percent), followed by difficulty raising rent, or rent being too high (19.5 percent) (Muindi and Mberu, 2019). For their part, longer-term refugees cited this latter difficulty as the major challenge (32.3 percent), in addition to the house being too small or congested (21 percent). For refugees subsisting on irregular sources of income, meeting rental requirements is even more difficult. This leads to overcrowding, as multiple refugee families may share limited living spaces to pool resources together and pay for the rent. The World Bank's (2021) Urban Socioeconomic Survey shows that 38 percent of refugee households in Nairobi live in overcrowded housing,

compared to 18 percent of host community households (World Bank and UNHCR, 2021). The data shows that overcrowding is even more prominent among female-headed refugee households. Housing challenges are not unique to Kenya and Uganda; promising ways in which host countries have expanded affordable and secure housing for refugees are presented in Box 3.

BOX 3. Invest in localised housing schemes—evidence from Greece

Between 2015 and 2016, over a million people (primarily from Syria, Iraq, and Afghanistan) sought refuge in Europe. Many asylum seekers arrived in Greece, one of the geographically closest European destinations. In response, the Emergency Support to Integration and Accommodation (ESTIA) programme was launched. This initiative, funded by the EU and initially led by UNHCR in collaboration with the Greek government and NGOs, aimed to provide accommodation and necessities for asylum-seekers. The first pillar of ESTIA worked with the market to make 20,000 apartment spaces available to asylum-seekers, offering a new home for those who had fled conflict. The second pillar, ESTIA Cash, ensured that all asylum-seekers, whether residing in apartments in urban areas or in camps, received cash to meet their daily needs. By 2021, the programs transitioned fully to the Government's oversight, but were eventually phased out in December 2022 (European Commission, 2022; UNHCR, 2021b).

Donors and development partners have the opportunity to assist national and city governments in creating affordable housing initiatives while also influencing strategies for the inclusion of vulnerable populations, such as allocation quotas. For example, the Kenyan 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. ²³ 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.

A lack of official documentation

For refugees to secure formal housing from landlords in Kampala and Nairobi, they need to possess the right documentation. In Nairobi, refugees are mandated to have a refugee ID registered in Nairobi (as discussed above). In Kampala, while having a refugee ID *should* be sufficient to access urban housing, lack of awareness, prejudice, and a lack of flexibility remain. For example, landlords commonly use standardised forms requesting details such as national identity information and payment methods refugees typically lack such as mobile money. As a result of these requirements, refugees in both Nairobi and Kampala face difficulties in accessing housing. The situation is exacerbated by a lack of awareness among landlords about the specific needs and circumstances

²³ See https://housingandurban.go.ke/.

of refugees, as well as existing prejudices. This often leads to mistrust and suspicion when refugees apply for housing, further complicating their ability to find accommodation in these cities.

As a result, many Re:BUiLD clients in Nairobi and Kampala resorted to renting illegally or without proper contracts in place. Similarly, only 24 percent of refugee households surveyed in Kampala had documentation to prove ownership or legal occupancy of their accommodation (REACH Initiative and NRC, 2019). Most were unaware of their tenancy rights and rules around ownership, increasing the risk of evictions and asset confiscation. This was particularly acute for those accessing, utilising, or occupying plots of land. In both Kampala and Nairobi, local councils allocate low-cost rental properties to citizens based on need, the production of national identity documents, and pressure from local leaders. Minorities, such as refugees, are therefore often locked out from accessing such schemes. For example, Kenya's national 'Boma Yangu' scheme, which supports low-income applicants to access new affordable housing, is limited to Kenyan citizens.²⁴

Discrimination and xenophobia

Refugees may encounter discrimination and xenophobia from landlords and neighbours, making it difficult to secure housing. Some landlords in Kampala and Nairobi have been reported by Re:BUiLD clients to charge higher rents to refugees or refuse to rent to them altogether due to their refugee status. Consequently, refugees may resort to renting through an intermediary, or in some cases, must provide a local character reference to assuage concerns that they may be an "unnecessary cause of trouble in the future" (Mwau et al., 2020). Similarly, Pavanello et al. (2010) found that refugees surveyed were often required to pay higher rents than Kenyan citizens due to perceptions of their wealth and/or receipt of remittances. They note that "in Ruiru, a Kenyan would pay 1,500–1,700 KES (US\$21–23) per month, while for the same room a refugee would pay 2,500 KES (US\$35)." There may also be wider perceived issues in renting to refugees.

It is important to acknowledge the significant role that local authorities play in addressing these challenges. For example, in Nairobi, the City County's Department of Social Services sets aside housing support to provide low-cost rental housing for vulnerable residents. In Kampala, the city authority collaborates closely with refugee-serving agencies. This partnership, facilitated through local councils, aims to address and mitigate issues of unfairness in housing needs for urban refugees. A good city-based example is included in Box 4. Yet both Kampala and Nairobi could do more to work to eliminate discriminatory housing practices, particularly if they were supported by donors in alleviating resource constraints.

²⁴ See https://www.bomayangu.go.ke/.

BOX 4. Providing transitional housing for migrants and refugees—evidence from Colombia

In Colombia, the city of Medellín has developed a housing assistance program for migrants and refugees—primarily from Venezuela—with support from the Mayors Migration Council's Global Cities Fund for Migrants and Refugees (GCF) (Saliba and Yu, 2022). As part of the city's emergency social assistance programme (*Línea 123 Social*), participants are provided with three months of free transitional housing in facilities such as hotels and shared houses. This housing serves as a foundation for further socio-economic support including job training, transportation to essential services, and assistance negotiating with landlords. Over the first year of the programme, 310 migrant and refugee families were offered transitional housing, three-quarters of which proceeded to secure permanent housing. Such support is critical given discrimination against Venezuelan migrants and refugees in the leasing housing market (Zanoni and Díaz, 2024).

The initiative's success is largely attributable to Medellín's active coordination with local and international service providers and its emphasis on a transition to durable solutions. The programme integrates immediate housing aid with concrete resources to help migrants and refugees locate long-term housing and employment. As such, Medellín's housing program underscores the value of city-led initiatives to support displaced populations, which can be uniquely tailored to local needs and contexts. Other cities could be well-positioned to adopt similar refugee housing models with the proper financing support. Medellín's transitional housing program is now being scaled with support from UNHCR and the IRC, both of which are adopting the GCF funding model—that delivers funding directly to cities into their own programs (Saliba et al., 2023). The Hilton Foundation is also providing direct funding to Medellín to support housing and other refugee integration programming.²⁵

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. For urban refugees in Kenya, Vuni and Iragi (2023) find that social and professional networks with members of the host community play a key role in supporting business registration and access to financial resources. However, Zademach and Wilson (2021) find that many refugee networks in Nairobi lack diversity, with limited potential connections for new business or education opportunities. Refugee women, in particular, had limited options to build connections and collective solidarity; those with limited social networks also had the lowest incomes.

 $²⁵ See \ https://acimedellin.org/medellin-was-selected-by-the-conrad-n-hilton-foundation-for-a-project-that-benefits-migrants-and-refugees/?lang=en.$

For refugee women, balancing the management of their households, raising children, and simultaneously running a business is difficult without family support networks (Earle et al., 2023). Through interviews with refugees in Nairobi and surrounding urban centres, Gettliffe et al. (2020) identified many economic empowerment benefits of support networks for refugee women, including direct business-related support, assistance receiving informal financial services, and help with childcare. Some Congolese women reported to have built connections with Kenyans more easily, thanks to sharing a common language (Swahili) and religion. Meanwhile, Somali women respondents described having access to more resources and business opportunities through their Somali community networks.

Similarly, Muhumad and Jaji (2023) find that Somali refugees in Nairobi developed a strong symbiotic relationship with local hosts, which provided informal channels for sociocultural and economic integration. For instance, local Kenyans facilitated the development of Eastleigh as a Somali community hub by leasing residential and commercial property to self-settled refugees. Refugee-host social ties continue to play an integral role in helping refugees overcome formal barriers to work. Somali refugees seeking to establish a business often create partnerships with Kenyan nationals of Somali heritage, who formally register the enterprise (Earle et al., 2023).

Professional networks serve as invaluable platforms for sharing information, identifying market gaps and opportunities, and connecting individuals with potential suppliers and customers, especially for those engaged in business activities. However, an area that has received less attention is the optimal structuring of these networks to ensure refugees derive maximum benefits and outcomes from them. In Kampala, the IRC conducted a pilot study testing a new model of apprenticeship, pairing 60 percent of refugee clients with a Ugandan mentor. This resulted in an increase in the average size of their vocational support networks and more positive perceptions of their professional support networks (Clingain and Rincon, 2022).

This pilot is being scaled and will generate more evidence on improving networks for integration. Research partners are conducting a randomised controlled trial (RCT) evaluating a cash transfer and mentorship programme for vulnerable Ugandan and refugee microentrepreneurs in Kampala. The intervention provides participants with a business grant of two million Uganda shillings (US\$525) and assigns certain clients to a mentorship group, consisting of three microenterprise clients and one mentor. Pairing inexperienced entrepreneurs with experienced mentors seeks to address barriers related to low confidence and skills in managing a business, gaps in relevant local knowledge, and a lack of connections and business networks. Meanwhile, mentorship groups are structured into different gender and nationality compositions to understand how networks can be ideally structured. Results are anticipated to become publicly available in May 2024. Box 5 shows how local refugee-serving organisations can 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.



Riziki Kajabika and Bigabwa Muhaliwa Oliver, husband and wife, working in their tailoring shop. In 2022, Riziki received a business grant as part of Re:BUiLD's microenterprise RCT in Kampala. Upon receiving the business grant, she bought a sewing machine and materials and paid rent for their shop. Today, Bigabwa focuses on tailoring male clothes while Riziki focuses on female clothes. (Photo: Joseph Sosi for the IRC). August 19, 2023. Kampala Uganda.

BOX 5. Connecting refugees with local governance structures, market associations, and trade unions—evidence from Nairobi and Kampala

Re:BUILD has partnered with several local civil society organisations to improve refugee access to social networks and channels for participatory planning within their communities. In Nairobi, Pamoja Trust connects refugees with existing social networks and local governance structures to enhance social cohesion and refugee representation. ²⁶ Refugees are linked with marketing committees, security and peace committees, health committees, as well as budget and planning public participation spaces. From these efforts, refugees have been able to participate in local governance discussions and even take leadership positions in community social groupings and platforms to inform local planning and budgeting processes.

In Kampala, Platform for Vendors (PLAVU) 27 champions for refugee admission into market associations and trade unions, enhancing their voice and widening their advocacy spaces. In particular, PLAVU has connected refugees with local councils and advocated for their inclusion in village registers. These registers are essential for local council leadership to verify residency when refugees need access to various services and also indicate refugees' associations with community social networks.

²⁶ See https://pamojatrust.org/.

²⁷ See https://plavu.org/.

Donor support for urban refugees

Support from the international donor community in urban settings is crucial to encourage more inclusive service provision and address the challenges faced by urban refugees. The 2018 Global Compact on Refugees²⁸ calls for international responsibility sharing that includes financial support to refugee populations alongside host communities. In particular, the Global Compact on Refugees promotes self-reliance for refugees and supports inclusion in national planning and services, including facilitating access to education and health systems, decent work and entrepreneurship opportunities, and appropriate accommodation. Likewise, the UN's Agenda 2030 includes refugees among the vulnerable groups in its goals for accessible housing, quality healthcare, inclusive education, and decent work, among others.²⁹ 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 (Post and Hsieh, 2021). In addition, urban-based refugees are largely excluded from humanitarian assistance.

This section examines public bilateral and multilateral donor support for urban-based refugees in Kampala and Nairobi. (We note that private donors are stepping-up support to urban refugees; see Box 6). The three most important bilateral donors for Uganda and Kenya are the US, the institutions of the EU, and Germany (Table 1). 30 The US is by far the largest bilateral donor; for both countries, they represented about a quarter of total official development assistance (ODA) in 2021. This section also briefly outlines the work of the major MDBs. The World Bank's International Development Association (IDA, for low-income countries) is the largest source of MDB funding to both countries, representing 13 percent of ODA for Uganda and 36 percent for Kenya in 2021. In the same year, the AfDB provided US\$89 million to Uganda and US\$9 million to Kenya, with all funding coming out of the African Development Fund (ADF), its concessional window for the promotion of economic and social development in least

 $^{28 \ \} For more information on the Global Compact on Refugees, see \ https://www.unhcr.org/media/global-compact-refugees-booklet.$

²⁹ See https://sdgs.un.org/2030agenda.

³⁰ According to 2021 data from the Organisation for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC). By 'important', we mean those that provided the most money to refugee responses. See https://stats.oecd.org/Index.aspx?DataSetCode=TABLE2A. Japan is the second biggest donor for Kenya (US\$229 million, or seven percent of ODA in 2021), but does not support the refugee response. See https://www.jica.go.jp/english/overseas/kenya/activities/index.html. In 2020–2021, 73 percent of refugee financing to low- and middle-income countries came from the US (largely humanitarian), the EU and Germany (both humanitarian and development), and the World Bank (development). The UK provided slightly more than Germany in 2021, but given further cuts to their ODA spending we expect them to take a place behind Germany from 2022 onwards. The UK also provided less than one-third of what Germany provided for refugee situations. For more information, see Hesemann et al. (2023).

developed African countries.³¹ No funding was recorded going from the IsDB to Uganda, one of its member countries.³²

TABLE 1. ODA disbursements to Kenya and Uganda, US\$million, 2021

Donor	Recipient: Uganda	Percent of Total	Recipient: Kenya	Percent of Total
US	631	25%	701	22%
EU	171	7%	129	4%
Germany	83	3%	89	3%
World Bank (IDA)	335	13%	1.152	36%
AfDB (ADF)	89	3%	9	0.3%
IsDB	0		0	
Other	1.255	49%	1.097	35%
Total all donors	2.564		3.177	

Source: OECD (2021).

BOX 6. Private donors' support to urban refugees in Kampala and Nairobi

Private foundations have recently provided significant support for urban refugees, including in Kampala and Nairobi. For example, the IKEA Foundation has invested €30 million (US\$32 million) to support the economic self-reliance of refugees and vulnerable host communities in Kampala and Nairobi through the five-year programme Re:BUiLD. The Foundation also supports IIED's research on 'Protracted Displacement in an Urban World' (including in Nairobi), the Mayors Migration Council Global Cities Fund for Migrants and Refugees (GCF) focused on urban displacement, and a refugee-led research hub in Nairobi. 33

The Hilton Foundation invests in early childhood development and livelihoods for refugees, with programmes supporting refugees in Kampala including Kiva Microfunds and the Makasi Rescue Foundation.³⁴ Hilton also supports the IRC with a US\$10 million grant to implement a three-year project named 'Kulea Watoto', which aims to improve early childhood development and transform

³¹ The African Development Fund (ADF) provides concessional funding to 37 member countries. Since 1972, it has invested US\$45 billion. See https://www.afdb.org/en/about-us/corporate-information/african-development-fund-adf/about-the-adf.

³² Kenya is not a member country of the Islamic Development Bank (IsDB). The OECD notes that, in their system, "IsDB disbursements cover only operations of the IsDB Ordinary Capital Resources (OCR). IsDB's net financing is higher than what is shown in OECD statistics as it includes activities that fall outside of the scope of development co-operation as defined by the converged statistical reporting directives, either because they are not primarily aimed at economic development (religious activities) or because they target countries that are not included in the DAC list of ODA recipients." The IsDB's 2021 Annual Report noted that US\$87.2 million was disbursed to Uganda. See https://www.isdb.org/sites/default/files/media/documents/2022-06/IsDB_AR21_REPORT_EN_WEB_high_Amended_26.5.22.pdf.

³³ See more on https://ikeafoundation.org/grants.

³⁴ See more on https://www.hiltonfoundation.org/grants?t_program_area=38&area_served=africa.

livelihoods opportunities for refugees and host communities in Uganda, including Kampala.³⁵ It is worth noting that Hilton also funds the Mayors Migration Council's GCF³⁶ and several cities directly including Barranquilla and Medellín in Colombia and Addis Ababa in Ethiopia.³⁷

The Mastercard Foundation supports refugees' access to work in Uganda and Kenya through its 'Young Africa Works' programme³⁸ that includes activities in Kampala and Nairobi.

Bilateral donors

This section analyses whether bilateral donor support for Uganda and Kenya from the US, the EU, and Germany includes support for refugees residing in Kampala and Nairobi, and which form this support takes.

United States (US)

The United States Agency for International Development (USAID) administers both international development and lifesaving humanitarian programming, including for refugees, the latter through its Bureau of Humanitarian Assistance (BHA). BHA support for refugees in Kenya is mainly campand settlement-based, focusing on providing emergency food and nutrition assistance to Dadaab, Kakuma, and Kalobeyei. In 2022 alone, BHA provided approximately US\$95 million to the World Food Program (WFP) to support cash-based and in-kind assistance to 580,000 refugees in Kenya (USAID, 2023b; 2023c). WFP is also BHA's primary partner in Uganda and only provides support to refugee settlements and transit centres (USAID, 2023d). USAID's Country Development Cooperation Strategy 2022–2027 for Uganda does not specifically mention urban refugees, but does make mention of supporting refugee self-reliance (USAID, 2023a).

The US also administers humanitarian assistance through the US Department of State's Bureau of Population, Refugees, and Migration (PRM), which provides humanitarian assistance to displaced populations and host communities. ³⁹ PRM has long stated that it recognizes its role in responding to refugees in urban areas, including through "sustained and vigorous diplomacy ... to ensure that the status and legal rights of refugees in urban areas, as outlined under international refugee law, are recognised and protected by host governments" (PRM, 2012). The same principles also note that PRM's

 $³⁵ See \ https://www.rescue.org/announcement/international-rescue-committee-receives-10-million-grant-conrad-n-hilton-foundation-0.\\$

 $^{36\} Jointly\,with\,the\,Bernard\,van\,Leer\,Foundation, see\,https://mayorsmigrationcouncil.org/news/gcf-exceeds-goal-to-fund-22-cities-by-2022/.$

 $³⁷ See \ https://www.hiltonfoundation.org/news/conrad-n-hilton-foundation-awards-more-than-57-million-in-grants-in-the-first-half-of-2023. \\$

³⁸ See Mastercard Foundation's Uganda (https://mastercardfdn.org/uganda/) and Kenya (https://mastercardfdn.org/ourwork/where-we-work-in-africa/kenya/) pages.

³⁹ Separately, the 'Julia Taft Fund for Refugees' is a PRM initiative that awards grants of up to US\$25,000 per project with the goal of supporting one-time interventions that respond to gaps in refugee services in Kenya (US Embassy in Kenya, 2022). They specifically made mention of "urban refugee areas" as an area of interest. No more information was found.

response to urban refugees will focus on legal protection and access to services, with material assistance targeted to the most vulnerable. Improving access to protection and assistance, including for refugees in urban and non-camp situations, was one of PRM's FY2022 objectives, which noted that well over half of refugees globally no longer live in camps (PRM, 2023). In 2021, PRM commissioned an evaluation of the specific characteristics of the urban youth refugee population in Egypt and Uganda to examine the main challenges they face and determine the extent to which PRM-funded activities are reaching these populations. The evaluators concluded that PRM partners run solid interventions with urban refugees, but only referenced protection programs being run for refugee youth by IRC, Jesuit Refugee Services, and UNHCR (PRM, 2022). PRM provided IRC in Kampala with US\$1 million to meet the basic needs of urban refugees during the COVID-19 pandemic (US Mission in Uganda, 2020), and recently funded a US\$3 million project for livelihoods and protection of urban refugees and vulnerable host communities.

European Union (EU)

In both Kenya and Uganda, the EU's Directorate-General for European Civil Protection and Humanitarian Aid Operations' (ECHO) humanitarian support focuses on providing basic services and lifesaving assistance. ⁴⁰ In Kenya, ECHO supports refugee operations in Dadaab and Kakuma camps, while in Uganda, ECHO prioritises refugee settlements and districts receiving new arrivals, which could include secondary cities where humanitarian protection is critical. ECHO also supports pilot 'nexus' activities in Kenya contributing to self-reliance and in Uganda to promote the implementation of Uganda's CRRF (see Box 7; footnote 2 for more information on secondary cities) (ECHO, 2023).

BOX 7. The Comprehensive Refugee Response Framework (CRRF)

The Comprehensive Refugee Response Framework (CRRF) is incorporated into the Global Compact on Refugees and the two frameworks share the same four objectives: (1) ease pressure on host countries; (2) enhance refugee self-reliance; (3) expand access to third-country solutions; and (4) support conditions in countries of origin for return in safety and dignity. ⁴¹ Both the CRRF and the Global Compact on Refugees are based on the premise that refugees should be included in communities from the very beginning and provided with access to education, health, labour markets, and social services. However, the CRRF says little about refugees within urban areas and how to implement the framework in cities.

Kenya was one of the original 15 CRRF countries. A CRRF Roadmap was initially developed by UNHCR and Kenya's Refugee Affairs Secretariat involving different government ministries and NGOs; the roadmap was eventually publicly released in 2021 (Government of Kenya, 2020). Implementation of the CRRF has since stagnated, and its Secretariat and Steering Committee were never created. Since then, the Government of Kenya has shifted its approach to refugee

⁴⁰ For more, see website for Kenya: https://civil-protection-humanitarian-aid.ec.europa.eu/where/africa/kenya_en; and for Uganda: https://civil-protection-humanitarian-aid.ec.europa.eu/where/africa/uganda_en.

 $^{41\ \} For more information on the \ Global \ Compact on \ Refugees, see \ https://www.unhcr.org/media/global-compact-refugees-booklet.$

management by committing to transforming refugee camps into integrated settlements under the *Shirika Plan*, with donors such as the World Bank already providing support (see Box 8). The government and UNHCR have stated that the CRRF will be a key guide in the development of this plan; however, the CRRF is no longer driving funding decisions.⁴²

Uganda is viewed as a forerunner and early adopter of the CRRF; the country officially launched its CRRF in March 2017 and subsequently set up a high-level CRRF Steering Group and technical CRRF Secretariat. ⁴³ An initial roadmap for CRRF implementation was launched in January 2018 and updated in 2019, resulting in the publication of the CRRF Strategic Direction 2021–2025 (Government of Uganda, 2021a). This document outlines how the socio-economic engagement of refugees and host communities by 2025 will be achieved. CRRF National Plans of Action that operationalize the Strategic Direction, consolidating outcomes already achieved and spelling out concrete next steps, have since been developed. The first National Plan of Action (2021–2022), endorsed in March 2021, is the framework around which national and international partners align. According to the Government of Uganda, the CRRF has "provided an unprecedented, novel common platform, allowing actors, both humanitarian and development, to come together and improve coordination for the support of refugees and the host communities." (Government of Uganda, 2021b). An evaluation carried out in 2020 found that bilateral and multilateral donors were actively supporting the implementation of the CRRF in Uganda (Government of Uganda, 2022).

On the development side, the Directorate-General for International Partnerships (INTPA) recently (December 2023) launched a new regional urban development programme for the Horn of Africa called 'Sustainable Urban Integration of Displacement-Affected Communities' (SUIDAC).⁴⁴ It will extend the approach of direct support to municipalities to other cities, while improving the self-reliance and social cohesion of displaced populations (refugees, returnees, and internally displaced persons (IDPs)) in urban and peri-urban areas, building on the success of the work with the Kokobo municipality supported under the EU Trust Fund for Africa⁴⁵ (see Box 1). The programme will include support for access to services, expand legal protection (rights and documentation), and aim to strengthen city authorities' capacities to adopt integrated approaches to urban forced displacement and promote political and evidence-based policy dialogue at regional, national, and local levels to improve policy frameworks and influence future policy discussions on urban forced displacement. For this purpose, national and regional working groups involving city and national authorities, civil society, and regional actors will be set up or strengthened. Uganda will be a recipient again

⁴² See https://www.unhcr.org/africa/news/press-releases/joint-statement-government-kenya-and-un-high-commissioner-refugees-high-level.

⁴³ See https://opm.go.ug/comprehensive-refugee-response-framework-uganda/.

⁴⁴ See https://international-partnerships.ec.europa.eu/document/download/37601a6f-dc20-46d4-a0d8-5b8208273678_en?filename=aap-2023-2025-c2023-8225-sub-saharan-africa_en_1.zip.

⁴⁵ The EU Trust Fund for Africa "was created to address the root causes of instability, forced displacement and irregular migration and to contribute to better migration management." Projects were implemented in 26 countries, including Kenya and Uganda. Since 2022, it has not supported new projects. For more, see https://trust-fund-for-africa.europa.eu/index_en.

with a focus on the West Nile sub-region (Koboko and Arua). In Kenya, the EU Trust Fund for Africa supports private sector and social enterprise investment with refugees in Kakuma and Kalobeyei through the International Finance Corporation (IFC) until 2024.⁴⁶

INTPA's support for Uganda, as outlined in the country Multi-Annual Indicative Programme (MIP)⁴⁷ 2021–2027,⁴⁸ aims to adopt an integrated refugee-host communities approach in line with Uganda's CRRF commitments (see Box 7; DG INTPA, 2022). There is a relevant key priority area on 'green cities' that aims to make Ugandan cities "greener, more inclusive and better planned, providing economic opportunities and municipal services to a larger part of their increasing populations including refugees." One action supported under this priority focuses on water and sanitation infrastructure in Arua City and surrounding refugee-hosting districts (DG INTPA, 2023). Another priority on decent jobs aims to include economic opportunities for refugees.

In Kenya, INTPA's Kenya MIP 2021–2027 allocated €324 million (US\$353 million) between 2021 and 2024 (DG INTPA, 2021).⁴⁹ The MIP includes a priority on migration and forced displacement which aims to support Kenya in increasing integration and self-reliance of host and refugees and provision of basic services, through supporting inclusive national policies and integrated approaches including for livelihoods. Separately the MIP includes a priority on inclusive and green urbanisation that aims to increase affordable, social, and green housing and social services, including in Nairobi, but there is no mention of how refugees could access these services.

Germany

Germany provides funding for the refugee response in Kenya and Uganda mainly through ODA delivered by the Federal Ministry of Economic Cooperation and Development (BMZ). In Uganda, BMZ focuses on water and sanitation, basic health, and refugee integration and employment—including a project providing vocational training in Kampala and Western Uganda—although most assistance goes to camps and districts outside of Kampala. ⁵⁰ In Kenya, assistance is mainly focused on the refugee camps and settlements in the north, but a few projects have now also started to support refugee livelihoods in Nairobi. ⁵¹ BMZ also funded IRC's Finance in Displacement research with refugees in Kampala and Nairobi to understand how they manage their finances and access economic opportunities and financial services (Zademach and Wilson, 2021). They also run a special

 $⁴⁶ See \ https://trust-fund-for-africa.europa.eu/our-programmes/piloting-private-sector-solutions-refugees-and-host-communities-north-west-kenya_en.\\$

⁴⁷ MIPs are documents that set the priority areas and specific objectives for the EU funding instrument for foreign policy and development cooperation—the Global Europe-Neighbourhood Development and Cooperation Instrument (NDICI)—for the period 2021–2027.

 $^{48\} See \ https://international-partnerships.ec.europa.eu/countries/uganda_en.$

⁴⁹ See https://international-partnerships.ec.europa.eu/countries/kenya_en.

 $⁵⁰ See \ https://www.bmz.de/en/countries/uganda; and \ https://www.transparenzportal.bund.de/en/research/DE-1-202040798-0?country=UG8date_min=2018-01-018q=refugee8offset=0.$

⁵¹ See https://www.bmz.de/en/countries/kenya; and https://www.transparenzportal.bund.de/en/research?country= KE&q=refugee+%2B+nairobi.

initiative, 'Displaced Persons and Host Countries', designed to contribute to the four objectives of the Global Compact on Refugees, including providing displaced persons with access to national systems and services (Frercksen and Lebens, 2023). Under the Special Initiative, BMZ funds a project focused on preventing communal violence between refugees and hosts with some support going to refugee-led organisations, including in Nairobi. 52 Notably, BMZ also initiated an 'Action Network on Forced Displacement', composed of refugee women from various countries, including Uganda, to strengthen their voice and foster their political and economic empowerment. 53

Multilateral development banks (MDBs)

This section analyses the contributions of the three MDBs providing the greatest amount of financial support to Kenya and Uganda: the World Bank, African Development Bank (AfDB), and Islamic Development Bank (IsDB).

World Bank

The World Bank has increased its focus on displaced populations in the last decade through both financing and rhetoric (World Bank, 2023b). Both Kenya and Uganda are eligible to receive support under the World Bank's IDA Window for Host Communities and Refugees (WHR). ⁵⁴ Launched in 2016, the main aim of the funding window is to support refugees and host communities in eligible countries to mitigate shocks caused by refugee inflows and create sustainable social and economic development opportunities (Huang and Ginn, 2022). One of the eligibility criteria is having an action plan to promote policy reforms that foster long-term solutions. Since becoming eligible, Uganda has received US\$841 million under the WHR and Kenya has received US\$130 million (see Figure 8). 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. Kenya's will likely be analysed in the IDA20 review, due later in 2023 (World Bank, 2021a). ⁵⁵

⁵² See https://www.giz.de/en/worldwide/130460.html.

⁵³ See https://www.bmz.de/en/issues/displaced-people/action-network-on-forced-displacement.

 $^{54\ \} Uganda\ became\ eligible\ in\ September\ 2017\ and\ Kenya\ in\ January\ 2022.\ For\ more\ information\ about\ the\ WHR,\ see\ https://ida.worldbank.org/en/replenishments/ida19-replenishment/windows-host-communities-refugees.$

⁵⁵ Countries are analysed against a set of indicators developed by the World Bank and UNHCR, called the Refugee Policy Review Framework (RPRF). For example, one of the indicators surrounds whether refugees are able to freely choose their place of residence. Refugees in urban and non-urban areas are referred to within the indicators, with a specific nod to improving urban services and utilities to accommodate new populations. For more information, see World Bank (2021b).

300 250 200 100 50 FY2018 FY2019 FY2020 FY2021 FY2022 FY2023

FIGURE 8. World Bank commitments to Kenya and Uganda under the IDA Window for Host Communities and Refugees (WHR)

Source: https://ida.worldbank.org/en/financing.

In Kenya, the majority of WHR funding appears to be going towards supporting the country's efforts to transform its refugee camps into integrated settlements (see Box 8). Certainly, this is highlighted as a key goal within the recently signed Country Partnership Framework (CPF) (World Bank, 2023a). However, there appears to be little attention paid to the needs of refugees in Nairobi. Kenya's CPF does have a strong urban focus—they are working on upgrading slum dwellings⁵⁶ and providing affordable housing⁵⁷—but projects do not explicitly integrate refugee populations.

BOX 8. World Bank support for Kenya's Shirika Plan

In 2023, Kenya announced its *Shirika Plan*, which aims to transform its refugee camps into integrated host community and refugee settlements. At the Global Refugee Forum in December 2023, it promised to develop a multi-year plan and fully implement it by 2027. The goal of the *Shirika Plan* is to support refugees in accessing economic opportunities, shifting from aid dependency to self-reliance (DRS, 2023). Donors have shown interest in supporting the *Shirika Plan* as it should

 $^{56\} See \ https://projects.worldbank.org/en/projects-operations/project-detail/P167814.$

⁵⁷ See https://projects.worldbank.org/en/projects-operations/project-detail/P165034.

include actionable and operational commitments, as opposed to the CRRF which was never operationalised (see Box 7). Germany and Denmark pledged to support implementation of the plan at the Global Refugee Forum.

The World Bank also committed to support the *Shirika Plan* with IDA20 WHR resources through its 'Second Kenya Urban Support Programme' (2023–2028). This programme aims to establish two new municipalities which integrate refugee camps and host community areas, as well as support improved and climate resilient infrastructure and services. Concretely, the Kakuma and Dadaab camps will be supported through performance-based grants, managed by the Kenyan State Department of Housing and Urban Development in coordination with the Council of Governors (CoG) and the Department of Refugee Services (DRS). Kakuma already received municipality status in 2022 (UN-Habitat, 2023). The private sector arm of the World Bank, the IFC, will continue to support the 'Kakuma Kalobeyei Challenge Fund' that is attracting the private sector to Kakuma. It remains unclear, however, to what extent rights such as the freedom of movement will be granted to refugees residing in these municipalities (Earle et al., 2023), and there are currently no plans for refugees in other urban areas such as Nairobi to benefit from this support.

Similarly, the recently completed CPF for Uganda (FY 2016–2021) has a strong focus on supporting sustainable urbanisation, yet there is little mention of urban refugees (World Bank, 2016). Several refugee-focused projects were implemented using WHR and other financial support, including efforts to expand refugee and host community access to services and infrastructure; ⁵⁹ expand government training institutes to serve refugee youth; ⁶⁰ support refugee woman-led small- and medium-size enterprises (SMEs); ⁶¹ include refugees in district-level planning; and improve the road network in refugee-hosting districts ⁶² (World Bank, 2021c). Again, none of these projects include an explicit focus on refugees in Kampala. This is despite the range of research products supported by the World Bank in both countries which highlight the distinct needs facing urban refugees (see Box 9).

⁵⁸ See https://projects.worldbank.org/en/projects-operations/project-detail/P177048.

⁵⁹ See https://projects.worldbank.org/en/projects-operations/project-detail/P152822.

⁶⁰ See https://projects.worldbank.org/en/projects-operations/project-detail/P176263.

⁶¹ See https://projects.worldbank.org/en/projects-operations/project-detail/P176747.

⁶² See https://projects.worldbank.org/en/projects-operations/project-detail/P171339.

BOX 9. World Bank support for research on urban-based refugees

The World Bank has partnered with UNHCR and the UK Government on a programme entitled 'Building the Evidence on Forced Displacement'. ⁶³ Launched in 2016, the programme has now sponsored over 200 research projects in 36 countries. These projects fall within six themes: gender, preventing social conflict and promoting social cohesion, health, social protection, education, and jobs. Under this programme, the World Bank has supported research on how to improve social cohesion between refugees and host community members in Kampala. For example, Baseler et al. (2023) design an experiment in which they tell host community members that the cash grants they are receiving are due to them hosting refugees, and therefore part of the refugee aid response. Doing so substantially increases host community support for admitting more refugees, and allowing them to work and integrate.

Similarly, the World Bank administers the Multi Donor Trust Fund for Forced Displacement (FDTF). Among other things, the Trust Fund supports 'Prospects', a US\$94 million partnership between the IFC, International Labour Organization (ILO), UNHCR, the UN Children's Fund (UNICEF), and the World Bank to promote education, decent work, and social protection in eight countries (including Kenya and Uganda). ⁶⁴ In 2021, the partnership released a report looking at the living conditions of refugees and host communities in Nairobi, alongside similar reports focused on Kalobeyei and Kakuma. The report identified a number of policy and programming priorities, both short-term (including access to sustainable food sources, improved drinking water, and housing) and medium-term (including access to documentation and training, education, and improved social cohesion) (World Bank and UNHCR, 2021).

African Development Bank (AfDB)

Recognising the importance of sustainable urbanisation to the economic growth of their member countries, the African Development Bank (AfDB) has a strong focus on urban issues. They are aiming to invest more than US\$2 billion in urban development projects, supported by the Urban and Municipal Development Fund (UMDF). The Fund also supports AfDB's African Cities Program (ACP) which works directly with sub-national governments to strengthen their capacity to identify and implement projects (AfDB, 2023). This focus comes through strongly in their Country Strategy Papers (CSP). The CSP for Uganda (2022–2026) highlights the need to improve transport and water provision in urban areas through their Sustainable Urbanisation and Housing Programme 2020–2025 (AfDB, 2022b). Yet only refugees in northern Uganda and the West Nile are mentioned, mainly in relation to water resources. Similarly, the CSP for Kenya (2019–2023) also strongly focuses on both transport and water in urban areas, mentioning the need to provide housing and create job opportunities for urban youth (AfDB, 2022a). It does not mention refugees in the document.

⁶³ For more information, see https://www.worldbank.org/en/programs/building-the-evidence-on-forced-displacement.
64 See https://www.ilo.org/global/programmes-and-projects/prospects/WCMS_725066/lang--en/index.htm.

Therefore, while urban-based refugees will undoubtedly benefit from these improvement projects, they are not included as explicit beneficiaries.

Most of the AfDB's support to refugee situations comes under their Transition Support Facility (TSF). Established in 2008, the TSF aims to provide additional flexible funding to low-income countries to support them in building resilience. For example, in 2022, they provided Mozambique with US\$1.4 million to provide training, business support, and financial access to refugees, asylum seekers, IDPs, and their host communities. ⁶⁵ Neither Uganda nor Kenya are eligible for funding under the TSF. That being said, in 2020, the AfDB collaborated with UNHCR to provide UA 1.5 million (US\$1.99 million) ⁶⁶ to empower refugees and returnees in the East and Horn of Africa and Great Lakes Region. The project targets refugees from Burundi, South Sudan, Somalia, and Sudan, some of the key origin countries for refugees in Uganda and Kenya. ⁶⁷

Islamic Development Bank (IsDB)

The Islamic Development Bank (IsDB) provides funding to countries that are members of the Organization of the Islamic Cooperation (OIC), meaning that Uganda is eligible while Kenya is not. The IsDB's Membership Country Partnership Strategy (MCPS) for Uganda has expired (2011–2015); they are currently in discussion with the government as to whether a new MCPS will (or should) be signed. Similar to the AfDB, the IsDB's Urban Sector Policy recognises the need to expand infrastructure and services in the face of rapid urbanisation (IsDB, 2020a). They explicitly recognise that fragile and conflict-affected situations (FCAS) and urban areas are intertwined; for example, approximately 85 percent of Syrian refugees in Jordan are in non-camp settings (IsDB, 2020b). In fact, one of their most important projects to support refugees began in the Middle East region: the Skills, Training, and Education Program (STEP), which provides education, skills development, and entrepreneurship support. He IsDB plans to implement STEP in Uganda; beneficiaries will be needs-based, and interviewees mentioned this could therefore include support for urban-based refugees in Kampala and other secondary cities.

All of the bilateral and multilateral donors reviewed in this section have a strong focus on both supporting sustainable and inclusive urbanisation, and addressing the impacts of forced displacement. Some have concrete projects to support the cross-over; PRM has a clear strategy to support urban refugees and dedicated programming, and DG INTPA has an integrated response

⁶⁵ See https://www.afdb.org/en/news-and-events/press-releases/mozambique-african-development-bank-group-approves-14-million-grant-enhancing-private-sector-engagement-and-capacity-building-refugees-and-internally-displaced-persons-50147.

⁶⁶ The AfDB uses a unit of account (UA) as its reporting currency. The AfDB publishes monthly exchange rates. In this paper, we will be using the USD conversion from December 2023 (1.33329). See https://www.afdb.org/en/documents/financial-information/exchange-rates.

⁶⁷ See https://projectsportal.afdb.org/dataportal/VProject/show/P-Z1-KF0-064.

⁶⁸ Comment from interviewee.

⁶⁹ See https://www.isdb.org/news/isdb-agfe-spark-strive-to-improve-resilience-for-refugees.

for secondary cities in Uganda. Germany is building on its research with urban refugees to start implementing livelihoods projects in Nairobi and Kampala. Yet most support in cities tends to be within the livelihoods and protection sectors (US); self-reliance, social cohesion, and water and sanitation (DG 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. One general 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 fulfil commitments made in the Global Compact on Refugees and the UN's Agenda 2030.

BOX 10. Commitments supporting urban refugees at the Global Refugee Forum

The first Global Refugee Forum in 2019 marked the world's largest international assembly on refugees, occurring every four years, and called for states, organisations, businesses, academics, and other relevant stakeholders to make 'pledges'. Pledges are commitments to advance the objectives of the Global Compact on Refugees and achieve tangible benefits for refugees and host communities. Over 1,600 pledges were gathered, of which only around 80 had an urban element, the vast majority of those being city-led pledges. Bilateral and multilateral donors did not make any pledges with a clear urban focus.

The Global Refugee Forum 2023 had over 4,200 participants from 168 countries, including 300 refugee delegates and 10,000 online followers. The event resulted in over 1,600 new pledges to support refugees and host communities. Governments led 43 multi-partner commitments, with an estimated US\$2.2 billion in new financial commitments, including US\$250 million from the private sector. Mayors from cities around the world participated in the Global Refugee Forum and shared experiences of welcoming and supporting refugees in an urban focused session. A growing number of local and regional authorities have joined the 'Call to Local Action for Migrants and Refugees' where they commit to actions to implement the Global Compact on Refugees, with 38 new pledges under the Call to Action made at the Forum. The EU also pledged €34.7 million

⁷⁰ From the mid-1970s to 1980s, urban shelter financing in low- and middle-income countries was primarily targeted towards direct housing construction and the large-scale upgrading of informal settlements (Okpala et al., 2006). In the years following, however, governments and donors adopted an 'enabling' paradigm towards housing policy which primarily delegated responsibility over housing provision to private developers (Ferguson et al., 2014). This has resulted in an overt focus on home ownership and mortgage financing for the middle-class, while globally, housing development for the urban poor has been relatively neglected by both the public and private sectors (Lee and Singh, 2022). For instance, the share of the World Bank's 'shelter' lending towards low-income countries and low-income housing has decreased significantly over time (Kalarickal and Buckley, 2006). Expanding affordable housing for urban refugees, and their neighbouring hosts, will require financing for decentralised housing projects at the municipal level. See recommendation 2.

⁷¹ See https://www.unhcr.org/global-refugee-forum-2023.

⁷² See https://localaction.mayorsmechanism.org/.

(US\$37.6 million) on urban displacement, with a focus on economic and social inclusion of displaced populations in secondary urban areas, through empowering cities as well as civil society and refugee-led organisations. Another multistakeholder pledge focused on 'Climate Resilient Sustainable Human Settlements for refugees and their hosting communities'. Under this pledge, the Government of Chad is committing to integrate new refugees into villages, as well as transform 30 percent of their refugee camps into villages, a similar effort to Kenya's *Shirika Plan* (see Box 8).

Conclusion

The majority of refugees worldwide live in urban areas. There are many reasons why refugees may want to move to cities: seeking improved livelihood opportunities, lifestyles, and standards of living; leaving poor conditions in camps and settlements; and desiring the chance to locally integrate. There are also many reasons they may be unable to integrate in or move to cities, including restrictions on freedom of movement and work rights, along with a lack of access to services. The small but significant number of refugees who have chosen to live in the capital cities of Kampala (eight percent of the refugees in Uganda) and Nairobi (fifteen percent of refugees in Kenya) have needs distinct from camp- and settlement-based refugees and from urban-based host populations. This paper has outlined three: (1) a lack of access to essential services such as healthcare, education, and business support without recognised documentation; (2) a lack of access to decent housing, due to the high cost of housing, a lack of official documentation, and discrimination and xenophobia; and (3) a lack of access to social and professional networks enabling refugees to find decent work and grow their businesses.

Despite these distinct needs, as well as international commitments for responsibility sharing and supporting inclusive services for refugees, urban-based refugees are often neglected within donor programming. Bilateral and multilateral donors can take steps to improve urban refugee inclusion and access to services by following the six recommendations outlined below. 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.

Recommendations

Encourage refugee-hosting governments to expand freedom of movement and ensure
refugee IDs are legally accepted for access to services in urban areas, making it easier
for refugees to live and work outside of camps and settlements. In doing so, ensure
that refugees who choose to leave camps and settlements do not lose their rights to

⁷³ See https://globalcompactrefugees.org/pledges-contributions.

 $⁷⁴ See \ https://globalcompactrefugees.org/multistakeholder-pledge-climate-resilient-sustainable-human-settlements-refugees-and-their-hosting.\\$

- humanitarian assistance. Donors could consider supporting efforts such as the World Bank's WHR, which links financing to policy progress on refugee inclusion and integration.
- 2. Identify and overcome practical barriers to essential services for urban refugees.
 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 refugee-led and -serving organisations to understand where barriers to accessing services still exist, and work with city authorities to overcome them.
- 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).
- 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.
- 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.
- 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.

⁷⁵ IRC's innovative finance team has developed an "advisory model" for MDBs and other investors operating in refugee-hosting communities to partner with local humanitarian agencies (IRC, 2024). Such an 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 (Guerrero Ble and Kanyamanza, 2023).

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Annex 1. Re:BUiLD survey of host community members, refugees, and asylum seekers in Kampala and Nairobi (April 2023)

As part of the Re:BUILD programme, the IRC conducted an internal evaluation of clients who had received and completed services during the past three years. Eligibility for support was determined based on overall vulnerability, and clients were matched into specific services based on their location, availability, interest, education level, and language proficiency.

Goal

To determine the employment status of former clients and identify clients who were struggling to transition into meaningful income activities.

Methodology

The survey was conducted from April 3, 2023 to April 8, 2023 and successfully reached 1,913 clients out of the target sample of 2,367 clients. Interviews were primarily conducted in-person using CommCare, a mobile data collection platform, and included questions on employment status, income (categorised by enumerators into income ranges), and other welfare metrics. The descriptive statistics seen in Annex 1 were compiled by the IRC through STATA. For ethical considerations, the survey followed standard procedures for informed consent and data confidentiality.

Findings

	Kampala			Nairobi		
	Hosts	Refugees		Hosts	Refugees	Asylum Seekers
Breakdown	n=372 42.8%	n=519 58.2%		n=599 58.6%	n=290 28.4%	n=133 13%
Gender	66.67% female, 33.3% male	65.3% female, 34.7% male		63.27% female, 36.22% male, 0.5% other	56.2% female, 43.79% male	67.67% female, 32.33% male
Wage employment	28.1%	20.99%		16.53%	8.97%	6.02%
Wage employment: key sectors	Engineering, beauty/cosmetics	Beauty/cosmetics, textile/ clothing/footwear, food/drinks		Food/drink, beauty/cosmetics, ICT services, hospitality/tourism, other	Beauty/cosmetics	Beauty/cosmetics
Self employment	34.76%	59.92%		14.52%	25.17%	30.08%
Income	n=210 hosts, 262 refugees			n=318 hosts, 160 refugees, 76 asylum seekers		
0 UGX	3.33%	0.38%	0 KES	1.89%	1.88%	1.32%
1-40,000	8.57%	3.05%	1–1,320	2.2%	1.25%	2.63%
40,001-80,000	16.67%	6.87%	1,321-2,640	3.77%	5.63%	5.26%
80,001–162,999	23.33%	26.34%	2,641-5,380	19.50%	23.75%	19.74%
163,000-325,999	25.24%	37.79%	5,381-10,760	33.65%	41.25%	47.37%
326,000-489,999	14.39%	15.27%	10,761–16,180	20.75%	16.88%	14.47%
490,000-652,164	4.29%	8.02%	16,181–21,500	7.55%	3.75%	7.89%
625,165+	4.29%	2.29%	21,501+	10.69%	5.63%	1.32%