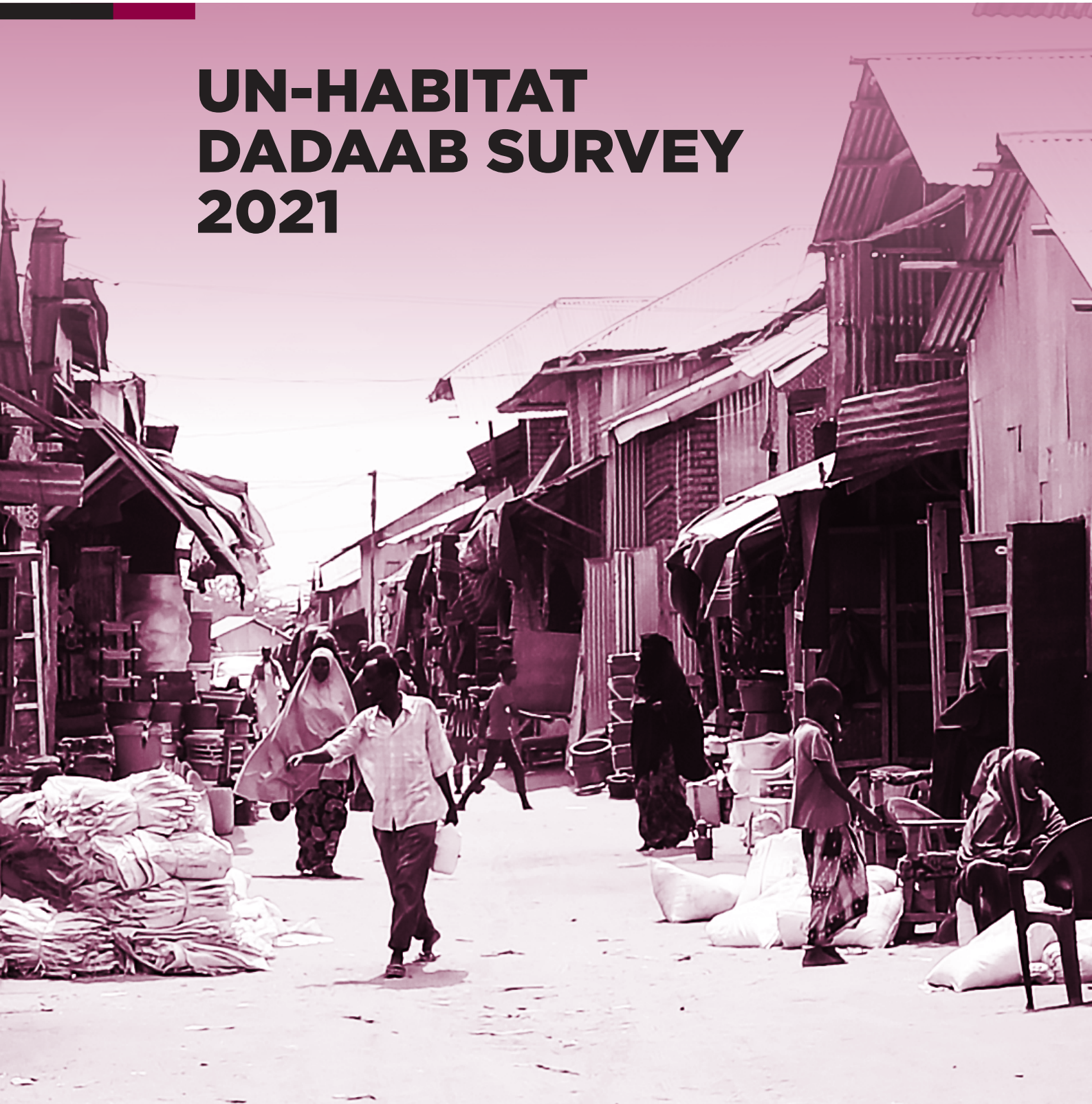


REPORT ON SOCIO-ECONOMIC CONDITIONS,  
BUSINESSES AND LOCAL ECONOMIC DEVELOPMENT

# UN-HABITAT DADAAB SURVEY 2021



Funded by  
the European Union



**UN-HABITAT**  
FOR A BETTER URBAN FUTURE

# ACKNOWLEDGEMENTS

## **UN-Habitat Dadaab Survey 2021**

Report on Socio-Economic Conditions, Businesses and Local Economic Development

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Somali refugee line up at the World Food Program distribution center in the Ifo settlement at Kenya's Dadaab refugee complex in Garissa county, Kenya. © UN-Habitat/Julius Mwelu



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A man rides his donkey along one of the main street at the Ifo extension refugee camp in Dadaab Garissa county, Kenya. © UN-Habitat/Julius Mwelu



# Executive Summary

## Introduction

Dadaab refugee complex hosts the largest refugee population in Kenya, in three camps: Dagahaley, Hagadera and Ifo 1, with a current total population of 228,308 persons<sup>1</sup>. These camps co-exist with host community who mainly reside in Dadaab Town and neighboring rural settlements in Fafi and Dadaab sub-counties. During May-June 2021, UN-Habitat conducted a socio-economic survey in these localities. The research was part of a broader project designed to recommend a spatial development strategy for the wider Dadaab area. The survey therefore was implemented to generate crucial data and information to support this planning process, to contribute to deepening knowledge about the prevailing socio-economic conditions, and to identify issues related to enhancing local economic development of the area. Unlike most of the previous studies that have primarily focused on refugees, this research focused on both refugees and host community, and went further to study both households and businesses.

Key Objectives of the research were to:

- Establish socio-economic opportunities and challenges in the wider Dadaab area.
- Establish issues affecting businesses and Local Economic Development (LED) in the aftermath of the closed camps (Ifo 2 and Kambioos).
- Undertake a rapid assessment of facilities in the area, as well as the spatial development and related issues.

- Synthesize the assessment of socio-economic conditions and local economic development, through, a policy perspective upon which to provide recommendations for potential interventions for the future of Dadaab.

## Approach and Methodology

The survey applied a four-dimensional (4D) analytical framework of interrelated dimensions, namely: (1) Spatial Dimension; (2) Economic Dimension; (3) Socio-political Dimension; and (4) Environmental Dimension. Based on this conceptual framework, the research designed a mixed-methods data collection plan. This entailed both quantitative and qualitative techniques of data collection and analysis, including use of Geographic Information Systems (GIS) for spatial analysis. These methods were applied for the two main research components, as follows:

1. Socio-Economic Survey that targeted households and residents.
2. Business and LED survey that targeted business activities and the related actors.

**Quantitative Data** – This relied on a Household Questionnaire, Business Questionnaires. The data entry form for profiling Public Markets was dominated by quantitative measurement. These tools were converted into digital format and administered through KoBoCollect. KoBoCollect is an Open-Data Kit used for primary data collection in humanitarian emergencies and other challenging field environments. The number of households sampled were 302, and 255 for businesses, with 22 markets profiled.

<sup>1</sup> UNHCR (2021b). Statistical Summary as of 31 August 2021: Refugees and Asylum Seekers in Kenya (<https://www.unhcr.org/ke/wp-content/uploads/sites/2/2021/09/Kenya-Statistics-Package-31-August-2021.pdf>).

**Qualitative Data** – These data sets used Key Informant Interviews (KIIs) and Focused Group Discussions (FGDs). Most of the qualitative data was conducted through digital platforms due to Covid-19 protocols that required minimal face-to-face interactions and group meetings. A total of eighteen (18) KIIs and nine (9) FGDs were conducted. The participants for KIIs included: local leaders, long-term residents, representatives of support organizations and government agencies. The FGDs targeted residents of the area, with some specific to refugees or host community, and other mixing both refugees and host community.

**Spatial Profiling of Public Markets** – As indicated before, this tool was primarily quantitative, but combined with qualitative and mapping elements. Twenty (22) markets profiled were profiled in Dadaab Town, Ifo, Dagahaley, Fafi and Hagadera. This entailed using printed base maps combined with digital mapping applications (ArcGIS Online tools, MAPinr, GPS Essentials and Kobo collect) and informal key informant interviews which informed the specifics of each market and settlement and the locality spatial issues, transect walks and observations.

For both qualitative and quantitative data collection, attention was paid to gender balance, age mix and area of residency when selecting participants. The data collection involved a team of Local Research Assistants (LRAs) who were trained and supervised on how to administer the tools. Furthermore, desktop research was conducted which primarily focused on analyzing recent studies, the current Garissa County Integrated Development Plan and the statistics reported by Kenya's National Population Census of 2019.

However, the research encountered various limitations notably language barriers, doing field-work during the COVID-19 pandemic, the timing given the recent order by Government of Kenya to close refugee camps, and the local insecurity challenges. Importantly, various mitigation measures were initiated to ensure the data and information collected was valid and useful to the purpose intended. The ensuing sections provide highlights of the findings from the two main components of the research.

## Summary of Findings from the Socio-Economic Conditions Survey

The household socio-economic survey analyzed population and demographics, household's composition, incomes and expenditure, health care, food security, mobility and communication, shelter access and basic services. This was done for both refugees and host community, including relating to their locations of residency.

### Household Composition and Demographics

According to the Kenya National Population and Housing Census of 2019, the male population (53.5%) among the host community in Dadaab is higher than female (46.5%), which is similar in Fafi (54.2% male and 45.8% female) and in Garissa generally (54.6% male and 45.4% female).

This is unlike the national population where males were reported to constitute 49.5% and females were slightly more at 50.5%<sup>2</sup>. From the survey, age distributions indicate that the modal age of the respondents was found to be between 36-40 years and that majority (65.2%) were 40 years and below which is fairly youthful, with few (7.3%) recording 55 years and above. Fafi (host community) had the highest (10%) occurrence of female headed households with the female heads either divorced or single. It was however found that the households mean age is 18.8 years. Which shows that the households comprise mainly of the young population (children and youth- those below 35 years).

<sup>2</sup> KNBS (2019). Kenya Population & Housing Census 2019- Volume 1: Population by County and Sub-County. <http://housingfinanceafrica.org/app/uploads/VOLUME-I-KPHC-2019.pdf>

Both host and refugee community were represented in all almost all levels of education with refugees dominating advanced secondary, adult education and college/university level of education. Of great concern is that a sizeable population among host (42.3%) and refugee (57.7%) community reported to have either no formal schooling or nursery school (50%) as their highest level of education.

### Household Incomes and Expenditure

Refugee households reported higher income levels, where they are highly represented in households earning Kenya Shillings 40,000 and above per month. In comparing different locations income levels, the study findings indicate that Fafi (30.4%) led in households earning less than Kshs 5,000, Hagadera households dominated households earning between Kshs 5-10,000 (46.7%), Dadaab host community households led in those earning Kshs 10-20,000 (55%) and Dagahaley led in households earning Kshs 40-50,000 and Kshs. 50,000 and above respectively as shown in Table 2.6 in Chapter 2. It can generally be observed that a slightly higher percentage of refugee community were earning more than Kshs. 40,000 and above which cumulatively account for 9.7% (Dagahaley, Ifo & Hagadera) as compared to the host 3.6% represented by (Dadaab and Fafi) respectively.

In terms of sources of income and livelihoods, both host and refugee communities reported businesses as a major source of livelihoods. The host community dominated the few opportunities for formal employment sector and have traditionally been livestock producers. The refugees primarily rely on support from humanitarian organizations, with such financial aid mainly spent on regular basic needs such as food. It was also found that both host and refugee community also depend on remittances from relatives living in Nairobi and outside the country. Most host community (52.4%) reported to have secondary sources of income as compared to refugees 25.1%.

Fundamentally, financial challenges are prevalent and there is high unemployment among the youth in both refugee and host community. This one of the factors which can be linked to the double registration of some Kenyan citizens as refugees<sup>3</sup>, as in this area, a refugee status is assumed to offer one better access to socio-economic opportunities linked to financial aid.

Majority of the households were spending less than Kshs. 20,000 per month which is cumulatively reported by 85.4% of the households. This compares well with households' income where 92.8% of the households to earn up to Kshs. 30,000 per month. A sizeable portion (34.9%) of households reported to have functional bank accounts (18.9% being refugee households and 15.9% being host households). Use of mobile money transfer was found to be popular as cumulatively reported by 85.7% of persons from the refugee and hosts households, with 49.2% out of that percentage being refugees.

Male were at 57.9% owned functional bank accounts and on household coping mechanism, most male at 64.3% were able to take loans from the banks to sort out household challenges, however most women at 88.9% were able to take loan from micro finance and Rotating Credit and Savings Association (ROSCAs) as their financial coping mechanisms.

### Education and Training

Refugees were found to have relatively better access to education facilities and services, compared to the host community. Although Kenya has a free primary education policy, there are several barriers that prevent full enrollment among Dadaab's host community. Such include financial challenges associated with buying school supplies (e.g. uniforms), as well as some cultural barriers.

3 Daily Nation (2020). Kenyans posing as refugees in Dadaab-Agency. <https://nation.africa/kenya/news/Kenyans-posing-as-refugees-in-Dadaab/1056-3402770-ynv6iu/index.html>



Indeed, overall, the education attainment levels are low among the host community. Kenya's 2019 census reported that an overwhelming majority of Garissa County have never been to school (75.2%) with female comprising 77.5% of the portion that has never been to school. Dadaab and Fafi sub-counties record 80.7% and 82.4% respectively of the population (men and women included) that has never been to school<sup>4</sup>. Challenges of enrollment are also experienced among the refugee community. Overall, transition rates are low. This has affected the skills development among the youth.

A sizeable portion of households (38.1%) recorded quality of education to be declining (9.3% from Dagahaley, and 7.3% from Fafi). Another high proportion of households (45%) noted the education quality to be the same as compared in the last 5 years with Hagadera leading by 9.9% and Dadaab host community households recording the least support at 4.3%. Only a small portion of households (16.9%) noted the education quality to be getting better.

### Health Care

Communicable diseases are the most reported health concern by households. In addition, mental health issues are a major concern for households, especially the refugees. The health care services are mainly provided by support organizations, who have built several facilities across the settlements. Garissa County Government is also involved in the health care provision especially for the host community. Most households reported accessing regular health services within the refugee camps (65.6%), others in Dadaab Town (23.7%) and in Garissa town (10.7%). Majority of the households noted there was a health facility within walking distance in their locality. A sizeable portion (25.8%) noting that they are paying for the health facilities. But services at the facilities were a concern.

In rating the health services and facilities in the last 5 years, a sizeable portion either noted the services have remained the same (43.6%) or worsened (41.9%) in the last 5 years. Dagahaley had the highest number of households who rated the quality of services as worse over the past five years as at the day of the study while Ifo had the highest number of households who rated the quality of health care as better. Notably, the COVID-19 pandemic was noted to compound household's health care challenges.

### Food Security

Shops and main markets in the refugee camps are the main areas where most of the households (refugees and host) buy their food and non-food items. The staple foods reported by households were rice, Ugali, pasta and Anjera, meat and cereals. But a sizeable representation of households (41.9%) was found to be worried about the availability of the households next meal, with 24.9% of refugee as compared to 16.9% of host households affirming to be worried about their next family's next meal. A total of 29.6% households reported to have skipped a meal in the last two weeks due to lack of food with refugee households accounting for the higher portion at 18.6% of the 29.6% of the households. This is despite refugee community financial profile indicating to be better than the host community households. Households' food security situation worsened during Covid-19, where 14.6% (refugees) and 26.9% (hosts) reported severe and moderate food insecurity, respectively. This was also noted to affect both host and refugee households. Women were noted to play a critical role in coping with households' food security by engaging in casual labour to supplement food items, prioritizing food intake by children and spouse, or seeking aid from organizations and family. It was noted that some men rarely sacrifice their income during times of food insecurity, sometimes abandoning their wives and children to eat in hotels.

4 KNBS (2019). Kenya Population & Housing Census 2019- Volume IV: Distribution of Population by Socio-Economic Characteristics. <https://www.knbs.or.ke/?wpdmpro=2019-kenya-population-and-housing-census-volume-iv-distribution-of-population-by-socio-economic-characteristics>

## Shelter Access

Majority of the households accounting for 62.9% of the households own the shelter they are occupying and only 38.7% of the shelter owners reported to also own the land their shelters are built on. 37.1% of the refugees as compared to 25.8% of the host community reported to be owning their shelter. Refugees access land and shelter mainly through UNHCR, Refugee Affairs Secretariat (RAS) and the shelter partner organizations. However, the units provided are not adequate which compel many households to modify and extend their shelter needs independently. Indeed, majority of the households (52%) indicated that their shelter was not adequate, with refugee households leading by 30.1% of the households indicating shelter inadequacy. It was further reported by 61.3% of the refugee households that the inadequacy of shelter motivated modification of shelter. 38.8% of the host households have also undertaken modification of their shelter in the last 5-10 years. However, financial constraints remain a major barrier to self-improvement of shelter, for both refugees and host community. From the analysis of the building materials analysis, most of the shelters were either temporary or semi-durable with very few houses reporting to have a combination of the cement or tiled floor, stone or brick wall and iron sheets roof which is associated with durable shelter.

## Public Spaces and Recreation

There are limited planned and well managed open public spaces in the refugee settlements and host community villages. It was noted that playgrounds of educational facilities are the most accessible open public spaces. According to the findings, households in Fafi Host community took more than 30 minutes to access the playgrounds indicating that the lack or scarcity of the facilities. Overall, refugees and host community combined, most of the households took between 10 and 20 minutes to access any playground. Other amenities such as social halls and green public parks are few and unable to match the current needs.

Inadequate settlement planning combined with underinvestment in such facilities is a significant contributor to the prevailing conditions.

## Domestic Water Services

Water is a vital commodity but a scarce one in Dadaab, which lies in the Arid and Semi-Arid Lands (ASALs) of Kenya. The survey established that domestic water use was largely for basic uses (i.e., cooking, drinking and cleaning). Overall, majority (70.5%) of households were using between 20 to 120 liters of water per day. It was noted that households in Fafi (10.9%) led in water consumption, in a day averaging four to six 20- liters jerricans followed closely by households in Dagahaley (9.3%). This may also be attributed to the household sizes in Fafi and Dagahaley and may be availability of comparatively cheap water kiosks in Dagahaley. Most of the households reported that they were not paying for water. However, upon in-depth discussions, it was noted that buying of water was seasonal and occasioned by several factors with water pump failures and drought in the region. Overall, the perception of households indicate that the quality of domestic water is good (60.3%) with a paltry (4.6%) of the households rating the water quality to be poor. Boreholes are the primary sources of clean water for domestic use.

## Sanitation Services

Due to water challenges, dry sanitation systems are the dominant form of fecal waste management in Dadaab. The survey established that pit latrines were the common facilities used across the camps and in the host community settlements. However, open defecation was also practiced especially within the host community's clusters. Findings indicate that some households in the host and refugee community households incur costs related to solid waste and fecal waste management, but majority do not incur such costs.

1.8% of the households reported to occasionally incur cost in fecal waste disposal when their current toilets are filled up, they have to pay *honey suckers* to empty their toilets. In the camp, most of the host reported to have ample space and were able to construct new toilets to manage their human waste. It was hard to trace where the honey suckers take the emptied waste as this may have a serious environmental and health implications.

Majority (80.4%) of the households reported to lack access to organized solid waste collection services. This was 46.9% among refugee households and 33.5% in the host community, with Dadaab town having 13.6% of the households reporting lack of such services.

In terms of strategic infrastructure, it was established that Hagadera has a sanitary landfill but it operates more as a dumpsite without clear solid waste management mechanism. It should also be noted in that in settlements where there are no proper organized solid waste management, pit latrines can be used to dispose certain forms of waste e.g., broken glasses, sanitary towels, diapers etc. This eventually has environmental implications for rehabilitation of settlement sites that get closed e.g. Ifo 2 and Kambioos and likely, the planned closure sites of Hagadera, Ifo and Dagahaley. Water and sanitation matter was noted to be a female domain with involvement of male being financiers when the services were to be paid for or when constructing a toilet or digging the waste disposal pit.

### Energy Services

There are multiple sources of energy used by households in Dadaab including electricity, wood, paraffin, and charcoal. Overall, households' connection to electricity was noted to be slightly more than a half (52%). Majority (67.9%) of refugees and 39.1% of the host households had connection to electricity, but usage of electricity is largely restricted to lighting and powering domestic appliances.

Other common types of lighting energy in both refugee and host community areas include solar lamps, paraffin lamps, and sometimes firewood. The diversified use of electricity especially in cooking is highly constrained by the expensive tariffs that are unaffordable to most of the households in Dadaab, and indeed majority of households in Kenya. This compelled households to rely on cheaper cooking energy such as charcoal and firewood, and some Liquefied Petroleum Gas (LPG), as established in this survey. The type of cooking fuel used by households slightly differed with the preferred, with majority currently using firewood and only 0.7% using electricity as compared to 36.8% and 26.5% preferring the firewood and electricity. According to Kenya's 2019 census data<sup>5</sup>, firewood is the most popular source of cooking energy in Dadaab and Fafi households accounting for 88.5% and 85.6% respectively while charcoal account for 1.4% and 2.4% for Dadaab and Fafi households respectively. Use of LPG is minimal accounting for less than 1% of the households (0.8% for Dadaab and 0.5% for Fafi) households. Use of cooking energy was majorly determined by what was available to the households and since cooking was a female duty, female became captive users of firewood and charcoal and issues of indoor air pollution was unlikely determinant of cooking energy fuel.

### Mobility and Communication

For local mobility within and around the camps and host community residential areas, walking was the preferred mode of transport for more than 78% of respondents. For the external trips, such as Garissa and neighbouring counties of Mandera and Wajir, taxis and *matatus* were the most preferred, bicycles and motorcycles scored poorly for external trips with reason given as the bad road terrain which was sandy and dusty.

<sup>5</sup> *ibid*



The challenges associated with the mobility in the area were identified as; poor roads infrastructure conditions, high cost of travel, movement restrictions among the refugee, unreliable transport services and insecurity. Male dominated use of various modes for both internal and external movements with female use recoding high use of taxi and *matatus* for external mobility. Restriction of movement was a major hindrance to mobility of refugee though female both from host and refugee community cumulatively at 62.8% reported to have not gone beyond Dadaab.

On communication most of the households reported to be owning a mobile phone, though some parts within the camps and in the host community were reported to have poor network reception. The households also relied on local FM stations broadcasting in Somali language for news and sharing of information.

### Summary of Findings from Business and LED Survey

The survey established that the presence of refugees in Dadaab has created a vibrant refugees-based economy. This has resulted in thousands of small businesses, most informal, and a few large businesses operating in both the refugee camps and the host community town of Dadaab and the surrounding villages. As noted with the household's survey, businesses play a crucial role of income generation. Besides, they also play a social role by providing spaces for refugees and host community to interact on a daily basis. However, the looming closure of the refugee camps is anticipated to have a profound negative impact to sustenance of these important livelihood means. This is because the local businesses, and in general the economics of Dadaab are largely dependent on financial flows linked to the presence of refugees. This study sought to establish the nature of businesses, their character, and issues they face including access to basic services, and the supply/value chains linked to these businesses.

### Nature of Businesses in Dadaab

The study established that most of the business are retail and service provision (formal and informal) with most of the commodities and services sold in Dadaab being food items. For instance, general retail (food and non-food items) was reported by 37.3% of the surveyed businesses, of which, 10.2% specialized in groceries, with 9.3% retailing meat products, and 8% ventured in hotels.

Overall, the ownership and operation of most of the larger businesses were found to be male dominated, with wholesale trade at 91.7%, construction and real estate at 60%, ICT at 80%, and the hotel and hospitality at 78.9%. But there are also businesses that are dominated by women, such as light industries (e.g. furniture, handcraft) at 83.3%, beauty services (e.g., barbershops and salons) at 60%, meat dealerships at 54.5%, and groceries (fruits and vegetables) at 76.9%. Women businesses at the lower end of micro scale are those dealing in Khat ('miraa'), milk, and vendor retail shops. Some women work in service industries, such as hotels or doing laundry for people in host and refugee communities.

Most of the enterprises in Dadaab are owned on a sole- proprietorship basis, which accounts for 51.2% of the refugee community and 74.2% for the host community businesses. Dadaab Town recorded the highest number of sole proprietorship businesses at 82.6%, followed by partnerships at 13%. With a focus on the distribution of type of ownership across gender, it is important to note that the male-owned businesses are dominant across the following ownership systems: company at 100%, cooperative at 85.7%, family business at 67.8%, and partnership at 68.8%. Female owned/operated businesses seem to have an edge in enterprises owned by welfare groups. This may point to an increasing trend of a gendered approach, where through welfare and social networks, women are increasingly partaking in businesses.

## Factors Affecting the Establishment of Businesses

Several factors were linked to reasons to venture in business. In Ifo, Dagahaley and Hagadera camps, the primary motivation to start businesses was the availability of market opportunity, recording 68.3%, 65.4% and 50.0%, respectively. In Fafi and Dadaab Town, the main motivation was that the entrepreneurs had prior experience in the business; hence, they felt confident to venture in business. 61.7% of the refugee traders were motivated to start their businesses due to the availability of the market opportunity, while the majority, 52.6% of the host community entrepreneurs were driven by their prior experience in the particular trade. The other reasons cited were existence of market demand, pressure to have alternative income, pressure to provide for the family, training and available support from an organization. In terms of gender, both male and female traders agreed that availability of market opportunity was the main motivation to start their enterprises at 32.0% and 19.1%, respectively. This was followed by the fact that traders had prior experience at 24.4% and 16.9%, respectively.

## Incomes and Revenues from Businesses

Businesses play a crucial role in creating employment and income generation opportunities. More importantly, these will be key in promoting self-sustenance in Dadaab. However, most of the monthly incomes realized are relatively low for most of the businesses. Factors such as the predominance of MSMEs in the area, low capital used to start the businesses and limited financing opportunities are likely to have caused this. As a result, a large segment of host community businesses, 33.0%, earn between KES 10,001-15,000, followed by KES 5,001-10,000 and KES 15,001-20,000 each at 15.5%, KES 20,001-25,000 at 7.2%, KES 25,001-30,000 at 9.3%, KES 30,000-500,000 at 7.2% and above KES 500,000 at 1.0%. In the specific localities, the study found that businesses in Dadaab earn more income than other areas. More traders in Dadaab earn KES 20,001- KES 500,000 than any other area. This is

followed by Hagadera. Notably, only Dagahaley has, although few, businesses which earn more than KES 500,000 in a month. For the incomes earned, 39.8% is re-invested back into the business, 39.4% used to meet household needs, with 12.2% of the income goes into household savings, and 8.6% can be invested in new business.

Host community businesses perform better than refugee-owned businesses on average. This may be because the host community does not have any movement restrictions and can get good prices for supplies from wherever. Refugees have to pay intermediaries to obtain goods which are more expensive, and buyers have no way of ascertaining the quality and safe movement of products. In terms of gender, men earn more income from their businesses as compared to women. Moreover, more women than men earn less than KES 1000 monthly. The primary reason is because women operate smaller-scale businesses. The reason for this phenomenon came up in the FGDs conducted, and women pointed out that they do not have access to capital compared to men. Therefore, women go into businesses whose cost of entry is low. Additionally, women were said to be less active in on-going interventions; hence, they could have limited participation in interventions that seek to promote entrepreneurship.

## Costs of Starting Business and Access to Finance

Most of businesses being MSMEs, 70.2%, had less than five employees, 25.3% employed between 5-19 workers, and 4% had 20-99 employees, while just 0.4% employed above 100 staff. As the study revealed, the cost of setting up most of the businesses was relatively low and could be linked to the small number of additional workers in the business, other than the operator. For refugee-owned businesses, 31.3% of the business operators started with a capital ranging from KES 10,001- KES 30,000, whereas 19.5% started with an investment of KES 30,001- KES 50,000. 17.2% used less than KES 10,000 as capital while those who used between KES 70,000- 100,000 and above KES 100,000, constituting 9.4% and 13.3%, respectively. For

host community businesses, those that spent KES10,001- 30,000 and KES 30,001-50,000 were recorded 20.6% each. Notably, more host than refugee community members had a starting capital of KES 50,001-70,000 and KES 70,001-100,000 comprising 18.6% and 15.5% respectively. Specific to the localities, the study established that the cost of starting business in Hagadera was marginally higher compared to the other areas, where only 2.2% spent less than KES 10,000 to start business while a majority, 37.0%, used KES 30,001-50,000 as their starting capital. This may be partly because goods in Hagadera are more expensive than the other markets because of their urban origins.

Across the genders, most female traders spent KES 10,001- KES 30,000 at 31.9%, followed by less than KES 10,000 and KES 30,001- KES 50,000 both at 19.8%. For male entrepreneurs, 40% spent KES 10,001- KES 30,000 and 40% spent KES 70,001- KES 100,000. Seemingly, more male traders were able to incur higher investment costs than female traders. This is because the study found that women owned businesses are smaller in scale than their male counterparts. One of the identified reasons for this is because of challenges in accessing capital, hence women resort to small scale businesses.

Most business operators, 59.6%, got capital from personal savings and 26.7% borrowed from friends and relatives. Only 1.3% reported raising initial capital from a bank loan, 1.8% got loans from Savings and Credit Cooperative Organisations (SACCOs), and 8% received a loan from chama/merry-go-round. Equity Bank is the only bank operating in Dadaab, since 2012. The bank is based in Dadaab Town then there are bank agents situated in the camps, which makes it easier for the refugees to access the bank services. Informal lines of credit and community-based credit and saving schemes are more popular among refugees. There are also operational formal micro-credit schemes servicing both host and refugee communities. Hawala agencies provide short term credit to reliable customers.

Most of these have a loyal clan base, mirroring the overall ownership of the enterprise by the clan. Mobile money services are mainly through Safaricom Mpesa services.

### Business Lifespan and Expansion Issues

Most of the businesses surveyed were found to have been established with an urgency to break even. More businesses, 33.8%, reported that it took between 1-2 years to break even. This was followed by 25.3% who alluded that their businesses are yet to break even. 16.9% stated that it took 2-3 years, while those that took less than 1 year and more than three years recorded 12.4% and 11.6%, respectively. Ifo and Dagahaley recorded the highest number of businesses which are yet to break even at 48.8% and 38.5% respectively. More refugee businesses (16.4%) broke even in less than a year compared to host community businesses (7.2%). Additionally, most male-owned, and female-owned businesses broke even between 1-2 years of starting. The study further revealed that while more female-run businesses broke-even in less than a year than their male counterparts, more female-owned businesses are yet to break even at 27.5% against 24% for the men.

Most businesses had been operating for less than 5 years, where 54.2% indicated 1-5 years, and 7.1% were less than a year old. 30.2% were established between 5-10 years ago, while only 8.4% have been operational for over ten years. Many businesses close due to challenges related to operations and expansion imperatives. Some of the barriers reported were limited skill and financial capacity, stiff competition that make profit margins to decline, infrastructure and service provision challenges- e.g. lack of cold storage for the large public markets which resulted in traders incurring losses due to spoilage of perishables.



Also, following closure of Ifo 2 and Kambioos and on-going refugee repatriation, there has been reductions in expenditure from humanitarian agencies; hence, resulting in a negative effect on the local economy as this means a reduced amount of the finance that is circulating in the local economy. More recently, the COVID-19 pandemic has introduced new challenges to businesses. The pandemic has led to increased commodity prices, as reported by 31.8% of the businesses, with 23.3% highlighting sales decreased due to restrictions like the dusk to dawn curfew.

### Supply and Value Chains, Actors and Issues

Dadaab commodity markets have considerable linkages with other markets outside of the region. These include Isiolo, Garissa, Wajir, Thika, Nairobi, Mombasa, Tanzania, Uganda, and Somalia. Dadaab is highly dependent on goods sourced from neighboring regions and gets its supplies mainly through the Northeastern corridor. The availability of food supplies in Dadaab is greatly defined by seasonal production cycles and the road conditions during the rainy seasons for goods not locally produced. Garissa town is a key supplier for various items in Dadaab, specifically cereals and pulses, and vegetables and fruits. Nairobi is also a significant supply source for the local markets, especially for non-food items, with 42.9% of traders indicating their supplies are sourced from the city. Retailers in the markets must depend on distributors to be able to get these commodities.

Apart from the external linkages, the study found that the internal markets are also vibrant. For instance, livestock and goat meat are mostly bought from the local markets. Dagahaley market is the largest livestock market in the area from where traders source livestock and meat (goat) as indicated by 60%. Hagadera market is also critical in the local supplies accounting for 5.9% of cereals and pulses, vegetables and fruits at 9.1%, goats and goat meat at 16.7% and cows and beef at 20%.

There is a considerable demand for meat in Dadaab due to the large market provided by the combined population that consider goat meat as staple food. The main range catchment for live-stock areas is Fafi, Dadaab, part of Balambala on the lower side. The chicken meat supplied to the markets is mainly sourced from external markets with Nairobi being the main source as reported by 54.5% of respondents. The other major source of supplies being Dadaab, Mombasa, Dagahaley, and Garissa. For vegetables, most retailers (50%) obtained suppliers from distributors in Garissa. But this distribution change can stretch to Thika and Nairobi, and even further. This was similar for factory-based food items, where main distributors are in Garissa, Thika and Nairobi. Further, the entry of commodities from Somalia through the Kenya-Somalia border is a major chain of distribution for Dadaab traders.

Dadaab supply and value chains comprise many actors, key among them the local wholesalers and retailers, transporters, county governments who regulate and license trade and flows of certain commodities, national government that control border and RAS that issues movement permits to refugees, international organizations notably the World Food Program that runs cash-based transfers and ensures there is price stability of key food commodities, UNHCR and others.

Fundamentally, infrastructure and security issues significantly affect commodity flows and access by Dadaab traders. The primary mode of transport in the region is by road, with the most common mode of transportation is taxis at 37%, trucks at 27%, boda boda and pulling carts each at 12.5%. The other types of transport used are tuk-tuk, bicycles, and travel agencies (for bulk orders). The poor condition of roads, locally, and the main road linking Dadaab, and Garissa Town is a major barrier to effective logistics, which usually interrupt supply chains and have impacted on pricing of commodities in Dadaab. The situation worsens during the rainy season when sections of the roads can be impassable.

## Water Services and Businesses

The survey found that refugee-owned businesses primarily obtain water from a public tap or standpipe connected to a borehole supply, accounting for 61.7% of the businesses. For host community-owned enterprises, 73.2% obtain water directly from boreholes. Some boreholes have their water piped and others have on-site taps. Boreholes are the most relied on sources of clean water. In terms of the monthly cost of water used, 30.1% of host community businesses spend KES 1500-1700, followed by 14.0% spending KES 200-250. Additionally, 9.7% incur KES 1800-2000, with the highest cost indicated by host community business was KES 12000-15000 per month by 2.2%. For refugee-owned businesses, majority, 21.1% spend KES 1000-1200, followed by 14.1% for KES 600-700 and KES 300-400 per month. The highest cost incurred is KES 20000 by 1.4% of the refugee businesses. In the public markets, most traders denoted that water supply is inadequate and is not able to meet the market population's demand.

## Sanitation Services

There is a relatively better provision of latrines and waste management in the camps, compared to Dadaab Town and other host community settlements in the area. The towns and the settlements do not have an organized solid waste management system, including the absence of a sanitary-engineered solid waste treatment facility. Traders therefore have to make their own arrangements with service providers at a cost. There are enterprises that have a monthly expenditure on garbage collection costs where 15.9% spend KES 200, 15.9% incur KES 500, 12.3% spend KES 600, 11.6% spend KES 1000 while 9.4% incur KES 1500 monthly. The highest cost incurred in garbage collection is KES 6000 and KES 3000 at 1.4% and 2.2% respectively. The survey also established that there is poor solid waste management in the markets. Markets such as Fafi general market gets support from NGOs sometimes but in most cases, the responsibility of garbage management is left to the community.

The market profiling further revealed that most of the markets have inadequate toilets, with some having no provision altogether like Bosnia Market in Ifo, Al Faruq Market and AP Camp Market in Dadaab. Moreover, some of the toilet facilities are in poor condition and are not enough to serve the market population. The price range for using the toilets range from KES 5 to KES 20

## Energy Services

The type of energy used by businesses in the Dadaab and Fafi sub-counties depends on the nature and scale of their operations. The trade in fuels such as charcoal, firewood, batteries and kerosene are common in the camps. Overall, it was established that 33.3% of enterprises sampled, pay for shared portal generators for their appliances, while some of the businesses, 28.4%, are connected to the Kenya Power Company (KPC) grid. There is also shared solar mini-grid, with an increasing uptake of own-solar installations. However, 10.2% of the businesses are not connected to electricity at all. A common feature of the MSMEs is that their demand for electricity is minimal. For refugee-owned businesses, 40% of them spend KES 1001-1500 per month on electricity while 43.2% of host community owned businesses spend KES 501-1000. There is also increasing uptake of solar electrification, especially for lighting and powering light-consumption appliances.

According to the market survey conducted, power supply in the markets is very inconsistent. The KPC service is common with power rationing and outages which makes it inefficient. This affects other facilities such as storage and refrigeration which are key components in the supply chains. These unreliable energy services are counter-productive to viability of investments that have high consumption and require uninterrupted power supply.

## Mobility

Most of the business rely on road transportation for logistics. But as mentioned, most roads in Garissa County are generally in poor condition, and most of them are rendered impassable during the rainy season, restricting movement by road for some time. The road between Garissa and Dadaab is in a deplorable state. When it rains, the area gets almost cut off and businesses encounter significant logistical challenges. The situation can get so bad that in the last one or two years, agencies and businesses operating in the area had to stay for ten days without receiving supplies because of the dire state of the road during the rainy season. The poor road conditions increase operational costs because of sourcing expenses incurred on transport.

## Communication Services

Garissa County is served by three mobile phone service providers, which are Safaricom, Airtel and Telkom Kenya. It was established that most of the enterprises, 89.3% are registered with a mobile money service provider such as M-Pesa and Airtel Money while 10.7% are not. Mobile banking services are widely used in the area with the most common one being M-Pesa. Cash based initiatives such as Bamba Chakula works in close collaboration with Safaricom using a system called SurePay that allows WFP to make payments to beneficiaries and puts tight restrictions on where the money can be spent. Further, KII with Windle Trust revealed that UNHCR distributes tablets and solar radios to students both individually and sometimes to be shared per block so that they can have radio lessons during the holidays. Other organizations also disseminate information through the radios. For instance, HI creates awareness against violation of rights of persons with disabilities.

## Public Markets and their Significance to the Local Economy

The major markets in Dadaab are the Hagadera market in Fafi sub-county and Dagahaley market in Dadaab sub-county. These two markets have created commercial nodes in the areas where they're located. On the other hand, Ifo market is smaller and less established and is mainly accessed by refugees. Market integration in Dadaab and Fafi sub-counties is critical to food security and almost every sub-county has at least one market that operates daily. Hagadera market is situated along the road to Wajir and Mandera, a major road that connects to the rest of the country. The market is the most vibrant in the area, as more items are available than anywhere in Dadaab, and is considered to be the most visited. In addition, Hagadera has more advanced shops and infrastructure, with transport services that link to Eastleigh in Nairobi. Dagahaley lies at the intersection between Wajir and Garissa. Similarly, many goods and services are available in Dagahaley market, although at a lower price than in Hagadera. The sellers are mainly from the host community, and the most common items include food items, electronics and clothing. Dagahaley market has a stronger farming community. Ifo market is less developed with limited goods. Refugee communities are the prominent business owners in Ifo, and there is a smaller number of host community traders. This may be because of lack of infrastructure and facilities.

The study established that most markets have inadequate infrastructure, exposing the traders and users to public health and safety hazards, and generally making their work environment challenging. For instance, most markets were reported to have inadequate water supply. Hagadera Market and Vegetable market in Fafi were found to have no water supply at all.



In addition, wastewater and solid waste management was also identified as a major challenge in the markets. There are no proper systems in place for waste management and businesses resort to dumping of waste in undesignated areas and burning. Additionally, the markets lack adequate storage resulting to wastages and losses. Indeed, the county has the potential to leverage additional revenue by providing modern market facilities and ensuring they are well-managed. Fundamentally, the closure of the refugee camps will mean the sub-economy build around the markets will be negatively affected. This necessitates the need to evaluate the market with a strong potential of being retained for the population that remains.

### **Safety and Its implications for Local Economic Development**

Over the years, the Northeastern region in Kenya has been one of the most affected by highly disruptive and costly insecurity incidences in Kenya, including a recent catastrophic terrorist attack (2015) in Garissa Town<sup>6</sup>. The prevailing insecurity in the area has become a major constraint to LED, as it serves to dissuade investments due to persistent narrative of the area as 'unsafe'. This is also negatively impacting the development of value chains. For instance, various businesses linked high transport costs partly due to transport operators being hesitant to provide services, and where they do, the costs get inflated citing high risks associated with insecurity in sections of the routes. Besides, after the closure of Ifo 2 and Kambioos, the sites have become an additional burden to the security challenges facing the area. Several key informants indicated that some of the facilities left behind by the support agencies are not utilized as assumed, but instead they are now linked to hide-outs for suspected criminals, in addition to their vandalism. With high unemployment among the youth and shrinking livelihood opportunities in Dadaab, as occasioned by uncertainties surrounding the future of the area, it is important to embark on strengthening the local economy as a human security intervention.

### **Policy Context and Its Implications to the Local Economy**

The existing Kenyan government's policies on refugees greatly restricts the livelihood options available to them. One of the problematic policies is the encampment policy, which prevents refugees from settling outside the camp or securing work permits. Governments traditionally see this as a convenient administrative policy, and to reduce potential friction with host communities and security considerations. However, this restricts the refugees' ability to utilize other markets outside Dadaab such as Garissa, the Northeastern region and Nairobi. In addition, the range of activities in Dadaab is limited due to its physical location. The government of Kenya suspended the registration of new refugees in 2018 which means that those who were born or arrived at the camp from then cannot get a Refugee Identification Card (RID). Those without a RID encounter challenges accessing services and applying for other permits and documentation. For instance, one of the criteria that make refugees eligible to access local Bank services is that they should have an alien card proof of registration provided by RAS. Furthermore, the recent government order to close all refugee camps in Kenya will result in closure of many businesses in the area, for both refugees and host community. Equally important to consider is the prevailing donor-based economy, which is evidently unsustainable immediately financial flows towards refugee assistance are reduced or entirely withdrawn. What this implies is that a sustainable future for Dadaab area requires a developmental view which demands Government of Kenya, County Government of Garissa, Humanitarian, and development agencies in Dadaab to develop a joint roadmap for long-term development of the wider Dadaab area.

6 BBC (2015). Kenya attack: 147 dead in Garissa University assault. <https://www.bbc.com/news/world-africa-32169080>

## RECOMMENDATIONS

It is evident that shaping a sustainable 'Future Dadaab' is an urgent project. This urgency is echoed by the recent government's order to close the refugee camps, which basically can be interpreted as a call for a paradigm shift to durable and long-lasting interventions for the protracted refugee crisis, as well as the sustainable development of the areas that have for decades hosted refugee camps in Kenya i.e. Kakuma-Kalobeyi and Dadaab. The assumption is that even with the closure of the camps, there will be a community living in Dadaab area, notably the host community, and with the assumption that there could be an opportunity to locally integrate and resettle some of the refugees in the area-considering the intermarriages and social networks that have evolved between refugees and the host community for decades. Importantly, this survey recognizes the challenges that loom for the local area's socio-economic development, drawing lessons from Lokichoggio town which declined immediately after refugee-assistance operations were withdrawn from the town.

Subsequently, a key recommendation proposed by this study is for Kenya government (national and county) and partners (UNHCR and support agencies) to consider undertaking a comprehensive Socio-Economic Impact Survey on the planned closure of the remaining camps. From that assessment, the partners could develop a strategy and mobilize funds for the long-term development of the area. Additionally, this survey puts forward the following considerations in designing such interventions for the future of Dadaab, while in the meantime addressing the urgent/prevaling socio-economic challenges:

- Undertake a Comprehensive Socio-Economic and Environmental Impact Assessment of the wider Dadaab area.
- Formulate a strategy for long-term development of Dadaab, and mobilize the necessary resources required to realize the strategy.
- Plan and provide vital local infrastructure with priority to attaining a reliable water supply system (capable of supporting domestic and economic production needs), sanitation, transportation and energy sector.
- Invest in regional connectivity infrastructure to link Dadaab with the wider socio-economic flows of the former North Eastern region.
- Invest in the area's Local Economic Development with priority to education and skills development for youth and enhancement of job creation opportunities.
- In supporting local economic development there is need also to invest in agro-ecological and irrigation studies to determine the potential of the area in crop production and also support livestock value chains and associated livestock market systems
- Explore opportunities for revitalizing infrastructure and services which were being provided at the decommissioned Ifo 2 and Kambioos camps and use the lessons for re-organizing such closure in such a way that there is clear handing over and management of such resources
- All stakeholders involved in the management of Dadaab to discuss how best to address the needs of both the host and the refugees in an integrated manner and also how should Dadaab look like when refugee community leave the camp. This is informed by the intertwined socio-economic characteristic of the area which is making the area to operate as one seamless system
- Invest in regional connectivity for Dadaab, by prioritizing making the area to be accessible by road all-season.
- Establish a multi-stakeholder program for addressing security of the area, and actively involve the local community leaders in this process. Link this process with the planning and investments for long-term development interventions needed for the area.

## CONCLUSION

This survey has simultaneously studied households and businesses, refugees, and host community in Dadaab. It is an approach intended to demonstrate the need for an integrated area-based intervention, as opposed to isolated or biased interventions that are selective of either refugee and host community, or that seek to advance housing socio-economic conditions without understanding how such conditions are influenced by the livelihood strategies that households rely on. Overall, the study has revealed the prevailing challenges confronting socio-economic development of the wider Dadaab area, such as over-reliance on the refugee-based economy, historical context of marginalization of the host community, poor infrastructure development and inadequate basic services, low education attainment levels, public safety concerns, environ-

mental challenges, political challenges, among other factors. The study also reveals the captive position of women in development matters due to their low level of education and exposure and the cultural practices which seem to give them little room to participate meaningfully in development matters and their role is limited to household chores with some prescribed gender defined economic activities such as selling milk. The study recommends an urgent shift towards mapping the future of Dadaab, a developmental approach, beyond the previous focus, dominated by humanitarian assistance. However, this proposition acknowledges the need for such shift to be executed in a gradual way. This is because the prevailing needs for humanitarian assistance remain a priority, just like the priority to focus on the long-term development of the area.



A boy seen inside a shop in Dadaab refugee camp in Garissa county, Kenya.  
© UN-Habitat/Julius Mwelu





# SECTION I: INTRODUCTION



Somali refugee line up at the World Food Program distribution center in the Ifo settlement at Kenya's Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu



# CHAPTER 1. INTRODUCTION

## Introduction

This research is part of a broader project which aims to propose a spatial development strategy for Dadaab. Unlike most of the previous studies that have primarily focused on refugees, this research focused on both refugees and host community, and went further to engage both households and businesses. This chapter outlines the purposes and objectives of the survey, introduces the study area, outlines the approach and methodology, and maps the organization of the report. The data was collected between May and June 2021.

## Purpose and Objectives of the Survey

The survey was designed to provide data and information to aid in the envisioning and formulation of strategic interventions for the local area development- the wider Dadaab area.

Key Objectives of the research were to:

- Establish socio-economic opportunities and challenges in the wider Dadaab area.
- Establish issues affecting businesses and local economic development in the aftermath of the closed camps (Ifo 2 and Kambioos).
- Undertake a rapid assessment of facilities in the area, as well as the spatial development and related issues.

- Synthesize the assessment of socio-economic conditions and local economic development, through, a policy perspective upon which to provide recommendations for potential interventions for the future of Dadaab.

Informed by the purpose and objectives, the survey framed four key questions, as follows:

1. What are the prevailing socio-economic conditions among refugees and the host community in the area?
2. What is the business environment and local economic development and how has it changed recently?
3. What is the status of spatial development in the area, and the current state and issues related to use of Ifo 2 and Kambioos sites?
4. What are the opportunities and challenges, and interventions needed for local economic development in the overall Dadaab area (considering the settlements in neighboring Fafi-Sub-county)?

## Study Area and Context

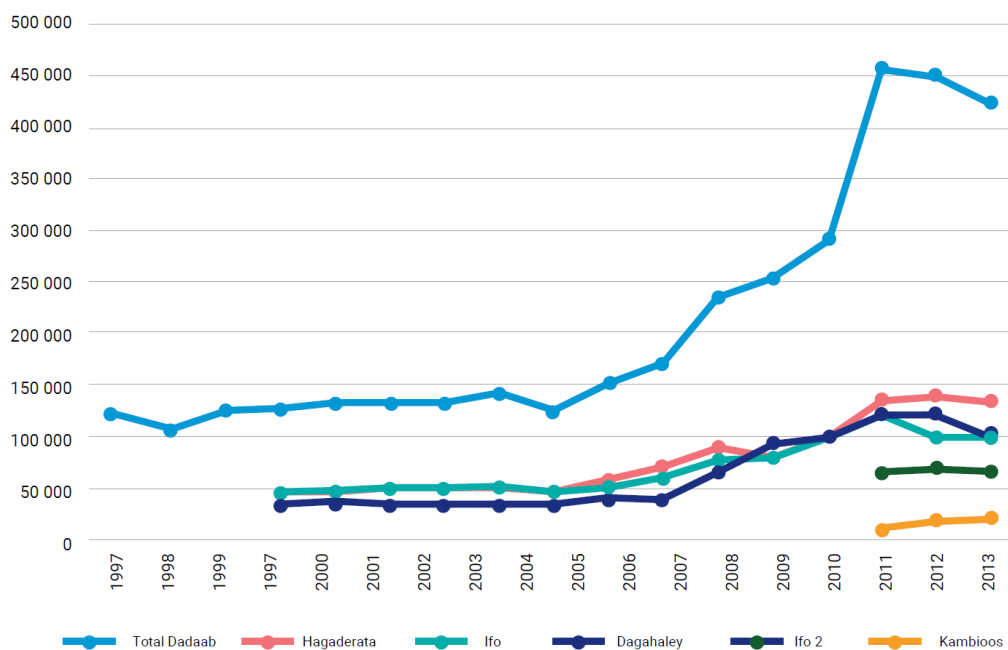
Established in 1991, Dadaab refugee complex in Garissa County is the largest refugee complex in Kenya. At some point in 2011, Dadaab was World's largest refugee settlement, with about or more than 500,000<sup>7</sup>. The camp was initially planned for 90,000 people (UNHCR, 2012)<sup>8</sup>. The high influx of refugees into this complex is mainly attributed to the long-term conflicts and political instability in neighboring Somalia-since the fall of the government in Mogadishu in 1991.

7 Herbling, D (2019). Kenya Plans End of 210,000 Strong Refugee Camp Near Somalia (<https://www.bloomberg.com/news/articles/2019-03-28/kenyan-government-renews-plans-to-close-dadaab-refugee-camp>)

8 UNHCR (2012). Dadaab - World's biggest refugee camp 20 years old (<https://www.unhcr.org/uk/news/makingdifference/2012/2/4f439dbb9/dadaab-worlds-biggest-refugee-camp-20-years-old.html>)

As of 2013, the complex comprised of Dagahaley, Ifo, Ifo 2, Hagadera, and Kambioos camps. At the height of famine in Somalia in 2011, Dadaab recorded the highest refugee influx, resulting in establishment of new camps: Kambioos and Ifo 2.

Figure 1.1 Dadaab Population Trends before the Tripartite Agreement-2013<sup>9</sup>



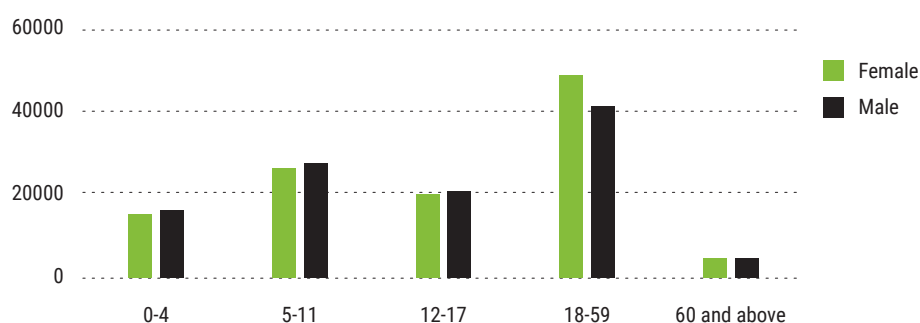
Source: Adapted from James (2013)

In 2013, the Kenya government announced plans to decommission the complex. This was followed by a Tripartite Agreement between Kenya, UNHCR and Somalia (Republic of Kenya, Government of Federal Republic of Somalia & UNHCR, 2013)<sup>10</sup>. In May 2016, the government of Kenya issued a statement that announced the establishment of a Taskforce on Repatriation of Refugees<sup>11</sup>. Following this, a voluntary repatriation program saw the consolidation and decommissioning of Ifo 2 and Kambioos camps. Kambioos refugee camp was closed on 31st March 2017 and Ifo 2 refugee camp was closed on 31st May 2018 (UNHCR 2019)<sup>12</sup>. As of March 2019, Dadaab had a population of 210,556 people, and by end of February 2019, 86,398 Somalis had been assisted to return to Somalia under the voluntary repatriation program (UNHCR, 2019). Currently the refugee population in Dadaab camps is reported as 228,308 persons (UNHCR, 2021)<sup>13</sup>. In March 2021, before conducting this survey, the Kenya government announced a policy shift, ordering the full closure of all refugee camps in the country (Aljazeera, 2021)<sup>14</sup>. In August 2022, the policy shifted towards consensus to keep refugee camps open in the country.

9 James, S (2013). Factors Associated with Maternal Anaemia in Dadaab Refugee Camp, Kenya: A Secondary Data Analysis. 10.13140/RG.2.2.12066.07365.  
 10 Republic of Kenya, Government of Federal Republic of Somalia & UNHCR (2013). Tripartite Agreement Between the Government of The Republic Of Kenya, The Government of The Federal Republic Of Somalia And The United Nations High Commissioner For Refugees Governing The Voluntary Repatriation Of Somali Refugees Living In Kenya, 2013. (<https://www.refworld.org/pdfid/5285e0294.pdf>)  
 11 UNCHR (2019). Operational Updates: Dadaab, Kenya (<https://reliefweb.int/sites/reliefweb.int/files/resources/March%202019%20-%20Dadaab%20Monthly%20Operational%20Updates.pdf>)  
 12 ibid  
 13 UNHCR (2021b). Statistical Summary as of 31 August 2021: Refugees and Asylum Seekers in Kenya (<https://www.unhcr.org/ke/wp-content/uploads/sites/2/2021/09/Kenya-Statistics-Package-31-August-2021.pdf>).  
 14 Aljazeera (2021). Kenya says Dadaab, Kakuma refugee camps to close next year (<https://www.aljazeera.com/news/2021/4/29/kenya-says-dadaab-kakuma-refugee-camps-to-close-next-year>)

Figure 1.2 Population of Dadaab as of August 2021

Dadaab Camp	Age Group	Sex				Total	
		Female		Male		#	%
		#	%	#	%		
0-4	15,868	7.0%	16,584	7.3%	32,452	14.2%	
5-11	26,788	11.7%	27,902	12.2%	54,690	24.0%	
12-17	19,668	8.6%	20,927	9.2%	40,595	17.8%	
18-59	49,280	21.6%	41,824	18.3%	91,104	39.9%	
60 and above	4,772	2.1%	4,695	2.1%	9,467	4.1%	
<b>Total</b>	<b>116,376</b>	<b>51.0%</b>	<b>111,932</b>	<b>49.0%</b>	<b>228,308</b>		

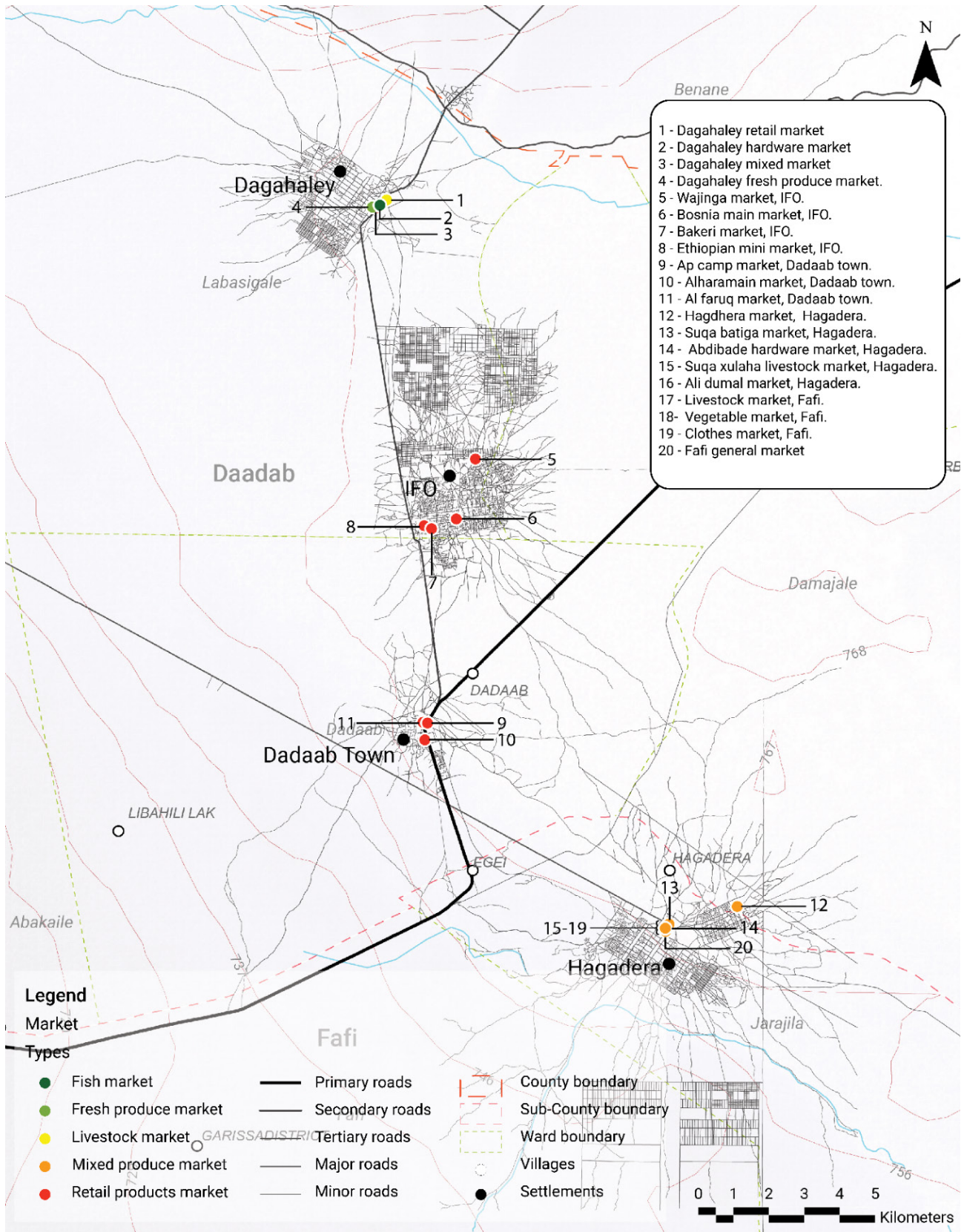


Source (UNHCR, 2021)

This project aims to contribute to interventions that seek to envision and imagine Dadaab beyond its status of refugee camps. It does so by recommending a spatial development strategy for the area. This project is therefore set in a context of prevailing policy uncertainties but with indications of shifting attention to long-term development for the Dadaab area, and overall, the refugee question in Kenya.

The socio-economic survey, which included collecting data from households and businesses, was conducted in Dadaab area covering both refugees and host communities. Geographically, the survey covered Dadaab, Ifo, Fafi, Dagahaley, Hagadera, Kambioos and Alinjigur. However, Ifo 2 and Kambioos camps had been closed at the time of this survey, and without communities on those sites, there were no participants although issues about those areas were featured in Key Informant Interviews (KIIS) and Focused Group Discussions (FGDs).

Figure 1.3 Study Area



Source: UN-Habitat/ Dadaab Socio-Economic Survey 2021



## Conceptual Approach and Methodology

The survey combined both quantitative and qualitative methods of data collection including applying Geographic Information Systems (GIS). The design of these methods was guided by a conceptual framework, which is discussed next.

### Conceptual Framework

The survey applied a four-dimensional (4D) analytical framework of interrelated dimensions, namely: (1) Spatial Dimension; (2) Economic Dimension; (3) Socio-political Dimension; and (4) Environmental Dimension.

Figure 1.4 Survey conceptual framework



Source: UN-Habitat/ Dadaab Socio-Economic Survey 2021

The surveys primarily focused on:

- Socio-Economic Conditions Survey- this targeted households, and key informants (including perspectives from local community leaders, county departments, organizations operating in the area, etc.)
- Rapid Profiling of Public Markets – to assess the nature and economic role of public markets in the refugee camps and host community settlements, notably Dadaab town.
- Businesses and Local Economic Development (LED) Survey – a quantitative and qualitative survey targeting local businesses, and key informants (including perspectives from local business leaders, support organizations, county departments etc.)

### Methodology

The survey relied on mixed-methods. This combined quantitative and qualitative techniques of data collection and analysis, including use of Geographic Information Systems (GIS) for spatial analysis.

These methods were applied for the two main research components, as follows:

1. Socio-Economic Survey that targeted households and residents.
2. Business and LED survey that targeted business activities and the related actors.

**Quantitative Data** – This relied on a Household Questionnaire, Business Questionnaires. The data entry form for profiling Public Markets was dominated by quantitative measurement. These tools were converted into digital format and administered through KoBoCollect. KoBoCollect is an Open-Data Kit used for primary data collection in humanitarian emergencies and other challenging field environments. The number of households sampled were 302, and 255 for businesses, with 22 markets profiled.

Table 1.1 Household Survey Sample

Location	No. of Household Interviews
Dagahaley	67
Ifo	49
Hagadera	60
Dadaab Town	50
Fafi Host Community	56
Dadaab Host Community (Outside the Town)	20
<b>Total</b>	<b>302</b>

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The Number of businesses sampled were 255 business operators.

Table 1.2 Business Survey Sample

Area	No. of Business Interviews
Host Community	
Dadaab	53
Fafi	42
Refugee Community	
Hagadera	54
Ifo	45
Dagahaley	61
<b>Total</b>	<b>255</b>

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

**Qualitative Data** – These data sets used Key Informant Interviews (KIIs) and Focused Group Discussions (FGDs). Most of the qualitative data was conducted through digital platforms due to Covid-19 protocols that required minimal face-to-face interactions and group meetings. A total of eighteen (18) KIIs and nine (9) FGDs were conducted. The participants for KIIs included: local leaders, long-term residents, representatives of support organizations and government agencies. The FGDs targeted residents of the area, with some specific to refugees or host community, and other mixing both refugees and host community.

**Spatial Profiling of Public Markets** – As indicated before, this tool was primarily quantitative, but combined with qualitative and mapping elements. Twenty (22) markets profiled were profiled in Dadaab Town, Ifo, Dagahaley, Fafi and Hagadera. This entailed using printed base maps combined with digital mapping applications (ArcGis Online tools, MAPinr, GPS Essentials and KoboCollect) and informal key informant interviews which informed the specifics of each market and settlement and the locality spatial issues, transect walks and observations.

For both qualitative and quantitative data collection, attention was paid to gender balance, age mix and area of residency when selecting participants. The data collection involved a team of Local Research Assistants (LRAs) who were trained and supervised on how to administer the tools. Furthermore, the research conducted desktop research which primarily focused on analyzing recent studies, the current Garissa County Integrated Development Plan (GCIDP II) and the statistics reported by Kenya's National Population Census of 2019. Table 1.1 and Table 1.2 indicate the sampling distribution of households and businesses.

### Survey Limitations and Measures Taken

The execution of this research faced several challenges. We encountered five key challenges, in which certain measures were applied to limit the negative impact presented to the research.

First being the language barrier. The survey tools were framed in English, and it required that they be translated to local languages i.e., Kiswahili and Somali languages during administration. The team of LRAs was crucial to managing this language challenge, and through their training, they were able to manage the translation. However, the research cannot entirely rule out the difficulties presented by translations such as loss of meanings and communication issues that arise.

Secondly, the survey was done during the COVID-19 pandemic. This affected how data collection tools were administered, with KIIs and FGDs most affected. The research had to utilize virtual

means and limited face-to-face KIIs and FGDs with COVID-19 protocols observed. The administration of the large samples relied on KoboCollect to limit handling of papers. KoboCollect also enabled LRAs to maintain social distancing while engaging the respondents. Face masking and other measures taken to prevent risks of COVID-19 transmission. However, the tensions during the time and fear of social contact cannot be assumed to have not affected how respondents reacted to the research, even when such measures were undertaken.

The third challenge had to do with the timing of the research. The fieldwork came just after the Government of Kenya (GoK) had announced closure of refugee camps. As a consequence of this, the survey landed on an atmosphere of uncertainty and suspicion in the community. Projects of this nature were viewed negatively. This affected the reception of the research, making some of the participants hesitant in providing adequate responses to some of the questions, especially those that sought to seek views about the future of the area, and personal plans for the future. To manage this, the survey team had to rely on local leaders to help coordinate field activities. The LRAs were thus retained as the front contacts, as people considered as outsiders were considered highly suspicious. The LRAs involvement was crucial to achieving the sample target, albeit the challenges that were presented by the prevailing social-political context.

Finally, there were insecurity challenges. The Research team had to rely on security escort and local advisories on securities on their movements. This created a tense environment and prevented access to certain areas such as the closed camp sites (Ifo2 and Kambioos). Again, the local leaders and LRAs provided the crucial link to administer the research, as the local assistants were better received by the communities than external researchers.

Despite these challenges, the team managed to attain the data collection targets, and the information that was generated is considered to have a satisfactory level of validity for the purpose and objectives earlier stated.

## The structure of the Report

This report is organized into three main Sections:

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SECTION I: with Chapter 1 presents the Introduction and Background of the research.



**Chapter One:** Introduction

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SECTION II: covers the findings from the Socio-Economic Conditions Survey. This survey primarily targeted households. The findings are presented in two chapters as follows:



**Chapter Two:** Refugee and Host Community Socio-Economic Conditions



**Chapter Three:** Housing, Amenities and Basic Services

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SECTION III: covers the survey on Businesses and LED, and is presented by two chapters as follows:



**Chapter Four:** Doing Business in Dadaab



**Chapter Five:** Utility Services for Businesses and Local Economic Development

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SECTION IV: which has Chapter 6.0, outlines recommendations from the research findings and provides a conclusion.



**Chapter Six:** Recommendations and Conclusion



# **SECTION II:** FINDINGS FROM HOUSEHOLDS SURVEY



Somali refugee line up at the World Food Program distribution center in the Ifo settlement at Kenya's Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

## CHAPTER 2. REFUGEE-HOST COMMUNITY SOCIO-ECONOMIC CONDITIONS

### Overview

The socio-economic conditions assessment explored population and demographics, household's composition, incomes and expenditure, health care, food security, mobility and communication, shelter access and basic services. This was done for both refugees and host community, including relating to their locations of residency.

### Dadaab Population

The socio-economic households' data collection was done between 26th of May 2021 to 06th of June 2021, covering 6 sampling units, covering a total of 302 households, with Dagahaley and Hagadera having the highest representation of households with 22.2% and 19.9%, respectively.

Table 2.1 Household data Distribution

Location	Frequency	%
Dagahaley	67	22.2
Ifo	49	16.2
Hagadera	60	19.9
Dadaab Town	50	16.6
Fafi Host Community	56	18.5
Dadaab Host Community (Outside the Town)	20	6.6
<b>Total</b>	<b>302</b>	<b>100</b>

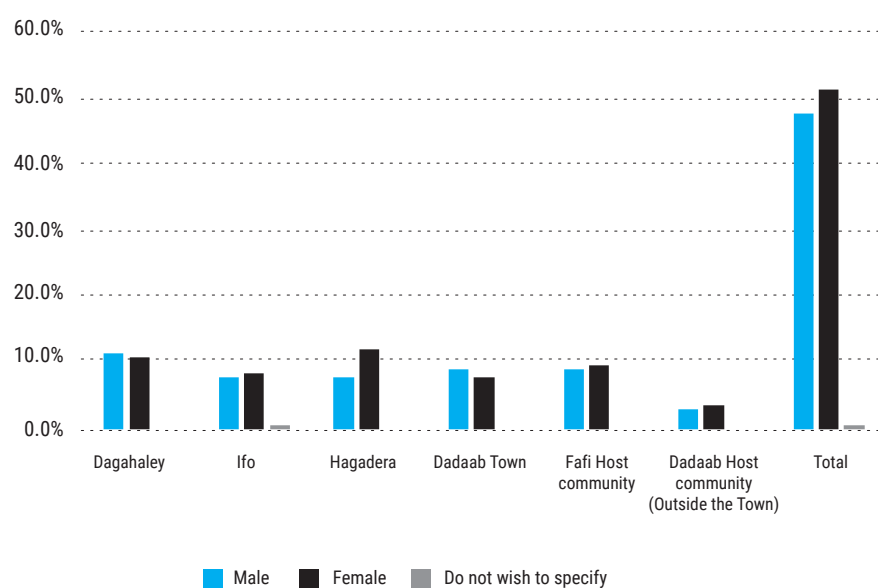
Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The gender breakdown shows a slightly higher percentage of female (51.7%) however male representation among refugee households seems to be higher at 34.0% as shown in Dagahaley and Dadaab town. Hagadera had the highest number of female respondents with more than 11.9% while Dadaab (Host community) had the least number of female respondents at 3.6%. On the other hand, only 0.3% of the respondents didn't specify their gender. The gender distribution is in line with UNHCR data which shows that the population of refugees in Dadaab (Dagahaley, Ifo and Hagadera) is 223,617 with 114,140 being female (51%) and 109,677 being male (49%)<sup>15</sup>.

15 UNHCR (2021a). Statistical Summary as of 01-Jan-2021: Refugees and Asylum Seekers in Kenya. <https://www.unhcr.org/ke/wp-content/uploads/sites/2/2021/02/Kenya-Statistics-Package-31-January-2021.pdf>



Figure 2.1 Households Gender Composition



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to KNBS (2019a), male population among the host community is higher than female in Dadaab (53.5%), Fafi (54.2%) and in Garissa generally (54.6%). The low representation of the male among the households interviewed may be attributed to the time of the survey, which was done during daytime, where men tend to be engaged in activities outside their houses hence not captured during the data collection. Findings indicate that the relationship of household members with the household head was either being a son or daughter accounting 67.9% and being spouse to the household head taking 28.2%.

Table 2.2 Population Size and Gender Dynamics

Area	Population	Male	Female	Male%	Female%
Kenya	47,564,296	23,548,056	24,014,716	49.5%	50.5%
Garissa	841,353	458,975	382,344	54.6%	45.4%
Dadaab	185,252	99,059	86,158	53.5%	46.5%
Fafi	134,040	72,617	61,413	54.2%	45.8%

Source: KNBS (2019a)<sup>16</sup>

The primary occupation of the household members were students (43.4%), a sizeable portion of household members were either unemployed or too young to work. It also emerged that out of those surveyed, a slightly larger portion of host (4%) are engaging in livestock keeping and trade as compared to refugees (0.3%). According to KNBS (2019a) majority of those employed are male with Garissa county (56.3%), Fafi (56.5%) and Dadaab (55%).

16 KNBS (2019). Kenya Population & Housing Census 2019- Volume 1: Population by County and Sub-County. <http://housingfinanceafrica.org/app/uploads/VOLUME-I-KPHC-2019.pdf>

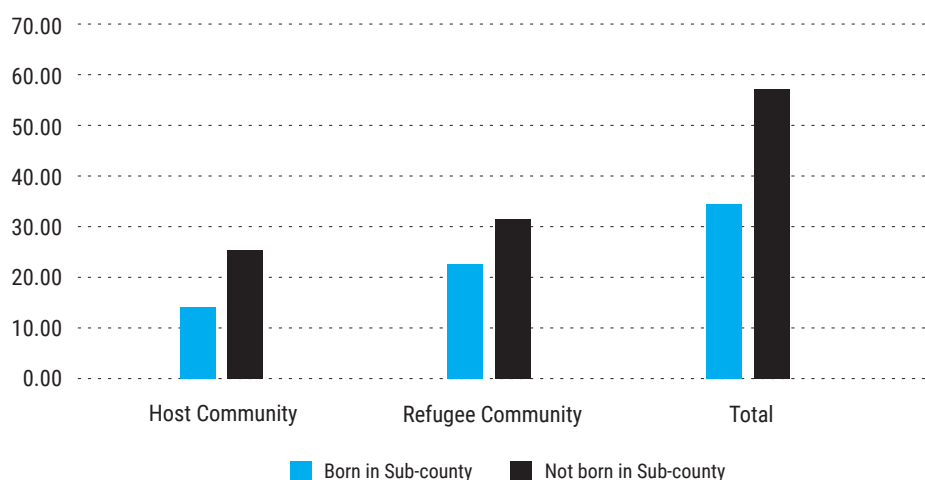
Table 2.3 Household Members Primary Occupation

Household Members Primary Occupation	Host	Refugee	Total
Cannot work due to illness/injury	0.7%	0.3%	1.0%
Unemployed	6.3%	11.2%	17.4%
Farmer	0.3%	0.0%	0.3%
Salaried employee	2.3%	6.3%	8.5%
Formal business owner	2.6%	3.0%	5.6%
Informal business owner	0.3%	0.3%	0.7%
Casual laborer	2.6%	2.6%	5.3%
Caregiver	0.3%	1.0%	1.3%
Student	15.4%	26.0%	41.4%
Child (too young for work)	4.6%	7.9%	13.5%
Housewife	0.3%	0.3%	0.7%
Livestock keeping and trade	4.0%	0.3%	4.3%
Clergy	0.7%	0.0%	0.7%
Pension	0.3%	0.0%	0.3%
<b>Total</b>	<b>40.8%</b>	<b>59.2%</b>	<b>100.0%</b>

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

A sizeable composition of the respondents (39.5%) were born in Dadaab or Fafi sub-county. 24.3% of the refugee households' respondents were also born in the two target sub-counties. Majority of those who were not born in the two sub-counties were either from the nearby villages, another camp, other parts of Kenya and other countries (Somali, Ethiopia, Sudan and South Sudan).

Figure 2.2 Respondents born in Dadaab or Fafi Sub-Counties

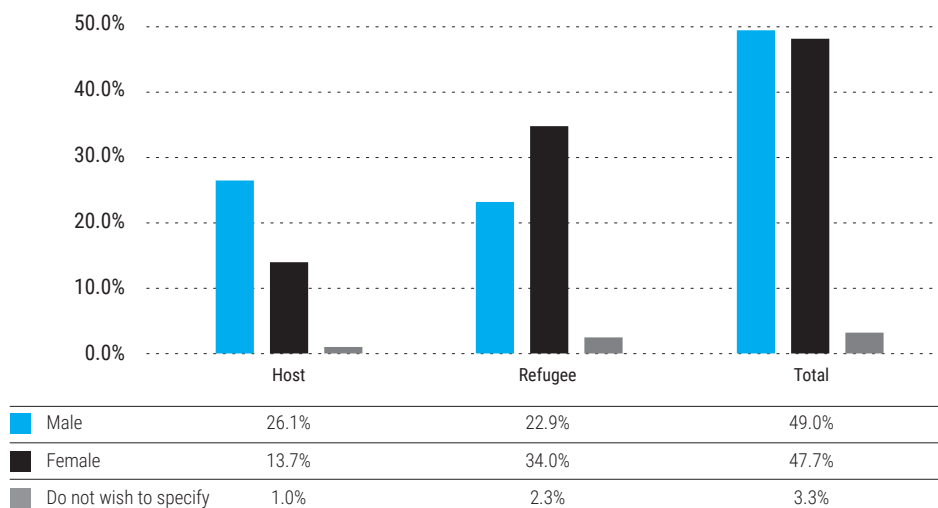


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

### Household Composition and Demographics

There was an overall slight difference in the household gender composition with male accounting for 49% and female 47.7%. Male dominance was higher among the host households (26.1%), while female dominance was recorded among refugee households (34.0%).

Figure 2.3 Household Gender



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

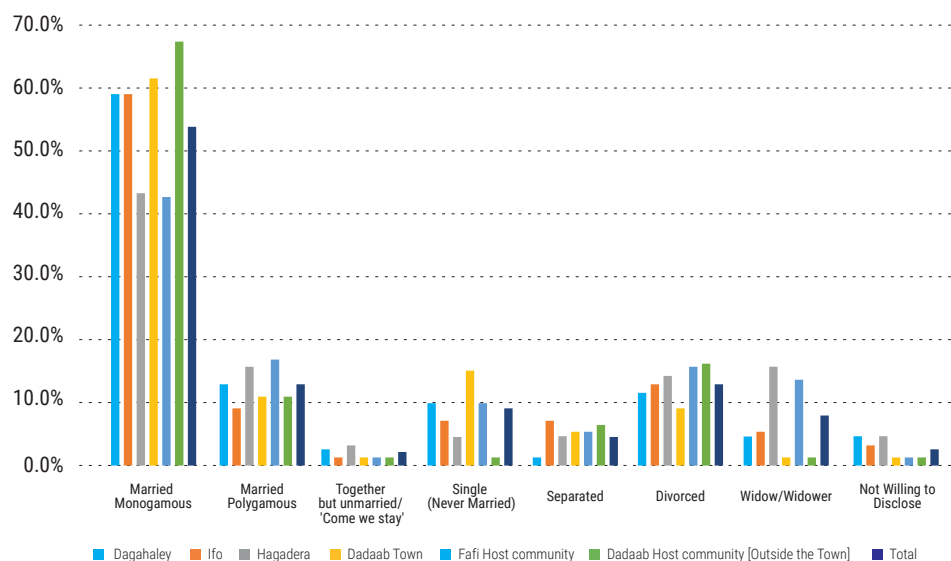
Majority of the respondents (70.0%) reported to be in monogamous marriage, while a sizeable portion 12.3% and 11.9% are in polygamous marriage and divorced respectively. ‘Come we stay’<sup>17</sup> relationships were found to be by 1.5% and 1.7% in Dagahaley and Hagadera respectively while widow/widower is highly reported in Hagadera and Fafi.



Somali refugee line up at the World Food Program distribution center in the Ifo settlement at Kenya’s Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

17 ‘Come-we-stay’ unions usually arise where a man and a woman commence living together as husband and wife and even have children without formalizing of their union

Figure 2.4 Respondents Marital Status



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Majority of the households reported that their family type to be joint-husband and wife present on regular basis, followed by single women parenthood or divorced families.



Somali refugee line up at the World Food Program distribution center in the Ifo settlement at Kenya's Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

Table 2.4 Household type

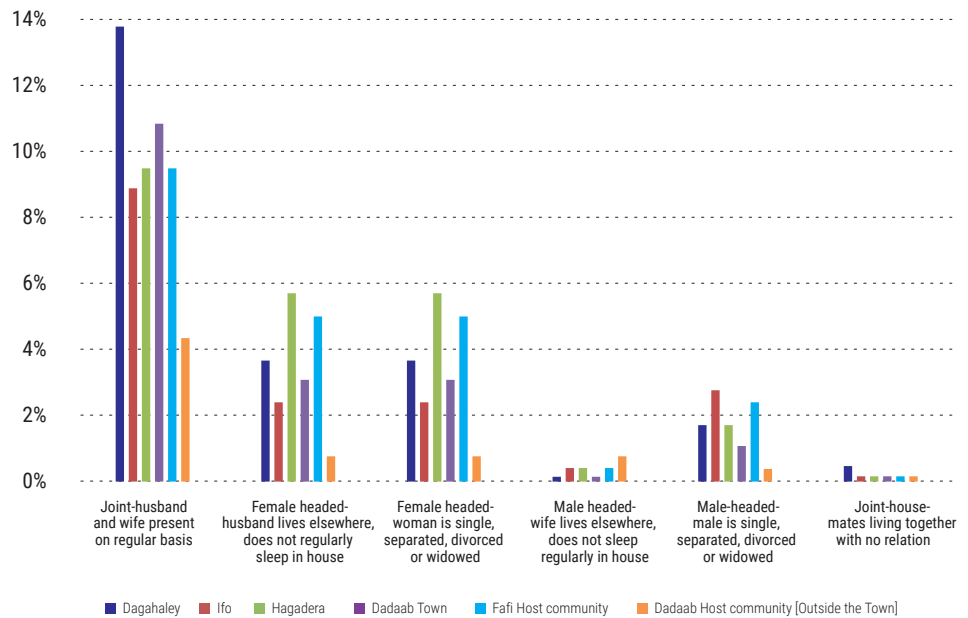
Household Type	Frequency	Percent
Joint- husband and wife present on regular basis	173	57.3
Female headed- husband lives elsewhere, does not regularly sleep in house	33	10.9
Female headed- woman is single, separated, divorced or widowed	61	20.2
Male headed- wife lives elsewhere, does not sleep regularly in house	5	1.7
Male-headed- male is single, separated, divorced or widowed	29	9.6
Joint – housemates living together with no relation	1	.3
<b>Total</b>	<b>302</b>	<b>100.0</b>

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)



In Dagahaley, most households were characterized by a Joint- Husband and wife present on regular basis household typology with more than 13% followed closely by Dadaab town residents (10%) as depicted by figure 2.5.

Figure 2.5 Comparative analysis of Household typology based on location



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Age distributions indicate that the modal age of the respondents was found to be between 36-40 years and that majority (65.2%) were 40 years and below which is fairly youthful, with few (7.3%) recording 55 years and above. On the other hand, Fafi (Host community) had the highest (10%) occurrence of female headed households with the female head either divorced or single as shown in the figure above. It was however found that the households mean age is 18.8 years. Which shows that the households have fairly youthful family members. KNBS (2019e) shows that the population for both Fafi and Dadaab is fairly youthful with Dadaab population 154,604 out of 185,244 accounting for 83.5% being below 35 years while Fafi's population size of 113,734 out of 134,030 accounting for 84.9% being below 35 years. This creates heavy demand for educational facilities, health and recreational spaces such as playgrounds.

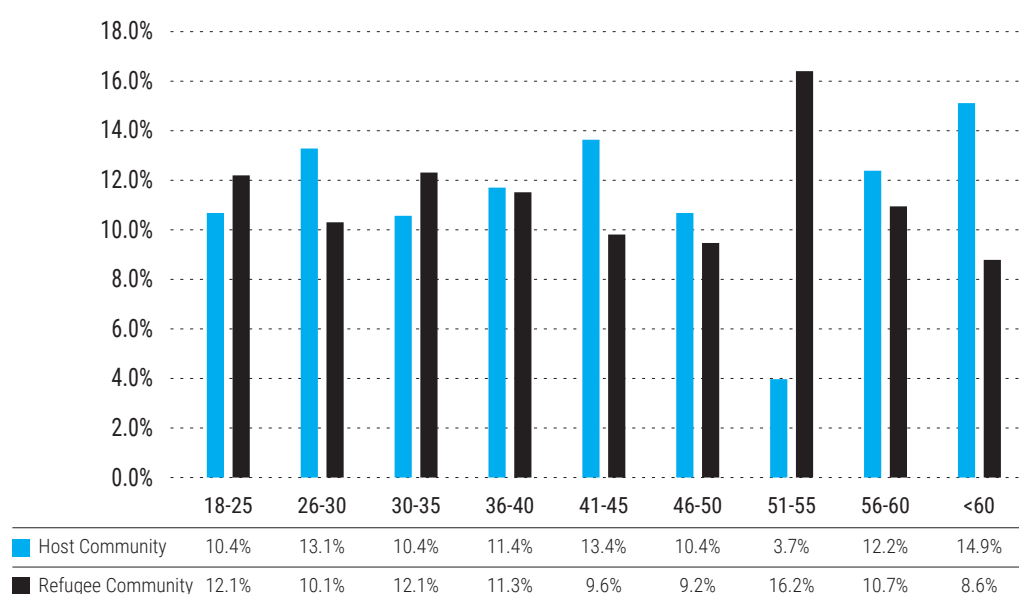
Table 2.5 Respondents Age Distribution

Age Distribution	Frequency	Valid Percent
18 – 25	15	5.0
26 – 29	44	14.6
30 – 34	58	19.2
35 – 40	80	26.5
41 – 44	41	13.6
45 – 49	28	9.3
50 – 54	14	4.6
55 – 59	15	5.0
>60	7	2.3
<b>Total</b>	<b>302</b>	<b>100.0</b>

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The refugee had highest representation in the age category of 51-55 years, with the host dominating those who are above 60 years and 40-45 years' category. It was also noted that female is highly represented in the age category of 18-25 up to 35-45 years with male dominating the other age categories, the dominance of female in this age category is critical in terms of health related services they may require as this is also the age of child-bearing and child care for many women, given the cultural practices among the refugee and host community where women get married at tender age.

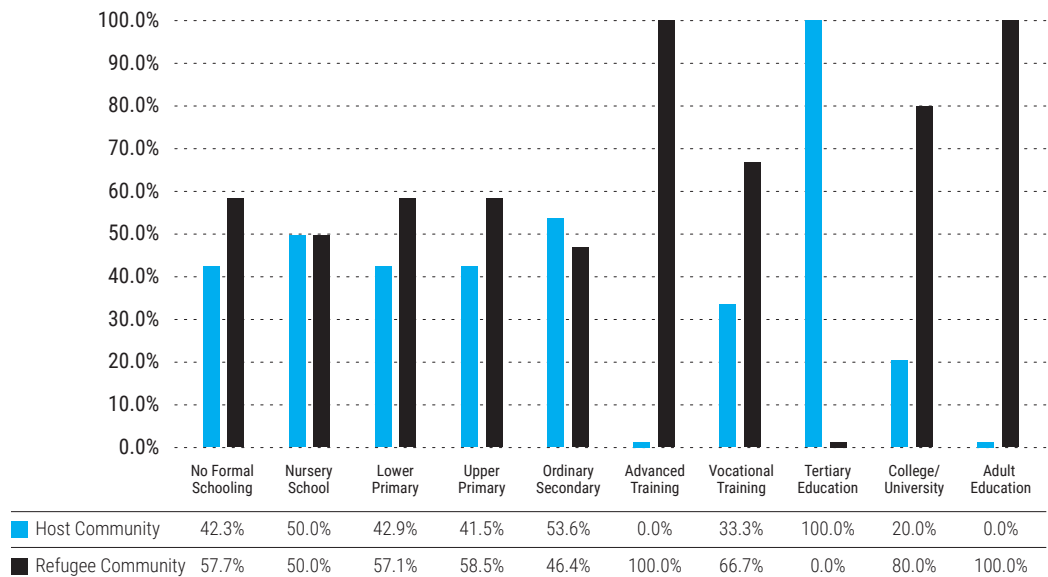
Figure 2.6 Comparative Age Distribution



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Both host and refugee community were represented in almost all levels of education with refugees dominating advanced secondary, adult education and college/university levels of education. Of great concern is that a sizeable population among host (42.3%) and refugee (57.7%) community reported to have either no formal schooling with nursery school (50%) as their highest level of education.

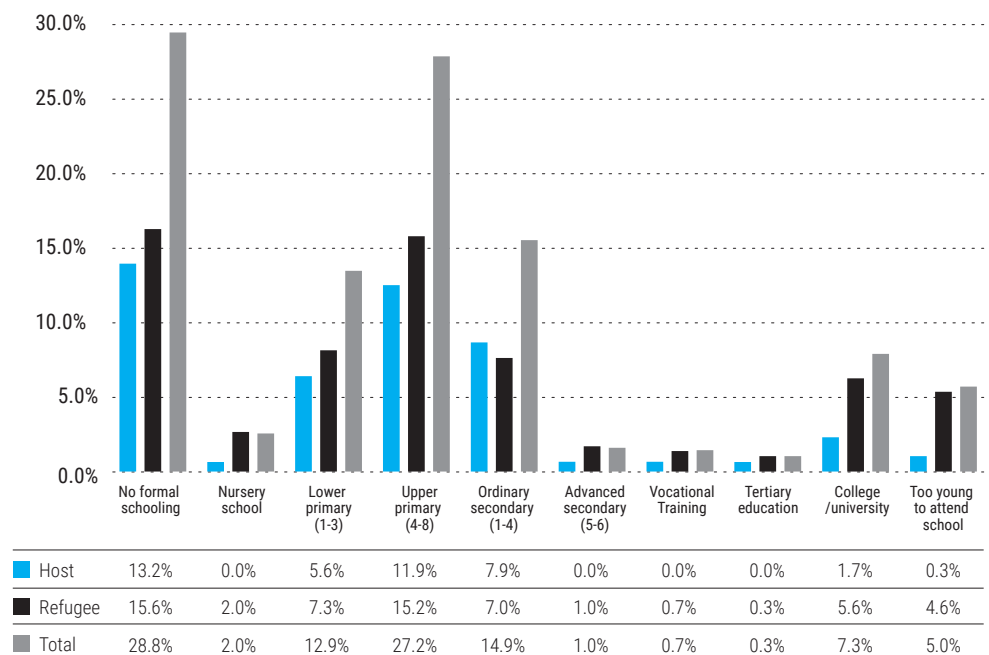
Figure 2.7 Highest Education Attainment by the survey respondent



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Household members’ overall education analysis indicate that 27.2% had attained upper primary level of education, 14.9% ordinary secondary level and 12.9% lower primary. One of the emerging concerns is that 54.2% of refugees had no formal schooling. On gender and education attainment, female households’ members outshined male counterparts at ECDE and Adult education level at (63.9%) and 56.8% respectively while male household members emerged as majority at Upper Primary, Advanced Secondary at 67.9% and 80%. This is an indication of girl-child school retention challenges attributed to cultural practices and beliefs among others.

Figure 2.8 Highest levels of education recorded as attained by household members



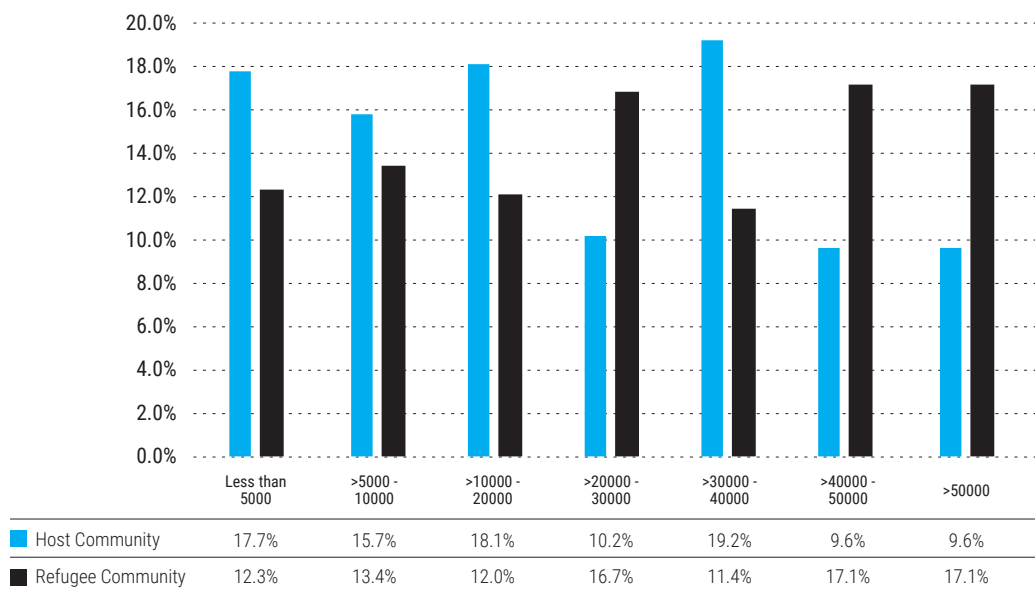
Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

## Household Incomes and Expenditure

### Incomes and Livelihoods

Refugee community households reported higher income levels, where they are highly represented in households earning above Kenya Shillings 40,000 and above. This finding confirms other findings in Turkana West sub-county (UN-Habitat, 2021)<sup>18</sup> where refugee's household income was found to be higher than the host given their networks and stability of the activities they engage in as compared to the host who were found to mostly engage in pastoralist lifestyle which is prone to harsh climatic conditions. Female headed households dominated those earning less than Kshs. 5,000 per month at 63.5% while male headed households earning more than Kshs. 20,000.

Figure 2.9 Comparative Households Income Levels



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)



Women selling camel milk in Dadaab Town. © Stephen Mutungi

18 UN-Habitat (2021a). Socio-economic Development in Turkana West, Kenya. A Survey on Socio-economic Conditions.



In terms of sources of income and livelihoods, both host and refugee communities reported businesses as their major source of livelihoods, with the host dominating formal employment sector and livestock keeping as their other sources of livelihoods.

It was also found that both host and refugee community also rely on remittances from relatives living in Nairobi and abroad and that refugees rely on support from humanitarian organizations which reduces their monthly expenditure on basic needs such as food and education. Most host community (52.4%) reported to have secondary source of income as compared to refugees 25.1%.

On the other hand, both refugees and the host communities with the support of NGOs in the region were systematically embracing more adaptive and alternative ways of earning a living. At the epitome of this shift was irrigation schemes which according to the residents were playing a major role towards cultural shift and realizing food security among the communities.

“... the irrigation project supplies fresh produce to markets in Dadaab, Hagadera and local residents who walk in for the fresh vegetables a thing that was never heard before.” — **Said a local resident.**

In comparing different locations income levels, the study findings indicate that Fafi (30.4%) led in households earning less than Kshs 5,000, Hagadera households dominated households earning between Kshs 5-10,000 (46.7%), Dadaab host community households led in those earning Kshs 10-20,000 (55%) and Dagahaley led in households earning Kshs 40-50,000 and Kshs. 50,000 and above respectively as shown in table 2.6. It can generally be observed that a slightly higher percentage of refugee community were earning more than Kshs. 40,000 and above which cumulatively account for 9.7% (Dagahaley, Ifo & Hagadera) as compared to the host 3.6% represented by (Dadaab and Fafi) respectively.



An irrigation initiative in Dagahaley. © Martin Muriithi

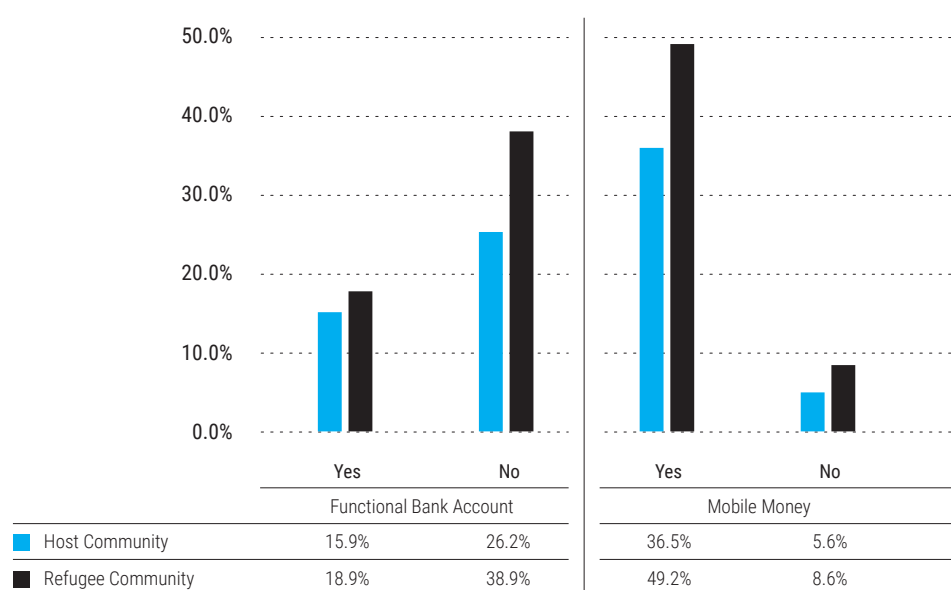
Table 2.6 Households Comparative Income Levels

Households Income	Dagahaley	Ifo	Hagadera	Dadaab Town	Fafi Host community	Dadaab Host community [Outside the Town]	Total
Less than 5,000	19.4%	14.3%	13.3%	12.0%	30.4%	5.0%	17.2%
5 – 10,000	26.9%	32.7%	46.7%	42.0%	26.8%	35.0%	34.8%
10 – 20,000	32.8%	30.6%	18.3%	32.0%	25.0%	55.0%	29.5%
20 – 30,000	11.9%	12.2%	18.3%	8.0%	7.1%	5.0%	11.3%
30 – 40,000	3.0%	8.2%	1.7%	6.0%	7.1%	0.0%	4.6%
40 – 50,000	3.0%	0.0%	1.7%	0.0%	1.8%	0.0%	1.3%
>50,000	3.0%	2.0%	0.0%	0.0%	1.8%	0.0%	1.3%
<b>Total</b>	<b>22.2%</b>	<b>16.2%</b>	<b>19.9%</b>	<b>16.6%</b>	<b>18.5%</b>	<b>6.6%</b>	<b>100.0%</b>

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

It was noted that most households (86%) rely on mobile money services, with slightly more than a third (35%) owning functional bank account. The refugee community reported slightly higher proportion for households accessing these financial services. Overall only 34.9% of all the respondents had functional bank accounts.

Figure 2.10 Households owning functional bank Accounts and use of mobile money transfers



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)



## Household Expenditure

Majority of the households were spending less than Kshs. 20,000 per month which is cumulatively reported by 85.4% of the households. This compares well with households' income where 92.8% of the households to earn up to Kshs. 30,000 per month.



Mwangaza primary school in Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

Table 2.7 Monthly Households Expenditure

Monthly Expenditure in Kshs	Dagahaley	Ifo	Hagadera	Dadaab Town	Fafi Host community	Dadaab Host community [Outside the Town]	Total
less than 5000	13.4%	10.2%	8.3%	12.0%	17.9%	0.0%	11.6%
>5-10,000	38.8%	38.8%	53.3%	56.0%	39.3%	55.0%	45.7%
>10-20,000	29.9%	32.7%	23.3%	14.0%	35.7%	40.0%	28.1%
>20-30,000	10.4%	14.3%	11.7%	14.0%	1.8%	5.0%	9.9%
>30-40,000	6.0%	4.1%	3.3%	4.0%	0.0%	0.0%	3.3%
>40 - 50,000	0.0%	0.0%	0.0%	0.0%	3.6%	0.0%	.7%
> 50,000	1.5%	0.0%	0.0%	0.0%	1.8%	0.0%	.7%

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

## Education and Training

This section will highlight access to various facilities and services. The services and facilities to be discussed here are education, health, water, and energy.

### Education Facilities and Services

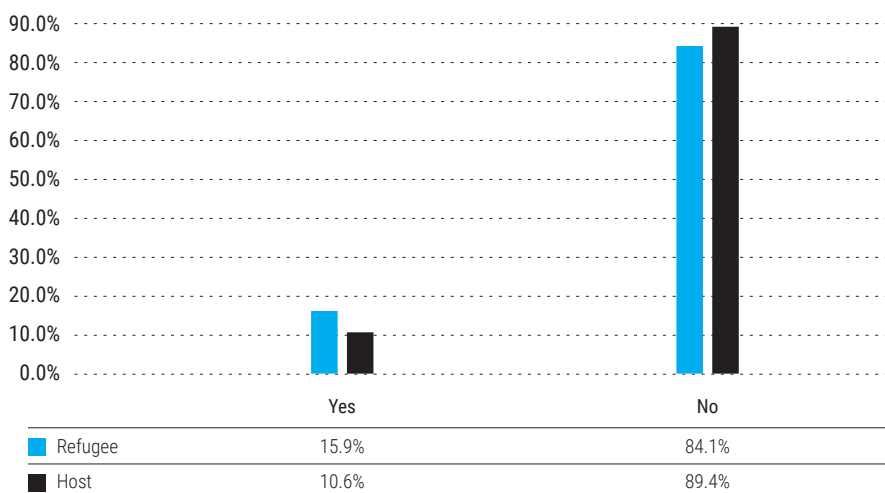
In terms of access to basic education, both refugees and the host communities showed change of attitude towards education as insinuated by a resident in Fafi, "... with unsustainable cultural approaches to development evidenced by high cost of living and failing rains compounded by insecurity, the only hope our children have and in order to have a second chance to life both abroad once resettled there and if in any case we go back home is their ability to read and write."

### Access to Early Childhood Development (ECDE) Education Facility

Both refugees and host communities reported having access to ECDE facilities and services, but with higher portion 58.8% of refugees having access as compared to host 41.3%. It was also reported that some of the facilities had students from both host and refugee communities, the facilities mentioned as hosting both communities are as follows; Dadaab Primary School, Daidai, Iftini, Juba, Towfiq Integrated Academy, Umoja and Undugu<sup>19</sup>.

The facilities were operated by Non-Governmental Organizations (NGOs), County Government of Garissa and the private sector. Most of the host community reported longer walking duration to access ECD facilities, taking an average of 15 minutes as compared to the refugee 10 minutes.

Figure 2.11 Access to Early Childhood Education facility

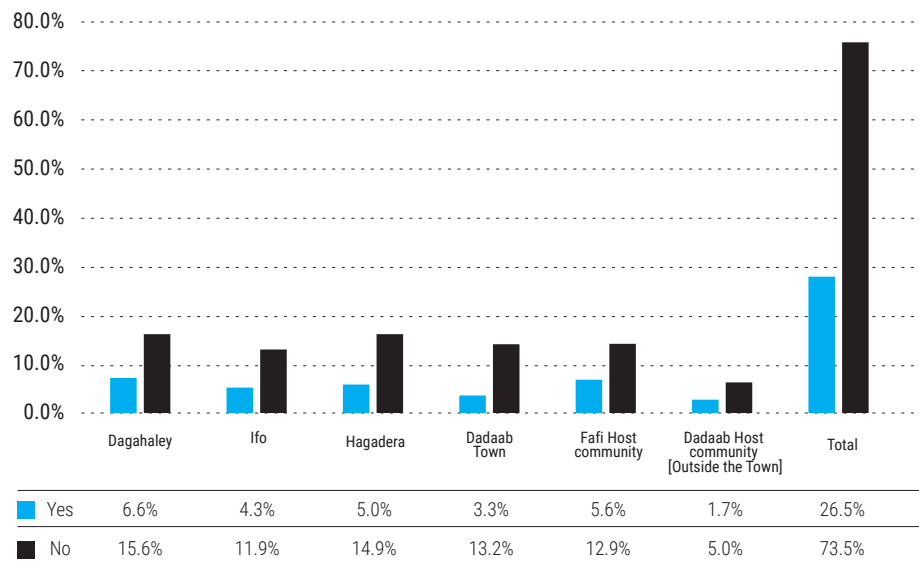


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

19 Some of the Primary School have ECDE Facilities



Figure 2.12 Comparative Access to ECDEs by Location



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

**Primary School Facilities**

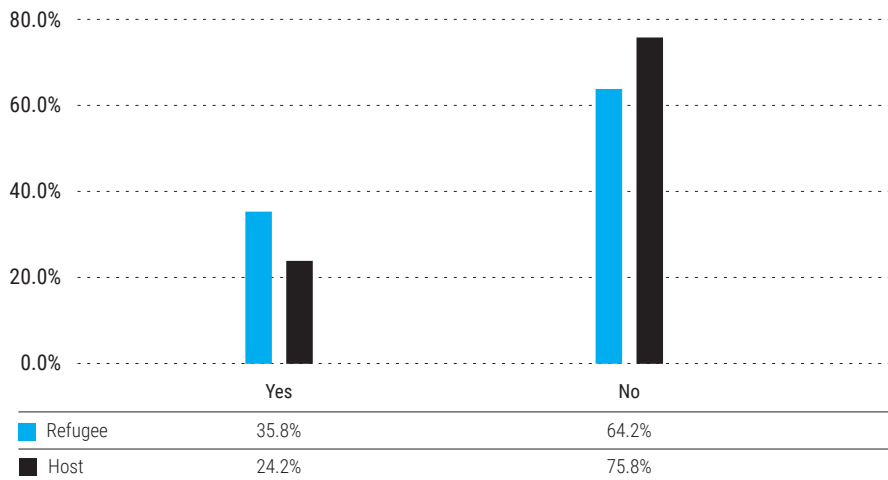
Just like ECD, refugees and host community households reported access to primary education facilities and services, but with higher portion 51.7% of refugees having access as compared to 48.3% of hosts. It was also reported that some of the primary facilities had students from both host and refugee communities, the facilities mentioned as hosting both communities are as follows; Dadaab Primary School, Daidai, Iftini, Juba, Towfiq Integrated Academy, Umoja, Upendo, Fafi, Hagadera, Central and Undugu primary school. The schools were found in the camps and around settlements near main centres.

The schools were operated by Non-Governmental Organizations (NGOs), County Government of Garissa and the private sector. Most of the host community households spend longer walking duration to access primary facilities. The longest walking duration was reported to be 50 minutes and the shortest being 3 minutes. The host community also reported that 54.8% as compared to 45.2% primary education facility distance were not walkable hence have to use motorized means of transport to primary school.



A primary school in Fafi accommodating learners from both refugees and host communities. © Stephen Mutungi

Figure 2.13 Access to Primary Education facility



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

A higher representation refugee community household (51.3%) reported to have access to secondary facilities. This was noted to be mainly in terms of physical but to a larger extent due to household's financial capability. This was attributed to the superior financial power of the refugee, and the bursary or scholarship support they get from various humanitarian organizations.



A secondary school facility in Ifo camp. © Francis Theuri.

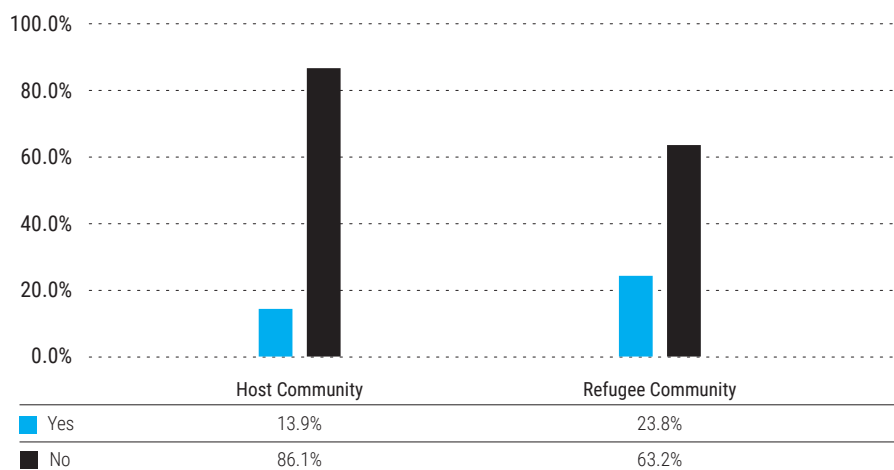


It was also reported that some of the secondary facilities had students from both host and refugee communities, the facilities mentioned as hosting both communities are as follows; Al-bushra, Aljugur, Borehole 5, Dagahaley Tawakal, Dadaab secondary School, Garissa High, Haji Id-riss, Ifo, Waberi, and Towfiq Integrated Academy secondary school.

The schools were operated by Non-Governmental Organizations (NGOs), County Government of Garissa and the private sector. Most of the host community households spend longer walking

duration to access primary facilities. The local secondary schools were in dense areas which happen to be near existing centers and settlements, which tend to favor those living in the centers such as Dadaab and Hagadera. Since households have to pay for secondary school and some households children go to Garissa high school and spend around 2 hours to access Garissa, it is hard to use the physical access as a sole measure of comparing access to secondary schools between host and refugee community.

Figure 2.14 Access to Secondary Education facility



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)



Mwangaza primary school in Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

Many refugee community households reported access to vocational, middle level and university education, with host community leading in access to adult education as indicated in Table 2.8. According to UNHCR (2017)<sup>20</sup>, Dadaab Refugee Camp has 35 pre-school centres, 35 primary schools, 7 secondary schools, 6 primary accelerated learning centres, 3 secondary accelerated learning centres and 4 Technical and Vocational Education and Training (TVET) centres.

This may explain the reason why most refugee households felt that they have good access to educational facilities, due to the existing numbers and proximity of the facilities to the refugee camps.

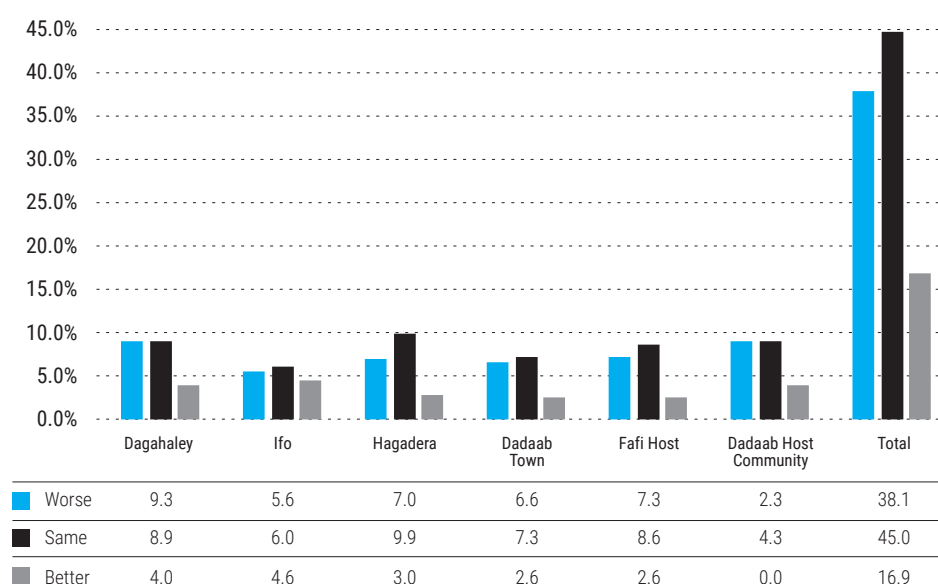
Table 2.8 Access to Other Educational facilities as indicated by households

Education Facility/Level	Host Community		Refugee Community	
	Yes	No	Yes	No
Vocational	2.0%	98.0%	3.0%	97.8%
Mid-Level College	0.3%	99.7%	2.0%	98.0%
University	6.0%	94.0%	12.3%	87.7%
Adult Education	1.4%	98.6%	0.3%	99.7%

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

In rating the education services, Dagahaley, Fafi and Hagadera lead in the percentage of households feeling that the services have either worsened or remained the same. A sizeable portion of all the households feel that the education has remained the same (45.0%). Majority of female respondents (56.5%) rated access to education in the last 5 years to be worse. Findings also indicate that majority (52.5%) of the refugee members of household school-going age were not in school as compared to hosts 47.5%.

Figure 2.15 Comparative rating of education service access in the last 5 years



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

20 UNHCR (2017). Out of School Children Assessment in Dadaab Refugee Camp. <https://werk.co.ke/wp-content/uploads/2019/02/OUT-OF-SCHOOL-CHILDREN-ASSESSMENT-REPORT.pdf>





Public space in Ifo camp in Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

Most of the households (90%) reported to take a maximum of 15 minutes to access primary education facilities by walking, a higher portion of households (33.2%) reported to access secondary schools by motorised transport as the distance is not walkable. The distance worsened for vocational training (79%) of households admitting that vocational training facilities are beyond walkable distance. On long walk duration by households in towns such as Dadaab and Fafi to ECDE, this may be explained by two instances namely; a) preference by some households to go for education services provided in the camps, since they are believed to be well equipped and their children are also given free food in a regular manner hence sacrificing a fairly long walk to access these facilities, and b) the challenge of teachers in most public schools, where teach-

ers from other parts of Kenya left due to fear of their security which makes parents feel that the quality of the education provided at ECDE level is compromised, hence prefer either walking to the facilities in the refugee camp or local schools who seems to have maintained a good caliber of local teachers.

Another interesting finding is that some refugee and host community households prefer private schools because of several reasons, as noted by the education key informant, due to low qualifications of NGOs volunteer teachers, refugee parents who can afford spending some family resources, prefer taking their children to private schools, this was also observed among the host families who are not comfortable with the quality of education offered in public schools

after the departure of Teachers Service Commission (TSC) qualified teachers from the area due to insecurity. These findings are partially supported by Duale et al (2019)<sup>21</sup>, who noted that the poor quality of schools run by NGOs has led in recent years to a growth in the number of private schools, which charge the equivalent of US \$15 per month to attend primary school and \$30 to attend secondary school. These fees are prohibitive for most refugee families in the Dadaab camps, who rely on humanitarian assistance.

**Table 2.9 Comparative Duration in Minutes taken to Travel to Access Educational facilities**

Education Services	Duration Taken in Minutes	Dagahaley	Ifo	Hagadera	Dadaab Town	Fafi Host community	Dadaab Host community [Outside the Town]	Total
Primary	5	6.0%	16.3%	6.9%	6.3%	7.1%	20.0%	9.1%
	6-10	26.9%	30.6%	29.3%	20.8%	12.5%	15.0%	23.5%
	11-15	25.4%	16.3%	13.8%	16.7%	28.6%	25.0%	20.8%
	above 15	34.3%	30.6%	39.7%	39.6%	41.1%	25.0%	36.2%
	Not walkable distance	7.5%	6.1%	10.3%	16.7%	10.7%	15.0%	10.4%
Secondary	5	0.0%	0.0%	0.0%	0.0%	3.6%	0.0%	.7%
	6-10	7.5%	16.3%	10.5%	8.2%	12.5%	15.0%	11.1%
	11-15	17.9%	14.3%	19.3%	10.2%	10.7%	5.0%	14.1%
	above 15	41.8%	44.9%	36.8%	46.9%	32.1%	50.0%	40.9%
	Not walkable distance	32.8%	24.5%	33.3%	34.7%	41.1%	30.0%	33.2%
Vocational/Tertiary	5	1.5%	4.1%	1.8%	4.1%	1.9%	0.0%	2.4%
	6-10	1.5%	4.1%	1.8%	4.1%	1.9%	0.0%	2.4%
	11-15	0.0%	2.0%	5.3%	0.0%	1.9%	5.0%	2.0%
	above 15	10.6%	16.3%	12.3%	30.6%	18.5%	10.0%	16.6%
	Not walkable distance	87.9%	77.6%	80.7%	65.3%	77.8%	85.0%	79.0%

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Despite the distance issues, it was reported that most households are able to access primary and secondary schools due to support by NGOs and Government of Kenya policy on free primary education, and other support opportunities by the County and National government such as bursaries.

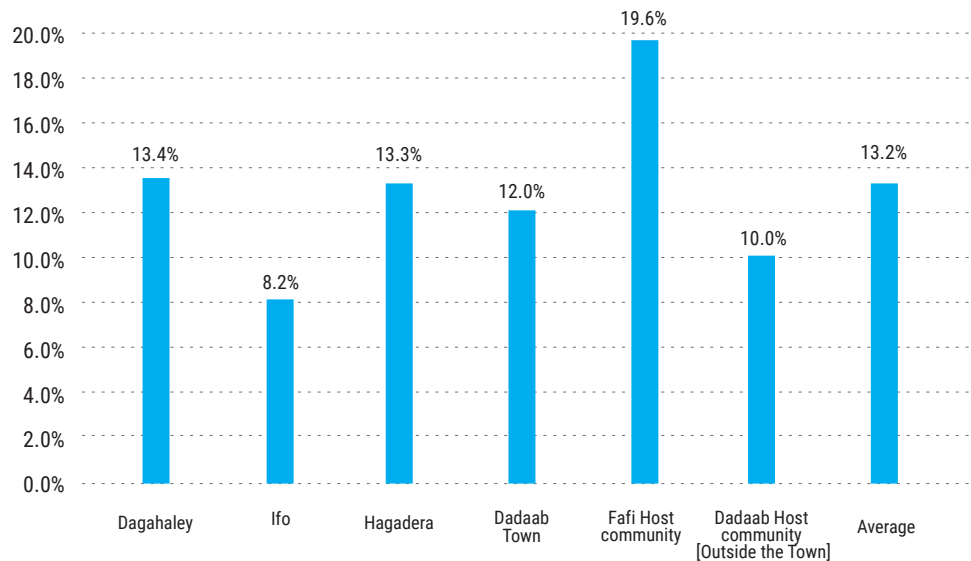
However, it was noted that some households are unable to afford the required items for both primary and secondary education such as purchasing uniforms and books, fees where required. According to Orodho et al (2013)<sup>22</sup>, In fact, even with the current Free Primary Education (FPE) and Free Day School Secondary Education (FDSE) in Kenya, the latent cost of education in terms of buying uniforms, building fund and transport becomes a real burden. And in a region as poor as Garissa County, a policy that makes parents responsible for maintaining the nation's primary and secondary school infrastructure as well as meeting the other hidden cost of education is bound to lead to falling enrollments and low quality of educational attainment as has been observed in the un-packed enrollment and participation rates within the sub counties of Garissa County. As a result, the PFE and FDSE do not seem to be meeting the intended goals due to the high latent cost of education.

21 Duale, M., Leomoi, O., Aden, A., Oyat, O., Dagane, A. & Abikar, A. (2019). Teachers in Displacement. Learning from Dadaab. Education needs, rights & access in displacement. [duale-leomoi-aden-oyat-dagane-abikar.pdf](https://www.fmreview.org/duale-leomoi-aden-oyat-dagane-abikar.pdf) (fmreview.org)

22 Orodho, J.A., Waweru, P.N., Getange, K.N. & Miriti, J.M. (2013). Progress Towards Attainment of Education for All (EFA) among Nomadic Pastoralist: Do Home-based Variables Make a Difference in Kenya? Research on Humanities and Social Sciences [www.iiste.org](https://www.iiste.org) ISSN 2222-1719 (Paper) ISSN 2222-2863 (Online) Vol.3, No.21, 2013. <https://core.ac.uk/download/pdf/234673738.pdf>

Other challenges include those with cultural origins that can take children out of school. For example, it’s common for young boys to be engaged in livestock activities and for young girls to be married off at an early age before completing their schooling. Gender inequality and social bias against girls, operate in association with other factors such as the revelation by UNHCR (2019)<sup>23</sup> that 65% of refugee teachers do not have recognized teaching qualifications. Findings indicate that 13.2% of households reported having household members of school-going age who are out of school Fafi host community is leading, with Ifo (refugee community) recording the least statistic.

Figure 2.16 School age-going members in households but not in school within each location

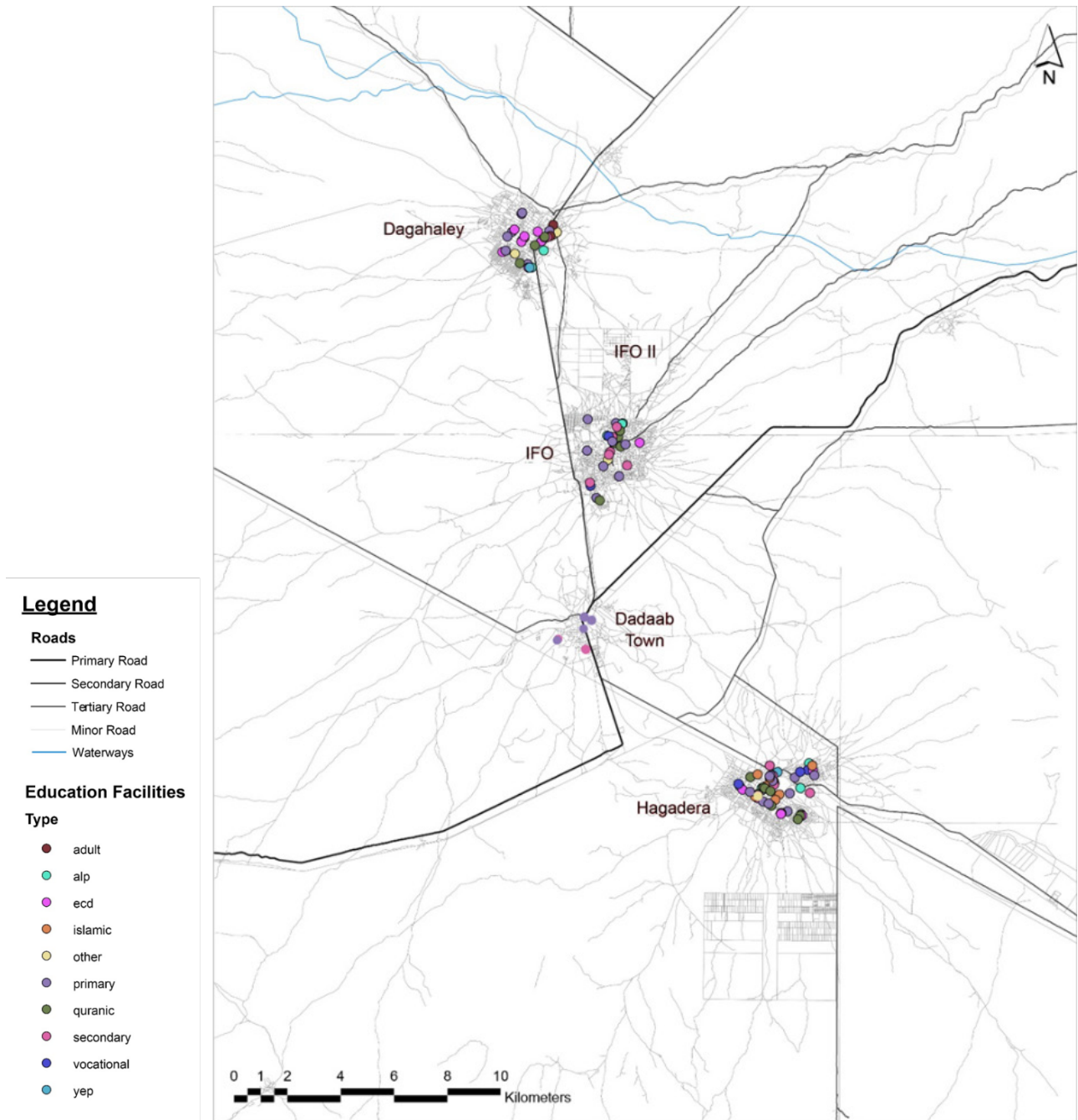


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The education facilities are located within or near the centers and refugee settlement areas.

23 UNHCR (2019). Kenya Comprehensive Refugee Programme 2019-2020. Programming for Inclusive Solutions & Sustainable Development. <https://globalcompactrefugees.org/sites/default/files/2019-12/Kenya%20Comprehensive%20Refugee%20Programme%20%282019%29.pdf>

Figure 2.17 Distribution of Education Facilities in Dadaab Area



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

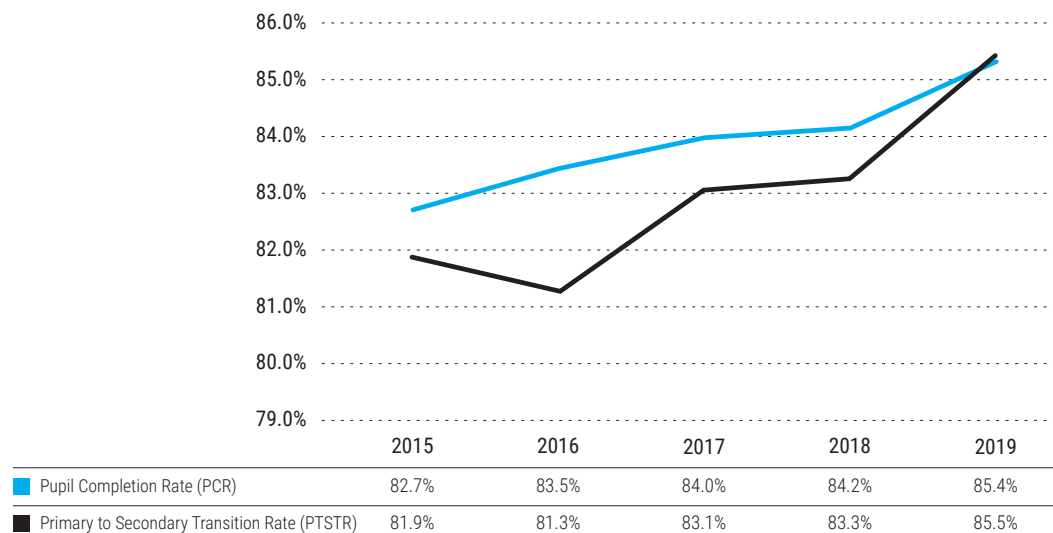


### Enrollment and Facilities

The Government of Kenya in 2018 began implementation of a policy to ensure 100 per cent transition of all pupils from primary to secondary education. The registration of learners in primary and secondary schools in the National Education Management Information System (NEMIS) is ongoing amid the challenge of some learners not having birth certificates.

The Pupil Completion Rate (PCR) and Primary to Secondary Transition Rate (PSTR) from 2015 to 2019 both rose. The PCR stood at 85.4 per cent in 2019, up from 84.2 per cent recorded in 2018, while PSTR rose by 2.2 percentage points to 85.5 per cent in 2019 from 83.3 per cent in 2018 as shown in Figure 2.18. According to County Government of Garissa (2015)<sup>24</sup>, for Garissa County, Pre-school education enrolment rate is 9.6% with completion rate of 89.3%, Primary school enrollment rate is 23.5%, completion rate is 62.7% and transition rate is 58.3%. Finally the secondary school enrolment rate is 3.5% with completion rate of 77%.

Figure 2.18 National Pupil Completion Rate and Primary to Secondary Transition Rate (2015-2019)



Source: KNBS (2019b)<sup>25</sup>

KNBS (2019c)<sup>26</sup> indicates that the overwhelming majority of Garissa County residents have never been to school (75.2%) with female comprising 77.5% of the portion that has never been to school. Dadaab and Fafi sub-counties record 80.7% and 82.4% respectively of the population that has never been to school as shown in Table 2.10. The lower representation of female in school confirms the Wright and Plasterer (2010)<sup>27</sup> study in Dadaab, which found that “in Dadaab, girls’ educational attainment steadily decreases with age, such that by secondary school only 67 of the 394 students were girls.”

24 County Government of Garissa (2015). Garissa County HIV and AIDS Strategic Plan 2015/2016-2018/2019.

25 KNBS (2020). Economic Survey 2020.

<https://s3-eu-west-1.amazonaws.com/s3.amazonaws.com/documents/119905/KNBS-Economic-Survey-2020.pdf>

26 KNBS (2019c). 2019 Kenya Population and Housing Census. Volume IV: Distribution of Population by Socio-economic Characteristics.

27 Wright, L., and R. Plasterer (2010). “Beyond Basic Education: Exploring Opportunities for Higher Learning in Kenyan Refugee Camps.” *Refugee* 27, no. 2 (2010): 42–56

Table 2.10 Distribution of Population Age 3 Years and above by School Attendance Status

Location& Gender	Population	At School/Learning Institutions	Left School/Learning Institutions after completion	Left School Before Completion	Never Been to School
<b>Garissa County</b>	<b>778,006</b>	<b>17.1%</b>	<b>3.0%</b>	<b>1.2%</b>	<b>75.2%</b>
Male	425,411	18.2%	3.6%	1.2%	73.2%
Female	352,563	15.7%	2.2%	1.2%	77.5%
<b>Dadaab</b>	<b>171,529</b>	<b>12.2%</b>	<b>1.9%</b>	<b>0.9%</b>	<b>80.7%</b>
Male	91,581	13.5%	2.5%	0.9%	78.2%
Female	79,942	10.7%	1.2%	0.8%	83.5%
<b>Fafi</b>	<b>123,861</b>	<b>12.2%</b>	<b>1.9%</b>	<b>1.1%</b>	<b>82.4%</b>
Male	67,143	13.2%	2.3%	1.1%	81.2%
Female	56,708	11.3%	1.4%	1.0%	83.7%

Source (KNBS, 2019c). 2019 Kenya Population and Housing Census. Volume IV: Distribution of Population by Socio-economic Characteristics

“...Girl child education has improved. Previously, people were illiterate and were against girl child education but now it is much better. The educated girls help by being translators when there is language barrier.” — **Reiterated a community member in Hagadera.**

In addition to the formal schooling, there was a notable shift towards non formal schooling through programs such as vocational and skill-based schooling. This was meant to target youths and women whose unique needs were not favored by the conventional schooling systems.

“...Yes we have. I cannot give the accurate figure but as of last year, before we closed the schools we had supported 4,461 children to access non-formal basic education from the non-formal centers that we run. Currently, we have supported many children in terms of case management, ensuring that they are well taken care of. We have been able to place some in foster care, and also supported by giving them non-food items and supporting in improving the children’s psychosocial well-being in the camps. We can share more details on those we have supported in case management, psychosocial support, NFIs and educational sector...”  
— **said an official of the humanitarian organization working within the camps.**



One of main roads in Ifo Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

Records from Educational Assessment and Resource Centres (EARC) Garissa County revealed that there was a decline in the retention rate of learners admitted. For example, in the year 2014, the retention rate was 37 learners (45.7%), 2015 (114 learners, 38.0%), 2016 (43 learners, 28.9%), 2017 (35 learners, 31.5%) and 2018 (41 learners, 23.7%). The retention rate of learners admitted in regular primary schools in Dadaab Sub-county is decreasing. In the year 2014, the retention rate was 45.7 percent, 2015 (38.0%), 2016 (28.9%), 2017 (31.5%), and 2018 (23.7%). It is evident from the figures that there is a low retention rate of learners with special needs in Dadaab sub-county giving rise to low retention of learners with special educational needs. According to Humanity & Inclusion (2019)<sup>28</sup>, access to school, retention and transition remains low in Dadaab, and indicators related to education are persistently poor. UNICEF's Education Management Information System (EMIS) statistics (2018) have reported that 38% of school-aged children in Dadaab are currently out of school, this is approximately 40,354 OOSC.

The current enrolment of CWDs in Dadaab is extremely low in comparison to the actual prevalence rate, only 3% of the school population is comprised of CWDs, which does not reflect the estimated 11.4% rate within the population

According to UNHCR (2019)<sup>29</sup> only 67% of the school-age children in Dadaab are enrolled in school. Orodho *et al* (2013), note that in fact, even with the current FPE and FDSE in Kenya, the latent cost of education in terms of buying uniforms, building fund and transport becomes a real burden. And in a region as poor as Garissa County, a policy that makes parents responsible for maintaining the nation's primary and secondary schools' infrastructure as well as meeting the other hidden cost of education is bound to lead to falling enrollments

There was a general good access to ECDE, Primary and secondary education as reported by various households in all the six study sites, however there was a challenge in accessing vocational training and mid-level college.

28 Humanity and Inclusion (2019). Inclusive Education Project- Dadaab. <https://sdgkenyaforum.org/content/vnr/documents/SDG-4/Humanity%20and%20Inclusion.pdf>

29 UNHCR (2019b). Raising the Bar. Promising Practices for Refugee Education from UNHCR& Educate a Child. <https://www.unhcr.org/5fa2d3c87.pdf>

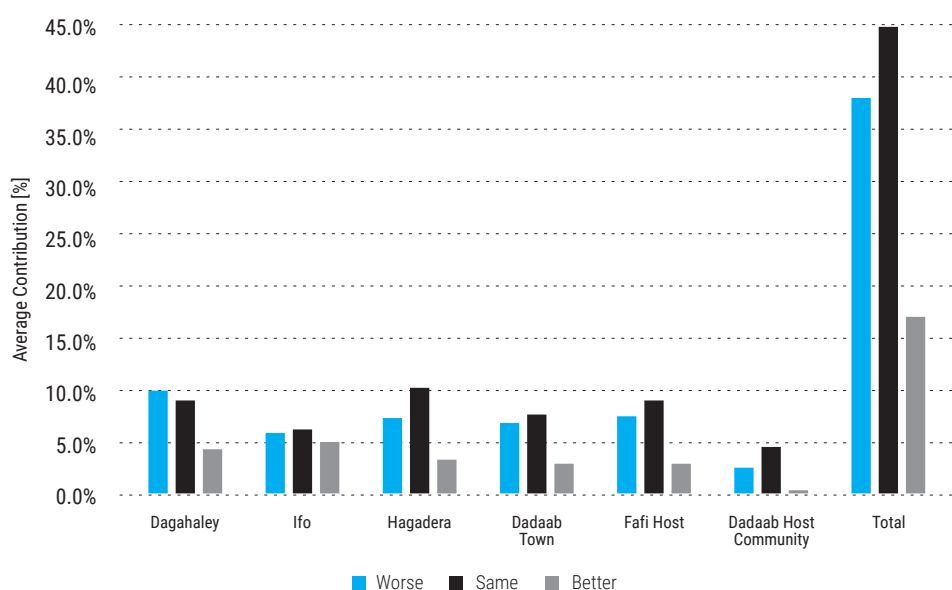
Table 2.11 Comparative Households Access to Educational facilities

Access to Education Services	Dagahaley	Ifo	Hagadera	Dadaab Town	Fafi Host	Dadaab Host Community
ECDE	6.6	4.3	5.0	3.3	5.6	1.7
Primary	13.6	12.6	9.6	8.9	10.3	5.0
Secondary	9.9	6.6	7.3	3.3	7.3	3.3
Vocational Training Polytechnic	0.7	1.0	1.3	1.3	0.3	0.3
Mid-Level College	1.3	0.7	0.0	0.0	0.3	0.0
University	1.0	1.0	0.3	1.0	0.7	0.0
Adult Education Centre	0.0	6.0	0.3	0.7	0.7	0.0

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

A sizeable portion of households (38.1%) recorded education to be worse as compared to five years ago with Dagahaley leading in this pack with 9.3% followed by Fafi at 7.3%. A good portion of households (45%) noted the education quality to be the same as compared in the last 5 years with Hagadera leading by 9.9% and Dadaab host community households recording the least support at 4.3%. Only a small portion of households (16.9%) noted the education quality to be better.

Figure 2.19 Education Quality Comparison in the last 5 Years



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)





Children make up about half of the 350,000 population at the Dadaab camp, and more than 90,800 of those attend school, according to the U.N. refugee agency. © UN-Habitat/Julius Mwelu

### Youth and Education

However, it was noted that drug abuse among the youth remained a bigger obstacle to improving the transition rate among the youth. "...Drug Abuse- The young generation are addicted to drugs. They chew *miraa* (khat), smoke bhang. This causes children to drop out of school to go look for the drugs..." reiterated Fatuma, a mother of three in Dagahaley. Drugs and substance abuse among the youths in both Dadaab Town and Hagadera remained the biggest contributor to the high school dropout rate among the youths. On the other hand, lack of identification cards for some host communities had lowered the transition rate among the youths to college and tertiary level of education. "We have double registered youth as refugees and as Kenyans as they cannot get employment due to them being registered as refugees. Even getting jobs is a challenges," stated a community member in Dagahaley.

### Health Care

Garissa County has a total of 126 health facilities. Out of these, 68 are Level Two facilities, seven are Level Four, 21 are private clinics, 19 are Level Three facilities and one is a Level Five facility located in Garissa Town.

According to UNHCR, the health sector is managing one hospital and four health posts in Ifo camp and the Operational Theatre in Dadaab sub-district hospital through the Kenya Red Cross (KRCS), one hospital in Hagadera camp managed by IRC, and one hospital and 2 health posts in Dagahaley camp. WASH activities are implemented by CARE across the three camps. Apart from the health partners, there are agencies supporting the implementation of health activities and focusing on the targeted assistance such as Film Aid, Radio Gargar, The Lutheran World Federation (LWF), Handicap International (HI), Danish Refugee Council (DRC), Terre des hommes (TDH), CARE International, The Centre of Victims of Torture (CVT), Refugee Consortium of Kenya (RCK).

According to County Government of Garissa<sup>30</sup>, the following is a list of the approved and operational health facilities in the two sub-counties (Dadaab and Fafi) with majority 18 out of 26 facilities located in Dadaab.

Table 2.12 Approved and Operational Health Facilities in Garissa County

Facility Name	KEPH <sup>31</sup> Level	Owner/Operator	Sub-County	Ward
<b>Dadaab Sub-County</b>				
Habib Nursing Home	3	Private	Dadaab	Dadaab
Shifaa medical clinic	2	Private		Dadaab
Benane Qokar Dispensary	2	Ministry of Health		Demajale
Malaylay Dispensary	2	Ministry of Health		Liboi
Abakaile Dispensary	2	Ministry of Health		Abakaile
Hamey Dispensary	2	Ministry of Health		Damajale
Ifo 2 Hospital	2	Ministry of Health		Dadaab
Labasigale Dispensary	2	Ministry of Health		Labasigale
Hagabul Dispensary	2	Ministry of Health		Hertu
Alikune Dispensary	2	Ministry of Health		Abakaile
Kamahumato Dispensary	2	Ministry of Health		Abakaile
Liboi Health Center	3	Ministry of Health		Liboi
Saretho Health Centre	3	Ministry of Health		Abakaile
Dagahaley Hospital	4	NGO		Damajale
Damajaley Dispensary	2	Ministry of Health		Damajale
Dadaab Sub-County Hospital	4	Ministry of Health		Dadaab
Dertu Health Centre	3	Ministry of Health		Dertu
Kulan Health Centre	3	Ministry of Health		Liboi
<b>FAFI Sub- County</b>				
Facility Name	KEPH <sup>32</sup> Level	Owner/Operator	Sub-County	Ward
Hagadera Hospital	4	Ministry of Health	Fafi	Fafi
Bura District Hospital	4	Ministry of Health		Bura
Fafi Dispensary	2	Ministry of Health		Fafi
Yumbis Dispensary	2	Ministry of Health		Fafi
Nanighi Health centre	3	Ministry of Health		Nanighi
Borehole 5 Dispensary	2	Ministry of Health		Fafi
Galmagalla Nomadic Ckinic	2	Private		Dekaharia
Asad Medical Clinic	2	Private		Jarajilla

Source: <https://actionfortransparency.org/kenyas-health-structure-and-the-six-levels-of-hospitals-roggkenya/>

30 Garissa County (Undated). Approved and Operational Health Facilities in Garissa County. <http://sautiyetu.go.ke/garissa/wp-content/uploads/Garissa-County-Health-Facilities.pdf>

31 Kenya Essential Package of Health (KEPH). Six levels are used for health hierarch in Kenya; Level 1-Community level, Level 2- Dispensaries and clinics, Level 3- health Centres, maternity homes, Level 4- Primary facilities such as Sub-county hospitals, Level 5- Secondary facilities- County referrals and provincial hospitals and level 6- National referral hospitals. <https://actionfortransparency.org/kenyas-health-structure-and-the-six-levels-of-hospitals-roggkenya/>

32 Kenya Essential Package of Health (KEPH). Six levels are used for health hierarch in Kenya; Level 1-Community level, Level 2- Dispensaries and clinics, Level 3- health Centres, maternity homes, Level 4- Primary facilities such as Sub-county hospitals, Level 5- Secondary facilities- County referrals and provincial hospitals and level 6- National referral hospitals



Dadaab Sub-County Hospital. © Stephen Mutungi

Table 2.12 on approved and operational health facilities seems not to be comprehensive as it ignores the UNHCR recognized health facilities as indicated in the UNHCR (2011)<sup>33</sup> report which shows that there are three hospitals with a total capacity of 500 beds (314 in Dagahaley, over 114 in Ifo and over 148 in Hagadera). Increased bed capacity has been made possible by tents and temporary structures. There are 18 Health posts in total (5 in Dagahaley, 6 in Ifo, 4 in Hagadera, 2 in Ifo 2 and one in Kambioos) which provide primary health care services including management of common illnesses, antenatal care and post-natal care, immunization, supplementary feeding program (moderately malnourished under-fives, pregnant and lactating women, some chronic illnesses) and outpatient therapeutic feeding programs for severely malnourished under-fives without medical complications. Some health centres have basic laboratory facilities, HIV counselling and testing facilities and mental health outpatient facilities. Referrals are undertaken for secondary and tertiary care to Garissa and Nairobi.

There are also three Non-Governmental Organization dispensaries and five mission health facilities which are included in the above figure. Good health care services are mostly available in the urban areas. The average distance to the nearest health facility is 35km. Most of the health facilities are along the river where there are settlements. According to UNHCR, the health sector is managing one hospital and four health posts in Ifo camp and the Operational Theatre in Dadaab sub-district hospital through the Kenya Red Cross (KRCS), one hospital in Hagadera camp managed by IRC, and one hospital and 2 health posts in Dagahaley camp. WASH activities are implemented by CARE across the three refugee camps.

The vaccination coverage in Garissa County is 62%. This is attributed to the inaccessibility of the area, long distances to health facilities and poor road network. The County has a very low contraceptive acceptance rate which stands at 4%. The low contraceptive use is attributed to the cultural and religious practices which prohibit family planning. It is also compounded by the long distances to health facilities, which currently stand at an average of 35km (County Government of Garissa, 2015).

33 UNHCR (2011). Briefing Note on the Health Sector Refugee Camps.





Floodplain irrigation in Dadaab refugee camp. © UN-Habitat/Julius Mwelu

According to the County Government of Garissa (2015)<sup>34</sup>, the five most prevalent diseases in Garissa County are malaria, upper respiratory tract infections, urinary tract infections, diarrhoea diseases and flu; with a prevalence of 46.6%, 5.2%, 6.6%, 2.75% and 3.7% respectively. HIV and AIDS prevalence rate is low at 2.1% compared to 6% at the national level. According to Centre for Health Economics (2021)<sup>35</sup>, available studies show that refugees face a lot of atrocities during and after displacement, leading to mental health problems triggered by the experience of violence, killings, separation, torture, Sexual and Gender Based Violence (SGBV) and child soldiering. This is compounded with difficult living conditions, socio-cultural barriers and uncertain employment situations, refugees are at a higher risk of depression, anxiety and post-traumatic stress disorder (PTSD). Children in refugee camps are also at risk of developing emotional and behavioural problems.

The issue of mental health was noted to be a concern among the refugees as compared to the host and the recent threat of refugee camp closure was noted to be exacerbating this situation. Other aspects such as maternal and sexual reproductive health were noted to be affected by the religious and cultural beliefs which discouraged family planning and given that majority of the refugee community are Somali which is a patriarchal community, women rarely have voice when it comes to making decision on maternal and sexual reproductive health and despite good provision of maternal and sexual reproductive health facilities and services in the camp their usage was still low among the refugee and host community.

34 County Government of Garissa (2015). Garissa County HIV and AIDS Strategic Plan 2015/2016-2018/2019.

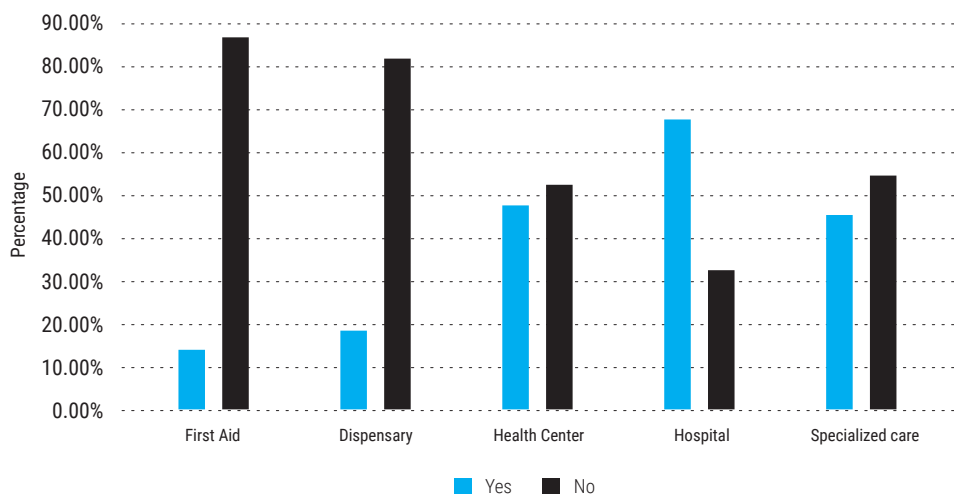
35 Centre for Health Economic (CHE) (2021). A Situation Analysis of Access to Refugee Health Services in Kenya: Gaps and Recommendations - A Literature Review 11. CHE Research Paper No. 178. [https://www.york.ac.uk/media/che/documents/papers/researchpapers/CHERP178\\_refugee\\_health\\_services\\_kenya.pdf](https://www.york.ac.uk/media/che/documents/papers/researchpapers/CHERP178_refugee_health_services_kenya.pdf)



### Health Facilities

Analysis indicates that there was low level of access to first aid and dispensary services as compared with other levels such as health, hospital, and specialized care. This may be attributed to lack of knowledge of services provided at lower levels despite them being available at higher levels of health services.

Figure 2.20 Level of Health services provided



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Refugees tend to generally have better access to health facilities. The 3 mentioned specialized health facilities were listed as Garissa nursing home, Hagadera and IRC medical facility.

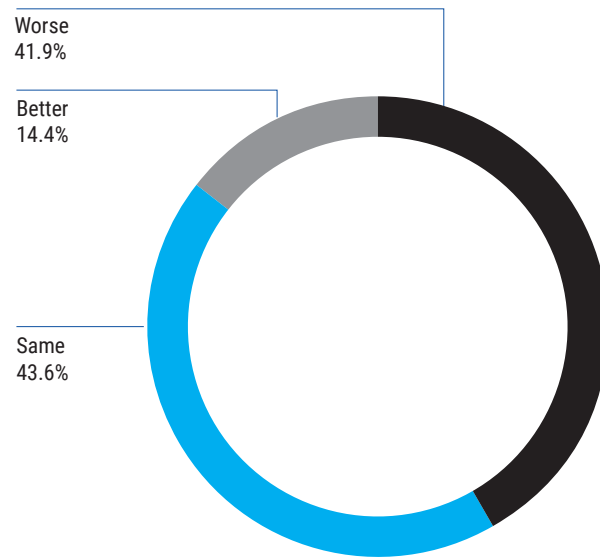
Table 2.13 Comparative access to health facilities

Health Service	Host Community	Refugee Community
First Aid	37.2%	62.8%
Dispensary	41.8%	58.2%
Health Centre	38.9%	61.1%
Hospital	43.6%	56.4%
Specialized Care	45.5%	54.5%

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

In rating the health services and facilities in the last 5 years, a sizeable portion either noted the services to be the same or worse recordings 43.6% and 41.9% respectively. The health services were noted to be provided by Humanitarian organizations such as IRC, County Government of Garissa, National Government, Private sector, and Faith Based Organizations (FBOs). Most households reported accessing health services within the refugee camps 65.6%, others in Dadaab Town 23.7% and 10.7% in Garissa town.

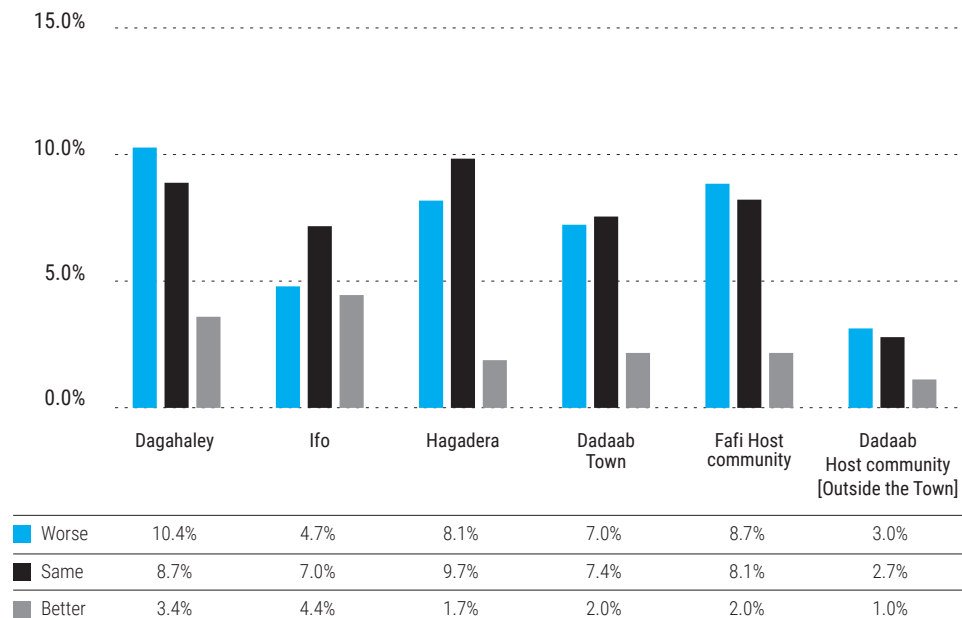
Figure 2.21 Rating Health Facilities and services in the Last 5 years



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

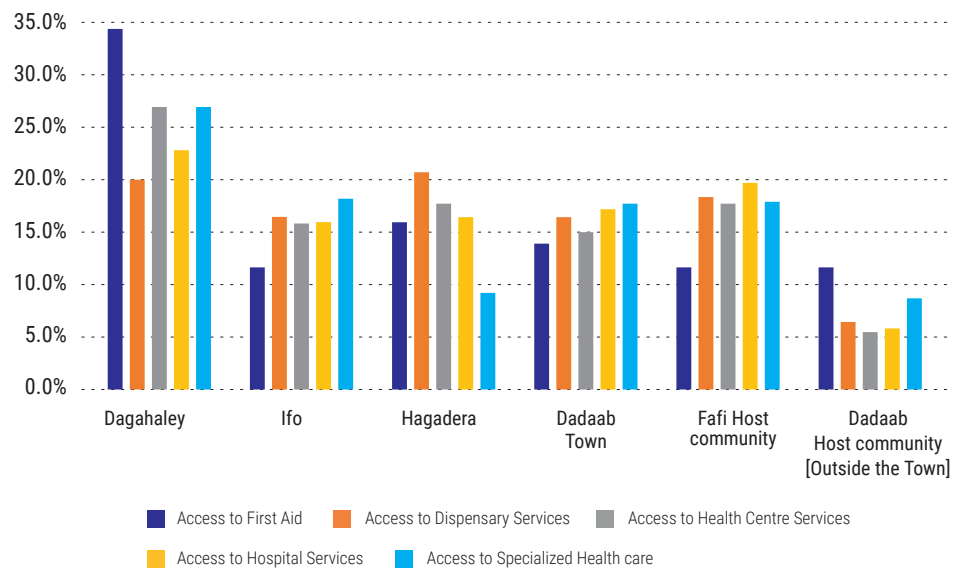
Dagahaley had the highest number of households who rated the quality of services as having worsened over the past five years, while Ifo had the highest number of households who rated the quality of health care to have improved in that period. On the other hand, Hagadera had the highest number of Households who noted that the quality of health care had remained the same over the past five year.

Figure 2.22 Comparative Health services rating in the past 5 years



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Figure 2.23 Comparative access to health facilities by location



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to the findings, Dagahaley seems to be having better access to health facilities as compared to other locations, though during the FGDs with both the refugee and host community, it was commonly observed that physical access in terms of location of the facilities to be good. The major worry is availability of quality services such as medicine and qualified staffs, they noted that this is making private health providers to be popular, but most of them cannot afford the services provided by the private health providers. This is supported by internews report where an adult Hagadera female noted that.

“We do not get the services we need from the main hospital. If you take your child to the health post and you get referred to the main hospital to get medicine, unfortunately, you will not get the prescription. We are told it is out of stock and asked to buy from the pharmacies. At the hospital, they only give painkillers. Your child may have diarrhea, but you will get only painkillers. As a result, we always opt for the local pharmacies to purchase medicine.”<sup>36</sup>

Dagahaley led with the highest number of residents who had access to hospital services with 23.5%, Fafi (Host Community) 20.1%, while Dadaab Town (Community outside the town) had the least number of residents with access to Hospital services. Specialized Eye care centers also scored fairly well in terms of access by both refugee and host community households.

Access to health services within the camps had been greatly enabled through programs designed and implemented by a couple of Non-governmental organizations with the Kenya Red Cross Society (KRCS) being at the epitome of safety, healthcare and nutrition.

36 [https://internews.org/wp-content/uploads/legacy/2020-11/IN\\_LoopBulletin-018\\_KE\\_Nov\\_2020.pdf](https://internews.org/wp-content/uploads/legacy/2020-11/IN_LoopBulletin-018_KE_Nov_2020.pdf)



A private medical centre in Dadaab Town.

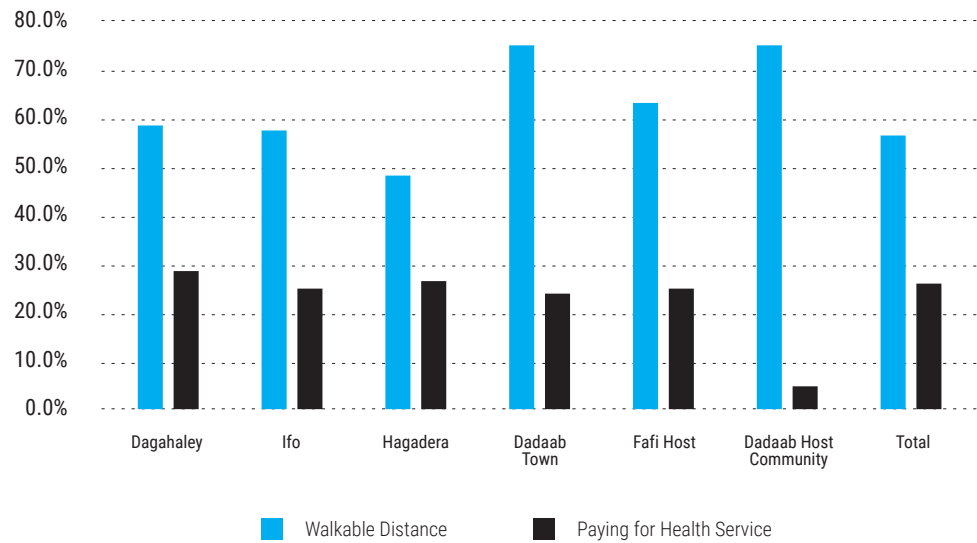
“...we have 2 ambulances that respond to health emergencies during the day and transport the patients from Blocks to the hospital or from Dadaab to Garissa. At night, we have community ambulances called Mama Taxi which is used at night. These are owned by the refugees who fuel by themselves and have a signed contract with the Kenya Red Cross and are paid monthly. These help to ferry mothers in labor from the blocks at night to the health facilities and reduce home deliveries.” – **Stated one service provided**

Majority of the Households noted that the health facilities were within walking distance with an average score of 71.2% of the refugee community and 55.7% for the host community, which generally indicate that a high number of refugee community households had a better access to health facilities than the host community households. A sizeable portion (25.8%) noting that they are paying for the health facilities, a higher percentage (28%) of refugee households as compared to 18.8% of the host community households reported to be paying for health services. This could be attributed to the fact that some of the households prefer private health services than the free being offered by NGOs and government.

These two factors are critical in understanding the accessibility of health services as they can act as barriers to health services whenever required by both refugee and host households. It was noted that in a bid to help women access maternal health facilities, the UNHCR and its partners introduced ‘Mama Taxis’ - community-run taxis that provide emergency transportation to women in the evenings and at night, when public transportation is unavailable, however the delay in arrival of Mama Taxis was cited as the most common reason for women delivering outside of the health facility as noted also in CHE (2021).



Figure 2.24 Comparative Accessibility to Health Facilities and Services



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

“...There is shortage of health centers, no medicine has been brought to Hagadera Level-5 hospital for the last two years. There are only about 2 or 3 doctors in the hospital. Other supplies such as soap and water are not available, to the point that after giving birth, the relatives to the woman who has delivered are told to bring soap and water to the maternity room. This may not be affordable to some.” — **Said a resident in Dagahaley.**

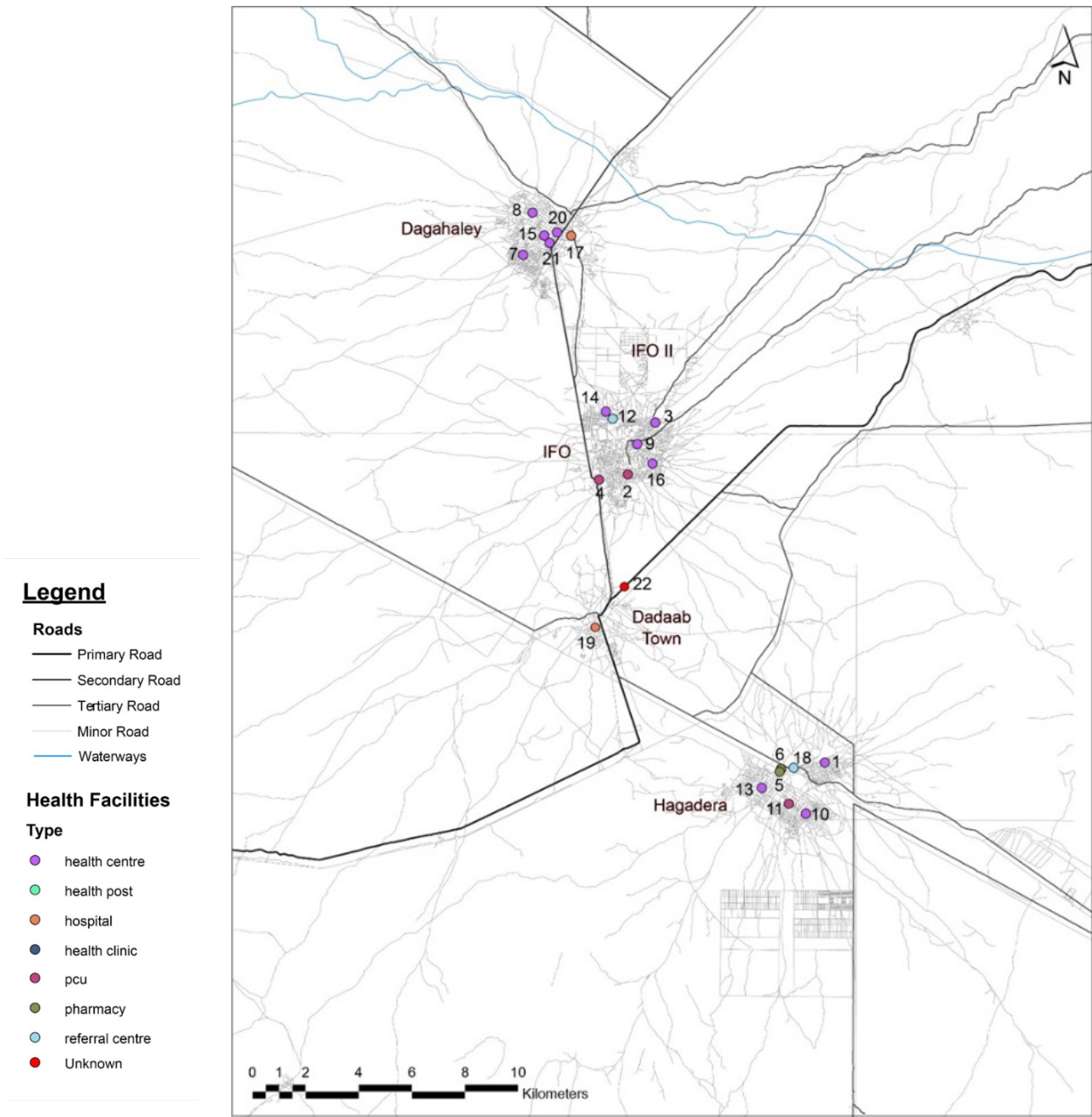
In addressing access to health facilities and services, it will be important that healthcare services by both the host and refugee population focusses on a fair and equitable healthcare system. This can be achieved by making deliberate decisions to have an integrated healthcare system for the refugee and host populations, since they are already sharing the services but in an unplanned manner. An integrated refugees and host population health system will be based on deliberate planning for healthcare facilities infrastructure distribution and provision of healthcare

services within the structure of the Kenya government’s health system, in a way that refugees and host population can access the same healthcare resources from the same providers. This is also likely to address wastage associated with the abandonment of health health facilities, as experienced in the closed camps in Kambioos and Ifo 2.

Just like the distribution of education facilities, the health facilities were also distributed within and near densely populated areas.

“...In hospitals, you find there is one doctor but there is a very long queue of patients waiting to be served because refugee come to see the same doctor. This is because the facilities are few and the refugees are many. They just come consult the doctor and then go to the camp with prescriptions to get the medicine. For us we are given prescriptions and have to buy the medicines in pharmacies although there are no pharmacies.” — **Disclosed another resident in Dadaab Town.**

Figure 2.25 Distribution of Health Facilities



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Table 2.14 List of Mapped Health facilities

Id	Location	Section	Facility name
1	Hagadera	G	G6
2	Ifo main	A	Health post 5
3	Ifo main	N	N 0
4	Ifo main	E	Health post e1
5	Hagadera	Hospital	Madonna diagnostics
6	Hagadera	Hospital	Asad medical centre
7	Dagahaley	G	G5
8	Dagahaley	F	Health post 4
9	Ifo main	B	Health post-1
10	Hagadera	L	L6
11	Hagadera	A	A6
12	Ifo main	N	Main hospital
13	Hagadera	E	E6 health post
14	Ifo main	N	Health post n 12
15	Dagahaley	C	Health post 7
16	Ifo main	C	H7
17	Dagahaley	Hospital	Main hospital
18	Hagadera	S	Hagadera main hospital
19	Dadaab		Dadaab sub-county hospital
20	Dagahaley	B	Health 5
21	Dagahaley	B	Rayan
22	Dadaab		

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

## Food security

Hagadera shops and market seem to be popular for food and non-food. Other popular sources of food and non-food items were noted as Dagahaley and Dadaab town. From the analysis, refugee camps seem to be popular shopping and market destinations for both the host and refugee households for both food and non-food items. The staple foods reported by households were rice, ugali, pasta, anjera, meat and cereals.

Table 2.15 Source of food and non-food items

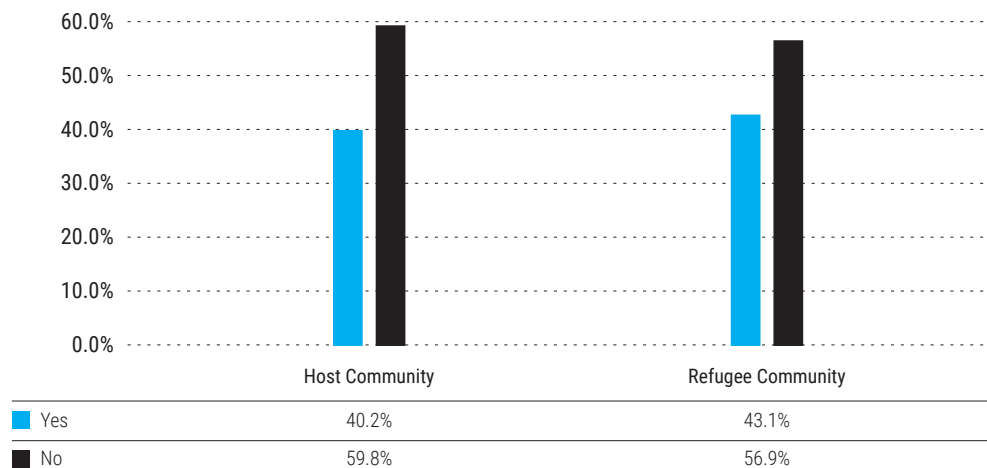
Source of Items	Non-Food Items			Food Items		
	Host Community	Refugee Community	Total	Host Community	Refugee Community	Total
Shop/Market in Dagahaley Camp	9.0%	14.4%	23.4%	9.0%	12.3%	21.3%
Shop/Market in Hagadera Camp	16.4%	15.4%	31.8%	17.0%	17.0%	34.0%
Shop/Market in Ifo Camp	6.0%	10.7%	16.7%	5.7%	10.7%	16.3%
Shop/Market in Dadaab Town	8.4%	13.7%	22.1%	8.3%	13.7%	22.0%
Shop/Market in Garissa Town	1.7%	4.0%	5.7%	1.7%	3.0%	4.7%

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

## Food Security as Experienced by Households

A sizeable representation of households (41.9%) was found to be worried about the availability of the households next meal, with 24.9% of refugee as compared to 16.9% of host households affirming to be worried about their family's next meal.

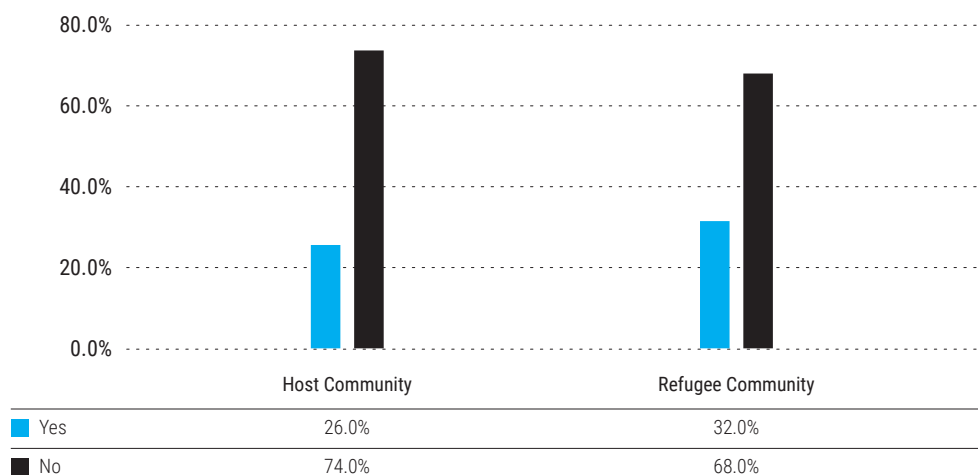
Figure 2.26 Getting Worried about availability of next meal



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

A total of 29.6% households reported to have skipped a meal in the last two weeks due to lack of food with refugee households accounting for the higher portion at 18.6% of the 29.6% of households. This is despite refugee community financial profile indicating to be better than the host community households.

Figure 2.27 Households skipping a meal due to lack of food in the last two weeks



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)





The household's food security was found to be wanting as only 26.3% were found to be food secure. A sizeable portion of households reported that they either frequently do not eat enough food (8.3%) or sometimes did not eat enough 19.7% during the last 4 weeks. This situation affected both host and refugee households.

Table 2.16 Households' food situation in the last 4 weeks

Household Food Situation in the Last Four Weeks	Host Community	Refugee Community	Total
We always eat enough of what we want	10.3%	16.3%	26.7%
We eat enough, but not always what we would like	18.3%	21.7%	40.0%
We sometimes do not eat enough	6.4%	13.3%	19.7%
We frequently do not eat enough	1.7%	6.7%	8.3%

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Households' food security situation has worsened during Covid-19, where 14.6% and 26.9% reported severe and moderate food insecurity, respectively. This was also noted to affect both host and refugee households. It was, however, noted that several organizations help families in addressing their insecure food situations. The organizations mentioned during the survey include WFP, UNHCR, Red Cross, NRC, DRC, Film Aid, World Vision, County Government of Garissa, and National Government. Of concern is a report by 28% who noted that there is no organization which has come to their aid in as far as food support is concerned, with majority 16.6% of the 28% being the host community, while refugee households accounting for 11.4% of the non-supported food insecure households.

Table 2.17 Households' food situation during Covid-19 pandemic

Household Food Situation During Covid-19 Pandemic	Host Community	Refugee Community	Total
We are food secure Able to meet essential food and non-food needs without engaging in atypical coping strategies	7.6%	10.0%	17.6%
We have a mild food insecurity-Has minimal adequate food consumption without engaging in irreversible coping strategies	18.6%	22.3%	40.9%
We have moderate food insecurity -Has significant food consumption gaps, OR, marginally able to meet minimum food needs	9.3%	17.6%	26.9%
We are severely food insecure-Has extreme food consumption gaps, OR, has extreme loss of livelihood assets	6.6%	8.0%	14.6%

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

## Key Emerging Issues

The section provides highlights to various socio-economic issues including demography, income and access to basic services such as education, health and food. It is emerging that the population of female refugee is slightly higher than male. While the host community male population is higher than the female population. It was however noted that both the host and refugee community has a large chunk of youthful population with 65.2% being 40 years and below, this creates huge demand for education, recreation and health services. On Income, female headed households were the majority of the households earning less than Kshs. 5,000 per month with the male headed households leading in households earning Kshs. 10,000 and above.

On the education attainment and access, a sizeable population of 28.8% had no formal education with refugee contributing more than a half (15.6%) of this population with majority of them being female. On school retention, female school presence was noted to outshine their male counterparts at ECDE and adult education level, with the male students dominating other higher levels of education. The lower representation of female in school confirms Wright and Plasterer (2010) study in Dadaab, which found that "in Dadaab, girls' educational attainment steadily decreases

with age, such that by secondary school only 67 of the 394 students were girls."<sup>37</sup>

Findings indicate that private education facilities are emerging to be popular among the host and refugee community who can afford the fees associated with private education services. The reason for opting for private education services was due to suspicion by some parents on the quality of education provided in the camps and the public schools due to qualification of refugee teachers and the insecurity which has led to migration of Teachers Service Commission (TSC) teachers due to fear of attack by the extremist illegal groups. Food insecurity was found to be a challenge to both refugee and host communities and this was noted to be more pronounced during the Covid-19 pandemic.

Distribution of health and educational facilities were mainly around the centres and the camps with the interior part of Dadaab and Fafi having very few facilities. With the experience of the closed camps (Kambioos and Ifo 2) it may be important to deliberate to plan for integration of services such education and health facilities with the government agencies and county governments working closely with the non-state actors in delivery of services to avoid abandonment of such useful facilities as seen in Kambioos and Ifo 2.

37 Wright, L., and R. Plasterer (2010). "Beyond Basic Education: Exploring Opportunities for Higher Learning in Kenyan Refugee Camps." Refugee 27, no. 2 (2010): 42-56





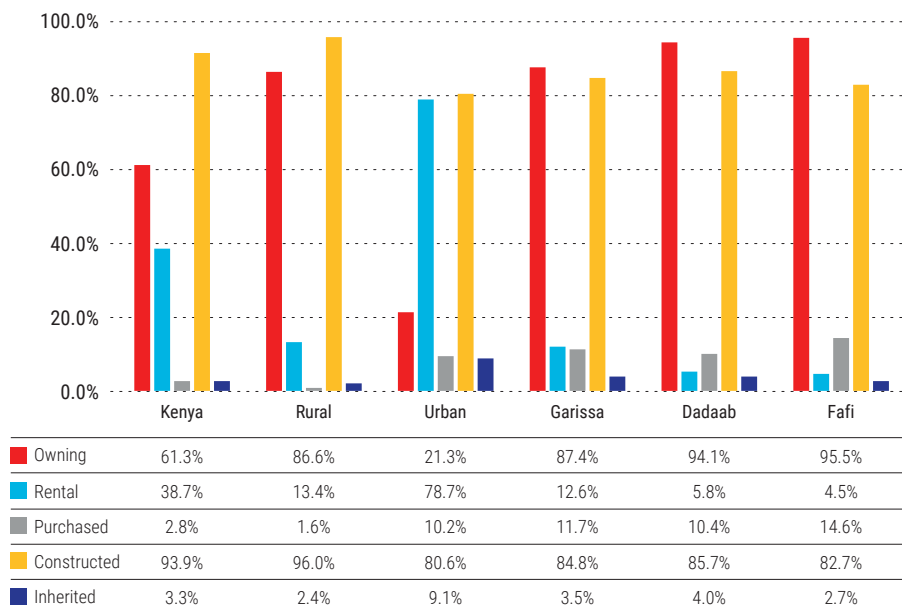


## CHAPTER 3. HOUSING, AMENITIES AND BASIC SERVICES

### Overview

Demand for affordable housing far outstrips supply, not only in the main towns and cities, but also in secondary towns and rural areas. With estimated 'backlogs' of over two million units (CAHF, 2019)<sup>38</sup>. According to KNBS (2019c), home ownership in Kenya shows that 61.3% of Kenyans own and 38.7% are renting houses, with urban areas recording the least ownership at 21.3% highest renting at 78.7%. Rural areas enjoy high home ownership at 86.6% while only 3.4% are renting. Most Kenyans, as shown in the census report, were noted to own houses through self-construction, which is also the case among the Dadaab and Fafi host community households as shown in Figure 3.1.

Figure 3.1 Households Ownership



Source: KNBS (2019c)



An overview of Ifo camp in Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

38 Centre for Affordable Housing Finance in Africa (CAHF) (2019). Assessing Kenya's Affordable Housing Market. <http://housingfinanceafrica.org/app/uploads/CAHF-Kenya-Housing-Analysis-FINAL-20190430.pdf>



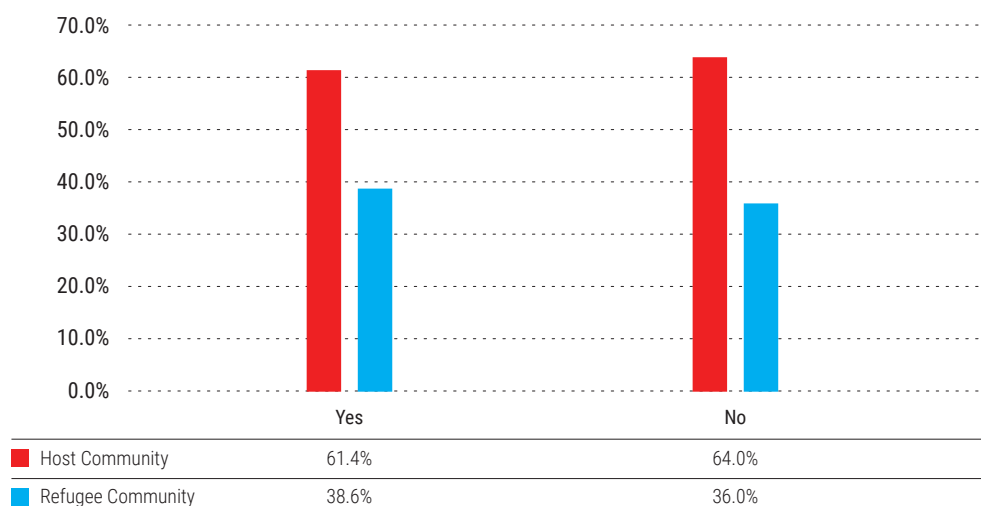
### Shelter Access

Majority of the households accounting for 62.9% of the household own the shelter they are occupying and only 38.7% of the shelter owners reported to own also the land their shelters are built on. A slight majority (37.1%) of the refugees as compared to 25.8% of the host community reported to be owning their shelter.

It was also noted that only 25.9% of the host and 36% of the refugee households reported to own the land they occupy. Majority (60.6%) of refugee households clarified by noting that the land they own was provided by Refugee Affairs Secretariat (RAS) through UNHCR. Refugees leaving the

camp are required to surrender their shelter to RAS for reallocation, but occasionally they end up engaging in informal deals by paying some fees to RAS staff to maintain their shelter registration which may lead to some form of black market shelter ownership by refugee community. It was also noted that there is an emerging market of rental houses for those who were mainly working in the service sector such as restaurants and mostly casual workers, however most NGO staffs and Government staffs were housed in secured premises which was partly due to insecurity in the region. It can therefore be deduced that private housing market is yet to fully be developed in the area.

Figure 3.2 Households Shelter Ownership



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

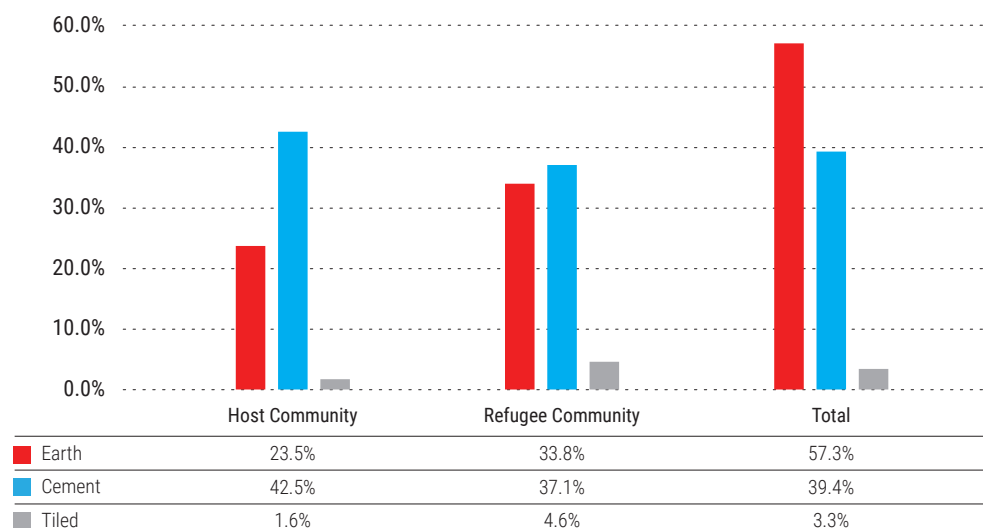
### Shelter Construction

Main flooring materials for the households was earth as reported by a cumulative of 57.3% as compared to cement and tiles which recorded a cumulative percentage of 39.4% and 3.3% respectively. Host community led in households with cement material at 42.5%. According to KNBS (2019c), 68.2% of housing flooring material are made of earth/sand which is lower than

Fafi and Dadaab which is given as 82.7% and 79.9% respectively and Garissa it is 68.2% in the same KNBS report. This situation is worse than the national statistics on houses made of earth floor which stands at 30%, with rural being 42.3% and urban being 10.6%. Studies have shown that by replacing earth floor with a concrete floor has the potential to reduce diarrhea by 49%, parasitic infections by 78%, and anemia by 81% while leading to a 36-96% improvement in cognitive

development among young children<sup>39</sup>. By creating a hard and impermeable barrier between the bacteria and bugs in the floor and the humans that live on top of it; dust, bugs, and other harmful human pathogens from the home environment are eliminated to support clean, hygienic, and healthy living conditions.

Figure 3.3 Shelter main floor material



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

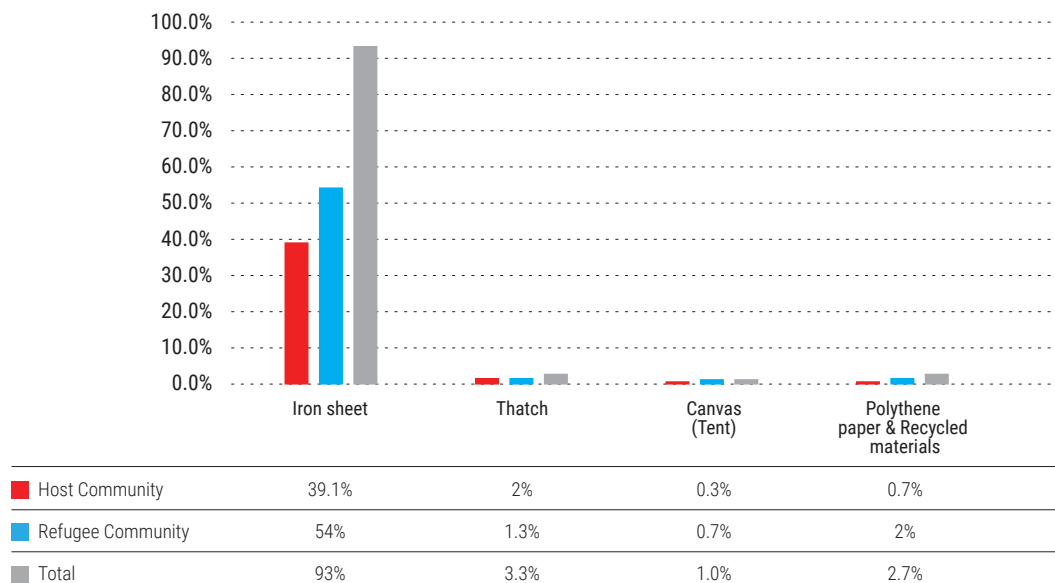
Absolute majority (93%) of shelter roof was made of iron sheets, with refugee at 54% and host community at 39.1% shelter roofs to be made of iron sheet. According to KNBS (2019c) iron sheet was the main roofing materials nationally (80.3%), Rural Kenya (85.7%), Urban Kenya (71.8%), Garissa (53%), Dadaab (65%) and Fafi (52.5%). The KNBS further report that use of grass twigs was also popular with Garissa accounting for 33.9% and Fafi 19.7% and Dadaab 33.8% of roofing materials. This may be lower for the target households which were mainly urban.



Dadaab refugee camp. © UN-Habitat/Julius Mwelu

39 Cattaneo, M. D., Galiano, S., Gertler, P. J., Martinez, S., Titiunik, R. Housing, health, and happiness. In American Economic Journal: Economic Policy 2009, 1:1, 75–105

Figure 3.4 Shelter main roof material

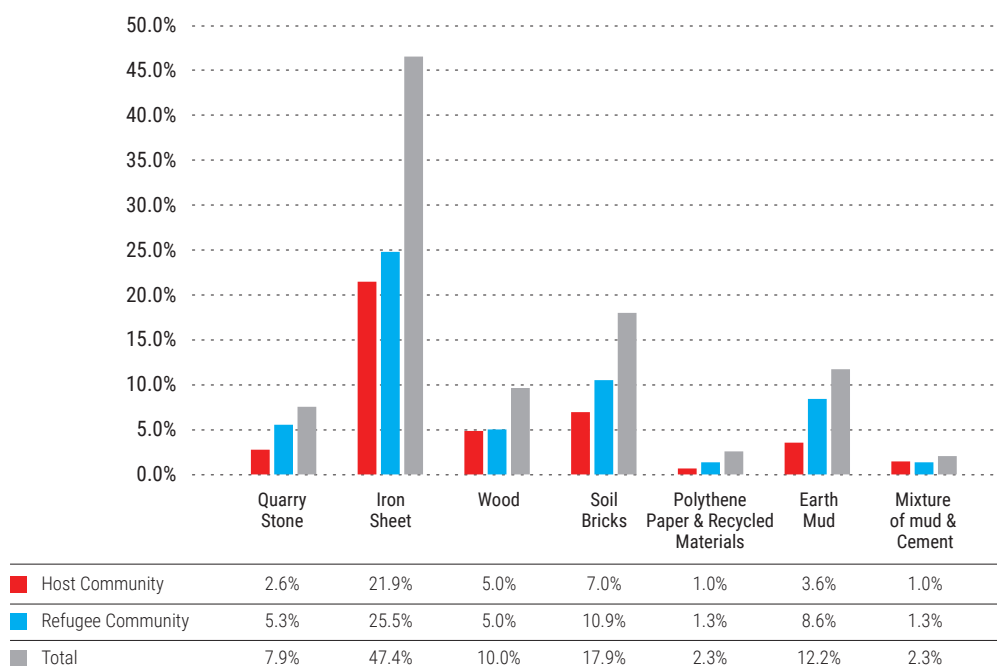


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The main wall materials reported by the households was as follows, iron sheet at 47.4%, soil bricks at 17.9% and earth mud at 12.3% as shown in figure 3.5. According to KNBS (2019c), the walling materials in Garissa county are; grass reeds (29.2%), iron sheet (14.1%), mud/cow dung (13.5%). For Dadaab iron sheet and mud/cow dung are leading at 29.8% and 29.1% respectively while in Fafi, grass reeds (33.7%) and iron sheets at 16.9% were the leading walling materials.

From the analysis of the building materials analysis, most of the shelters were either temporary or semi-durable with very few houses reporting to have a combination of the cement or tiled floor, stone or brick wall and iron sheets roof which is associated with durable shelter.

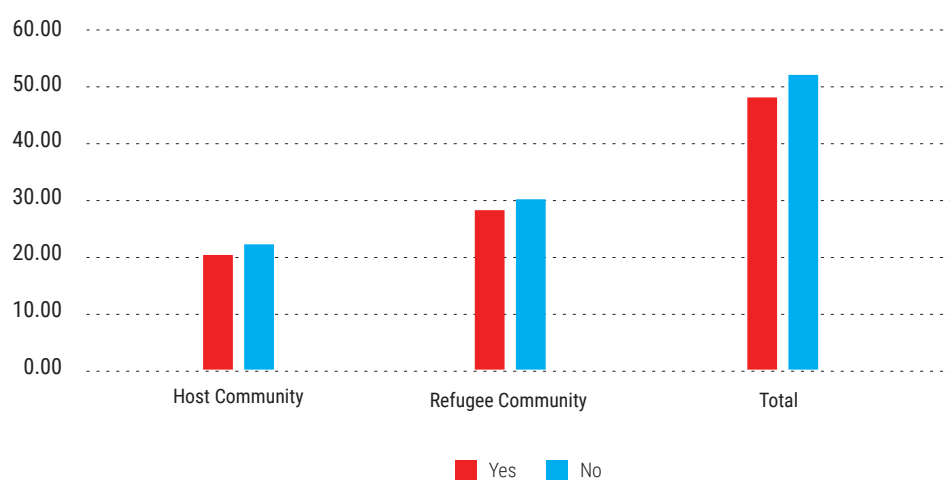
Figure 3.5 Shelter main wall material



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Majority of the households (52%) indicated that their shelter was not adequate with refugee households leading (30.1%) of the households whose shelter were reportedly inadequate. It was further reported by 61.3% of the refugee households that the inadequacy of shelter has led to modification of their shelter and 38.8% of the host households have also undertaken modification of their shelter in the last 5-10 years. Interestingly many households reported aspirations for a different form of shelter, with refugee households leading the pack at 60.2% and host households accounting for 39.8% of households aspiring for a different form of shelter. This may be attributed to the growing household sizes but also for refugees, affinity to mixed use, given that some of them conduct businesses in their residential space hence have limited space for both residential and commercial activities.

Figure 3.6 Shelter Adequacy



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

## Financial Capacity and Shelter Improvement

A sizeable portion (34.9%) of households reported to have functional bank accounts, with refugees at 18.9% of refugee households having bank accounts as compared to 15.9% of host households. Use of mobile money transfer was found to be popular as cumulatively reported by 85.7% and once again refugee households took lead at 49.2%. The findings indicate the superior financial capacity of the refugee households which seems to confirm findings in other refugee camps such as Kakuma and Kalobeyei (see UN-Habitat, 2021)<sup>40</sup>. It was noted that many households (50.8%) reported worsening financial situation in the last 5 years, which is a clear indication that their aspirations for shelter improvement are constrained by financial challenges. The gender dimension shows that more males (57.9%) have a functional bank account as compared to 42.1% of women and in relation to households financial coping mechanisms more male 64.3% were in a position to take loan than female at 35.7% of female but more women at 88.9% were relying on either micro-finance institutions and Rotating Credit and Saving Associations (ROSCAs) to access loans for financial coping mechanisms.

40 UN-Habitat (2021a). Socio-Economic Conditions in Turkana West. Forthcoming Publication. Nairobi, UN-Habitat.



Figure 3.7 Comparative Financial status in the last 5 years

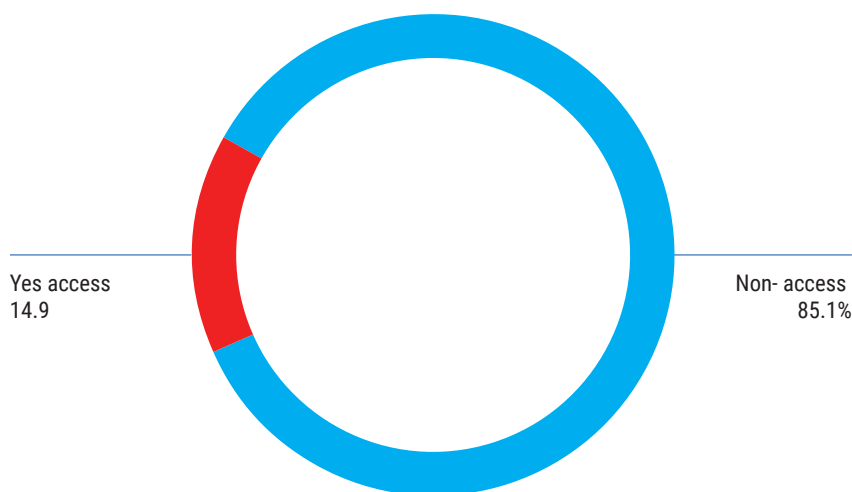


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

### Public Spaces and Recreational Facilities

While public spaces and recreational facilities play a vital role in making neighborhoods liveable, overall (refugees and host community) few households (14.9%) reported to have access to playgrounds. Most of the playgrounds listed were mainly school playgrounds with few dedicated playgrounds such as Bagdad football grounds, Abaq Babow and CFC playgrounds being a few mentioned facilities outside schools.

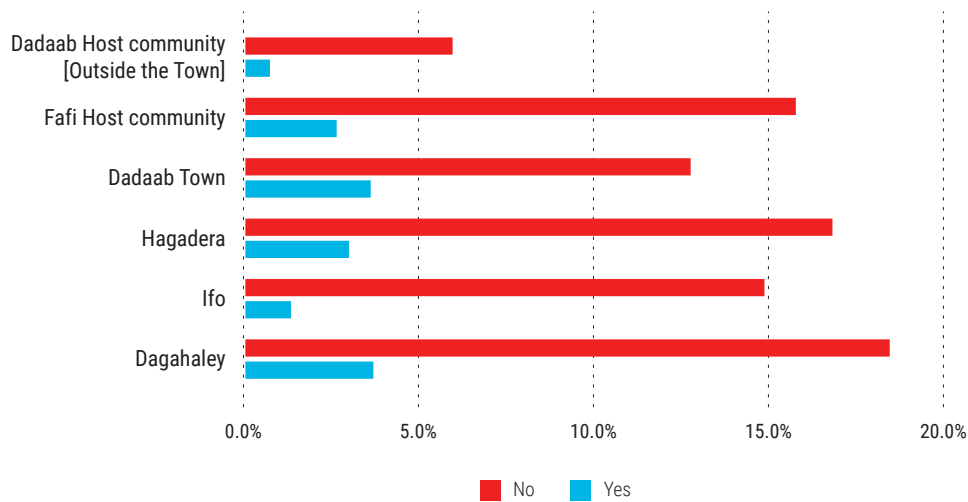
Figure 3.8 Households access to playgrounds



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to the findings, Dagahaley (18.5%) had the highest number of households who reported to not having access to playgrounds followed by Hagadera (16.9%). In addition, these playgrounds were nothing more than bare open land that had been set aside for public use with no facilities to support public use and lacked basic facilities such as washrooms and water points.

Figure 3.9 Comparative Access to Playgrounds by location



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

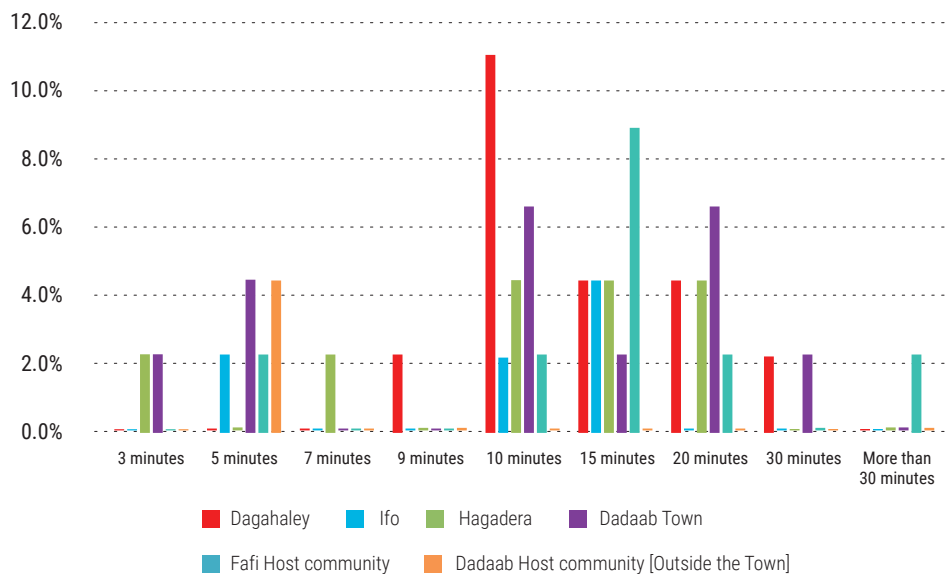
It was also noted that these playgrounds lacked facilities and management. According to the residents, there was no structure or system put in place to manage the facilities. "... It is difficult to use the space under the scorching sun and we get injuries from the tree trunks left behind when clearing the open playground. Due to lack of management, some rowdy male youths used the space to abuse drugs", according to a resident interviewed in Ifo.



A Public playground in Ifo. © Stephen Mutungi

On the other hand, Dagahaley (3.6%) had the highest number of respondents who had access to play-grounds with Dadaab, Host community living outside the town (0.7%) reporting the lowest number of households with access to playgrounds.

Figure 3.10 Comparative analysis of Time taken to access the playgrounds



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to the findings, households in Fafi Host community took more than 30 minutes to access the playgrounds indicating that the lack or scarcity of the facilities. However most of the households took between 10 and 20 minutes to access any playground, which was not bad. The major concern was the condition of the available playgrounds.

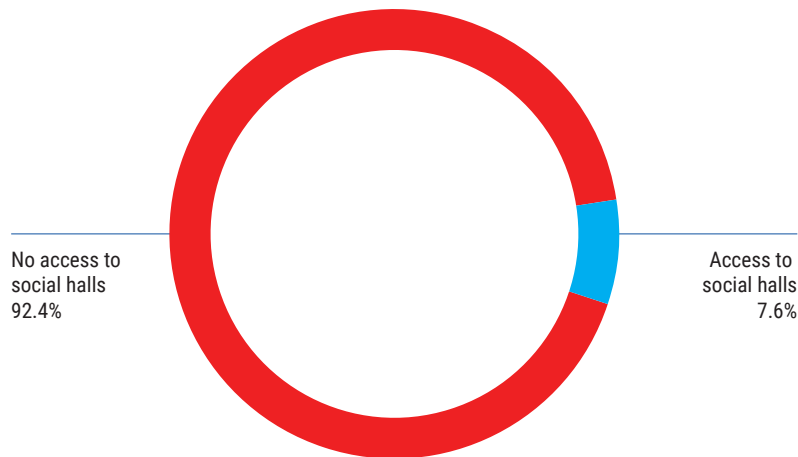


Dadaab refugee camp. © UN-Habitat/Julius Mwelu

### Access to Recreational Facilities and Social Halls

On access to parks, none of the households reported access to a recreational park. A paltry (7.6%) reported to have access to social halls. The social halls accessed by the households were listed as follows; Dadaab social at the IOM, Hagadera social hall and Life center social hall. The refugee community households had better access to social halls as compared to host community households. Majority of the households (72.2%) walk to the social halls.

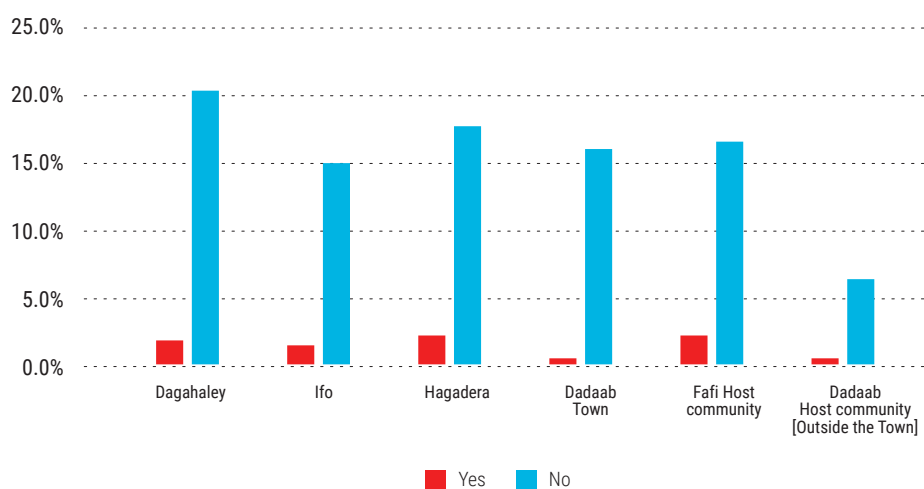
Figure 3.11 Comparative Access to Social Halls



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Dagahaley 20.5% had the highest number of households that didn't have access to social halls with Fafi, Host community (2.0%) recording the highest number of respondents who had access to social halls.

Figure 3.12 Comparative Access to Social Halls based on Location

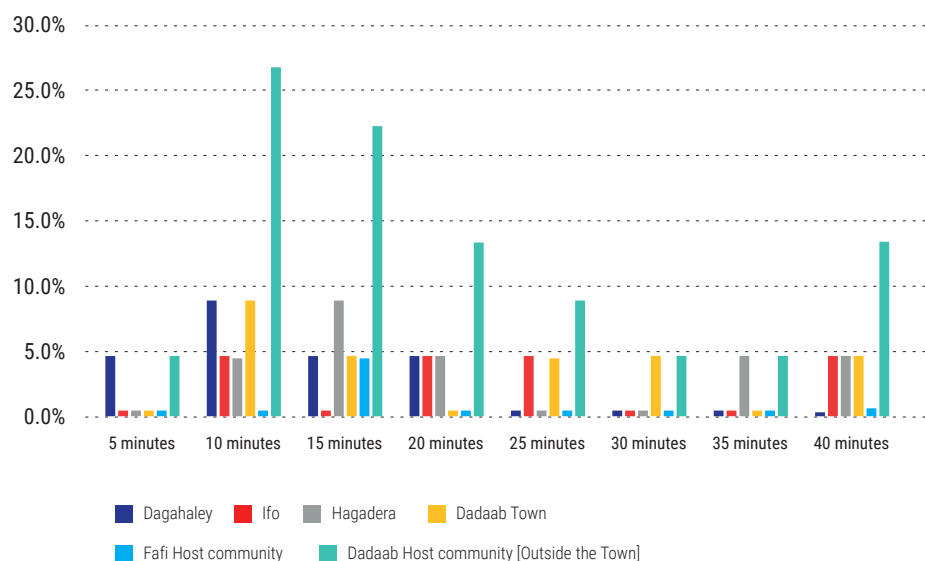


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Some of the social halls accessed by the households included community halls within the local areas of residents representing each village, Dadaab Social hall under IOM, Hagadera social hall, and Life center social hall.



Figure 3.13 Comparative Analysis of time taken to Access Social Halls



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Dadaab (Host community, areas outside the town) had the highest number of households who walked for more than 10 minutes (27.3%), more than 15 minutes (22.7%), and more than 25 minutes (9.1%) respectively. In addition, the same cluster area recorded the highest number of households that walked for more than 40 minutes to access any social hall.

According to the findings, these long distances indicated limited or no access to the facilities. However, most of the households in the other settlements took an average of 10 minutes to access social hall as shown in figure 3.15.

Other social or recreational facilities accessed by households were listed as child friendly centers, open spaces, and riverbanks.

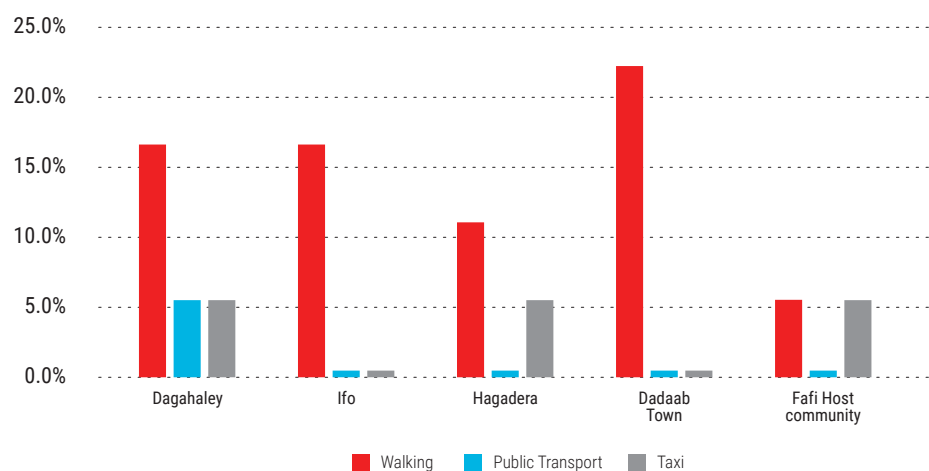
Table 3.1 Other social and recreational facilities accessed by households

Other Social/Recreational Facilities Accessed by Households	Frequency
Child friendly center	5
Madrasa	4
Riverbanks	3
Gym	1
Schools	3
Mosque	4
Open spaces	6
Traditional resting places	1
<b>Total</b>	<b>24</b>

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to the findings, walking remained commonly used means of transport used to access these facilities.

Figure 3.14 Households Transportation Mode to Access Social Facilities



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

## Water Services

Water is a vital commodity but a scarce one in Dadaab, which lies in the Arid and Semi-Arid (ASALs) of Kenya. Majority of the households were relying on borehole (60.3%), followed by public tap/stand pipe at 42.4% as shown in Table 3.2. Borehole and public tap/stand pipe were also noted to be the leading water sources for domestic water at 60.9% and 43.7% respectively. KNBS (2019c) shows that Garissa County's leading water source is borehole (26.3%), Fafi and Dadaab sub-counties recording 45.6% and 58.4% for borehole respectively.

Table 3.2 Households drinking water sources

Source of Drinking water	Dagahaley	Ifo	Hagadera	Dadaab Town	Fafi Host community	Dadaab Host community [Outside the Town]	Total
Pond	0.0%	0.0%	0.0%	0.0%	0.0%	.3%	.3%
Protected Spring	0.0%	.3%	0.0%	0.0%	0.0%	0.0%	.3%
Borehole	13.9%	9.3%	11.3%	11.9%	10.9%	3.0%	60.3%
Piped into Dwelling	2.0%	.3%	.3%	0.0%	.7%	.3%	3.6%
Rain/Harvested Water	0.0%	.7%	.3%	.3%	.3%	.3%	2.0%
Water Vendors	0.0%	.3%	.3%	0.0%	0.0%	0.0%	.7%
Public Tap/Stand Pipe	7.9%	8.3%	9.3%	6.6%	7.3%	3.0%	42.4%

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The survey established that domestic water use was found to be basic. Overall, majority (70.5%) of households were using between 20 to 120 liters of water per day.

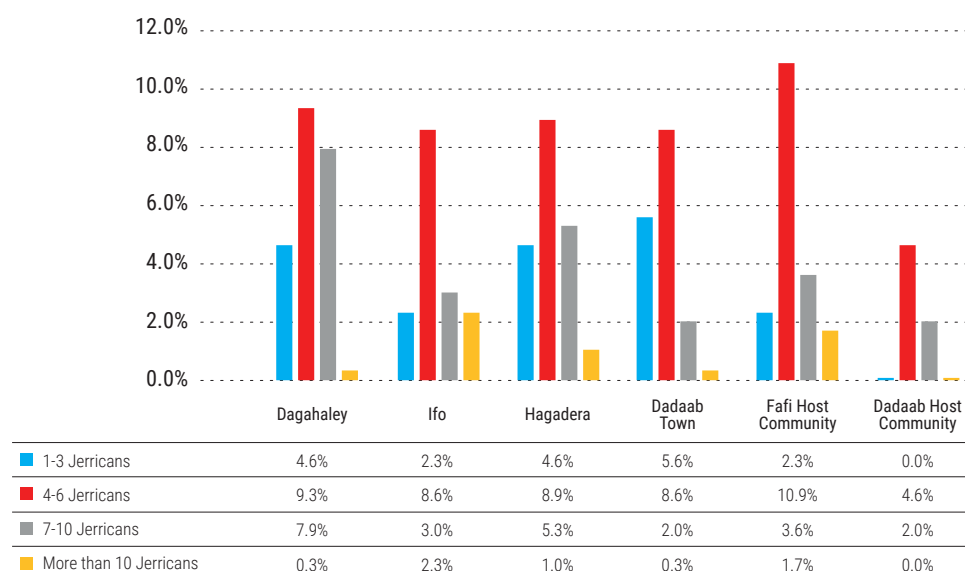
Table 3.3 Households water usage

Amount of Water in Liters	Frequency	Percent	Cumulative Percent
1-3 jerricans of @20 liters	59	19.5	19.5
4-6 Jerricans of @20 liters	154	51.0	70.5
7-10 jerricans of@ 20 liters	72	23.8	94.4
More than 10 jerricans of@ 20 liters	17	5.6	100.0
<b>Total</b>	<b>302</b>	<b>100.0</b>	

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

It was noted that households in Fafi (10.9%) led in water consumption, in a day averaging four to six 20- liters jerricans followed closely by households in Dagahaley (9.3%). This may also be attributed to the household sizes in Fafi and Dagahaley and the availability of comparatively cheap water ATM in Dagahaley. UNHCR and its partners have introduced a solar powered water ATM in Dagahaley and this is expected to be replicated in other camps.

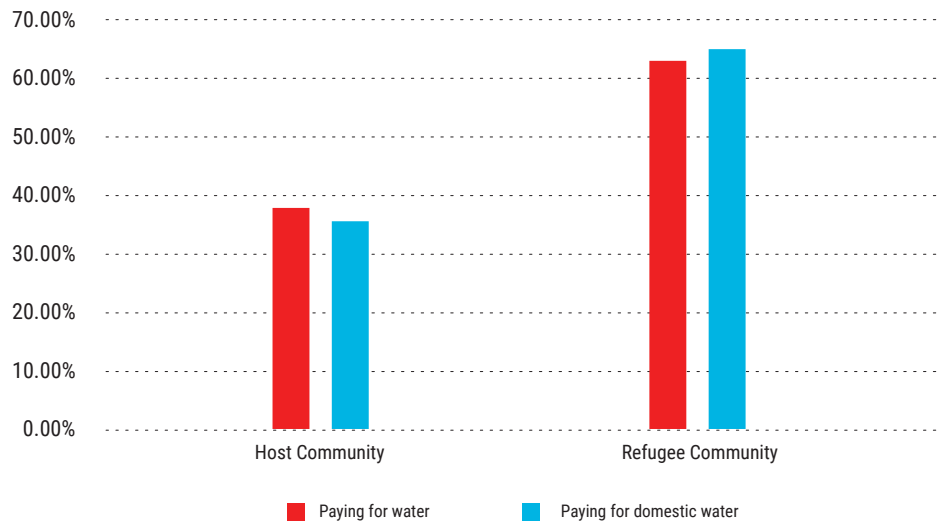
Figure 3.15 Comparative analysis of Households water usage.



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Majority of the refugees noted that they were paying for water they use including the domestic water, which may be attributed to the earlier discussions of sources for drinking and domestic water which were noted to be boreholes and stand pipes/public taps. For host community households, 35.3% indicated they were paying to access domestic water, and 37.4% which indicated that there might be a slight percentage who get water free water from additional sources. The situation for refugees was almost similar to the host which can all generally be attributed to rely on the same sources of water for drinking and domestic use.

Figure 3.16 Water Payment as percentage of those indicated to be paying for water



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Most of the host community households reported that they were not paying for water. However, upon in-depth discussions, it was noted that buying of water was seasonal and occasioned by several factors with water pump failures and drought in the region. "With prolonged drought seasons, the water levels in streams dry up, leading to water shortages in most of the boreholes..." indicated a woman resident of Fafi. Several boreholes are sunk on riparian.

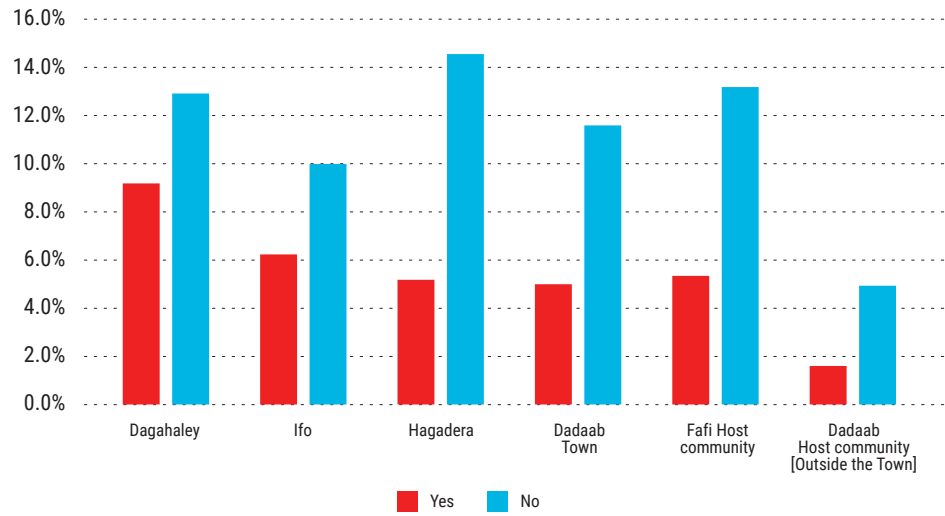
Dagahaley (9.3%) led with the highest number of households who reported to pay for Drinking water consumed by the household followed by Ifo (6.3%) and Fafi coming a distant third at 5.3%.



Water pan in Dadaab refugee camp. © UN-Habitat/Julius Mwelu



Figure 3.17 Comparative analysis of Drinking water payment by the Households

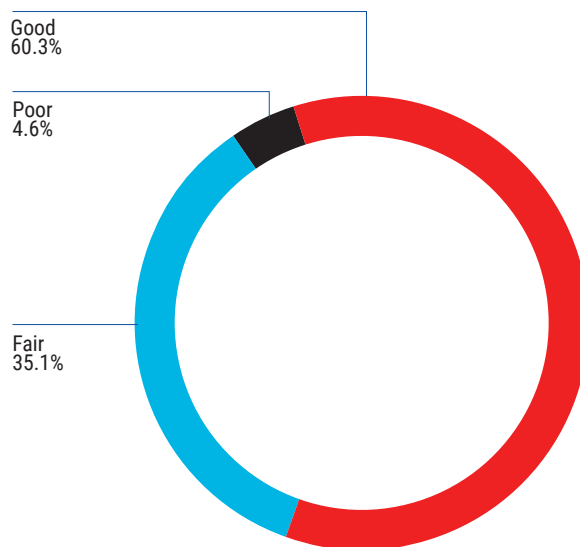


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to the findings, majority of the households did not pay for the domestic water. Households in Dadaab Host community outside the town (1.7%), recorded the least number of households that paid for the domestic water followed by Dadaab town (5.0%) and Hagadera (5.3%).

Perception of households indicate that the quality of domestic water is good (60.3%) with a paltry (4.6%) of the households rating the water quality to be poor which was noted by more female at 73.2%.

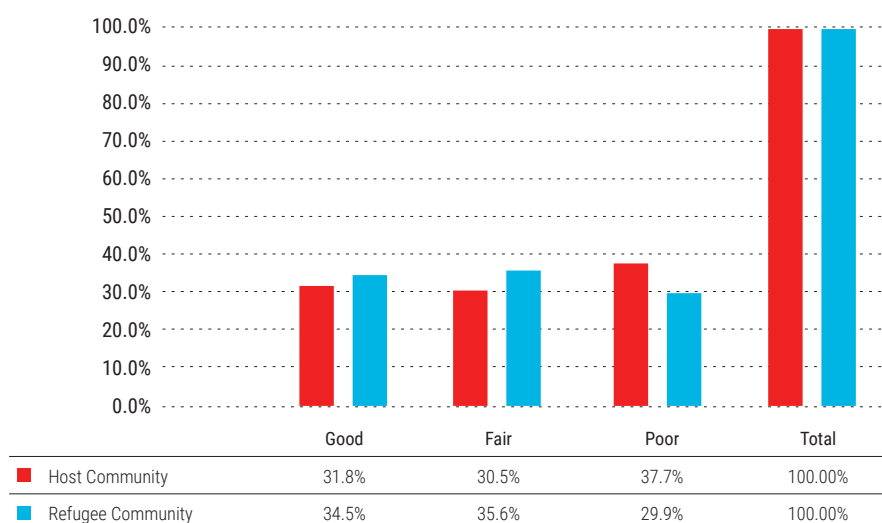
Figure 3.18 Rating of primary domestic water quality



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The comparative analysis indicates that a higher percentage of refugee community households rate the quality of domestic water to be good and fair.

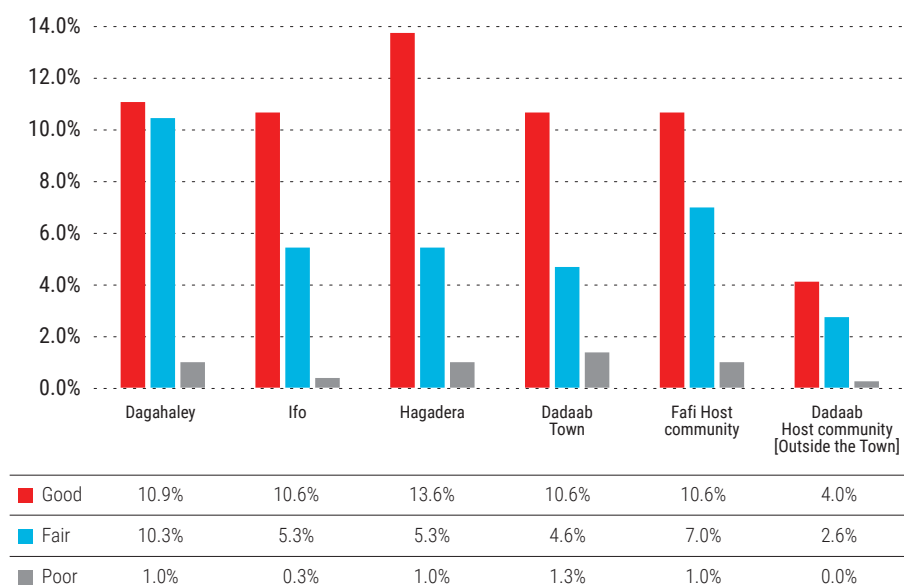
Figure 3.19 Comparable rating of primary domestic water quality



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

In addition, majority of households across the settlements also amplified the perception that the water quality was fair and good. Hagadera had the highest number of households who strongly believed that the quality of water was good.

Figure 3.20 Comparative analysis of the water quality perception by location

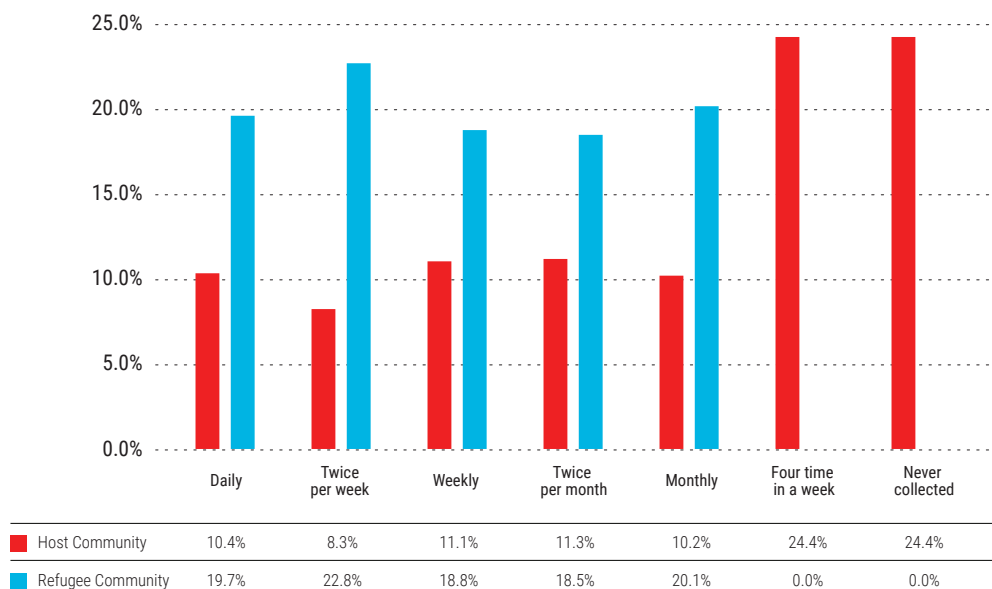


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

A sizeable portion of the households (41.4%) noted that there are times of the year when they experience water scarcity. The months of water scarcity were listed as January, February, March, August and end of the year. Some respondents indicate end of the month as the regular time they experience water scarcity.

The frequency of water collection ranged from daily to four times in a week, with the host community households fetching water four times in a week. The short frequency of water collection is an indication of lack of large water storage facilities in most of the households.

Figure 3.21 Water collection frequency



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Findings indicated that households in Dagahaley experienced water scarcity more than any other area in the region.

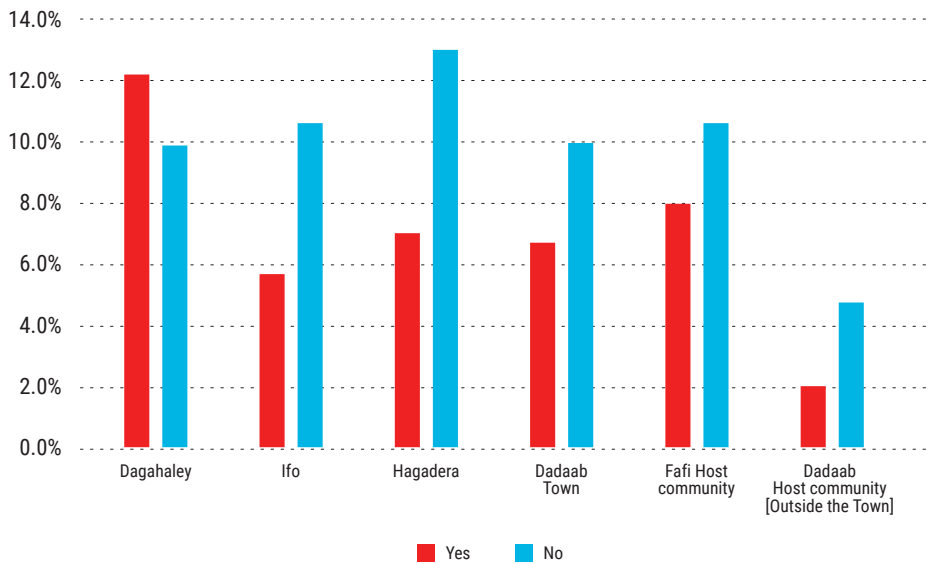


Water is used for agriculture farming in Dadaab Refugee camp. © UN-Habitat/Julius Mwelu



Pivot irrigation for agricultural use in Dadaab Refugee Camp. © UN-Habitat/Julius Mwelu

Figure 3.22 Comparative analysis of water scarcity by location



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to the findings of the survey, women bore the sole responsibility of ensuring that there was water in the household. On the other hand, donkey pulled carts were used to transport water jerricans. The host communities walked for longer distances in search of the precious commodity.



## Sanitation Services

### Solid Waste Management

Solid waste management practice by households was noted to be burning (58.6%) burying/ composting (24.9%), collected for a pay by private individuals and youth groups (15.9%) and indiscriminate dumping accounting for 0.7%.

Waste collection for pay was highly practiced in Dagahaley (26.9%), Dadaab town (22%) Ifo and Hagadera (18.4%) each respectively. Indiscriminate dumping was reported in Dagahaley (1.5%) and Fafi (1.8%).

According to KNBS (2019c) households burning solid waste is practiced by 27.1% nationwide, 45.6% in Garissa county, 43% and 44.7% in Dadaab and Fafi sub-county respectively. As noted by ICRC (2018)<sup>41</sup>, the densely populated Dadaab refugee complex generates substantial amounts of waste. Trash is dumped everywhere, burned or buried, creating unhealthy living conditions and environmental degradation.

“...we have a dumping site near the market where we dump our waste. It is from these points where the collection is done by an NGO...” — **disclosed a resident in Hagadera.**

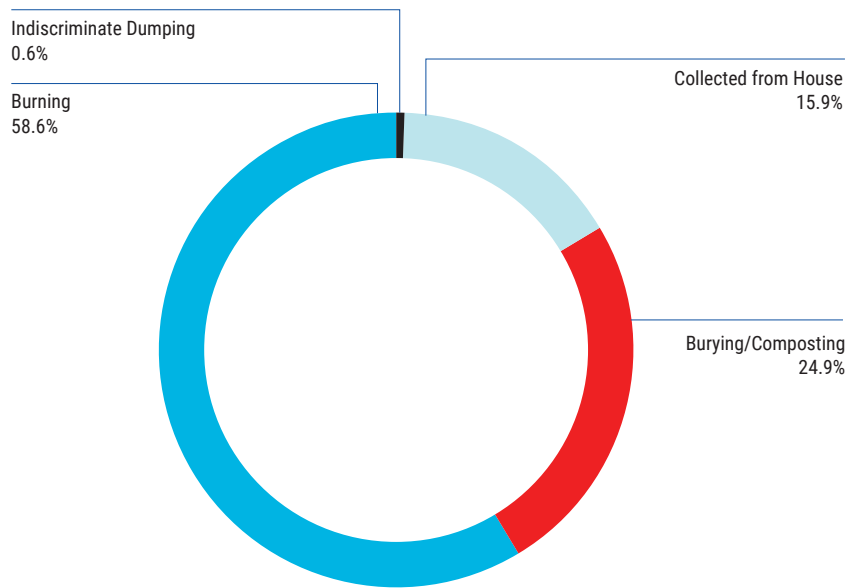
Waste can be a source of income. ICRC piloted a campaign engaging refugees and host community members in plastic waste collection and awareness-raising among the camp population. Plastic was gathered from camp residents, sorted, pre-processed and then sold to recycling companies in Nairobi. This is a good way of reducing waste but at the same time improving the living environment of the residents. The current status of this initiative was not shared but it is really a promising and innovative way of reducing waste and creating wealth from waste given that the dominant population group is youthful.



Waste management is a challenge in unplanned refugee settlements. © UN-Habitat

41 International Committee of the Red Cross (ICRC) (2018). Kenya: Can a refugee Camp Recycling Project Improve Livelihoods. <https://www.icrc.org/en/document/kenya-dadaab-refugee-camp-recycle-plastic-income-livelihoods>

Figure 3.23 Solid waste management Practices



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The analysis indicated that for the households that incurred cost for the solid waste, it was collected from the households, with the highest occurrence being witnessed in Dagahaley (4.6%) and Ifo (4.3%). However, the relatively lower percentages indicated that the cost was incurred at some point and not always. Majority (80.4%) of the households reported not to receive solid waste collection services. This was 46.9% among refugee households and 33.5% in the host community, with Dadaab town having 13.6% of the households reporting lack of waste collection services.

According to ALNAP (2010)<sup>42</sup>, and given the general geomorphological features of the area, it is well-suited for the siting of a landfill, because the water table is at least 110 metres below ground and therefore there are no present infiltration mechanisms that would channel leachates from solid waste to those depths.

It was also noted that management of households' solid waste and hygienic issues was mainly a female affair across all the six settlements at 67.8%, with male playing a supportive role such as financing when the waste collection has to be paid for and handling of unique waste such as livestock carcasses during drought.

### Human Waste management

Due to water challenges and practices in developing urban areas, dry sanitation systems are the dominant form of fecal waste management in Garissa county and in Dadaab and Fafi sub-counties. The popular method of human waste management across the six settlements was recorded as covered and uncovered shared pit latrines was at 72.9%, followed by the VIP latrine (13.9%), flush toilets recorded a paltry 2.3% with Dadaab host community recording no flush toilet use.

42 ALNAP (2010). In Search of Protection and Livelihoods: Socio-economic & Environmental Impacts of Dadaab Refugee Camps on Host Communities. <https://www.alnap.org/system/files/content/resource/files/main/1396.pdf>

Use of bush also recorded low of 3.6% with Dagahaley and Hagadera recording high scores of use of bush for human waste management.

Generally, the popularity of pit latrine in the area is supported by KNBS (2019c) census report where 29.7% of Garissa county, 42.6% of Dadaab and 27% of Fafi households recorded use of pit latrine. Use of open bush is lower than the KNBS statistics which shows that 19.8% of Dadaab and 35.3% of Fafi households still use bush for their human waste management, the lower score of use of bush may be attributed to the focus of the study which was biased towards built urban areas which limits households to use bush for their human waste management needs.

According to the findings, only a small percentage of the households affirmed that they incurred any cost on disposing human waste. Only 1.7% of the households in Ifo affirmed that they incurred cost in disposing human waste. On the other hand, none of the households in Dadaab town and Dadaab (Community outside the town) acknowledged any cost related to disposing human waste. ALNAP (2010) in relation to solid waste noted that with a deep water table and no

known infiltration mechanism, there is no chance that latrines in the refugee camps are affecting ground-water quality. Surface flooding leads to overflow of pit latrines, however, particularly in the clayey soils of Ifo and Dagahaley.

According to the findings, pit latrines were the common facilities used across the camps, which is supported by KNBS (2019c) which shows that 42.6% of Dadaab and 27% of Fafi Sub-County residents are using covered pit-latrines. However, open defecation was also practiced especially within the host community's clusters, this was also noted in KNBS (2019c) to be practiced by 19.8% of Dadaab and 35.3% of Fafi sub-county households which is far higher than the national statistics of 7.4%. It should also be noted in that in settlements where there are no proper organized solid waste management, pit latrines can be used to dispose certain forms of waste e.g., broken glasses, sanitary towels, diapers etc. This eventually has environmental implications for rehabilitation of settlement sites that get closed e.g., Ifo and Kambioos and likely, the planned closure sites of Hagadera, Ifo and Dagahaley.



Cattle feeding on waste and rubbish on an open dump site. © UN-Habitat/Julius Mwelu





Dadaab refugee camp. © UN-Habitat/Julius Mwelu

Sanitation and water challenges were listed as; a) poor waste disposal mechanisms, b) inadequate waste disposal mechanisms, c) long distance to the waste disposal point, d) Inadequate water to maintain hygiene, e) inadequate designated waste disposal points, and f) long distance to the designated waste disposal points. It is therefore important that the County Government of Garissa in collaboration with the humanitarian organizations collaborate in developing sustainable waste collection mechanisms by involving women and youth in waste management initiatives. The National Environment Management Authority (NEMA) also plan to conduct regular audits and develop the capacity of the households on appropriate waste management mechanisms.

## Energy Services

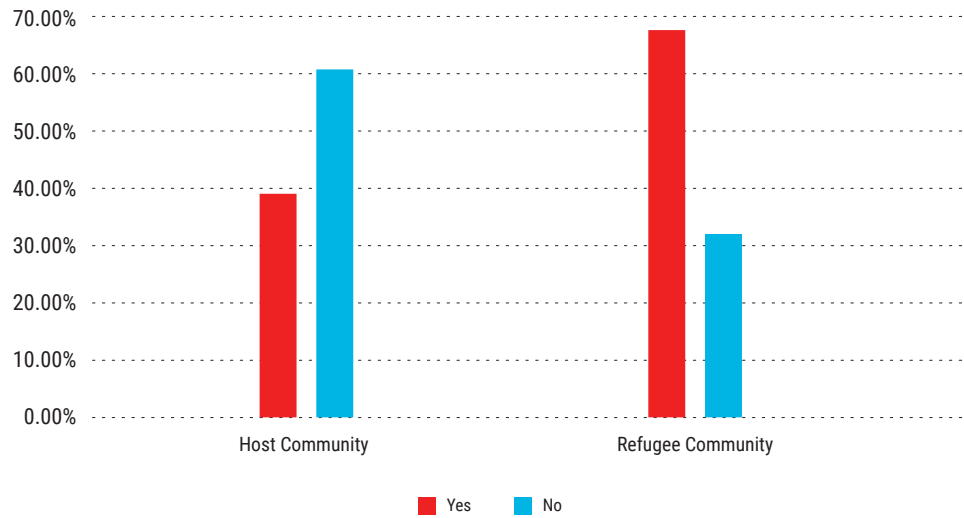
There are multiple sources of energy used by households in Dadaab including electricity, wood, paraffin, and charcoal. Overall, households' connection to electricity was noted to be slightly more than a half (52%). The refugees were

mainly relying on privately generated electricity via generators 67.9% and 39.1% of the refugees and host community households, respectively, indicated they had connection to electricity. It was noted by local administrators that Kenya Power and Lightning Company (KPLC) generated electricity was only in Dadaab town. KPLC had installed some electricity infrastructure in Fafi through Rural Electrification Programme (REP) but the project is not yet complete. Other institutions inhabited by Humanitarian organizations and Government installations were relying on electricity provided by UNHCR.

Usage of electricity is largely restricted to lighting and powering domestic appliances. It's diversified use especially in cooking is highly constrained by the expensive tariffs that are unaffordable to most of the households in Dadaab, and indeed a majority of households in Kenya. This compelled households to rely on cheaper cooking energy such as firewood (62.6%) and charcoal (35.1%) and some Liquefied Petroleum Gas (LPG) accounting for 0.7%, as this survey established in Dadaab.



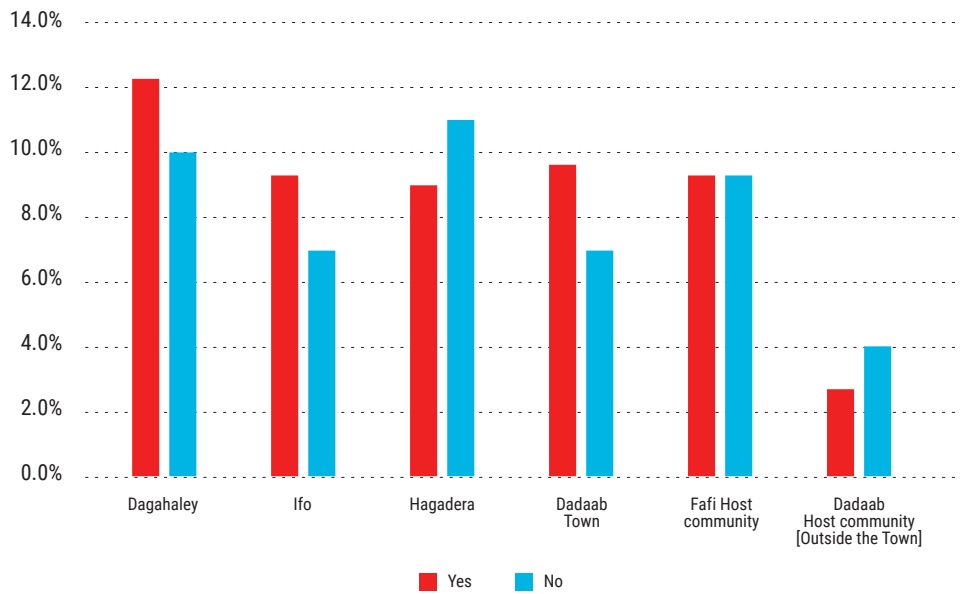
Figure 3.24 Households Reporting Access to Electricity



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to the analysis, Dagahaley (12.3%) had the highest number of households connected to privately generated electricity. On the other side, only 9.9% of the households interviewed in Dagahaley stated that their households had not been connected to electricity.

Figure 3.25 Comparative Analysis of Household Connection to Electricity



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The amount spent on electricity ranged from 100 ksh and below, accounting for 17.4%, with cumulative majority (79.5%) spending a maximum of Kshs. 1,000 per month. For those who lack electricity (94.3%), spend less than Kshs. 1,000 per month in lighting energy such as gas lamp, rechargeable torches and tin lamp. Of concern is that only 7.2% reported to have solar panel despite the area having reliable sunshine throughout the year, there is need to create awareness about solar to increase use of green energy infrastructure in the area.

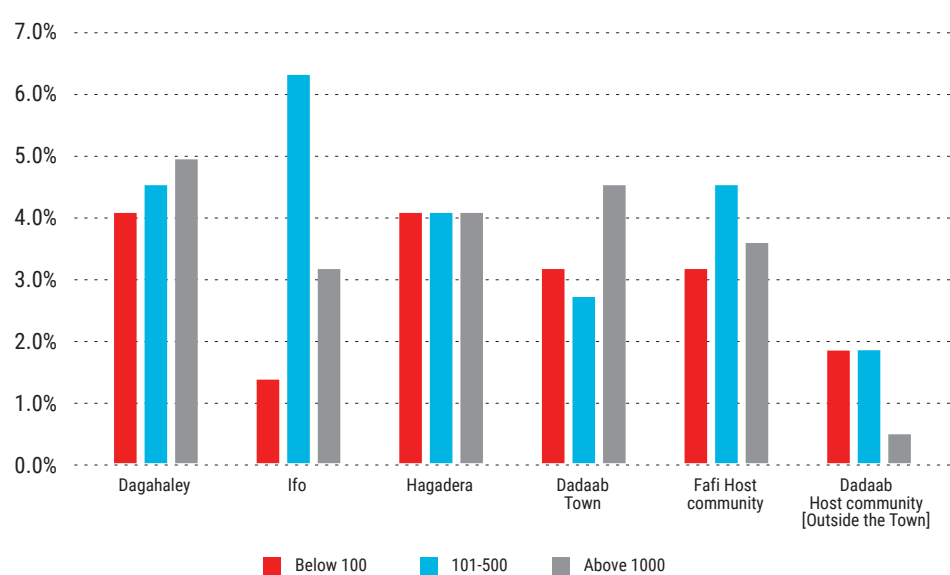
Table 3.3 Monthly amount spent in electricity lighting

Amount in Spent on Electricity in KES	Percent
100 and below	17.4
101-500	23.7
501-1000	38.4
Above 1000	20.5
<b>Total</b>	<b>100.0</b>

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to the analysis, Dagahaley reported the highest cost of electricity per household with a cumulative percentage of more than 16% incurring high cost of electricity given that the electricity in refugee camps is based on private generators. In Ifo, the highest cost of electricity incurred in a household of between 101 to 500 Kenya shillings. On the other hand, Dadaab Host community (communities outside the town) depicted the least cost incurred by a household with a cumulative representation of less than 4%. According to KNBS (2019c), only 7.2% of Dadaab and 10.2% of Fafi use electricity for lighting. A sizeable portion, 35.5% of Dadaab and 31.1% of Fafi households rely on torch/spotlight-dry cells for lighting. Other notable sources of lighting used by more than 10% of households in these two sub-counties are solar and wood.

Figure 3.26 Comparing Household Electricity Cost across Settlements



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)



Dadaab refugee camp. © UN-Habitat/Julius Mwelu

The type of cooking fuel used by households differed. Majority households preferred the use of firewood (36.8%), and most households reported their current use of it (62.6%). The next more preferred fuel is charcoal (33.1%), which 35.1% of households had used at the time of the study.

Table 3.4 Level of Current Used and Preference by Households for Select Cooking Fuels

Cooking Fuel Type	Households reporting current use	Households Preferring the Fuel
Wood	62.6	36.8
Charcoal	35.1	33.1
Paraffin	.3	0.0
Electricity	.7	26.5
LPG (Gas)	1.3	3.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to the findings, wood remained the households' main source of cooking energy in all the settlements. Hagadera (14.2%) has the highest number of households who had wood as their main source of cooking energy. According to KNBS (2019c) firewood is the most popular source of cooking energy in Dadaab and Fafi households accounting for 88.5% and 85.6% respectively while charcoal account for 1.4% and 2.4% for Dadaab and Fafi households respectively. Use of LPG is minimal accounting for less than 1% of the households (0.8% for Dadaab and 0.5% for Fafi) households.

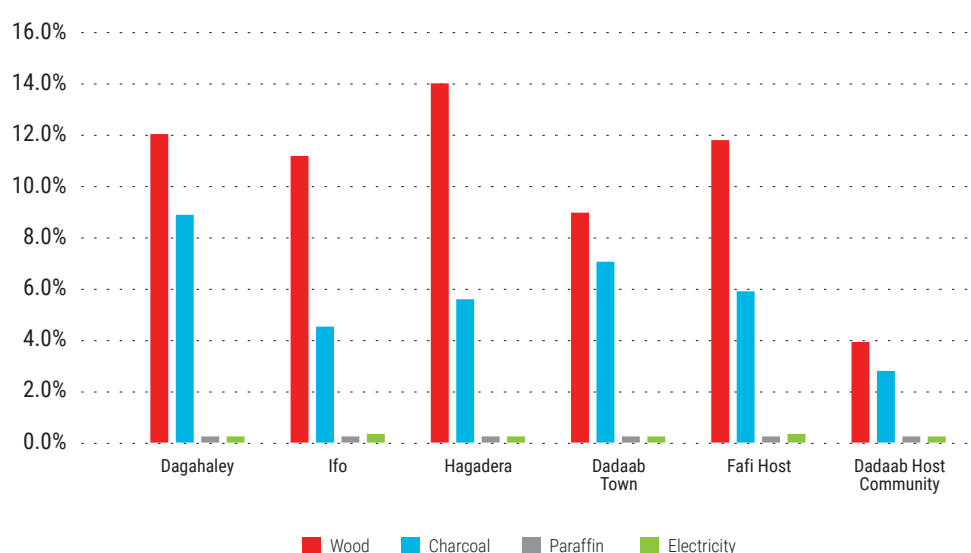
"...Firewood here is a major business. That's why you see those donkeys heavy laden with bundles of wood on their backs. They trek for very long distances."

— *Said a refugee resident of Hagadera.*

Paraffin (0.3%) on the other hand was the least used source of cooking energy in all the areas of interest followed by Electricity (0.7%). According to Vianello (2016)<sup>43</sup> World Health Organization (WHO) guidelines on household fuel suggest that a move away from solid biomass for cooking is the only path towards globally acceptable standards of safety as it reduces indoor air pollution. With the high number using biomass for cooking fuel, refugee camps have a high potential for promoting green cooking technology solutions which can be useful in addressing carbon credit opportunity.

The major reasons for choosing the cooking energy was mainly because of lack of alternative at 73.6% with more female giving this as a reason which shows that most households across the six settlements were captive users of current cooking energy. Other reasons given are as follows; readily available, cheap and affordable with less exposure to air pollution given very little consideration for choice of cooking energy.

Figure 3.27 Comparative Analysis of the Households Main Type of Cooking Energy



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

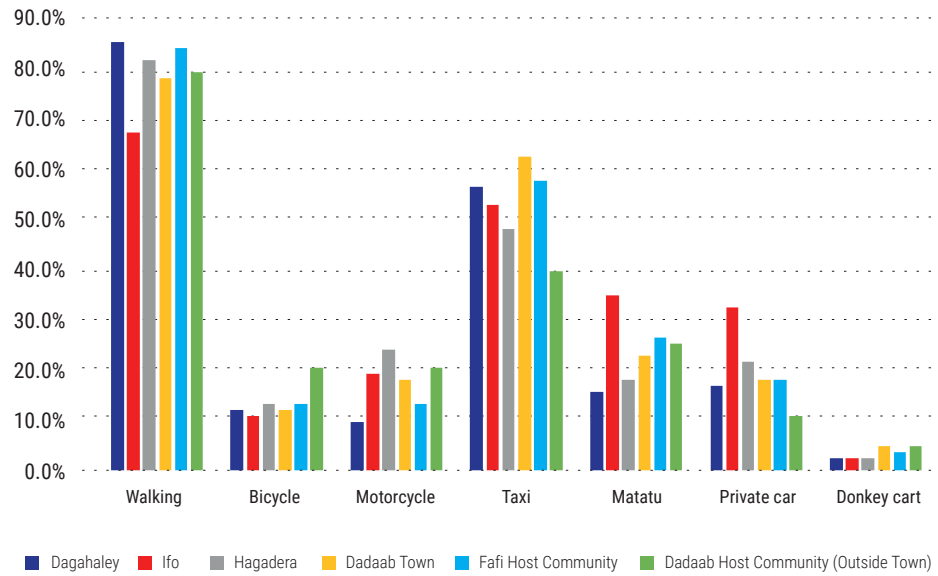
## Mobility and Communication

Transport infrastructure and services play a critical role in movement of people and goods which enable people to access various services and goods. Many households across the six settlements dominant modal choice for local mobility was noted to be walking as noted in Figure 3.28. This was followed by taxis and motorcycles.

43 Vianello, M. (2016). A Review of Cooking Systems for Humanitarian Settings, Chatham House. The Royal Institute of International Affairs, London (2016)



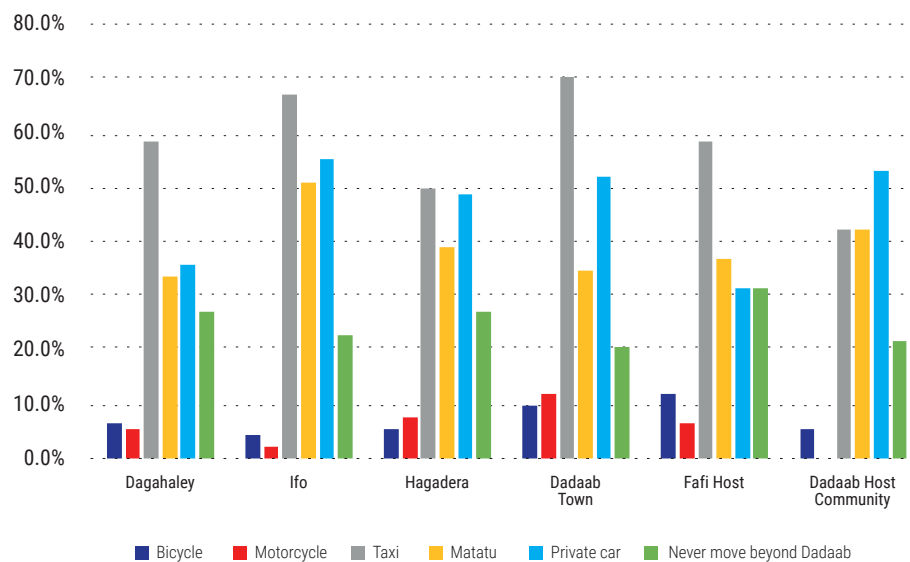
Figure 3.28 Comparative Analysis of Local Mobility Mode



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

For external mobility, use of taxi, matatu<sup>44</sup> and private car was the most preferred. It was also noted that the nature of the road and the distance travelled determined the modal choice for households, this may explain the reason why bicycle and motorcycles are not popular modes of transport for many households. The travel restriction for refugees and general disinterest by the host community was also noted to be a hindrance to external mobility as shown in Figure 3.29.

Figure 3.29 Comparative Analysis of External Mobility Mode



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

44 A minibus or similar vehicle used as a taxi



A man rides his donkey along one of the main street at the Ifo extension refugee camp in Dadaab Garissa county, Kenya. © UN-Habitat/Julius Mwelu

The ownership of mobility vehicles was noted to be low as only 1.7% reported to own a car and a paltry 0.7% of the households reported to own a motorcycle. This could be due to under reporting due to a number of vehicles in Dadaab area with Somali registration numbers which may be operating illegally.

Men were noted to dominate usage of most modes of transport for both internal and external mobility, with female seen to prefer usage of taxis and matatus for external mobility. It was also noted that apart from restriction of movement of refugees, many women in both host and refugee community (62.8%) have not gone beyond Dadaab. Challenges facing mobility in the area were listed as; a) poor infrastructure conditions, b) high cost of transportation services for users and maintenance for owners, c) safety challenges associated with cases of some unqualified and unlicensed transport operators, d) unreliable transport services, e) insecurity along some routes and f) movement restrictions. These challenges affect both households and businesses with refugee community additionally affected by the restriction of movements.

In terms of communication, a sizeable portion of households reported to own a radio (51.2%), mobile phone (89%) and a television set (15.6%). These are useful communication gadgets which can be used to share information and news. The popular radio stations were noted to be Gargaar FM and Star FM station, which broadcasts in Somali language. The major challenge with communication was mainly noted to be unreliable mobile phone network

### Key Emerging Issues

In this section, having highlighted shelter, water and sanitation, energy, transportation and communication issues, the following issues are emerging as;

- a. Shelter and housing- the host community are owning the land and houses they are living on while the refugees housing ownership is temporary as defined and determined by RAS and UNHCR. Modification of housing was more rampant among refugee than host since refugee original choice of the design and size of the houses is limited.



Public transport in Ifo camp in Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

The general condition of the houses for both refugee and host was the same, especially the roofing materials which was majorly iron sheet which has a great potential in water harvesting but this was not exploited by both host and refugee community despite the area being a water scarcity region.

- b. Water and Sanitation- the major source of water for both domestic and drinking was noted to be borehole. The water was noted to be a scarce commodity and purchase of water was occasioned during the dry seasons and water pumps failure. Burning was the major solid waste management practiced by the households. A pilot attempt has been made by ICRC to train the host and refugee community on plastic waste collection recycling and awareness, though this seems not to have gained traction and issues of Covid-19 could have impacted on the scaling up of this noble initiative which has a twin potential of reducing waste and income generating opportunities for youth and women who were noted to take a leading role in waste management. Use of covered pit latrine was the main human waste management practiced in the area, it was however noted that use of bush was still a practice among the host and refugee community with male noted to be the leading culprit of this negative practice. Female were noted to be the major custodian of water and sanitation matters among the host and refugee community with male being involved in the financing component of water and sanitation issues.
- c. Mobility and communication- internal mobility was mainly by walking due to short distance associated with such movements, while external mobility was by taxis and matatus due to the distance covered and the nature of the roads. Male dominated use of various modes for both internal and external movements with female use recording high use of taxi and matatus for external mobility. Restriction of movement was a major hindrance to mobility of refugee, though female both from host and refugee community cumulatively at 62.8% reported to have not gone beyond Dadaab. It is important that challenges associated with mobility such as poor infrastructure, insecurity along the major corridors and high cost of transport services are addressed to enhance mobility in the area.

## **SECTION III:**

# FINDINGS FROM BUSINESSES AND LOCAL ECONOMIC DEVELOPMENT SURVEY





One of main road in IFO Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu



## CHAPTER 4. DOING BUSINESS IN DADAAB

### Overview

This chapter analyzes the businesses and local economic development in the wider Dadaab area and their linkages with regional markets. From the households' survey, it was noted that businesses and local industries are a major source of incomes and a livelihood strategy for many households. These businesses and local industries, formal and informal, are the main form of economic activity for both host and refugee communities. Generally, enterprises in the area, Micro, Small and Medium Enterprises (MSMEs), are informal. The chapter presents analysis related to the nature of prevailing business environment, including types of businesses and their ownership structure, factors affecting the establishment of businesses, incomes and revenues from businesses, costs of starting a business, access to finance, business lifespan and expansion issues, supply and value chains, impact of the COVID-19 pandemic on businesses and the emerging issues in local economic development. The results have been disaggregated by the type of respondent (host community-owned businesses or refugee-owned businesses), settlement and gender. Additionally, the data has been cross-tabulated to establish the patterns and relations between variables further. The chapter concludes by summarizing the key emerging issues related to doing business in Dadaab.

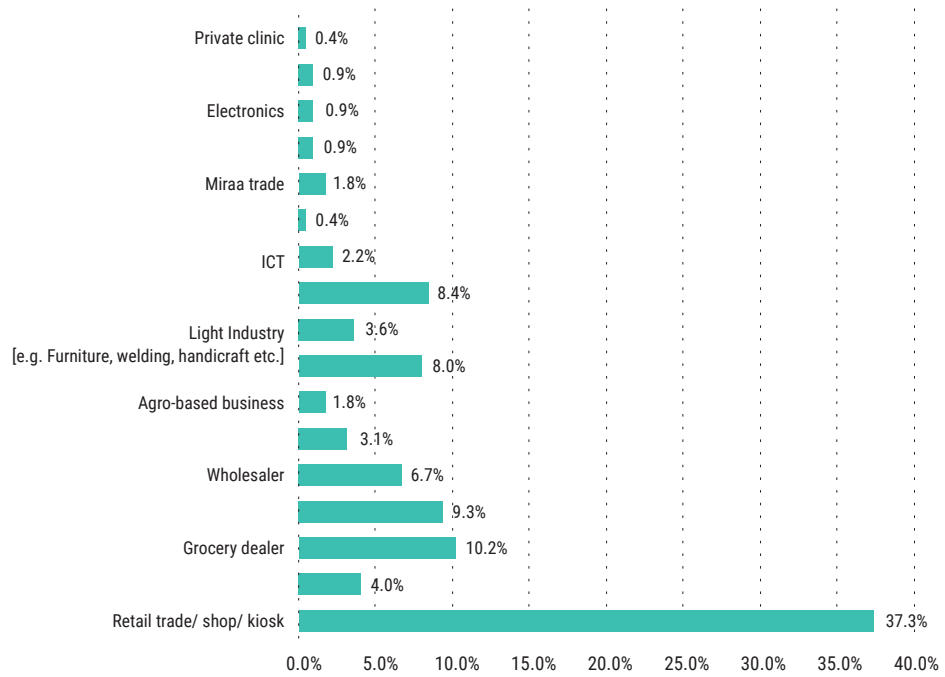
### Types of Businesses and their Ownership Structure

The survey was conducted in both host community areas and refugee camps across Dadaab and Fafi Sub Counties. The areas covered were Dagahaley, Ifo and Hagadera camps, Dadaab Town and Fafi host community. 57% of the respondents comprised of refugees, while the host community constituted 43%.

In Dadaab, most of the refugees, 88.1%, are from Somalia. This is because the establishment of the three camps in Dadaab, Dagahaley, Ifo and Hagadera was instigated by the influx of Somali refugees fleeing civil war in 1991 (WFP, 2014). The other countries of origin constitute Ethiopia at 8.7%, Burundi at 0.8% and South Sudan at 1.6%. For the host community, 86.2% are local Garissa residents, while 13.8% are migrants from outside Garissa County.

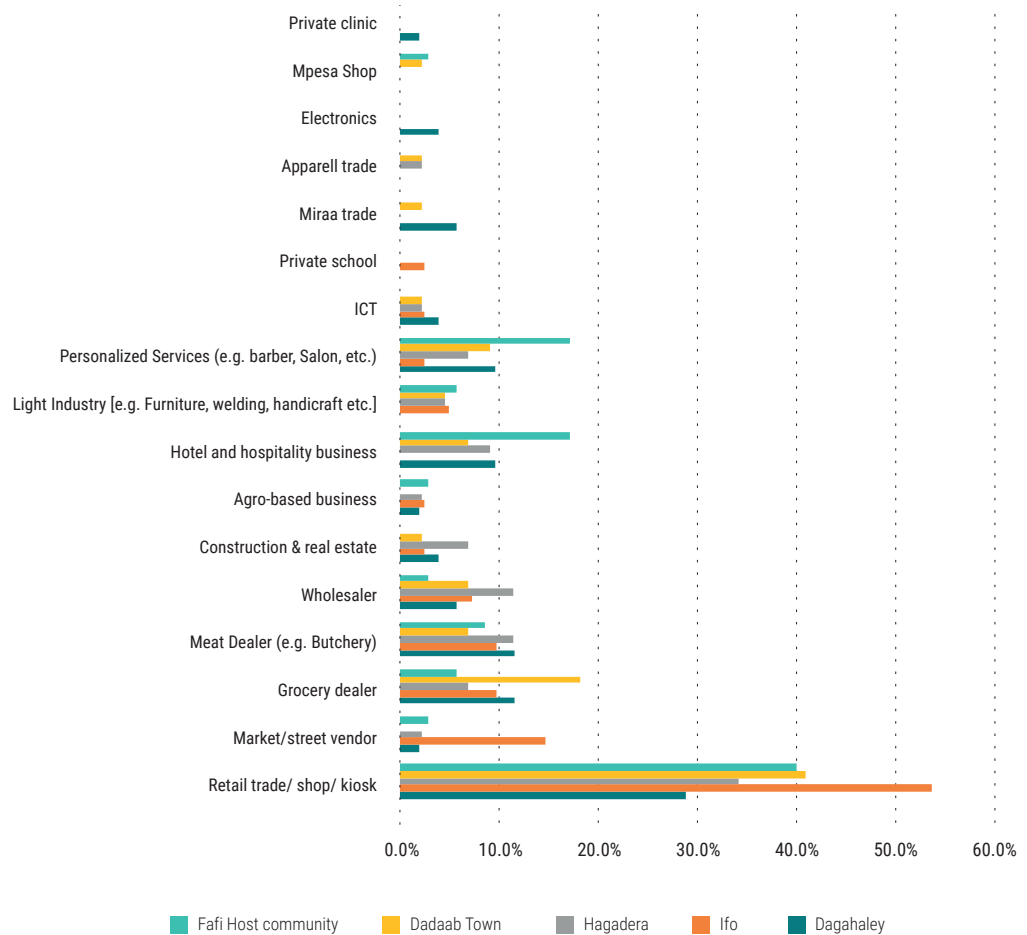
The study established that most of the business are retail and service provision (formal and informal) with most of the commodities and services sold in Dadaab being food items. For instance, general retail (food and non-food items) was reported by 37.3% of the surveyed businesses, 10.2% specialized in groceries, with 9.3% retailing meat products, and 8% ventured in hotels. In Dadaab Town, grocery dealership comes second at 18.2%. In Fafi, personalized services such as salon and barber shops and hotel and hospitality business come second at 17.1% each.

Figure 4.1 Types of businesses undertaken in Dadaab



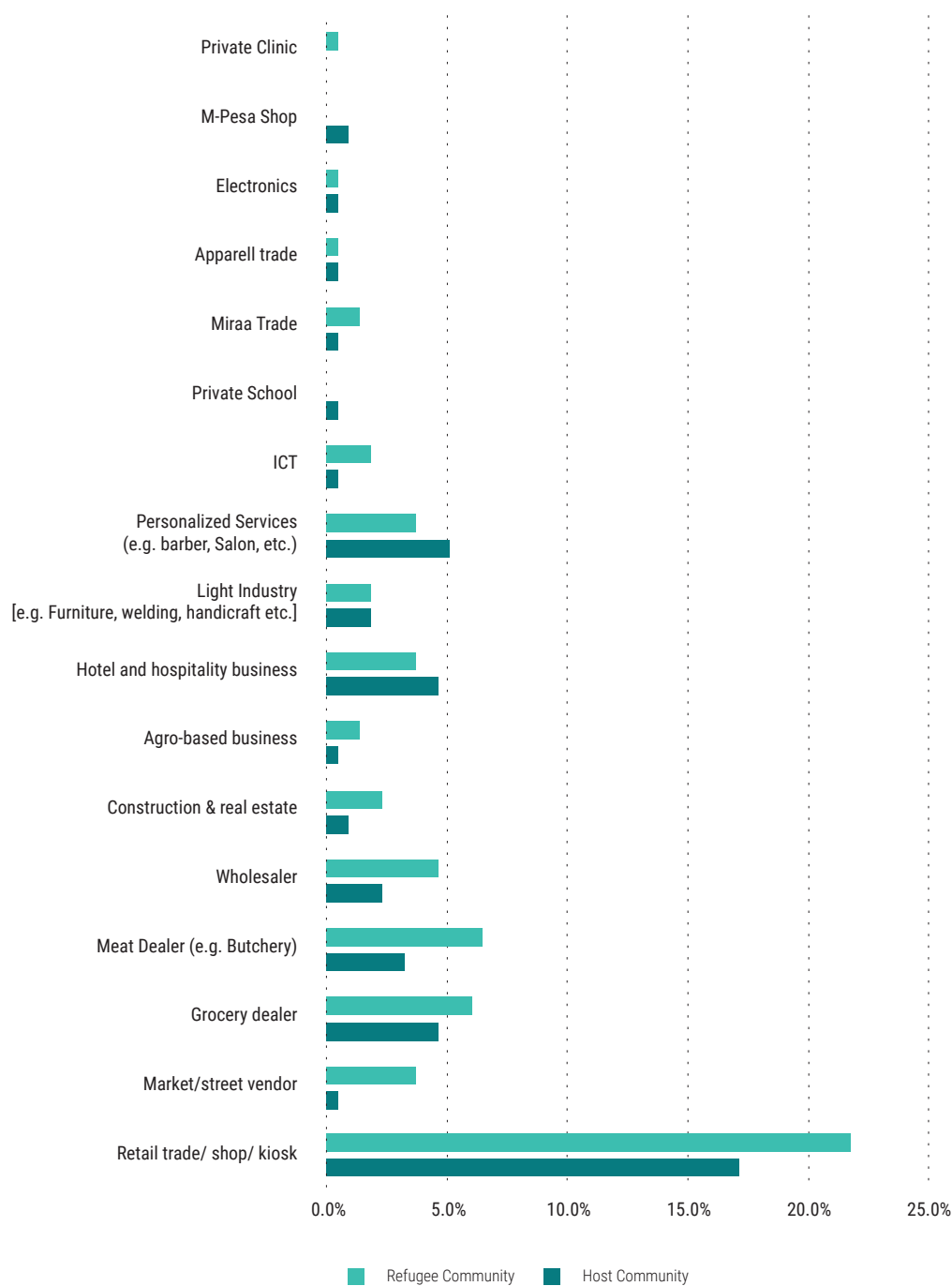
Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Figure 4.2 Types of businesses undertaken across wards



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Figure 4.3 Type of businesses across respondent category



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

In businesses such as electronics, apparel trade and light industries, both host and refugee communities have an equal share of the ownership. Host community dominated enterprises include hotel and hospitality businesses, personalized services, private school, and M-Pesa shop as shown in Figure 4.3. above.





### Gender and Age Distribution in Economic Activities

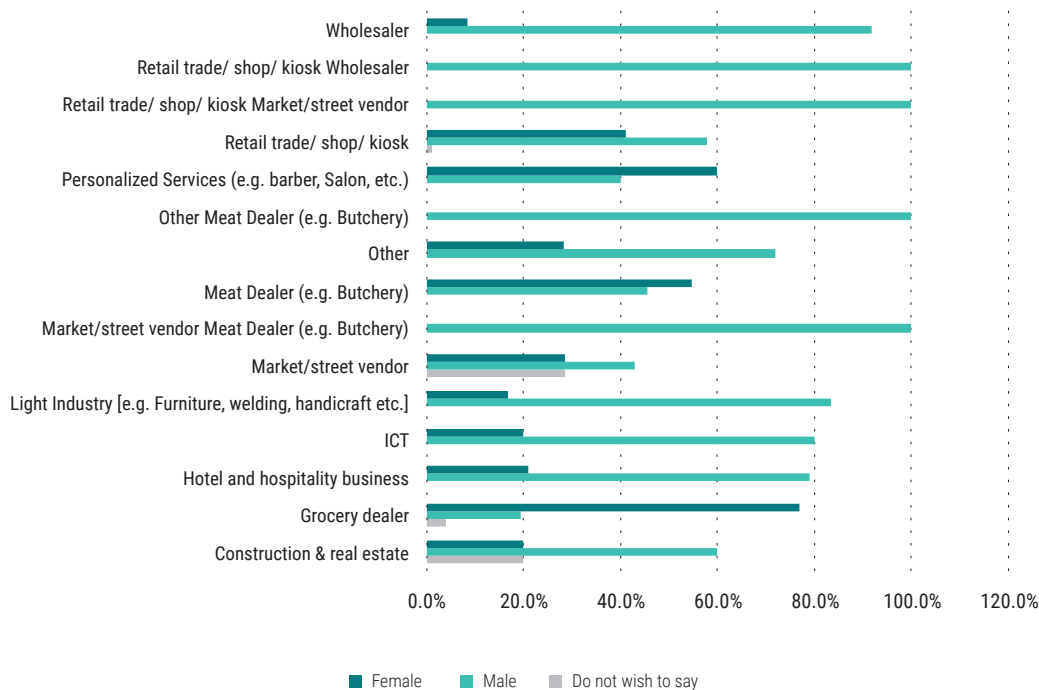
The division of labor in the host community areas is largely gender-based (ACF International, 2012). However, increased access to education by girls is slowly changing these divisions and still has potential for more change. Economic activities in the study area are also spread differently across age and gender. Older men dominate the large livestock production and trade such as cattle and camels, gather and sell firewood. However, small stock trade such as goats and sheep are mixed in terms of gender. More businesses are run by the male than their female counterparts. Overall, the ownership and operation of most of the larger businesses were found to be male dominated, with wholesale trade at 91.7%, light industries (e.g., furniture, welding, handcraft, etc.) at 16.7%, construction

and real estate at 60%, ICT at 80%, and the hotel and hospitality at 78.9%, are businesses are dominated by men. But there are also businesses that are dominated by women, such beauty services (e.g., barbershops and salons) at 60%, meat dealerships at 54.5%, and groceries (fruits and vegetables) at 76.9%. Women businesses at the lower end of micro scale are those dealing in Khat (*'miraa'*), milk, and vendor retail shops.

Some women work in hotels and do laundry for people in host and refugee communities. They sell goods like Khat (*'miraa'*), milk, small retail shops, some work in hotels, and do laundry for people in host and refugee communities. Additionally, there are youthful women-run salons and tie and dye art works. Women operate in all the levels of the markets, from the feeder markets, secondary markets and tertiary markets selling small stock.

“Some youth have started milk vending businesses where they open shops with restaurant set-up. They do a bit of value addition making ice cream, milkshakes and sell fresh milk and sour milk to people. Generally, in terms of involvement, we feel they are strong in the business once production has been done, in between the chain and not extremely at the production level where the animals are.” — **KII Garissa County Livestock Department representative**

Figure 4.4 Distribution of type of business across genders



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

When cross-tabulated across the age of the respondents, most businesses are owned/operated by those between ages 31-40 years. Traders aged 18- 30 years seem to be engaged in personalized services such as barber and salons at 46.7% and retail trade. This could be explained by the ease of entry and also the low initial capital requirements.

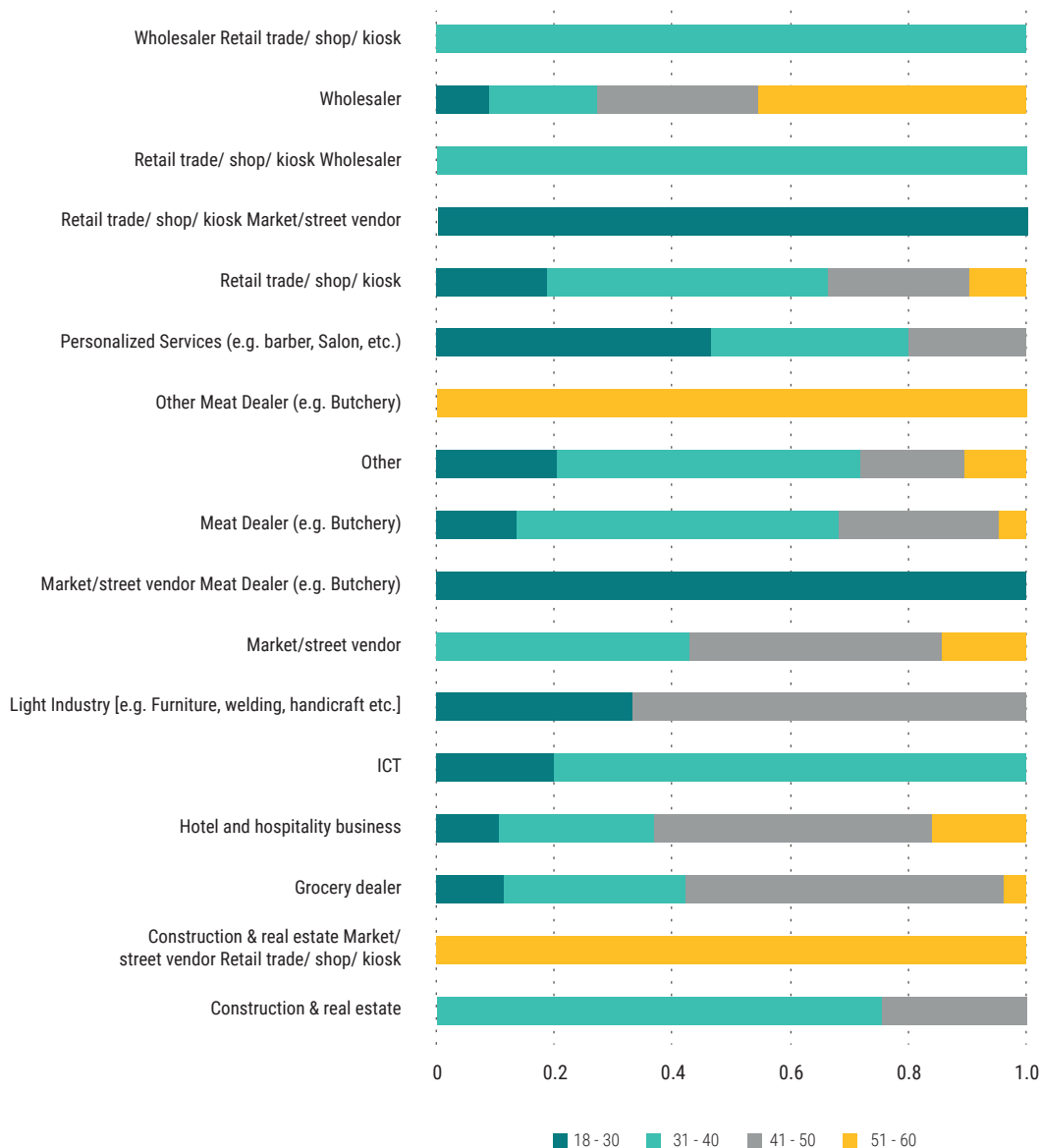
When it comes to the youth, some of them are employed in the agencies operating in Dadaab. In addition, these refugee-related agencies employ many host community members, who cite this as the most significant positive aspect of their operations in Dadaab.

Some youth sell milk, vegetables, shopkeepers, and 90% of the transport sector operators are the youth.



Goats are herded to a grazing ground in the early hours of the morning in Dadaab Ifo refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

Figure 4.5 Types of businesses across age groups



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

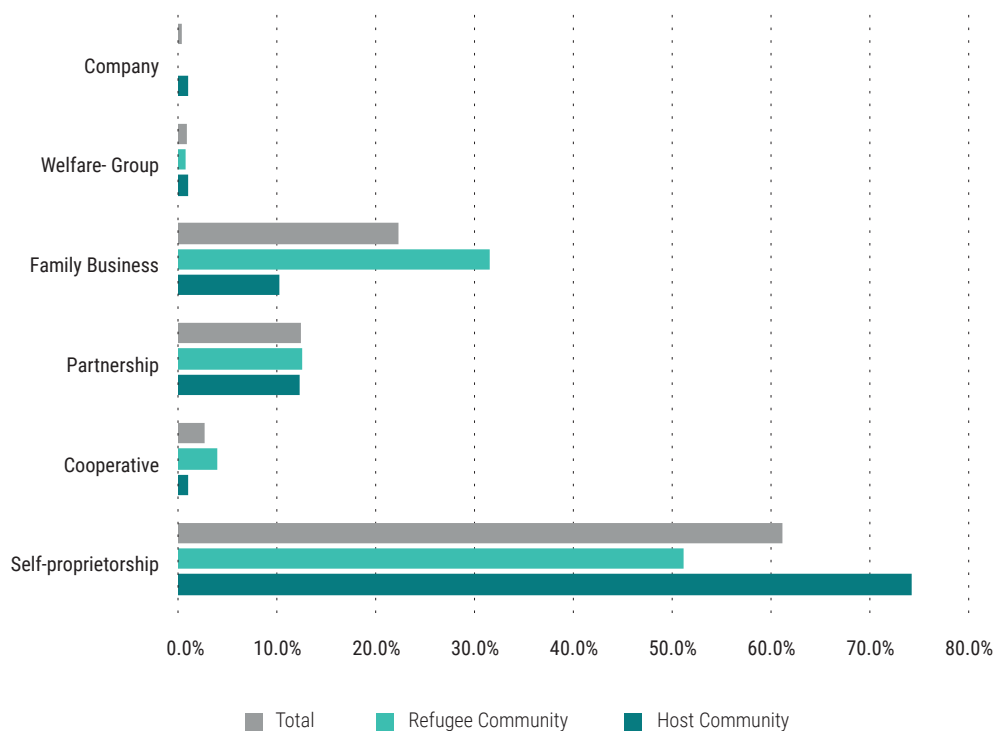
Unemployment among the youth is still high and is a major challenge in Dadaab as emphasized in the FGDs conducted. Among the host community, the insufficiency of facilities and poor standards of living led to some youth registering themselves as refugees to access facilities and resources in the camp. Due to this, they cannot get Identification cards or employment.

Those between 51- 60 years are dominant in construction and real estate business and in wholesale business indicative of the maturity and complexity of the industry requiring relatively higher capital outlays and enhanced capacity to operate likely possessed by those within that particular age cohort.

## Ownership Structure of Businesses

Most of the enterprises in Dadaab are owned on a sole- proprietorship basis, which accounts for 51.2% of the refugee community and 74.2% for the host community. Notably, there are more family-owned businesses among the refugees than the host community, accounting for 31.5%. Other forms of ownership partnerships cooperatives and welfare groups (*chama*).

Figure 4.6 Nature of business ownership in host and refugee communities

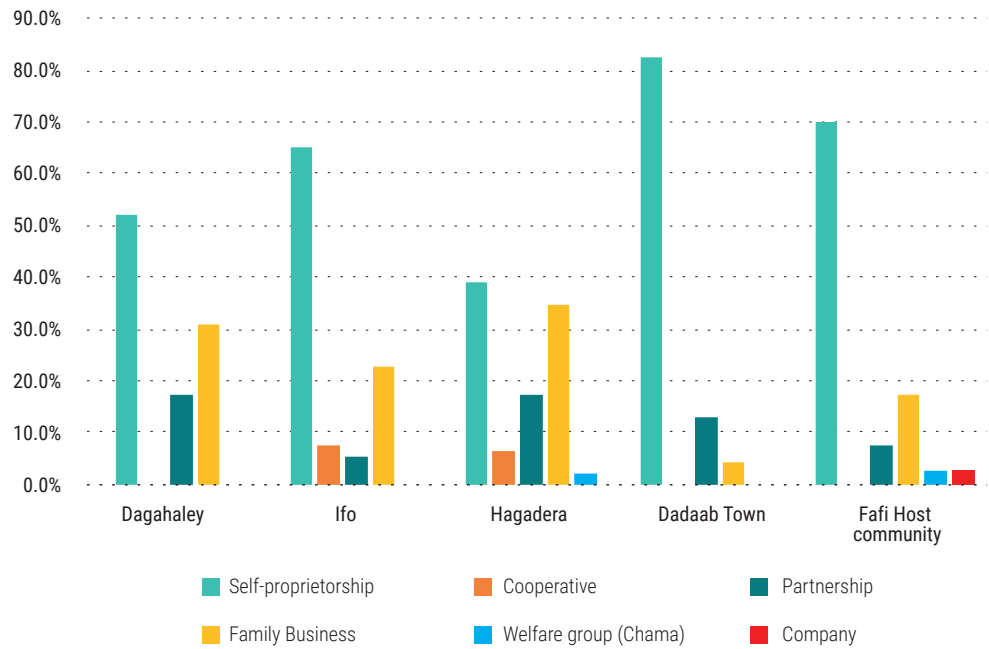


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

This was reflected across the specific localities where sole proprietorship was the primary type of business ownership. Dadaab Town recorded the highest number of sole proprietorship businesses at 82.6%, followed by partnerships at 13%.



Figure 4.7 Nature of business ownership in across the localities

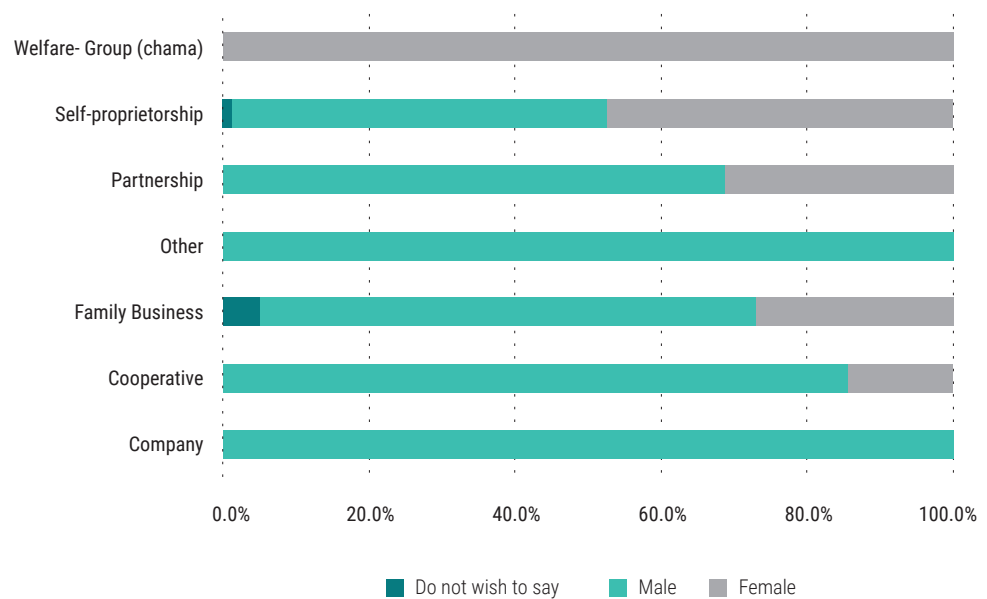


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

For Dagahaley, Ifo, Hagadera and Fafi host community, sole proprietorship ranked first followed by family businesses and partnerships.

With a focus on the distribution of type of ownership across gender, it is important to note that the male-owned businesses are dominant across the following ownership systems: company at 100%, cooperative at 85.7%, family business at 67.8%, and partnership at 68.8%.

Figure 4.8 Nature of business ownership across gender



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Female owned/operated businesses seem to have an edge in enterprises owned by welfare groups. This may point to an increasing trend of a gendered approach, where through welfare and social networks, women are increasingly partaking in businesses.

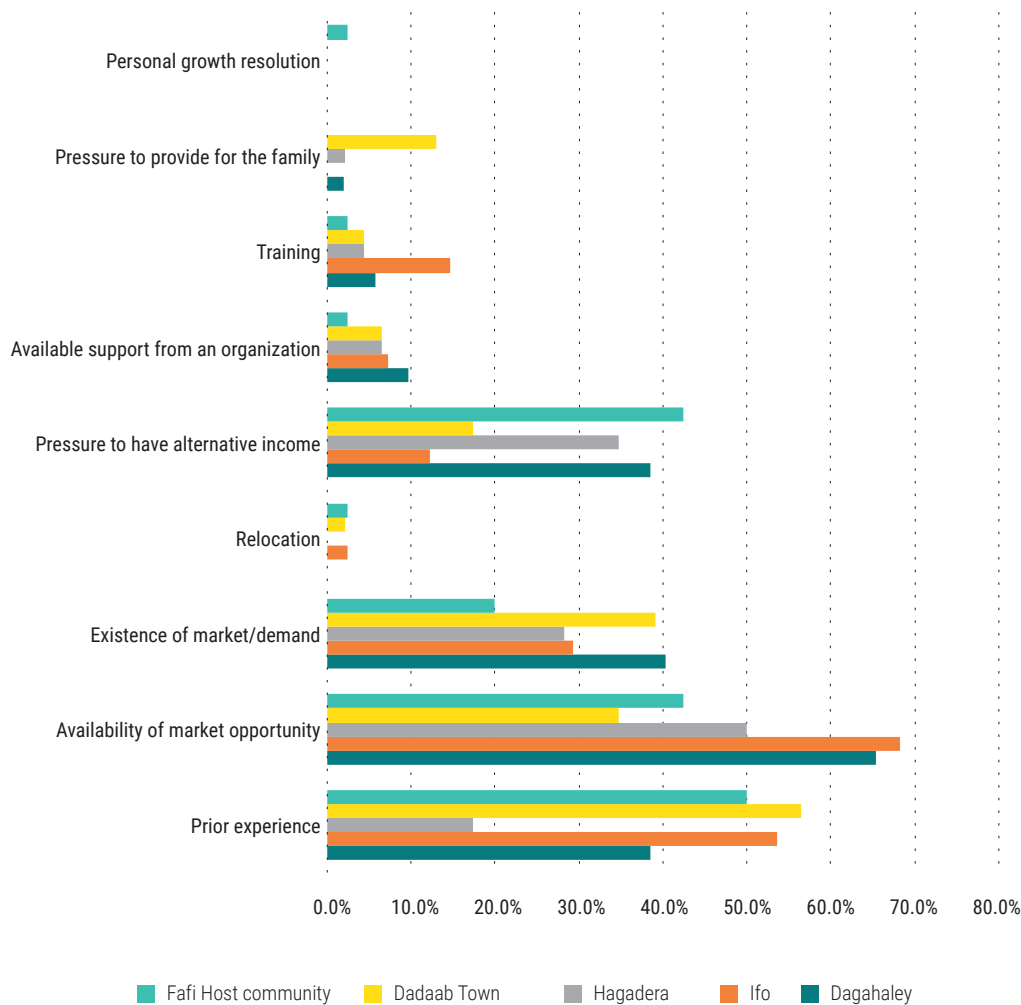
### Factors Affecting the Establishment of Businesses

In Ifo, Dagahaley and Hagadera camps, the primary motivation to start businesses was the availability of market opportunity, recording 68.3%, 65.4% and 50.0%, respectively. Indeed, the refugee camps have been key hubs for business activities and key contributors to Garissa County's economy.

The presence of the refugee population as well as humanitarian agencies present a market opportunity and has increased demand for goods and services.

In Fafi and Dadaab Town, the main motivation was that the entrepreneurs had prior experience in the business; hence, they felt confident to venture in business. The other reasons included the existence of market demand, pressure to have alternative income, pressure to provide for the family, training and available support from an organization.

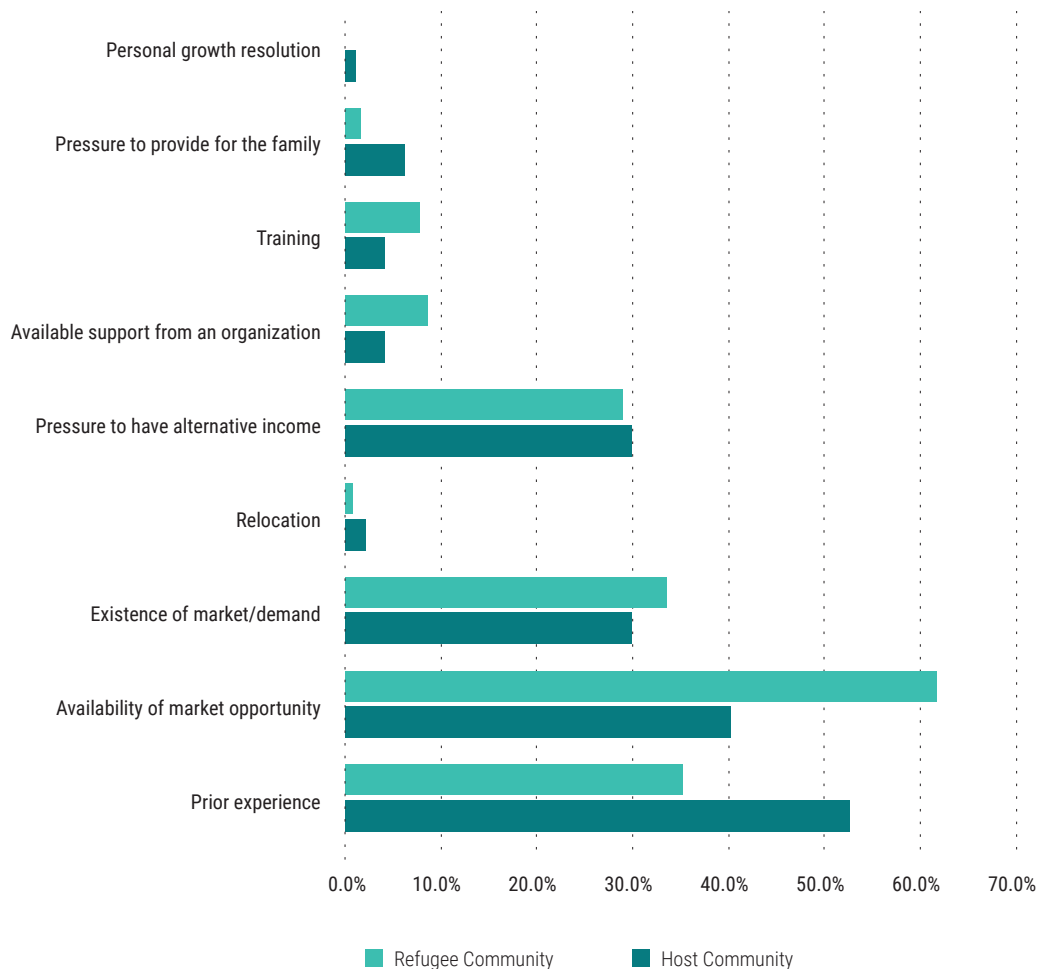
Figure 4.9 Motivation for starting businesses across the study areas



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

This was also reflected among the host and refugee communities, where 61.7% of the refugee traders were motivated to start their businesses due to the availability of the market opportunity, while 52.6% of the host community entrepreneurs were driven by their prior experience in the particular trade.

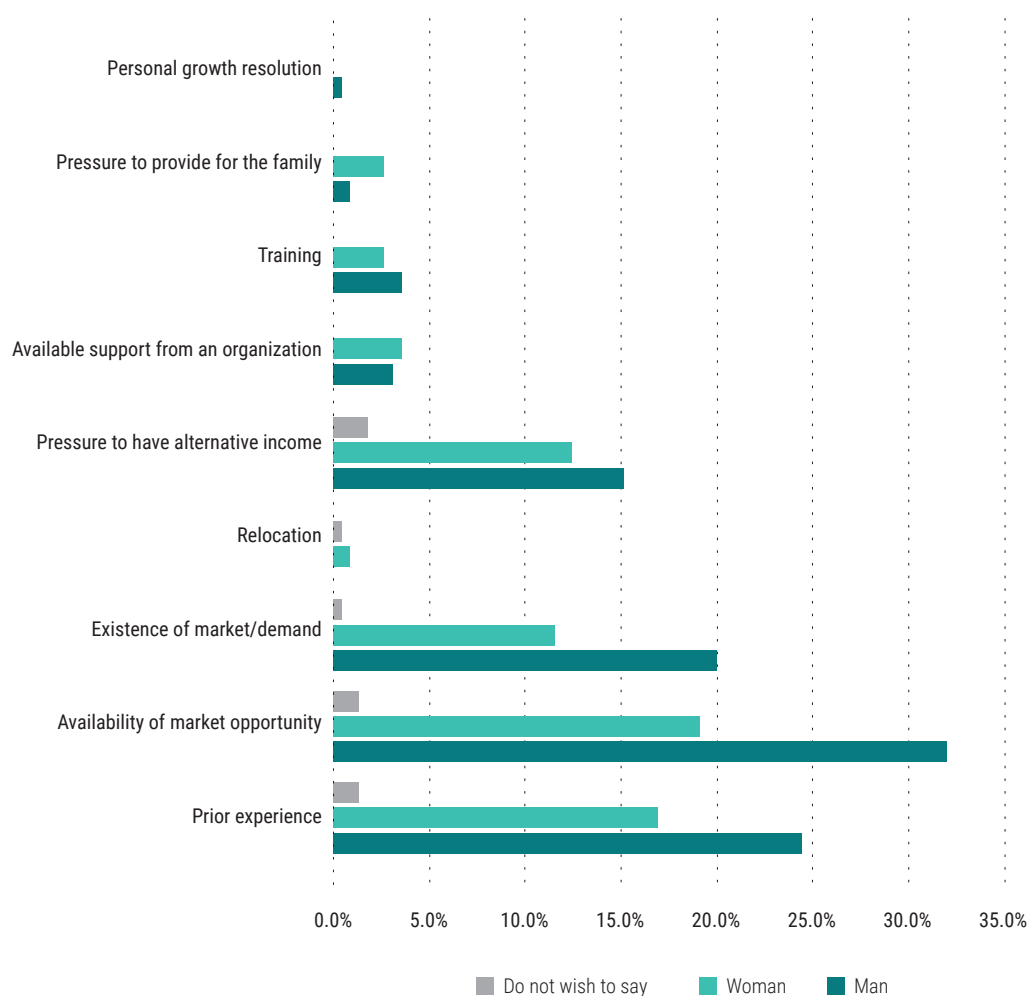
Figure 4.10 Motivation for starting businesses in host and refugee communities



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

In terms of gender, both male and female traders agreed that availability of market opportunity was the main motivation to start their enterprises at 32.0% and 19.1%, respectively. This was followed by the fact that traders had prior experience at 24.4% and 16.9%, respectively.

Figure 4.11 Motivation for starting businesses across genders



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

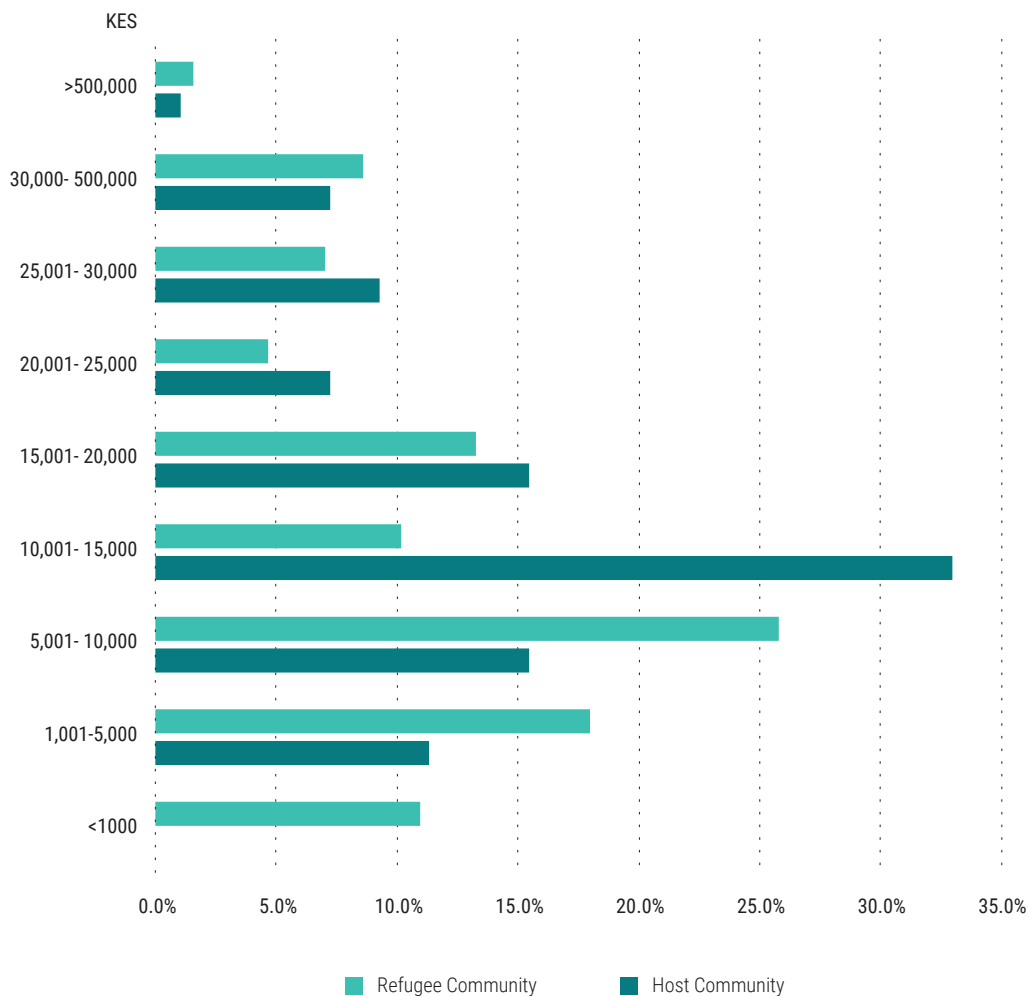
## Incomes and Revenues from Businesses

Businesses play a crucial role in creating employment and income generation. More importantly, these will be key in promoting self-sustenance in Dadaab. However, most of the monthly incomes realized are relatively low for most of the businesses. Factors such as the predominance of MSMEs in the area, low capital used to start the businesses and limited financing opportunities are likely to have caused this.

As a result, majority of host community businesses, 33.0%, earn between KES 10,001-15,000, followed by KES 5,001-10,000 and KES 15,001-20,000 each at 15.5%, KES 20,001-25,000 at 7.2%, KES 25,001-30,000 at 9.3%, KES 30,000-500,000 at 7.2 and above KES 500,000 at 1.0%. Most businesses earn KES 5,001-10,000 at 25.8% for the refugee-owned enterprises, followed by 18% who gain between KES 1001-1500, KES 15,001-20,000 at 13.3% and below KES 1000 at 10.9%.



Figure 4.12 Monthly income attained from the host and refugee community businesses



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The study by ACF International in 2012 established that hardly any households in the host community receive remittances, except a few in Dadaab Town and settlements closest to the camp.

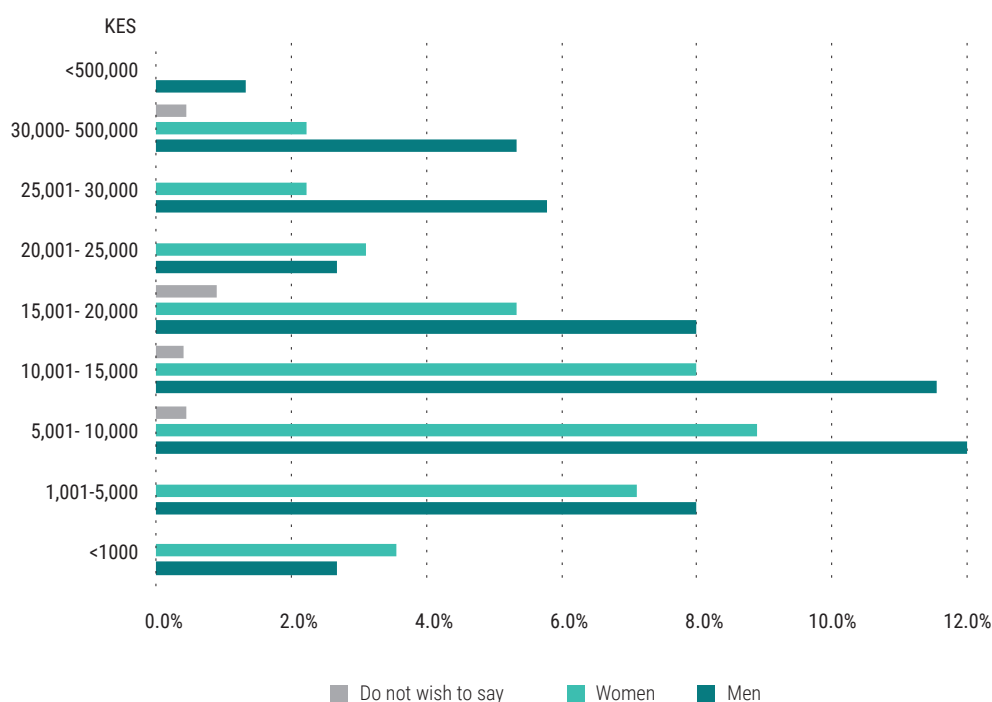
Host community businesses perform better than refugee-owned businesses on average. This may be because the host community does not have any movement restrictions and can get good prices for supplies from wherever. Refugees have to pay intermediaries to obtain goods which are more expensive, and buyers have no way of ascertaining the quality and safe movement of products.

In terms of gender, men earn more income from their businesses as compared to women. Moreover, more women than men earn less than KES 1000 monthly. This is primarily because women operate smaller-scale businesses. The reason for this phenomenon came up in the FGDs conducted, and women pointed out that they do not have access to capital compared to men. Therefore, women go into businesses whose cost of entry is low. Additionally, women were said to be less active in on-going interventions; hence, they could have limited participation in interventions that seek to promote entrepreneurship.

“Given that most of the products are mainly in Nairobi and Garissa and the time constraints of the permit, refugee business operators have a hard time getting the best prices for the items or raw materials that they go to buy. More time is given to those who pursue education and health services outside the camp.” — *KII NRC Representative.*

Where men can find work in Dadaab, their share of household income is higher than that of women (ACF International, 2012). From the FGDs, women spend their incomes on their family by buying food, mobile phone airtime, clothes and beauty products. Men, on the other hand, spend their incomes on family expenses and pay herders for those with livestock.

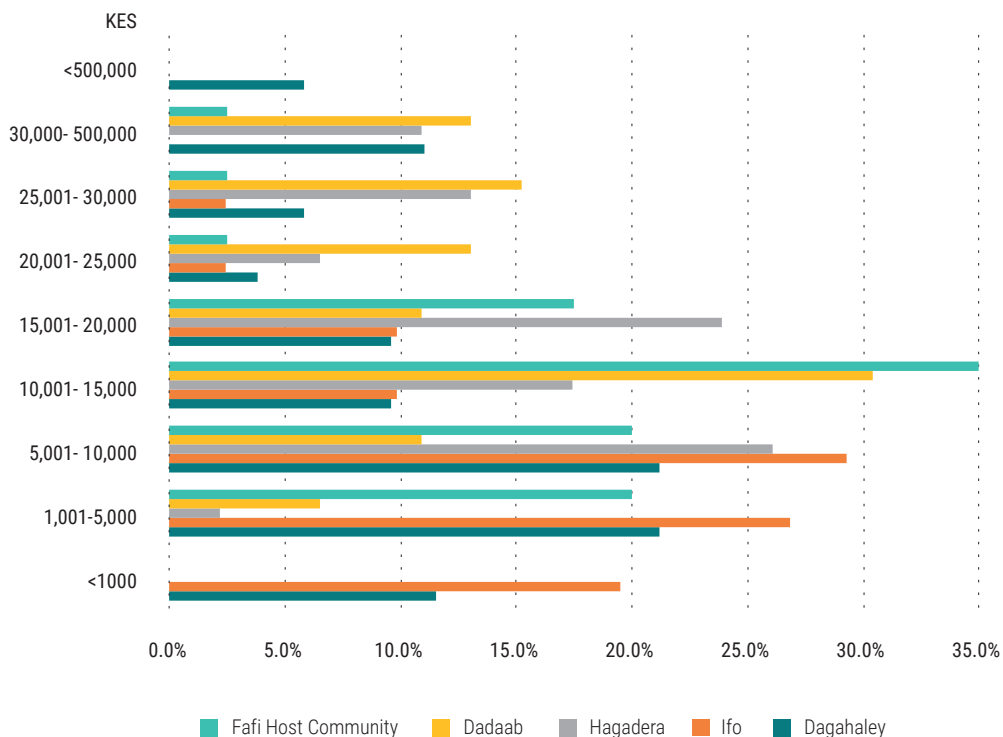
Figure 4.13 Monthly income obtained across the genders



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Within the specific localities, the study found that businesses in Dadaab earn more income than other areas. More traders in Dadaab earn KES 20,001- KES 500,000 than any other area. This is followed by Hagadera. Notably, only Dagahaley has, although few, businesses which earn more than KES 500,000 in a month.

Figure 4.14 Monthly income according to study areas



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The study further revealed that only 0.5% of the traders conducted a market analysis of the particular business they ventured into. Nevertheless, undertaking a market analysis is worthwhile because it will help establish how to link the refugee and host communities with national marketing franchises for products such as milk which is pretty much concentrated in a small area (NRC, n.d.). Moreover, market analysis for products such as ice cream and yoghurt in Dadaab can be done, given the hot landscape of Dadaab.

The revenue earned is re-invested back into the business and used to meet household needs, representing 39.8% and 39.4%, respectively. The majority of household expenditure is on food items including sugar, cereals, milk, some meat and vegetables (WFP, 2014). Additionally, 12.2% of the income goes into household savings, and 8.6% is invested in new business.

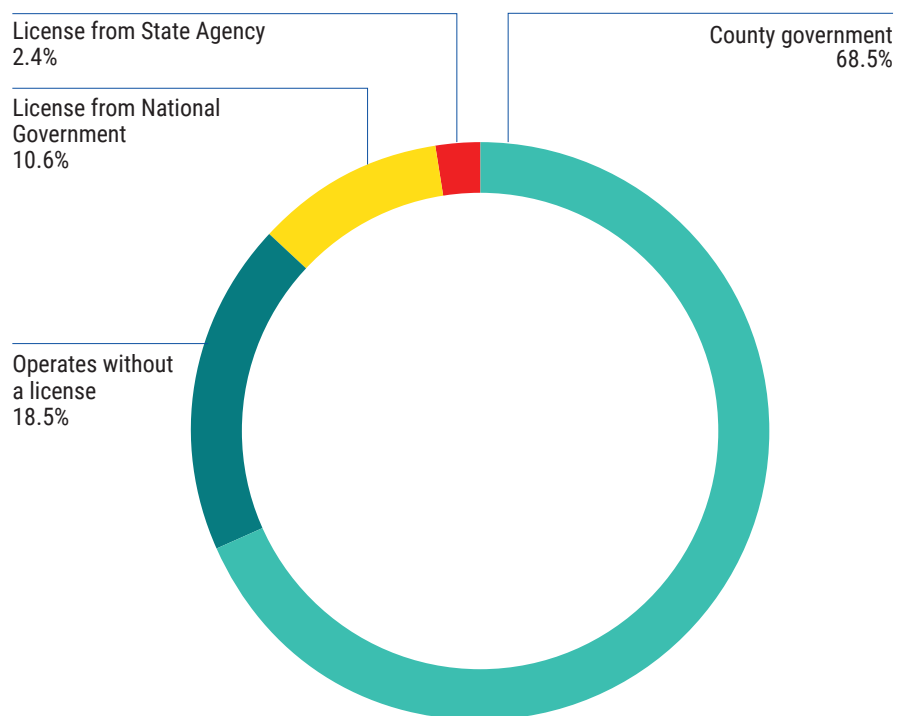
Only 34.7% of the traders own the structure they operate in, while the majority, 65.3%, do not have ownership rights. Among those who own the premises, 41.6% have an allotment letter from Garissa County Government, 33.8% have the sale agreement letter, 9.1% have title deeds, 6.5% have an allotment letter from elders, and 1.3% only have a verbal agreement. Those whose land is family property are 3.9% similar to those who have no documents at all.

78.2% of business owners who do not own the structures they operate in have rental arrangements with the owners while 15.5% occupy informally and freely. UNHCR allocated 4.2% of the premises. The other types of occupation arrangements are allocation by elders 0.7%, the area is a public market 0.7%, and some have residential and business occupancy at 0.7%.

## Businesses Operating with Permits

Business permits are available to both host and refugees traders, and they depend on the size and nature of the business. 81.5% of enterprises in Dadaab have permits while 18.5% of businesses operate without permits, facing fines when they are discovered. On the other hand, 68.5% of businesses obtained their licenses from the county government of Garissa, while 10.6% have obtained licenses from the national government, and 2.4% from a state agency. Other traders got their permits from the national government and from a state agency.

Figure 4.15 Types of licenses acquired by businesses

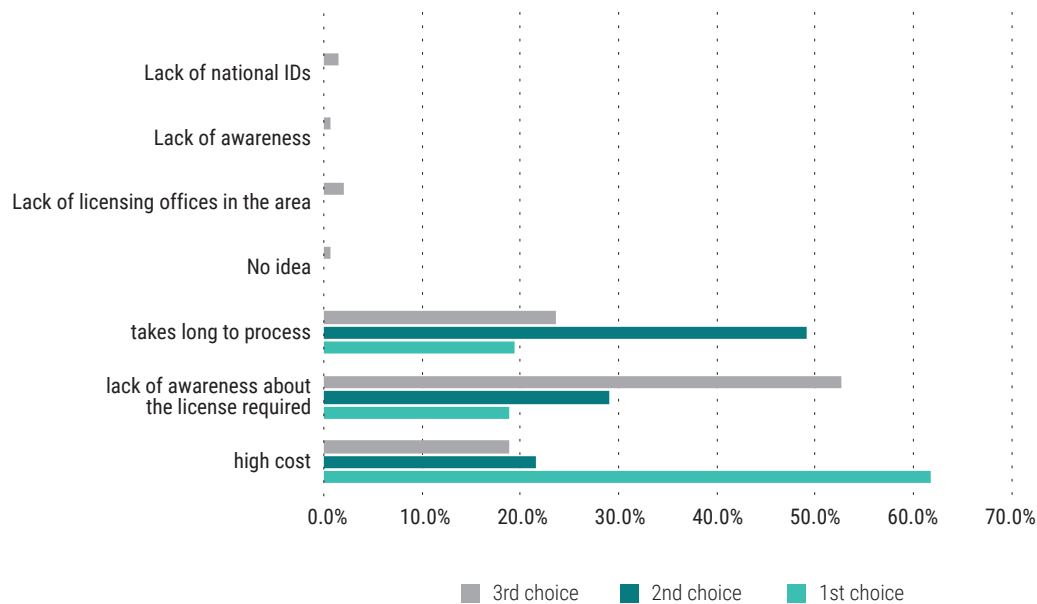


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The licensing and permit process was pointed out by many entrepreneurs to be marred with various challenges which affect their businesses. For the first choice of the challenges experienced, 61% of businesses indicated that the cost of obtaining business permits is very high, while 19.3% and 18.9% revealed that the process takes too long and there is lack of awareness on the type of licenses required respectively. Other challenges that were highlighted included the lack of licensing offices in the area and the lack of national IDs.



Figure 4.16 Challenges in accessing licenses



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

KII with NRC revealed that there is insufficient knowledge on documentation and processes required to acquire the permits. But it's also important to note that informal businesses avoid registration and licenses as cost-cutting measures. As a result, Garissa County Government loses an opportunity to enhance its Own Source Revenue (OSR) (UNHCR & ILO, 2019). The Garissa County Fiscal Strategy Plan (CIFP) for 2021/2022 indicates that Own Source Revenue (OSR) for the first half of year 2020/2021 was KES 40,600,000 (USD 406,000). OSR for the financial year 2021/2022 is estimated to be KES 150,000,000 (USD 1,500,000) by the end of the financial year, constituting only 2% of the county's resource envelope (Garissa County Government, 2021).

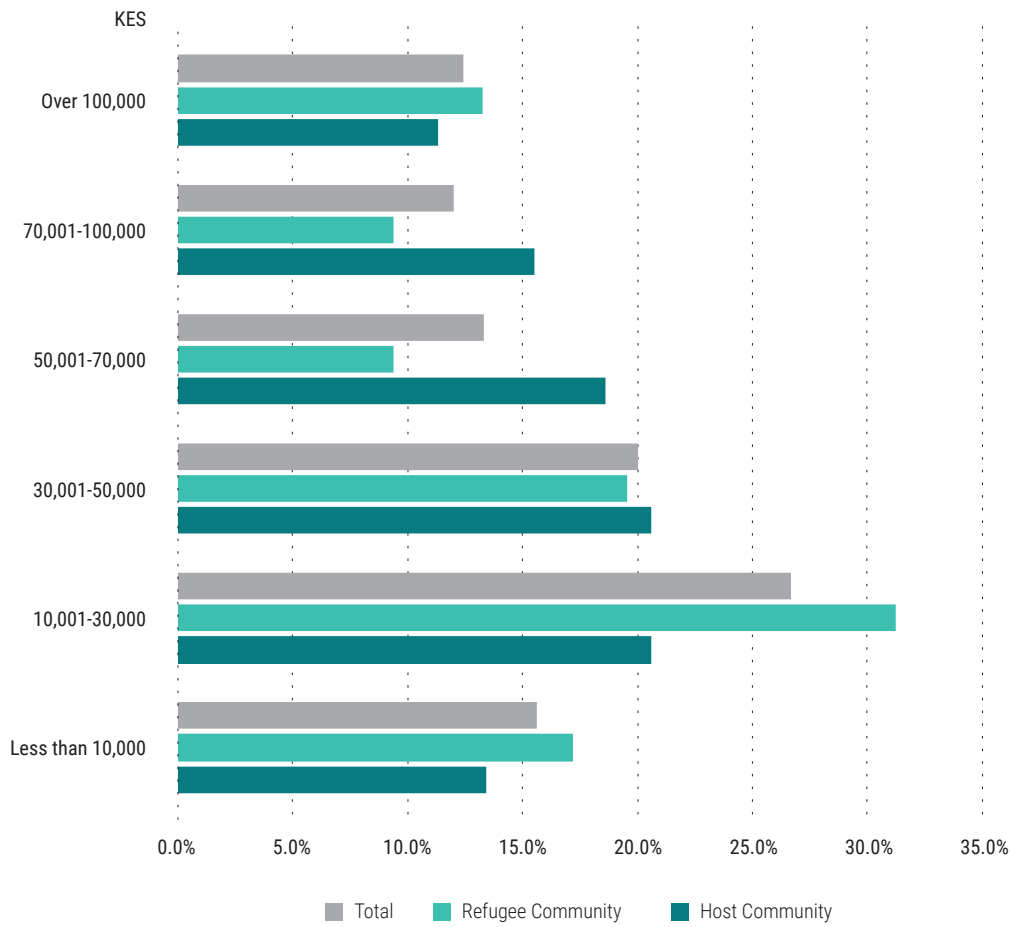
### Costs of Starting Business and Access to Finance

MSMEs play a vital role in Garissa County's economic growth, poverty reduction, and employment creation (Garissa County Government, 2018). It was apparent from the survey that most of the businesses in Dadaab are MSMEs where 70.2% have less than five employees, 25.3% have employed between 5-19 workers, and 4% have 20-99 employees, while just 0.4% have above 100 staff.

Further, the study revealed that the cost of setting up most of the businesses was relatively low, which is a common feature of MSMEs. For refugee-owned businesses, 31.3% of the business operators started with a capital ranging from KES 10,001- KES 30,000, whereas 19.5% started with an investment of KES 30,001- KES 50,000. 17.2% used less than KES 10,000 as capital while those who used between KES 70,000-100,000 and above KES 100,000, constituting 9.4% and 13.3%, respectively.

For host community businesses, those that spent KES10,001- 30,000 and KES 30,001- 50,000 were recorded 20.6% each. Notably, more host than refugee community members had a starting capital of KES 50,001-70,000 and KES 70,001-100,000 comprising 18.6% and 15.5% respectively.

Figure 4.17 Cost of starting businesses among host and refugee communities

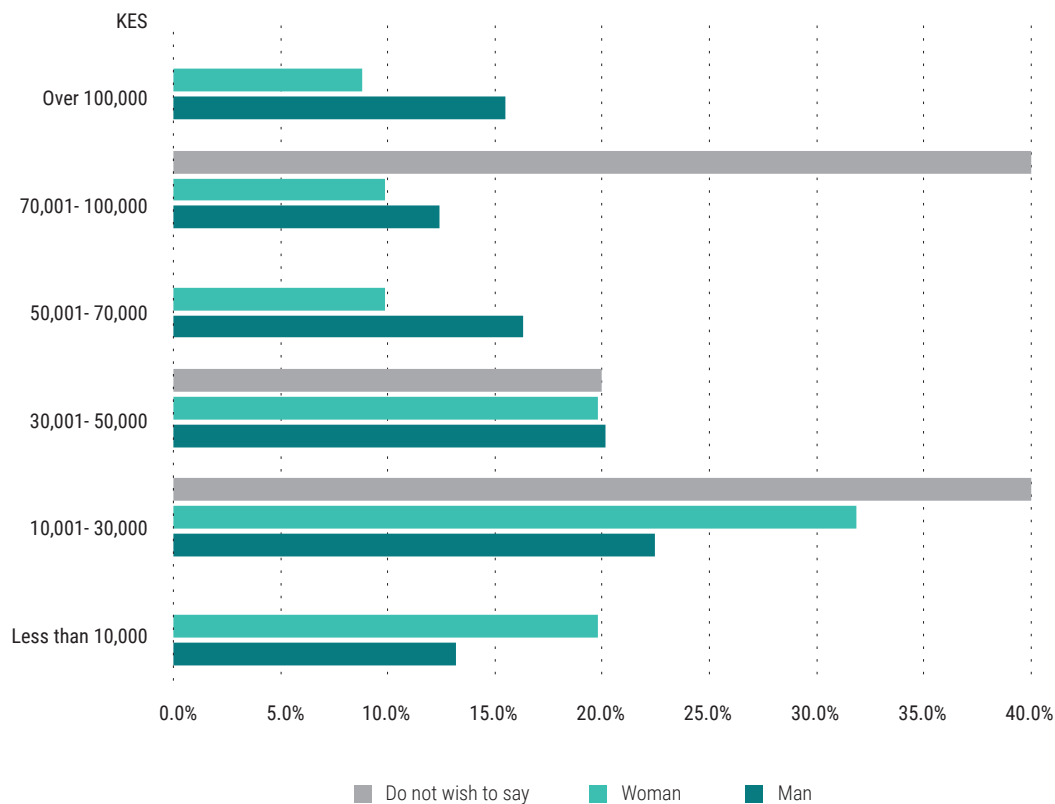


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Across the genders, most female traders spent KES 10,001- KES 30,000 at 31.9%, followed by less than KES 10,000 and KES 30,001- KES 50,000 both at 19.8%.



Figure 4.18 Cost of starting businesses among host and refugee communities

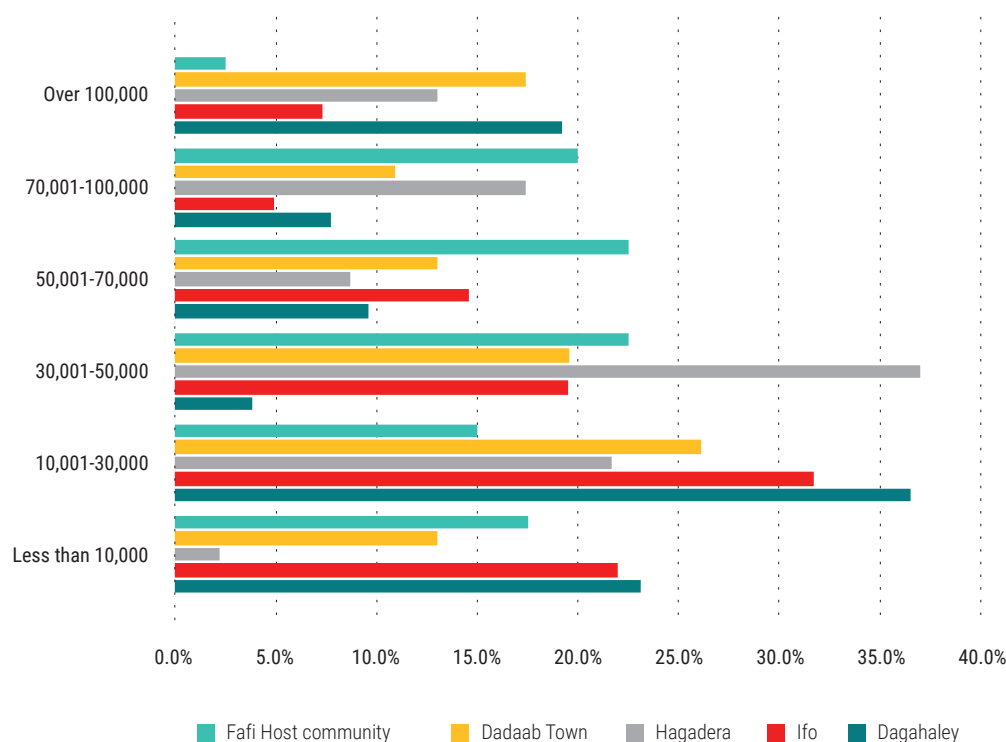


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

For male entrepreneurs, 40% spent KES 10,001- KES 30,000 and 40% spent KES 70,001- KES 100,000. Seemingly, more male traders were able to incur higher investment costs than female traders. This is because the study found that women owned businesses are smaller in scale than their male counterparts. One of the identified reasons for this is because of challenges in accessing capital, hence women resort to small scale businesses.

Specific to the localities, the study established that the cost of starting business in Hagadera was marginally higher compared to the other areas, where only 2.2% spent less than KES 10,000 to start business while a majority, 37.0%, used KES 30,001-50,000 as their starting capital. This may be partly because goods in Hagadera are more expensive than the other markets because of their urban origins (UNHCR & ILO, 2019).

Figure 4.19 Cost of starting business across localities



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Notably, the MSME sector in Dadaab has grown significantly in Dadaab as more people are shifting from the predominant economic activity of pastoralism to start businesses. The area's climate and environmental degradation have had a role in this, as drought and scarce pasture have forced people to resort to other sources of livelihoods. These observations were shared by the Kenya National Chamber of Commerce and Industry (KNCCI) in an interview.

"The sector that improved in this pandemic are the SMEs...We have had a lot of livestock dropouts, pastoralists dropouts. We are having heads of cattle because of recurrent droughts and the population of the urban center is increasing. Maybe this person was having a family of 7 people who were depending on those animals. When those animals die, what next? Women are forced to look for new livelihoods, so people start to open shops because to be a vegetable vendor, you don't need any papers or knowledge... Because small businesses have two advantages to it, one is its fast-moving, and you get something to sustain your life. The second is that it requires little capital to start, as little as KES.10, 000 someone can start those small businesses. For the past 5 years, the SMEs are improving, and people have become more entrepreneur minded." — **KII NRC Representative.**

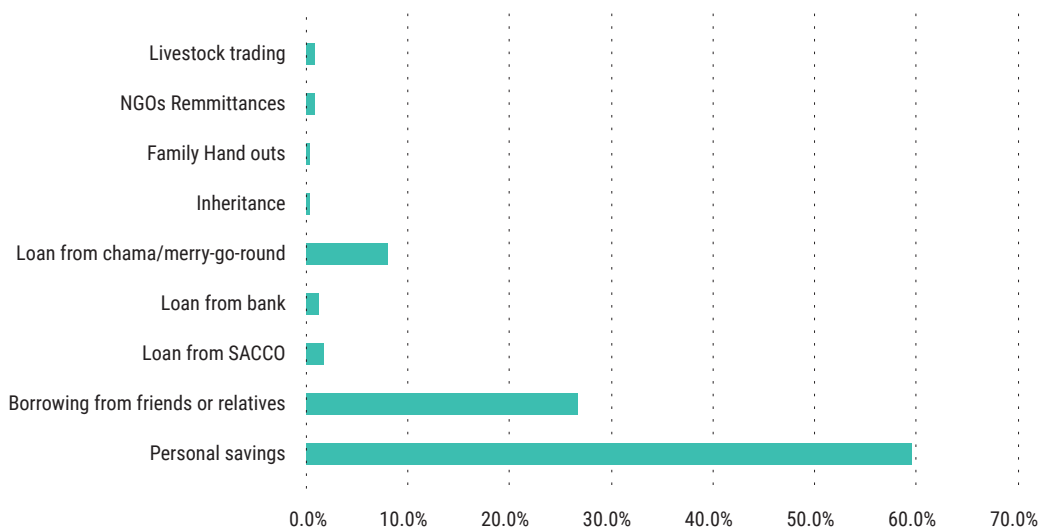


### Accessing Business Financing

Access to finances is a major obstacle to the growth of MSMEs, and these enterprises are less likely to obtain loans from financial institutions than large firms (The World Bank, 2019). Instead, MSMEs rely on internal funds, or cash from friends and family, to start and initially run their businesses. True to this, 84% of the business owners pointed out that raising the capital was difficult while 16% had it easier than their counterparts.

In Dadaab, difficulty in raising capital can be attributed to the limited financing opportunities in the area. As a result, most business owners, 59.6%, got capital from personal savings and 26.7% borrowed from friends and relatives. Only 1.3% reported raising initial capital from a bank loan, 1.8% got loans from SACCOs, and 8% received a loan from chama/merry-go-round.

Figure 4.20 Main source of start-up capital



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Under Kenyan law, refugees cannot get loan services because they are employed as incentive workers and cannot meet the loan repayment conditions since this is not formal employment. Additionally, Islamic religion, sharia laws do not allow for charging interest on loans. Therefore, the bank has to put in place an Islamic account that is sharia-compliant for the host community to get loan services (UNHCR & ILO, 2019). Additionally, money transfer services (*hawalas*) have been established for a long time while informal credit facilities were present in the camps through the system of *Ayuuto*, which is a savings and credit facility developed among groups of people (Kamau & Fox, 2013).

Safaricom’s mobile money service, M-Pesa, is available to refugees but with strict restrictions. Refugees are registered only up to the point of their current registration. After their registration expires, their sim card expires as well. This presents a significant impediment because there are government restrictions on paying refugees in cash and the agencies encounter difficulties when they want to pay their incentive workers.

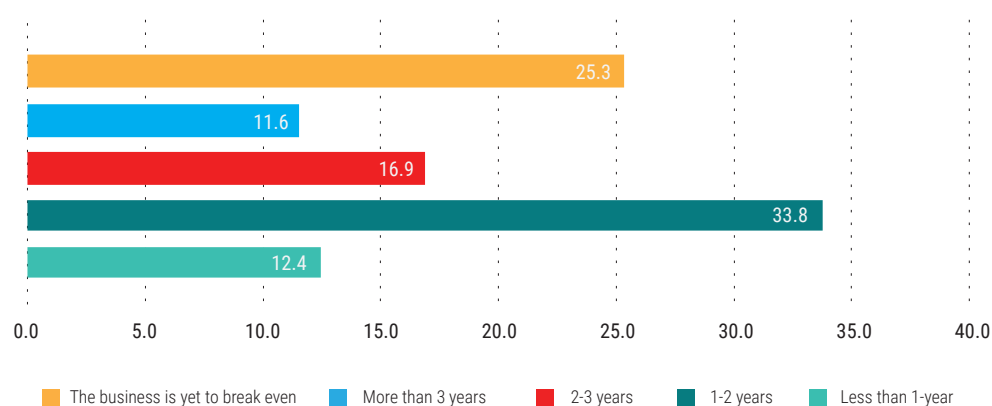
Equity Bank is the only bank in Dadaab, since 2012. The bank is based in Dadaab Town then there are bank agents situated in the camps, which makes it easier for the refugees to access the bank services. Informal lines of credit and community-based credit and saving schemes are more popular among refugees and are promoted by the UNHCR. This includes Village Savings and Lending Associations (VSLAs), a safety net for those trying to set up more sustainable businesses in a dynamic context (UNHCR & ILO, *Doing Business in Dadaab*, 2019). Moreover, they serve as efficient informal financial service models where formal structures such as banks are not accessible.

There are also operational formal micro-credit schemes servicing both host and refugee communities. Hawala agencies provide short term credit to reliable customers. Most of these have a loyal clan base, mirroring the overall ownership of the enterprise by the clan (ACF International, 2012).

### Business Lifespan and Expansion Issues

More businesses, 33.8%, reported that it took between 1-2 years to break even. This was followed by 25.3% who alluded that their businesses are yet to break even. 16.9% stated that it took 2-3 years, while those that took less than 1 year and more than three years recorded 12.4% and 11.6%, respectively.

Figure 4.21 Time taken by business to break-even (%)



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Within the specific localities, the same situation was reflected as most businesses broke even within 1-2 years. Ifo and Dagahaley recorded the highest number of businesses which are yet to break even at 48.8% and 38.5% respectively.

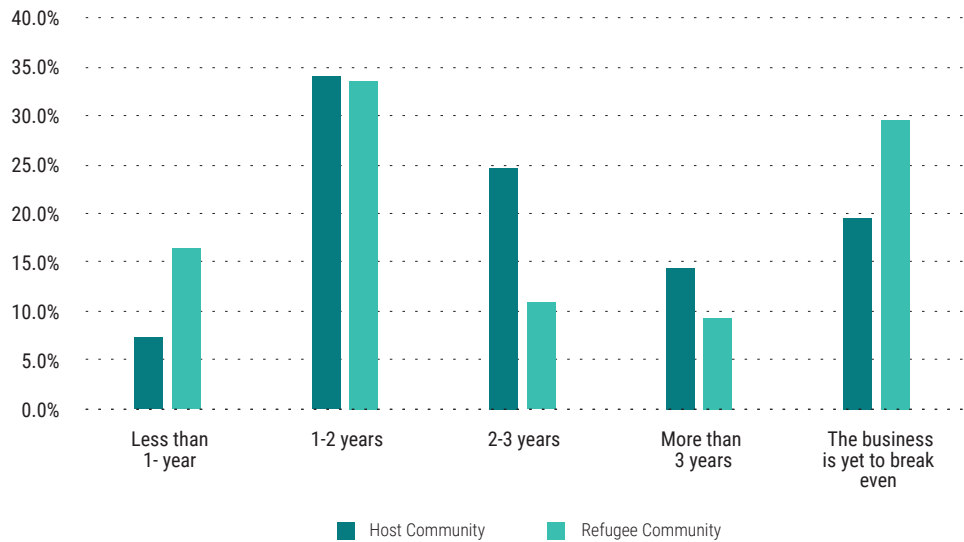
Table 4.1 Time taken by business to break even across localities

	Dagahaley	Ifo	Hagadera	Dadaab Town	Fafi Host community
Less than 1-year	11.5%	19.5%	15.2%	6.5%	10.0%
1-2 years	38.5%	22.0%	37.0%	30.4%	40.0%
2-3 years	3.8%	4.9%	21.7%	39.1%	15.0%
More than 3 years	7.7%	4.9%	15.2%	10.9%	20.0%
The business is yet to break even	38.5%	48.8%	10.9%	13.0%	15.0%

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The survey further revealed that more refugee businesses broke even in less than a year compared to host community businesses at 16.4% and 7.2%, respectively. In contrast, more refugee enterprises are yet to break even compared to those owned by the host community at 29.7% and 19.6%, respectively.

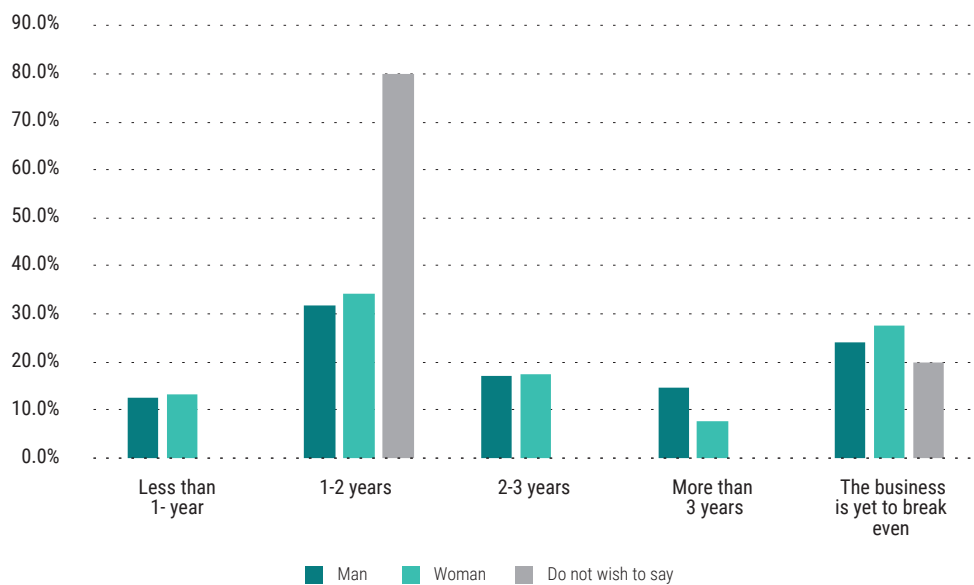
Figure 4.22 Time taken by business to break even in host and refugee communities



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Notably, most male-owned and female-owned businesses broke even between 1-2 years of starting. The study further revealed that while more female-run businesses broke-even in less than a year than their male counterparts, more female-owned businesses are yet to break even at 27.5% against 24% for the men.

Figure 4.23 Time taken by business to break even across genders



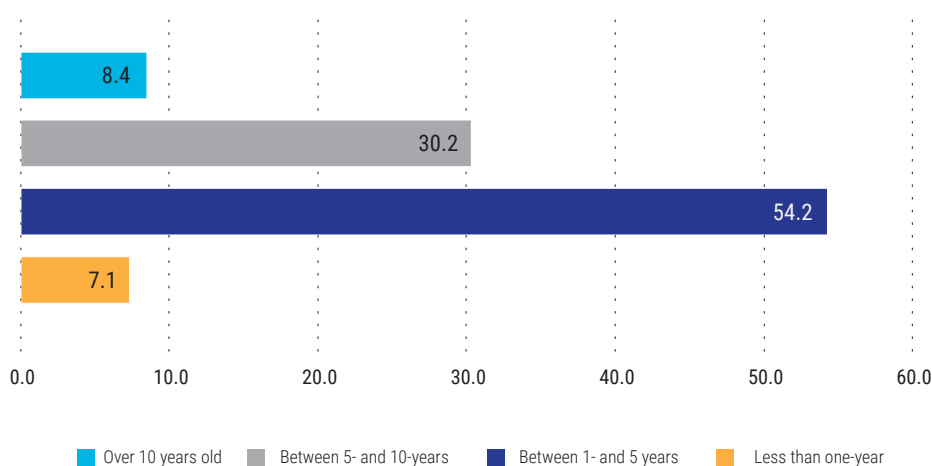
Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

FGDs revealed that women experience more challenges in running their businesses than the men. This may be because of various reasons, among them being that women run smaller scale businesses and therefore get low profit margins. As mentioned earlier, women also face more challenges accessing capital compared to men. They, therefore, go into businesses whose entry costs are low and are unable to expand their businesses. This makes women to be more vulnerable to socio-economic or climatic shocks.

### Longevity of Businesses and the Sustainability Challenge

Even though the Dadaab Refugee camp has existed for 30 years now, the survey revealed that most businesses are less than 5 years old, where 54.2% are between 1-5 years, and 7.1% are less than a year old. 30.2% were established between 5-10 years ago, while only 8.4% have been operational for over ten years.

Figure 4.24 Age of business (%)



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The FGDs and interviews revealed that this scenario is caused by the high level of competitiveness in businesses where new entrants reduce profits for the existing businesses. As a result, some of the enterprises end up closing as they cannot sustain their operational costs due to reduced incomes. Particularly, host community businesses underscore stiff competition from the cheaper goods available in the camps. Furthermore, price fluctuations of commodities that happen often affect businesses that have to adjust their prices and lower their profits.

The most successful businesses are mostly refugees that have been in the camp for a long time, as they have managed to develop networks and ways of maneuvering in the current business environment (Kamau & Fox, 2013).

### Limited Capacity of Businesses to Grow

Garissa County Integrated Development Plan (2018) highlights that most traders in the county lack sufficient business management skills essential in keeping their businesses profitable and in a manner that they grow. Consequently, business growth and sustainability have been negatively affected due to a lack of operations and management activities such as saving skills and bookkeeping.

### Skills Challenges

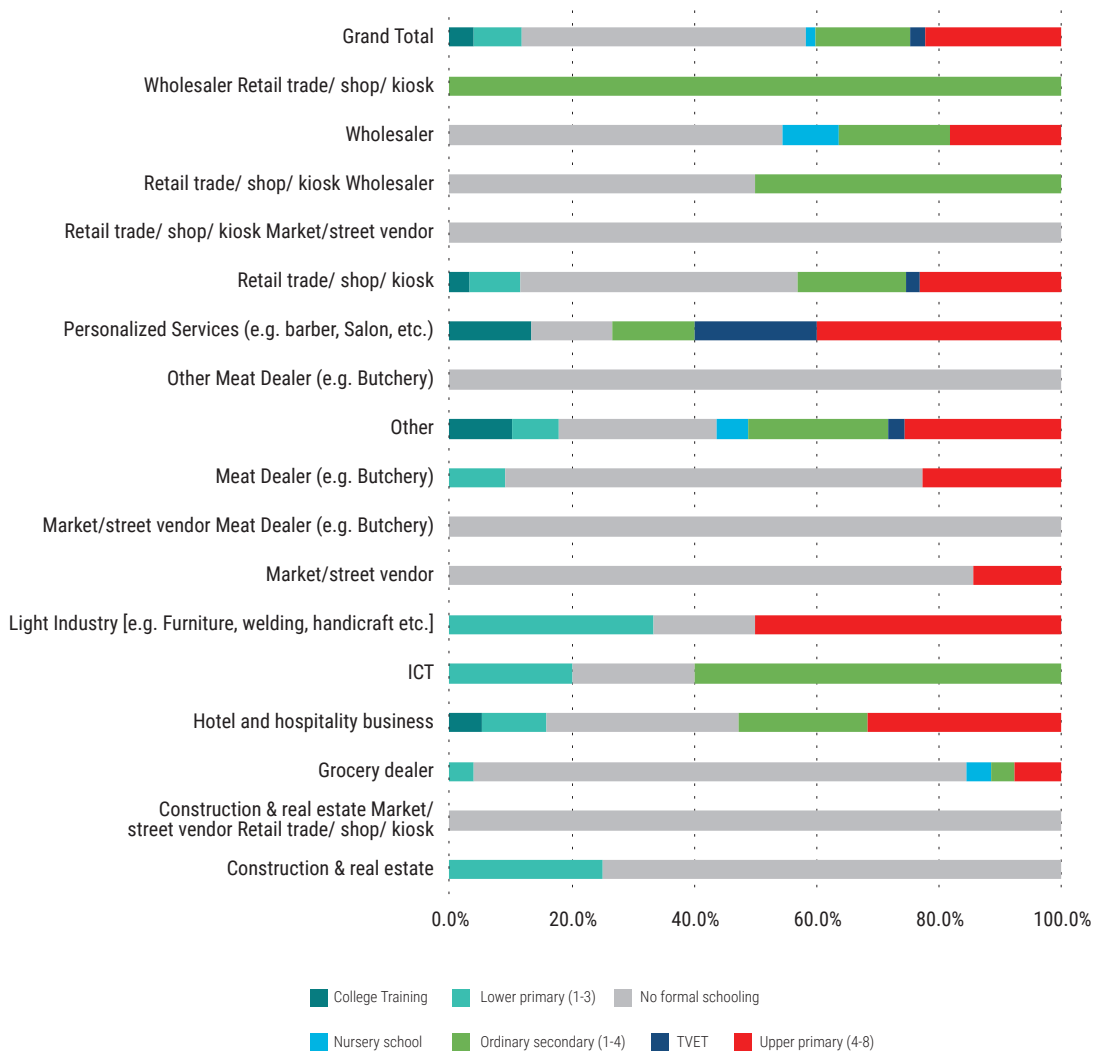
The study underscored high illiteracy levels in the area as 46.5% of the business operators did not attain any formal schooling.



In comparison, 22.3% reached the upper primary level. 15.6% got to secondary level while only 3.9% and 2.3% attained training in colleges and TVETs, respectively. According to the UNHCR proGres database, most of the refugees, 54%, have no education at all, while 11% are benefiting from informal education only (UNHCR & ILO, 2019). In addition, within the past year, 35.5%

of the businesses prioritized training in skills development, 25.8% conducted marketing, 38.0% embarked on business administration. Low uptake and poor transition from the different levels of education such as secondary school to an institution of higher learning was highlighted as a significant challenge in an FGD with business operators of Dadaab.

Figure 4.25 Type of Business by Education Level



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Most businesses in Dadaab are dominated by owners/operators with no formal schooling. The survey found that various agencies operating in Dadaab such as NRC, UNICEF, WFP, DRC, The Kenya Red Cross Society, Humanity and Inclusion, and TDH have training activities in Dadaab. The activities aim to build the capacity of traders, girl mothers, school dropouts, youth, women, and foster parents.

## Business Administration and Capacity Development

Even though the study established that most businesses in Dadaab have a short lifespan, most traders have plans to venture into alternative livelihoods, recording a 33.3% and expand the business at 25.4%. However, 31.6% are uncertain about the future, mainly because of the government directive to close the camp. Therefore, the traders do not know if they should invest more, when there is an impending camp closure.

There have been programs on such training which target specific sublocations and are not able to cover everywhere. In addition, mass communication and information has been used over time, which seemed to work well, but it lacked the aspect of rigorous monitoring to show the level of uptake of the information that is shared.

In addition, most NGOs look for safer options and unintentionally resort to the same dozens of vocations. Hence, there is a visible lack of innovation and creativity in the livelihood sector. Microfinance, group savings, vocation and diploma courses and programs generally do not reach the poor sections of the population and their overall impacts remain inconsequential. As a matter of fact, there is an indication that privately funded initiatives produce better results because they are more creative since they often originate from people who are dedicated to the crisis for a very long period.

By resorting to the same common pool of knowledge, sometimes NGOs make their responses identical (NRC, n.d.). Similarly, the same concern came up in several key informant interviews. The lack of coordination among the agencies conducting the training may be causing a lot of repetition of training activities provided to the communities. KII with NRC suggested that the best approach would be to work with the livelihood working group whose main aim is to discuss issues related to livelihood activities. This is because the working group encompasses every partner that works in Dadaab and whose main aim is to discuss issues related to livelihood activities.

In terms of use of electronic devices in businesses, the most used are mobile phones and calculators. A study by WFP in 2014 found that 61% of traders in Dadaab use calculators while 58% of traders use mobile phones. Majority of traders use Safaricom network and M-Pesa mobile banking is most widely used.

## Supply and Value Chains- Linkages of Dadaab and other Areas

Dadaab commodity markets have considerable linkages with other markets outside of the region. These include Isiolo, Garissa, Wajir, Thika, Nairobi, Mombasa, Tanzania, Uganda, and Somalia. The market chains in Dadaab follow transport corridors, a characteristic of Kenyan arid lands (WFP, 2014). Supplies are gotten through the North-Eastern corridor, which links Nairobi with Mandera and Somalia. The area's strategic location at the border, within the LAPSET corridor and the Ethiopia and East African Regional market present opportunities for further growth.

The study examined the main and alternative sources of potential value and supply chains associated with business and local economic development in Dadaab. The focus was on specific commodities and services, particularly livestock and meat, cereals and pulses, vegetables and fruits, fish, processed food, raw materials (sewing, embroidery, and tailoring), electronics, hardware and basic labor services associated with MSMEs specializing in local service (e.g., barber and salons, hotels and restaurants, etc.). This is informed by the nature of the dominant MSMEs analyzed earlier, where it was noted that many businesses in Dadaab trade in food commodities and other regular household consumables.

The analysis revealed that Garissa County is generally a net importer of food. Dadaab is highly dependent on goods sourced from neighboring regions and gets its supplies mainly through the Northeastern corridor. Most of the food consumed comes from outside the county. The volume and price that the consumers receive depend on the links within a market chain (WFP, 2014).

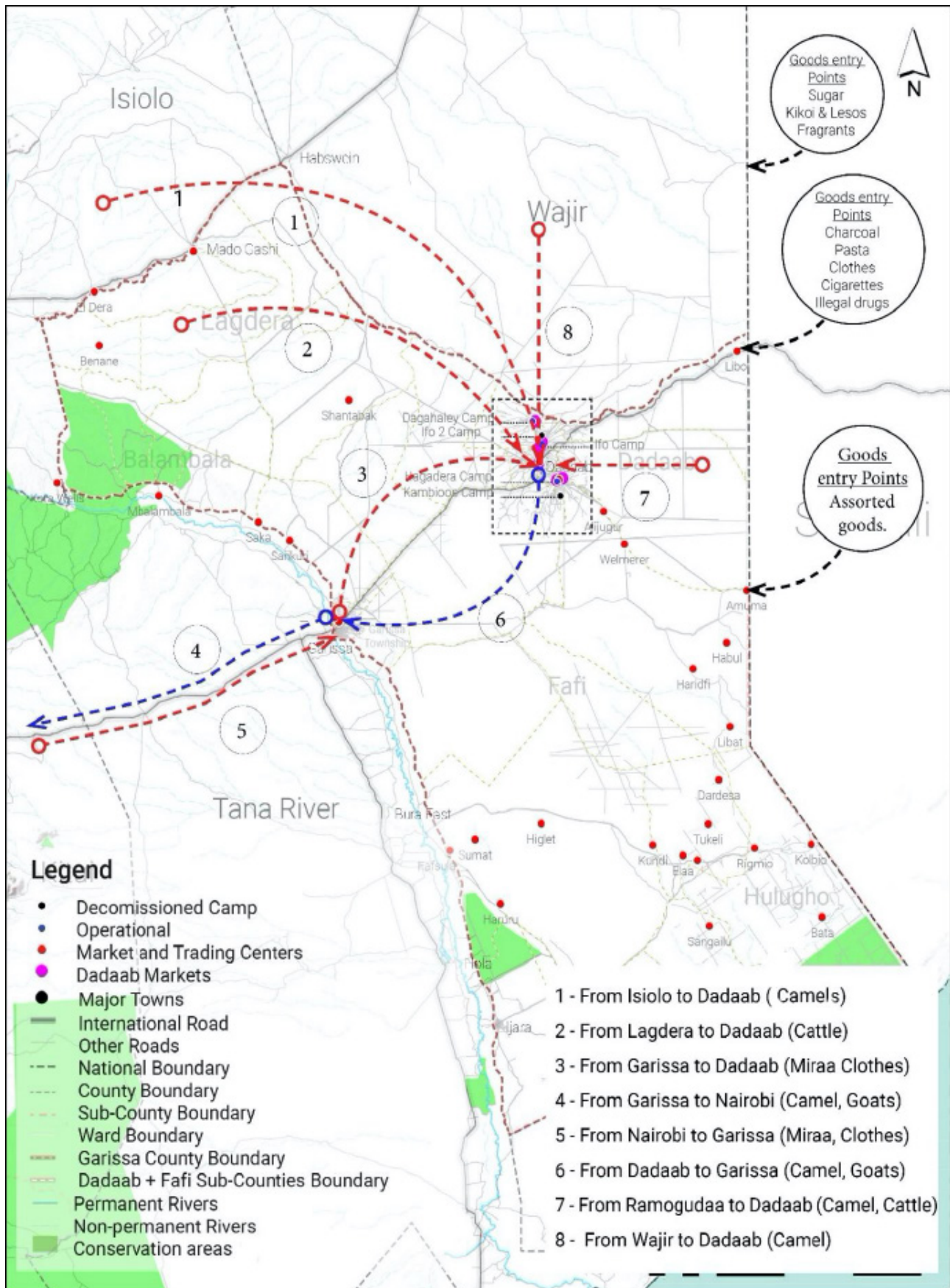
The availability of food supplies in Dadaab is greatly defined by seasonal production cycles and the road conditions during the rainy seasons for goods not locally produced. Key informant interviews and FGDs, the access constraints during the rainy season significantly influence the availability of goods and prices of commodities.



Somali refugees line up at the World Food Program distribution center in the Ifo settlement at Kenya's Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu



Figure 4.26 Flow of goods to and from Dadaab



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)



Garissa town is a key supplier for various items in Dadaab, specifically cereals and pulses, and vegetables and fruits, where 41.2% and 50% of traders indicated that they get their supplies from the town, respectively. Nairobi is also a significant supply market in the area, especially for non-food items, which was recorded as the

source for 42.9% of traders. In comparison, 29.4% and 13.6% of traders noted that they source cereals and pulses, and vegetables and fruits from the country's capital. Retailers in the markets must depend on distributors to be able to get these commodities

Table 4.1 Primary source for select items/commodities

	Cereals and Pulses	Vegetables and Fruits	Livestock and Meat (Goat)	Livestock and Meat (Beef)	Chicken Meat	Non-Food Items
Nairobi	29.4%	13.6%	0.0%	0.0%	54.5%	42.9%
Garissa	41.2%	50.0%	0.0%	0.0%	9.1%	19.0%
Hagadera Main Market	5.9%	9.1%	8.3%	20.0%	0.0%	4.8%
Refugee Camps	17.6%	13.6%	16.7%	0.0%	0.0%	19.0%
Outside the camp	5.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Thika	0.0%	13.6%	0.0%	0.0%	0.0%	0.0%
Hagadera farmers	0.0%	4.5%	0.0%	0.0%	0.0%	0.0%
Wajir County	0.0%	0.0%	8.3%	0.0%	0.0%	0.0%
Local Market	0.0%	0.0%	50.0%	20.0%	0.0%	0.0%
Lagdera	0.0%	0.0%	8.3%	0.0%	0.0%	0.0%
Dagahaley	0.0%	0.0%	8.3%	60.0%	9.1%	0.0%
Mombasa	0.0%	0.0%	0.0%	0.0%	9.1%	4.8%
Dadaab	0.0%	0.0%	0.0%	0.0%	18.2%	0.0%
Somalia	0.0%	0.0%	0.0%	0.0%	0.0%	9.5%

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Apart from the external linkages, the study found that the internal markets are also vibrant. For instance, goats and goat meat are mostly bought from the local markets, recording 50%. Dagahaley market is the largest livestock market in the area from where traders source livestock and meat (goat) at 60%. Hagadera market is also critical in the local supplies accounting for 5.9% of cereals and pulses, vegetables and fruits at 9.1%, goats and goat meat at 16.7% and cows and beef at 20%. The camps also supply goods to the retailers, including cereals and pulses at 17.6%, vegetables and fruits at 13.6%, goat's meat at 16.7% and non-food items at 19%. These local markets play the critical role of distributors or wholesalers and developing their infrastructure and capacity can further enhance the local economy.

The data indicates Garissa is the significant supplier of cereals and pulses and vegetables and fruits. However, retailers in the markets have to depend on distributors to be able to get these commodities. Indeed, the prices of the goods vary from market to market, where the cost of cabbage is lowest in Suqa Batiga market in Hagadera and Bosnia Market in Ifo at KES 50 compared to AP Camp Market in Dadaab at KES 200, Fafi Vegetable market at KES 140. The price in Dagahaley main market and Al Faruq camp in Dadaab is KES 120.

On the other hand, a bunch of 3 pieces of kale is more expensive in Bosnia Market at KES 100 than KES 60 in Hagadera Market in Fafi, and KES 50 in Dagahaley fresh produce market, Dagahaley market, Fafi vegetable market and Fafi main market. The price of kale is lowest in Al Faruq market in Dadaab and Ifo Main Market at KES 30.

The price of sugar per kilogram is KES 100 in most of the markets, KES 120 in Ali Dumsal market in Hagadera, Alharamain in Dadaab, and Suqa Batiga in Hagadera. The highest price is in Hagadera main market at KES 150, while the lowest is KES 40 in the Ifo Main Market. This significant difference in the price of sugar in Ifo is highly likely to be because of the contraband

sugar from Somalia, which is tax-free. This was highlighted in the key informant interviews.

The poor road condition between Dadaab and the supply markets such as Garissa and Nairobi is likely to be the main contributor to the high goods pricing due to the high transportation costs.

“...if somebody in Liboi or in Fafi can get a Kilo of sugar at Ksh.50 from the other side of the border, why do we make it compulsory that this man must consume sugar from the side of Nairobi or Mombasa which a kilo will come at KES120 or KES 130. So we always encourage to do cross border business.” — *KII with KNCCII representative*

Table 4.2 Prices in KES across commodities and markets

	Item	Hagadera (Ali Dumsal)	Ifo (Bosnia Market)	Dagahaley Market	Fafi (Hagadera Market)	Ifo Main Market	Dadaab (Alharamain)	Hagadera (Suqa Batiga)	Fafi (Vegetable Market)	Fafi Market	Fafi (General Market)	Hagadera (Main Market)	Dagahaley (Fresh Produce)	Dadaab (Al Faruq)	Dadaab (AP Camp market)
per piece (average size in the market)	Cabbage	N/A	50	120	140	100	85	50	140	129	120	70	120	120	200
Per 3 pieces Per Kg	Tomatoes	N/A	80	80	100	50	100	40	100	100	100	50	60	30	40
Bunch (3 pieces)	Kales	N/A	100	50	60	30	40	N/A	50	50	50	N/A	50	30	40
Kg	Goat Meat	N/A	400	600	500	400	500	N/A	480	480	480	500	600	500	500
Kg	Beef	N/A	N/A	400	N/A	500	N/A	N/A	N/A	400	500	N/A	500	N/A	N/A
Kg	Camel Meat	N/A	600	600	500	500	500	N/A	480	480	500	600	600	700	800
Kg	Maize	100	100	50	40	80	50	N/A	N/A	30	50	N/A	N/A	45	50
Kg	Beans	80	100	100	100	80	60	N/A	N/A	100	100	90	N/A	60	120
Kg	Sorghum	70	80	30	50	50	55	N/A	N/A	50	50	70	N/A	100	60
Kg	Sugar	120	100	100	100	40	120	120	N/A	100	100	150	N/A	100	100
Kg	Maize floor	60	80	60	70	80	60	N/A	N/A	70	70	80	N/A	80	80
Kg	Wheat floor	80	100	70	80	100	60	70	N/A	80	80	90	N/A	80	80
Liter	Milk	N/A	150	100	100	200	100	N/A	N/A	100	100	80	N/A	100	200
Liter	Cooking Oil	260	170	100	200	100	150	260	N/A	200	200	260	N/A	250	250

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)



Notably, there is a variation in the prices of commodities currently compared to before the COVID-19 pandemic. The prices of most commodities have propagated, with the most notable ones being camel meat. This recorded a KES 80 increase in Fafi vegetable market, KES 100 increase in Hagadera market in Fafi, Fafi general market and Hagadera main market and KES 200 in Dagahaley fresh produce market and Dagahaley market. In Al Faruq market, there has been a KES 350 increase while AP Camp Market recorded the highest increase of KES 600.

The price of goat meat has also increased in most of the markets, with the highest recorded increase being KES 200 in Dagahaley market and Dagahaley fresh produce market and KES 300 in AP Camp Market.

On the contrary, some commodities have reduced in price since the onset of the COVID-19 pandemic. Important to note is that most commodities in Ifo main market including Cabbage, tomatoes, Kales, Goat Meat, Beef, maize, sorghum, sugar, and maize flour have reduced in price over this period. On the other hand, camel meat, beans, wheat flour and cooking oil prices have remained the same and only the price of milk increased by KES 100 over the same period.

Table 4.3 Changes in prices across commodities and markets after the COVID-19 pandemic

	Item	Hagadera (Ali Duma)	Ifo (Bosnia Market)	Dagahaley Market	Fafi (Hagadera Market)	Ifo Main Market	Dadaab (Alharain)	Hagadera (Suqa Batiga)	Fafi (Vegetable Market)	Fafi Market	Fafi (General Market)	Hagadera (Main Market)	Dagahaley (Fresh Produce)	Dadaab (Al Farug)	Dadaab (AP Camp market)
per piece (average size in the market)	Cabbage	N/A	-150	+10	+40	-50	+35	+20	+60	+49	+40	+30	+10	+75	+10
per 3 pieces	Tomatoes	N/A	-70	+30	+50	-10	+40	0	+50	+40	+30	0	+10	+15	+10
Bunch (3 pieces)	Kales	N/A	0	+10	+20	-30	+20	N/A	+10	+15	+15	N/A	+10	+10	0
Kg	Goat Meat	N/A	0	+200	+100	-100	+100	N/A	+80	+80	+80	0	+200	+150	+300
Kg	Beef	N/A	N/A	0	N/A	-100	N/A	N/A	-	0	+100	-	+100	N/A	N/A
Kg	Camel Meat	N/A	0	+200	+100	0	+150	N/A	+80	+80	+100	+100	+200	+350	+600
Kg	Maize	+10	-	+10	+20	-20	+20	N/A	N/A	+10	+20	N/A	N/A	+20	+20
Kg	Beans	+10	-	+20	+20	0	+20	N/A	N/A	+30	+20	10	N/A	+20	+60
Kg	sorghum	+20	-	+20	+20	-50	+15	N/A	N/A	+20	+20	-	N/A	+60	+30
Kg	Sugar	+20	-	+20	+30	-60	+50	+20	N/A	+20	+20	+30	N/A	+30	+25
Kg	Maize floor	-20	-	+10	+10	-20	+25	N/A	N/A	+10	+10	+10	N/A	+30	+20
Kg	Wheat floor	+10	-	+10	+20	0	+20	+10	N/A	+20	+20	+10	N/A	+30	+20
Liter	Milk	N/A	-	+20	+30	+100	+50	N/A	N/A	0	+30	+20	N/A	+30	+120
Liter	Cooking Oil	+20	+100	-30	+100	0	+50	+20	N/A	+70	+70	+20	N/A	+100	+100

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Indeed, increase in commodity prices was highlighted as the most significant impact of the COVID-19 pandemic by business operators. This was worsened by the interruptions in supply because of delays and scarcity of commodities, as well as increased transport costs. Other impacts of the pandemic on enterprises have been discussed further in section 4.8 of this report.

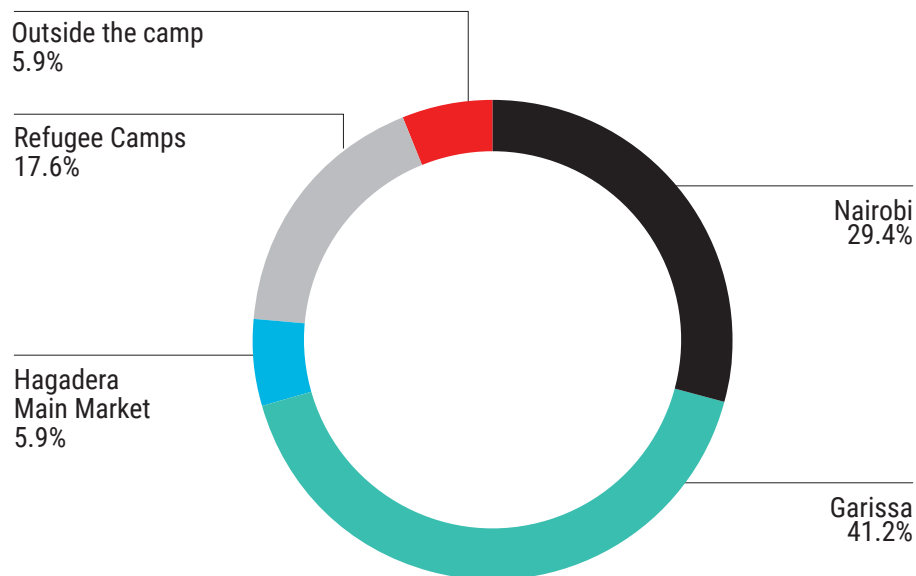
### Cereals and Pulses

In Kenya, wheat is mainly produced in the South Rift valley, while Mount Kenya and Western regions produce most of the maize and beans consumed in the country. Rice production in the country is largely confined to the Ahero Irrigation Scheme and Mwea Irrigation Scheme in Western and Mount Kenya regions, respectively (WFP, 2014).

Garissa Town supplies most of the markets in Dadaab with cereals and pulses as recorded by 41.2% of traders followed by Nairobi at 29.4%. The refugee settlements and local markets such as Hagadera main market also supply some of the retailers, recording 17.6% and 5.9% respectively.



Figure 4.27 Primary source of cereals and pulses



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Table 4.4 Food in-kind donations from donors

Donor	Commodity
USA	Sorghum
Korea	Rice
Japan	Rice

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

“Approximately 4000-5000 tonnes of food is distributed in Dadaab each month. Looking at local production, it is impossible to source this locally in Garissa County and in Kenya. The question of whether it is local, regional or international sourcing is based on the price. Sometimes it is cheaper to bring sorghum from Uganda or Tanzania, landed in Nairobi and bought in Kenya. Sometimes it is cheaper to buy beans from Kenya than to import. It goes down to the dollar value when we look at procurement.” — **KII, WFP Representative**

The WFP gives food in-kind baskets to the refugees, including rice, sorghum, maize or wheat flour. Sometimes, refugees are provided beans, peas and soya blend/super cereal given to children under five years old. All these are not given at once, and what is provided usually depends on what is offered by donors. The cereals are gotten from a combination of sources, including from food aid agencies.

In other cases, the same donors give cash-based support used to procure food from the region like Mombasa or Nairobi through imports or local and regional procurement. For instance, sorghum can be procured from Kenya, Uganda or Tanzania. Beans can be sourced from Kenya, Uganda or Ethiopia. It is usually a combination of regional sources.

## Livestock and Meat

The host community and the majority of the refugee population share a common ethnic background, and a majority belong to the Aulihan, Ogadeni and Abdiwak clans. They both keep livestock, especially the small stock. These comprise goats (mainly Galla and small East African), sheep (mainly Black Head Persian), poultry and donkeys. The large stock mainly includes cattle (mostly Boran, Zebu, Sahiwal), and camels (ACF International, 2012). There is a high demand for meat in Dadaab as both the host and refugees are enormous consumers. The main range catchment for livestock areas are Fafi, Dadaab, part of Balambala on the lower side.

Livestock is moved on foot for long distances. A significant number are trekked to as far as Southern Somalia during the dry season for grazing and crossing back depending on the availability of water and pasture. The main livestock traded across the border into the Kenyan Market is cattle, sheep and goats. The migration of pastoral production follows age-old migration patterns, although the presence of the Al-Shabaab militia on the Somalia side has limited access to some grazing areas.

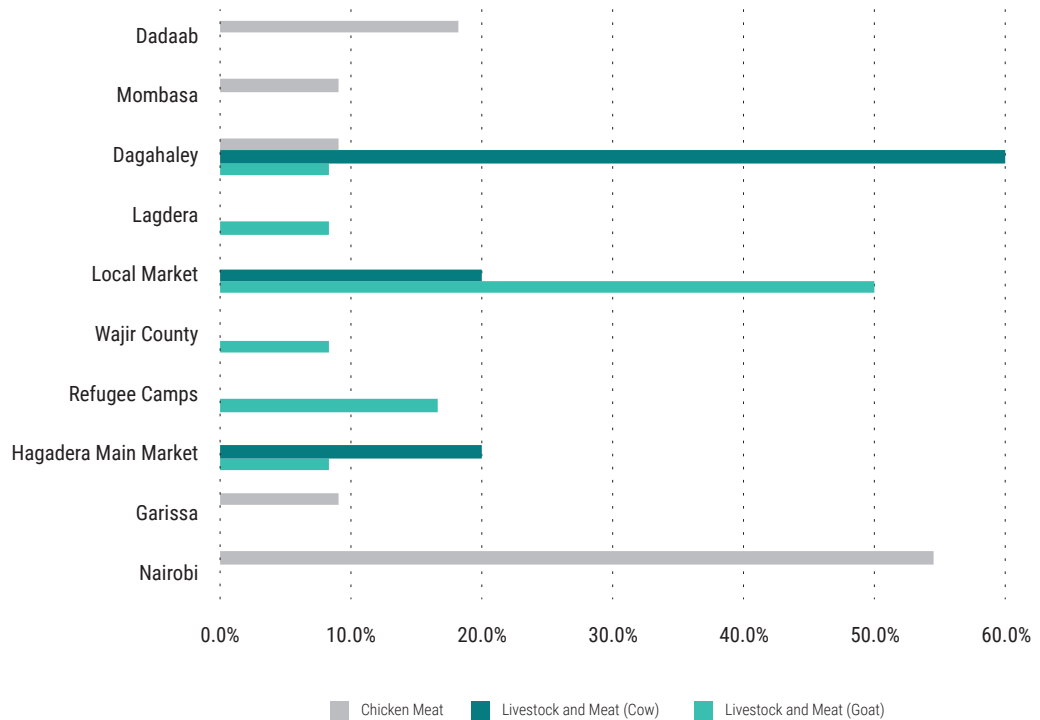
“The pastoralists are not very much affected by the Al-Shabaab because they usually pay a small tax to them in case they are caught. But generally, it is difficult for services to reach them, if you want to do vaccination there are some areas we cannot cross to do vaccinations despite the fact that there are also animals on the other end.”

— *KII- Livestock Department, Garissa County.*

Issuance of movement permits for livestock and the ease of doing the trade is facilitated by the county government. The challenge is in cess collection for movement of the animals in other counties in the country where traders may be required to pay as they move across other counties. Within the county, the county government coordinates activities, including disease control aspect, quarantine provision in case of disease outbreak, etc.

Most livestock and livestock products are sourced locally according to the market traders. Notably, Dagahaley is the main supplier of cattle and beef recorded at 60%. This was followed by local markets and Hagadera main market at 20% each. When it comes to goats and goat meat, local markets supply most of the markets, according to 50% of the business operators in the commodity. The refugee camps also have a fair share of consumers at 16.7%. This is because small stock is what refugees are allowed to own.

Figure 4.28 Source of Livestock and meat for businesses



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

On the contrary, chicken meat supplied to the markets mainly comes from external supply markets with Nairobi being the main source at 54.5%, followed by Dadaab at 18.2% and Mombasa, Dagahaley, and Garissa at 9.1%.

As earlier discussed, the main enterprises are the live animal trade. Meat is also in high demand among both host and refugee communities. Other value chains are doing well in Dadaab, especially the camel milk and honey production. Approximately half a million livestock belonging to host and refugee communities are producing milk daily (NRC, n.d.). The Marketing and Value Addition department in the county government focuses on enhancing the milk value chain, beef value chain, goat meat value chain and hides and skins in the county.

Livestock production is the backbone of the region’s economy. Supporting the livestock value chain will be instrumental in local economic development. However, the value chain faces obstacles that limit its growth. According to the UN-HCR and ILO (2019), the main obstacles are that, legally, refugees are restricted in ownership of livestock. Secondly, it would possibly antagonize the host community since their income is highly dependent on livestock. Additionally, the viability of the livestock sector has been impacted by existing environmental conditions. Focus group participants cited a significant reduction in the number of livestock due to perennial droughts in the region. Water and pasture scarcity is a significant challenge, and people travel even up to 50Km to look for water and up to 100 Km in search of pasture.

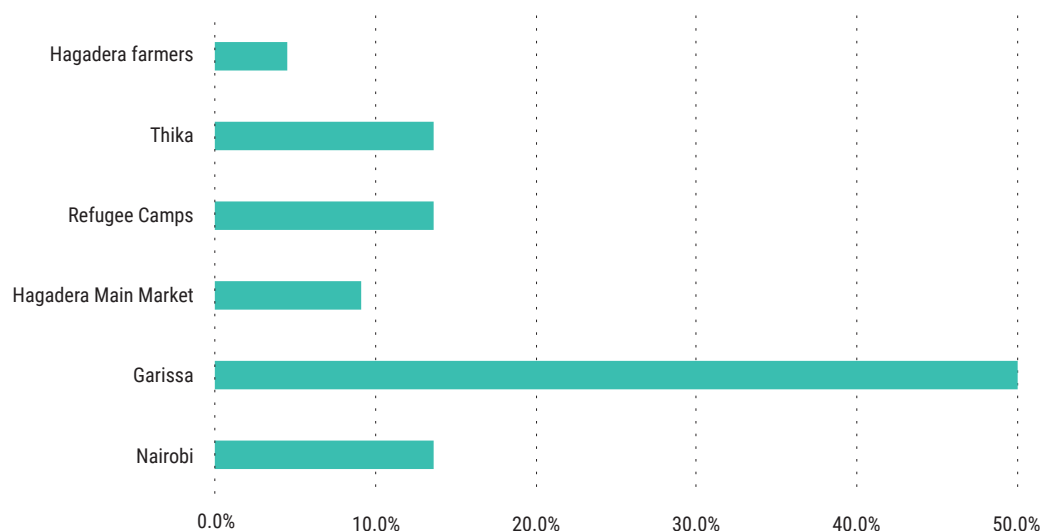
“These long trips also have an impact on the social fabric as men stay away from home for months, impacting the family structure.” – *KII WFP representative*

### Vegetables and Fruits

Humanitarian agencies such as WFP do not distribute fresh produce as part of the food basket, although some refugees are willing to pay for a fresh and diverse diet. The agricultural sub-sector focusing on fruit and vegetable value chain offers a substantial potential in job creation and can fulfil actual market demand, minimizing reliance on imports if implemented at scale (UNHCR & ILO, 2019). Water is a severe problem in the area, yet the water table is not very deep. Through the abstraction of underground water and irrigation, fruit, vegetable, and pasture production have great potential in the area.

The survey established that Garissa is the main supplier of fruits and vegetables in the market, as denoted by 50% of traders. This was also found to be the case by a study done by WFP in 2014 wholesalers in Garissa were highlighted to be the most important source of vegetables and fruits in Dadaab. This is followed by Nairobi, Thika and the refugee settlements all at 13.6%. Nairobi and Thika become more relevant during low production seasons or the dry spell. Additionally, 9.1% of the vegetable traders in the market traders said that they get their supply from the Hagadera main market. Local Hagadera farmers supply approximately 4.5% of the traders.

Figure 4.29 Source of vegetables and fruits for businesses



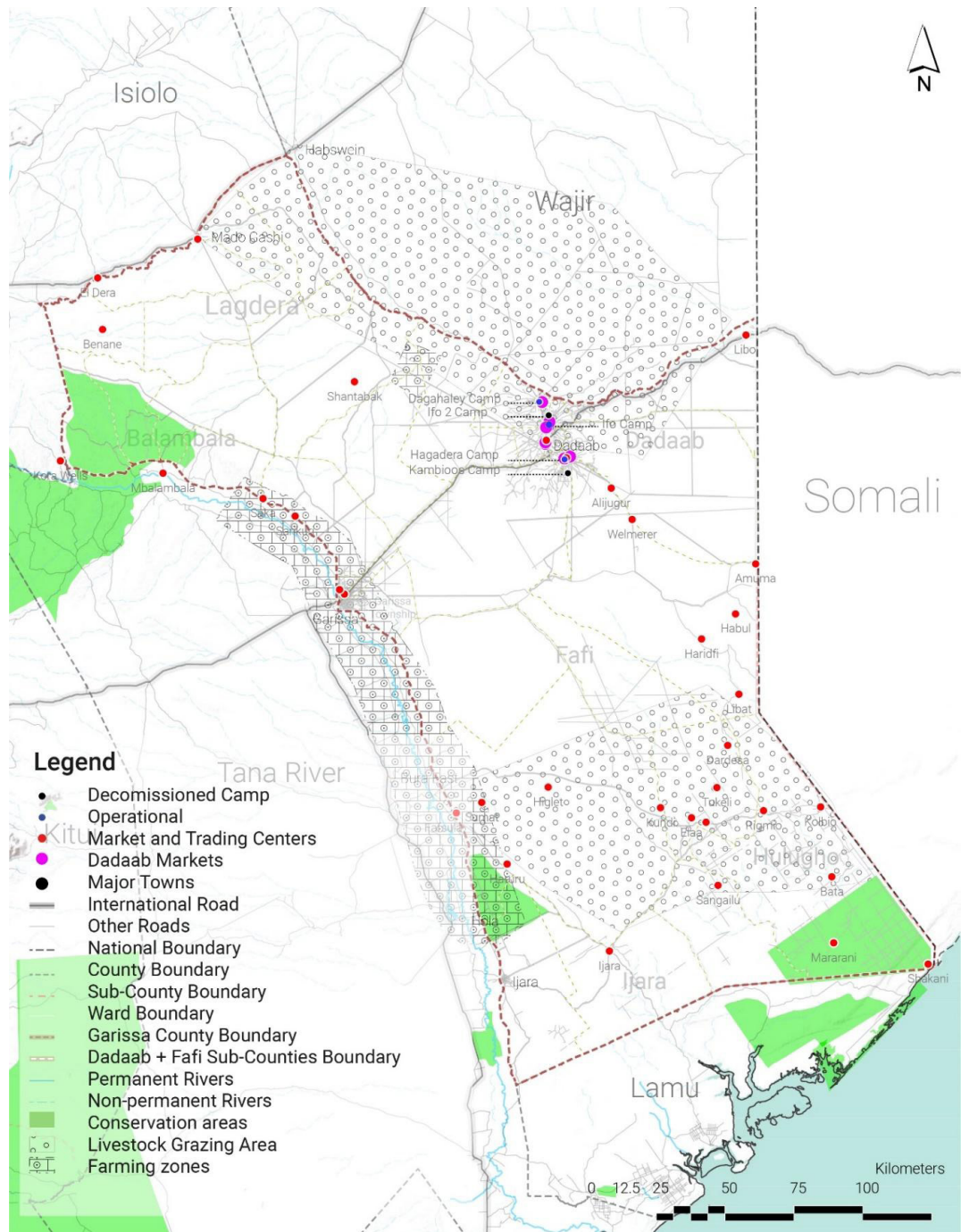
Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Indeed, small scale agriculture is practiced in some areas within the refugee camps mainly for subsistence use and in the green belts. The green belts were introduced as part of the rehabilitation measures in the area around the camp periphery since the environment was greatly depleted. There are caretakers and groups of hosts and refugee communities who plant vegetables and cereals in the area.

Most of the trees planted are agricultural friendly. They harvest a lot from that area, and the yield include sorghum, maize, beans, carrots, tomatoes, okra, onions, and carrots. Production is higher than average in regions with irrigated crops, with families consuming 3-4 meals per day as opposed to 1-2 meals in regular seasons.



Figure 4.30 Livestock and agricultural production zones in the region



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

In the hinterland, which is away from the river, towards Dadaab and Fafi, rain-fed agriculture is doing well, especially for sorghum, with which people plant more and watermelons, etc. on a seasonal basis. The host community have been incredibly hospitable to the refugees and share with them their land for agriculture. While this has enhanced food security among the two communities, the collaboration has strengthened their relationship and enhanced peaceful coexistence among the host and refugee communities (Nasrullah, 2019).

### Factory Sourced Food Supplies

Processed food traded in ASAL areas are mostly manufactured in Kenya, Nairobi being the main manufacturer (WFP, 2014) and Thika also supplies these areas. These include food like maize and wheat flour, sugar, vegetable oil, packed milk, rice, tea, etc. Other potential hub markets such as Nyahururu, Kitale, and Nakuru also manufacture Maize flour, wheat flour, and vegetable oil.

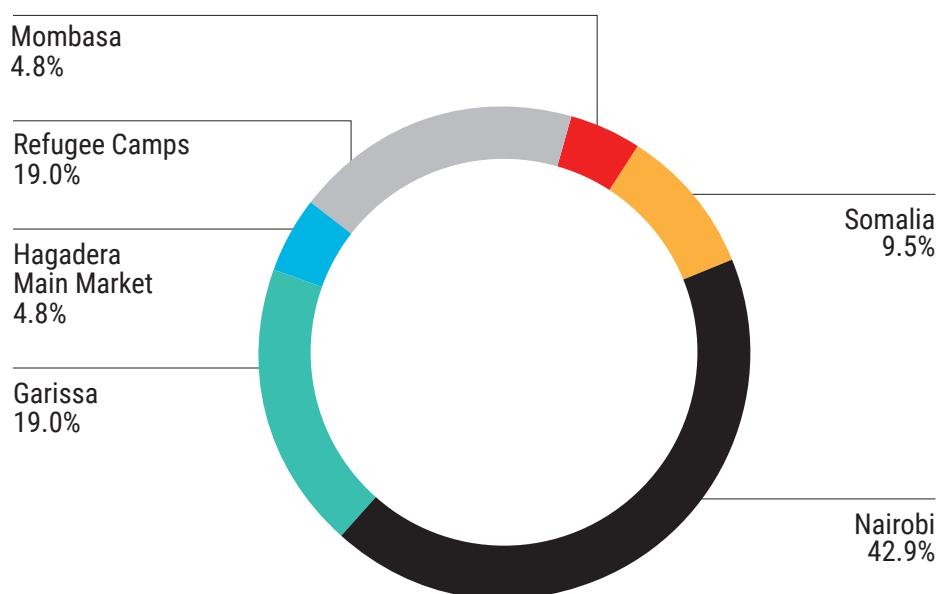
Wholesalers in Garissa, Thika and Nairobi mainly import and supply commodities to Dadaab. In addition, through informal trade from Somalia, goods are supplied into the camps without mediation in Dadaab Town.

The main entry point for the commodities from Somalia is Liboi, and these mainly include pasta, rice, wheat flour, powdered milk, sugar, vegetable oil, tea, salt and canned fish (WFP, 2014).

### Non-Food Items

Most non-food items, such as raw materials (sewing, embroidery, and tailoring), electronics, and hardware, are not locally produced and are supplied to Dadaab markets. The main supply market used by the traders in Nairobi according to 42.9% of business operators in the markets. This was followed by Garissa Town and refugee settlements both at 19.0% and Somalia and Mombasa City at 9.5% and 4.8% respectively.

Figure 4.31 Primary source of non-food items for businesses



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Notably, Hagadera main market being the largest market in Dadaab also supplies to 4.8% of retailers.

### Potential Value Chains

A common concern from the interviews conducted and previous research is that there are no raw materials for production-oriented livelihood activities in Dadaab. Whereas there is some truth in this statement, finding raw materials for some livelihood activities is still possible.

As earlier alluded, based on the geography and economic activities in the region, the whole area is predominantly pastoralist. Self-reliance can be enhanced through economic development around the livestock sector. This includes economic activities on value addition on livestock like meat processing, slaughterhouses, and promoting exports (camels fetch very high prices in the Middle East).

The Livestock Department at Garissa County is also exploring on establishing and expanding bones, meat processing, hides and skins value chains. Particularly, hides and skins is doing very poorly and there is not a single tannery in the whole of northern region, including in Tana River and Lamu counties. This is despite the fact that the region has the biggest livestock population and the biggest output in terms of slaughter and consumptions.

Additionally, another significant resource which is available in plenty is animal dung. The widespread use of firewood by the refugees has caused extensive deforestation in the area and is one of the main contentious issues between refugee and the host community. As a result, access to firewood near the camps and settlements is increasingly difficult as the distances to good firewood have increased and collection is mainly undertaken by men with donkey carts (ACF International, 2012). Biomass presents a solution to this problem as it is a renewable source of energy characterized by a high energy potential (Szymajda, Łaska, & Joka, 2021).

Dadaab streets are littered with garbage, and the host community complain that it is an eyesore on the land. Waste poses a threat to public health and the environment if not dealt with appropriately (UNEP, 2015). The market systems analysis conducted by UNHCR and ILO in 2019 and experiments conducted by the Kenya Red Cross, NRC and CARE found that developing the waste management and recycling value chain will positively impact the local economy and improve environmental health and social cohe-

sion. The budding waste conversion industry in Nairobi presents a market potential for selling pre-processed waste in Dadaab. However, the concern is that this is not financially viable as material conditions such as efficient transportation are not available.

The neem tree is another resource available in Dadaab. This is a culturally sacred tree, and the local community believes that the tree can cure 40 diseases. Most of the houses in Hagadera Camp have at least one neem tree. Additionally, there are dozens of neem products in departmental store chains nationally (NRC, n.d.). This value chain has the potential to grow even further and Dadaab can supply the products to the rest of the country.

Improving infrastructure such as roads will be key because the area gets completely cut off in their current state, especially when it rains. The other area for improvement is IT infrastructure. In the region, 40% of the population have access to smartphones. If marketing livestock would be introduced on a mobile application, it could be a game-changer. Other facilities such as storage and refrigeration result in loss of perishable goods, leading to losses and wastage. The lack of electricity also aggravates this. Investing in the proper infrastructure at every level of the value chain will be critical.

Indeed, building the capacity of locals on how to add value to their livestock is also vital. An interview with the Department of Agriculture, Livestock and Cooperatives also brought to the fore the challenge of capacity gaps along the various value chains.

“When a camel is slaughtered in unhygienic conditions, in a few hours, it starts going bad... For example, if you follow the milk value chain to the consumer level, from the producers, transporters, traders and marketing levels, there are needs at the different nodes of the value chain. If you start with producers at the ground, there are different challenges, the training has been done. They also have their own indigenous knowledge on issues of husbandry, but there are aspects where they need support like in issues of supplementary feeding, health of their animals, how best to handle the products obtained from the animals, including milk. That requires close and consistent engagement and some form of organization for them to learn...”  
 – **KII Garissa County Department of Agriculture, Livestock and Cooperatives Representative.**



Somali refugee line up at the World Food Program distribution center in the Ifo settlement at Kenya's Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

Whereas the value chains offer a great potential to improve livelihoods of host and refugees communities, there exists key obstacles that limit development of the value chains. Being a dry arid area, environmental conditions in Garissa County present a threat to the livestock value chain which mainly depends on rain-fed animal feed and water.

In addition, paucity of critical inputs like equipment for mechanization of processes and value addition reduces the chances of growing and maximizing the potential of the livestock business. Similarly, there is a shortage of market information and linkages which exposes small scale farmers to potential exploitation by middlemen since they do not enjoy the benefits of aggregation brought about by organized production and cooperatives and other social solidarity mechanisms.

### Key Actors and their Significance

Financial inflows from NGOs and INGOs significantly shape the local economy of Dadaab. The existence of refugees in Dadaab resulted in the active participation of these unique actors, an uncommon feature in other towns in Kenya. As a result, the purchasing power of refugee house-

holds is incredibly reliant on financial aid from NGOs and INGOs. Additionally, infrastructure in Dadaab is supposedly better than anywhere else in Garissa County. The government and non-governmental agencies affect businesses and supply chains in different ways when it comes to administration and the institutional environment.

### Local Retailers

At the end of the supply chain are local retailers who are mainly MSMEs and operate in the public markets. However, as stated earlier, many retailers lack the skills and infrastructure to enable them to grow their businesses and realize more profits. Therefore, developing the proper infrastructure and improving skills at all levels of the supply chain is necessary.

### Wholesalers and Transporters

Wholesalers and transporters significantly determine the efficacy of supply chains. Wholesalers procure goods from importers, producers or distributors and sell to retailers. Most wholesalers in remote markets sell cereals, beans and processed food because of the risks associated with fruits and vegetables, mainly their perishability. As noted earlier, commodities in Dadaab



Camp are primarily supplied by wholesalers in Garissa, Nairobi and Thika or Somalia through informal trade. These areas feed the camp without necessarily being mediated in Dadaab Town. Wholesalers in Dadaab Town confirmed this by saying that they only serve retailers in the town and not the camps (ACF International, 2012).

Prevailing movement restrictions make it difficult for refugees to venture outside the camps. Hence, traders form small groups that aggregate their orders and facilitate bulk transport by truck. This method is used to manage supplies and decrease the cost of transportation. Commodities are then transported in bundles branded with the names of the traders. Payments are usually made upon receipt of the items through mobile money systems. Redistribution of the commodities to the end of the supply chain is generally done by smaller means of transport such as *bodaboda*. Large wholesalers on cereals, pulses or processed food are the only ones who can afford to arrange transport individually.

In the instance where refugee traders can get movement passes, they usually travel to the supply market and supervise the loading of goods. Alternatively, traders who have established business in the supply markets regularly arrange for the deliveries to be done through public transport such as matatus or buses. This increases the transport cost per unit significantly. The male youth mainly dominate the transportation sector and operate the vehicles used in Dadaab including taxis, *tuktuk*, and *bodaboda*.

### County Governments

The county governments are mandated with regulative and administrative roles. They have the constitutional power and autonomy to regulate the local markets and supply chains within the county boundaries. County governments are charged with providing a favorable environment to enable the population to engage in meaningful economic activities. This includes licensing, issues of public health, regulation of hawkers, removal of potential barriers that may obstruct business establishment and investment and safeguarding normal business operations. County governments also charge fees on transporters

which raises the costs pertaining to logistics. Since most of the commodities consumed in Dadaab are imported from other parts of the country, transporters incur the fees across the different counties.

“The issuance of movement permits for livestock, ease of the trade I think is well facilitated. Maybe the challenge is in cess collection probably for movement of the animals in other counties.” — **Kil Garissa County Livestock Department**

Importantly, county governments also have the vital responsibility of the delivery of infrastructure. The study established that poor road conditions and lack of market infrastructure affect supply chains negatively. For instance, the Dadaab area gets completely cut off when it rains due to the poor road conditions. The time taken and costs incurred for goods to reach the destination also increase, leading to wastage and higher prices charged to consumers. For supply chains in Dadaab to be effective, investment in proper infrastructure is inevitable. County governments will need to be well coordinated along the supply chain routes, with partnerships with both private sector and development agencies operating in the region.

Humanitarian and development agencies acknowledge that the county government has been very supportive in the refugee operations. The county has been on the forefront together with the UNHCR and partners in developing the Garissa Integrated Social Economic Development Plan (GISED). This is a strategic plan that seeks to strengthen and institutionalize some of these existing relationships in Dadaab. One of the targeted sectors in trade- there are numerous interlinkages in the sector because refugee and host communities speak the same language and have the same religion. They are therefore able to trade with each other comfortably.

### Local Support Organizations

Local organizations which operate in Dadaab mainly target the challenges encountered by the host community. As earlier discussed, the establishment of the Dadaab Refugee complex had immense pressure on the environment leading to widespread deforestation, affecting the host communities' livelihoods. It is for this reason that Relief Reconstruction & Development Organization (RRDO) and Fafi Integrated Development Association (FaIDA) were formed. RRDO focuses on environmental rehabilitation, and activities include the establishment of green belts around the camp periphery. RRDO planted agricultural-friendly indigenous trees in these areas, allowing for the farming of sorghum, maize, beans, carrots, tomatoes, okra, onions, and carrots. Other ventures include fruit farming and beekeeping. In terms of livelihood activities, RRDO, through the Kenyan government and a grant from the World Bank, supports business groups that engage in businesses such as livestock production, agriculture, butcheries, etc. Currently, the project is supporting over 150 groups, where each were given KES 500,000.

### International Support Organizations

The presence of the refugees in Dadaab was accompanied by heavy presence and programming of INGOs, including UN agencies, who directly impact the economy. While the Kenyan government leads the response to protect and assist refugees, UNHCR provides direct operational support, capacity building and technical support to the Kenyan authorities.

Additionally, UNHCR coordinates the efforts of UN agencies and partners to support Kenya's refugee response.

One of the most influential UN agencies is the WFP, whose primary role in Dadaab is to feed a quarter-million refugees and see how refugee and host communities can engage in more long-term projects. The WFP also has a market intervention in the camps, where it injects \$1.3 million monthly through a cash-based program called Bamba Chakula. The program mainly aims to capacitate the approximately 800 traders that WFP is working with to provide food that will be redeemed by the beneficiaries in the Bamba Chakula program.

The survey found that 12% of the traders are registered in a cash-based program where 70% of them are in the Bamba Chakula program. Through this program, WFP guarantees the traders business, which they can expect every month. The other programs by WFP include food in-kind distribution where refugees are given cereals like rice, sorghum, sometimes maize, other times wheat flour and soya blend for children under five years old. These are not all given at once. Sometimes beans mostly or peas are distributed. What is given usually depends on what donors provide.

Other agencies that have livelihood activities and participate in the local economic development of Dadaab include NRC, HI, WVI, UNICEF, TDH, DRC, among others.

"We give the beneficiaries about Ksh 600 per month for the CPT, and the other portion is given in food in-kind. With the cash, they go to the traders and buy food, be it oil, fresh vegetables, eggs, or any other nutritious food they need. The market intervention was introduced because the traders were not organized in the sense that we could not guarantee that the food our beneficiaries were buying is safe, in hygienic conditions, that the food will be available when our beneficiaries want to buy and are sold at the right prices. The traders go through screening, and then sign contracts with terms and conditions of how they should sell the food to our beneficiaries." – *KII WFP Representative*

### National Government

The government of Kenya has the critical role of developing strategic infrastructure that connects Dadaab to the rest of the country and across the border. Due to marginalization, Garissa County has lagged behind in such investments over the years. However, the government recently embarked on crucial infrastructural investment projects, including the LAPSET corridor, which will significantly boost Garissa County’s connectivity to the rest of the country.

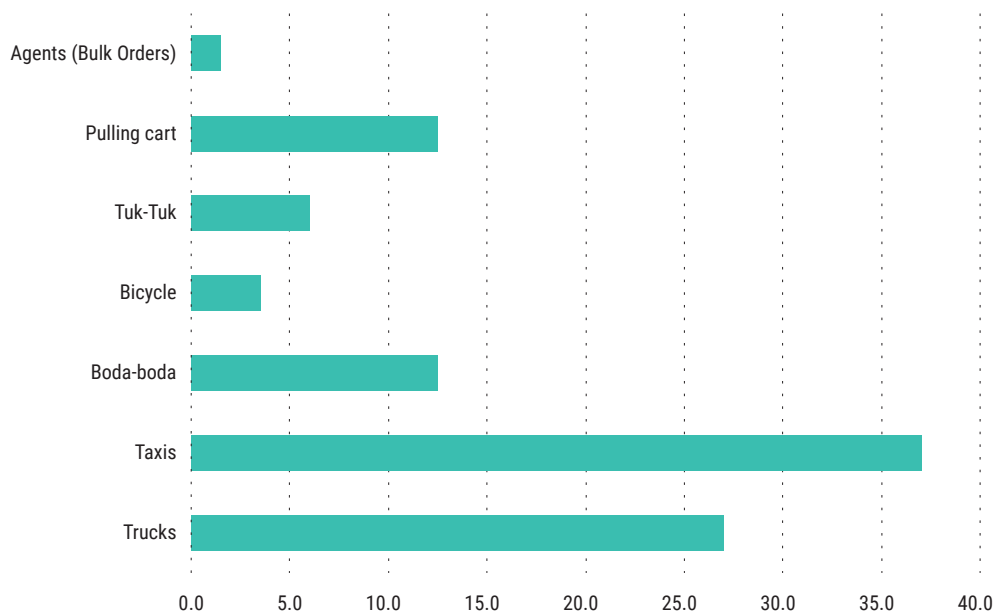
The Kenyan government also set up the Refugee Affairs Secretariat (RAS) within the Ministry of Interior & Coordination of National Government. RAS manages refugee camps and administration of refugee affairs, including their registration and movement. In addition, RAS issues movement permits into and out of the camps. However, the study established that most of the permits processed are usually for education purposes or health referrals. Moreover, business permits are seldom issued, a key barrier to refugee-owned businesses.

Another function of the national government is the provision of security in coordination with the county. The insecurity in the region has been a major impediment to the economic development of Dadaab. Safety concerns have rendered some areas in the region inaccessible, and the area’s terrain has aggravated this. The area is vast, with security forces limited to specific areas.

### Connectivity and its Significance to Supply Chains

Transport is a vital determinant of the efficiency of the of the supply chains. The primary mode of transport in the region is by road, with the most common mode of transportation is taxis at 37%, trucks at 27%, pulling carts, boda boda and pulling carts each at 12.5%. The other types of transport used are tuk-tuk, bicycles, and agents (for bulk orders).

Figure 4.32 Transport means used by businesses (%)



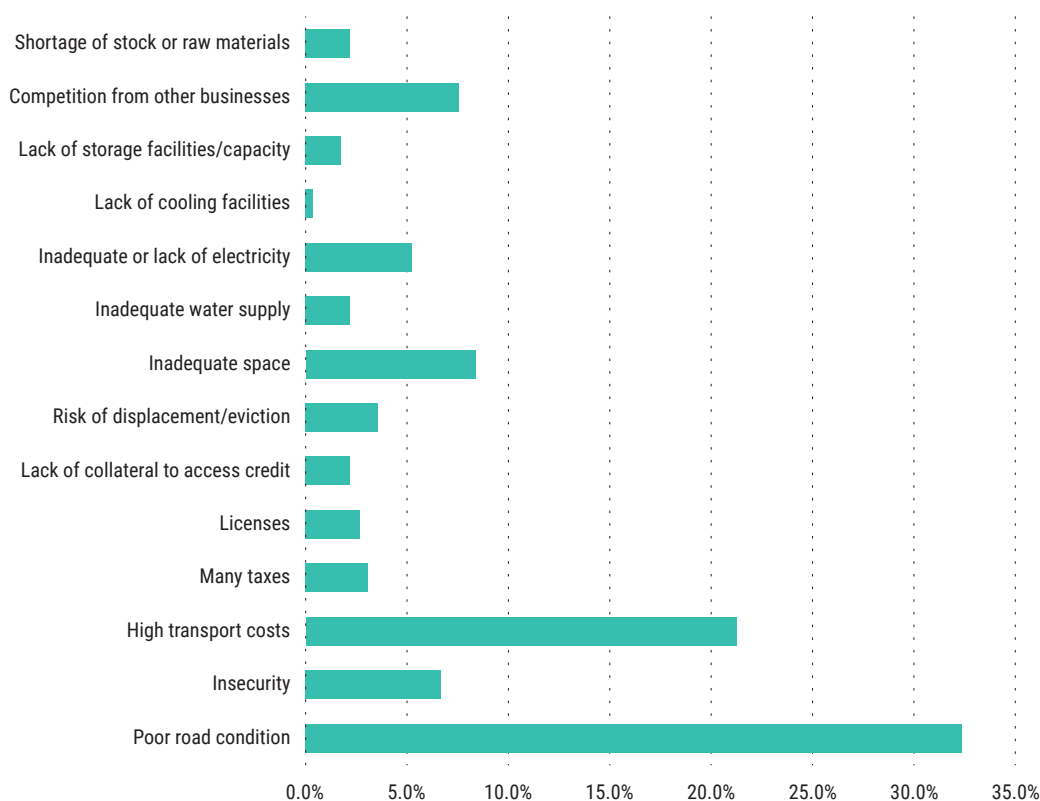
Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

In addition, donkey carts are widely used to transport building materials, firewood, food and other products to and from the camps (ACF International, 2012).

The main challenge experienced when running businesses in Dadaab is the poor road condition, accounting for 32.4%. The roads are not all-weather, and moving around to get supplies and conduct other activities is a challenge. Among the cumulative impacts of this was

the high cost of transportation at 21.3%, which increases the operational cost and is the second most severe challenge. The other most commonly reported challenges include competition from other businesses, and inadequate space to operate, and insecurity.

Figure 4.33 Supply chain challenges experienced by businesses



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

This has had negative implications on the price of commodities, and traders record reduced sales and losses. Poor connectivity also weakens the traders' connectivity to supply markets.

### Business Networks and Associations

Business networks and associations are crucial in developing enterprises in Dadaab and Fafi sub-counties. These networks and associations enable business operators to collaborate with other experts and help them grow their enterprises. However, they need concomitant arrangements such as infrastructure and financial availability.

The Kenya National Chamber of Commerce and Industry (KNCCII), Garissa, is the most significant formal business network in Garissa County. In Garissa County, KNCCII members are approximately 6,000 in number. It helps its members secure networking opportunities that can be difficult for business owners to find for themselves. It also provides trade linkages with other chambers of commerce through trade exhibitions internationally in countries like Egypt, UAE in Dubai, and Turkey. The organization also represents the government sector lobbying for traders to pay revenue and taxes while also representing the business community to ensure they are not suppressed.



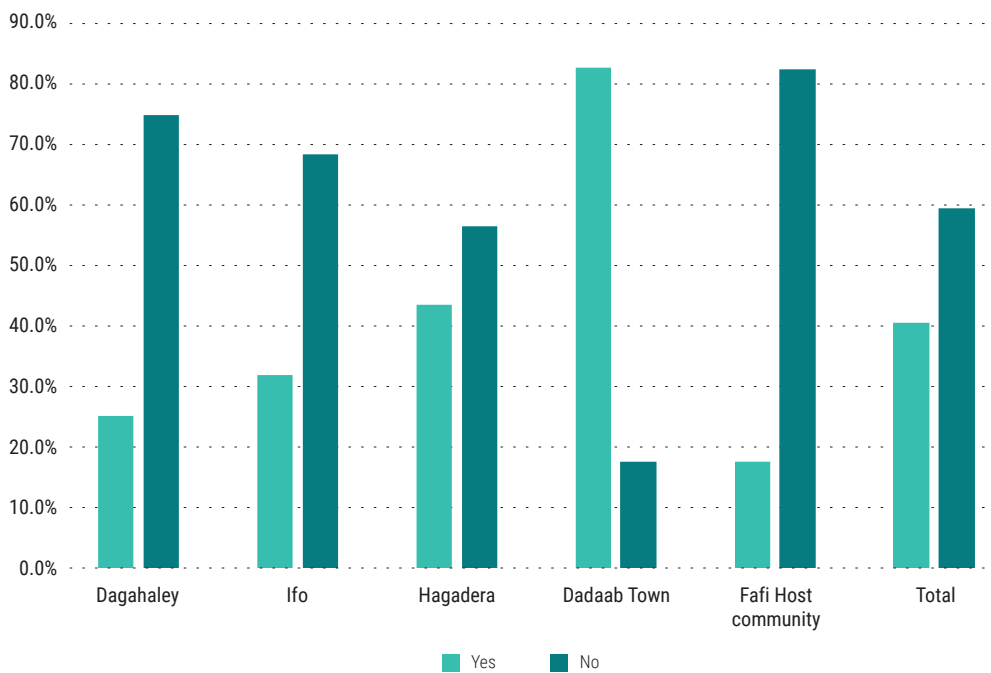
In addition, the KNCCII, in partnership with the MasterCard Foundation, set up a COVID-19 recovery fund to support the SMEs. In the first phase of the project, 253 people were supported, and each of them got KES 30,000 loan without interest. Dadaab will be among the target areas in Phase II of this project.

There are also Savings and Credit Co-operative Societies (SACCOs) in Dadaab. In addition, chamas bring together members around an economic goal. These inspire a saving culture among the members as they make deposits as a saving and networking strategy.

They are then able to acquire economic assets through the pooled funds and get returns. Additionally, both men and women in the host and refugee communities also form merry-go-rounds that support their businesses.

The study revealed that the majority of the members, 60%, do not belong to any financial networks. The traders attributed this to the lack of required documents at 38%, while 27% do not understand the process. 25% stated they lacked knowledge about the services offered. The other reasons given included long distances and lack of money to make deposits.

Figure 4.34 Existence of an account with a financial institution across wards

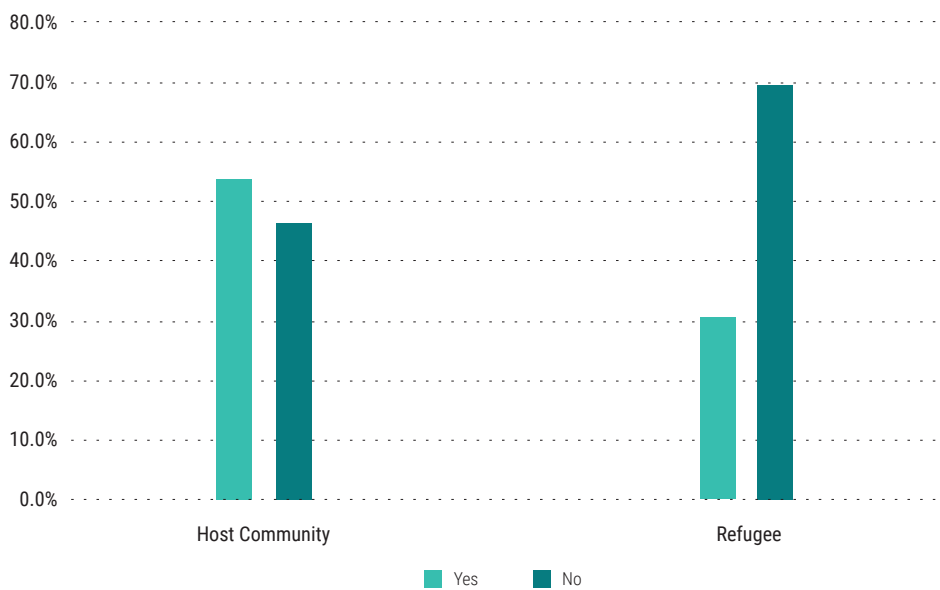


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Specifically, Dadaab Town recorded the highest number of entrepreneurs who have accounts with financial institutions at 82.6%. This may be because most of the financial institutions have their main branches in Dadaab Town, including Equity Bank, the only bank in the area. This was followed by Hagadera and Ifo at 43.5% and 31.7% respectively. Comparatively, the highest number of business operators in a locality without any account was recorded in Fafi at 82.5% followed by Dagahaley at 75%, Ifo at 68.3%, Hagadera at 56.5% and Dadaab Town at 17.4%.

More host community traders, 53.6%, have accounts in financial institutions compared to refugee traders at 30.5%. The restriction of movement of refugees may be a contributing factor to this, being that most financial institutions have main branches in Dadaab Town, outside the camps. The host community have easier access to the variety of institutions which suit their needs.

Figure 4.35 Existence of an account with a financial institution across respondent category



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

## Impact of the COVID-19 Pandemic on Businesses

The study established that the COVID-19 pandemic has had a significant impact on Dadaab enterprises. The most substantial effect was increased commodity prices at 31.8%. 23.3% highlighted that there has been a decrease in business due to restrictions by the COVID-19 protocols like the dusk to dawn curfew.

“One thing that you should note is that we are a social people, and our profitability depends on how much we socialize. During this time, there was a low customer turn out.”

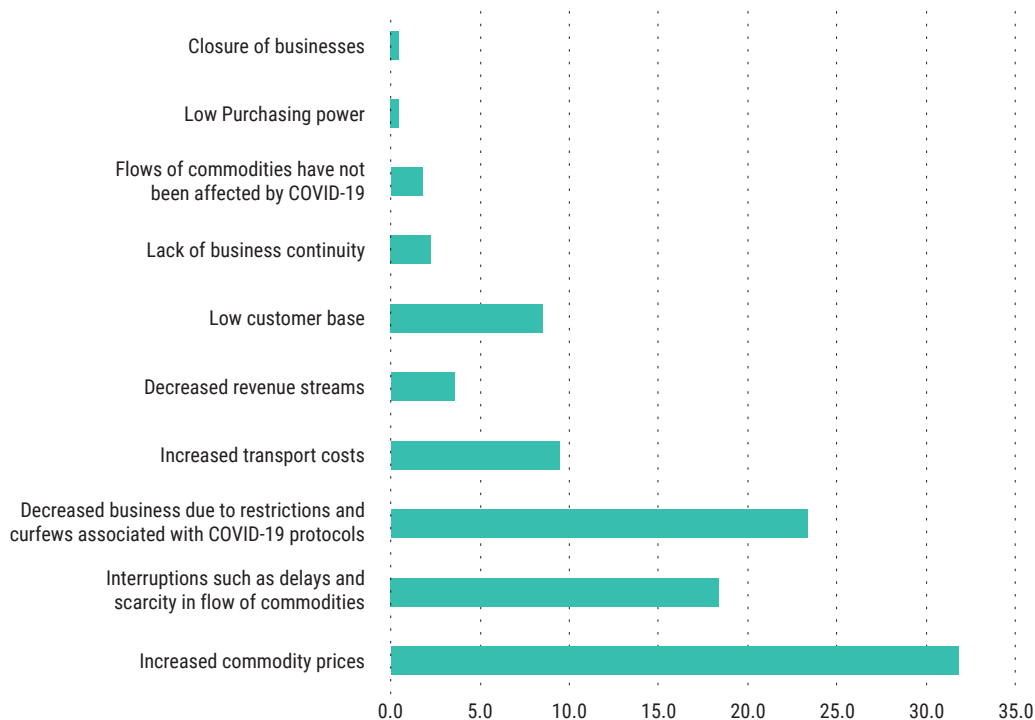
– **Dadaab FGD respondent**

On the other hand, 18.4% revealed that they had experienced interruptions because of delays and scarcity of commodities. Another impact that was brought up in the FGDs was that the cost of transport skyrocketed when the country was put under lockdown.

For example, travelling to Garissa cost KES 5,000 then. Now, the costs have gone down to KES 1,500.

Most of the businesses and agencies in Dadaab had to adjust to the requirements of COVID-19 prevention protocols, such as social distancing, provision of sanitizers and handwashing points, among others. This has also increased the cost of operation, which had not been anticipated. However, agencies and organizations have tried to mitigate the impacts of the pandemic on businesses by providing COVID-19 recovery funds. One of such organizations is the Kenya National Chamber of Commerce and Industry Garissa, which in a partnership with the MasterCard Foundation, provided loans without interest to the members.

Figure 4.36 Impact of COVID-19 pandemic on businesses (%)



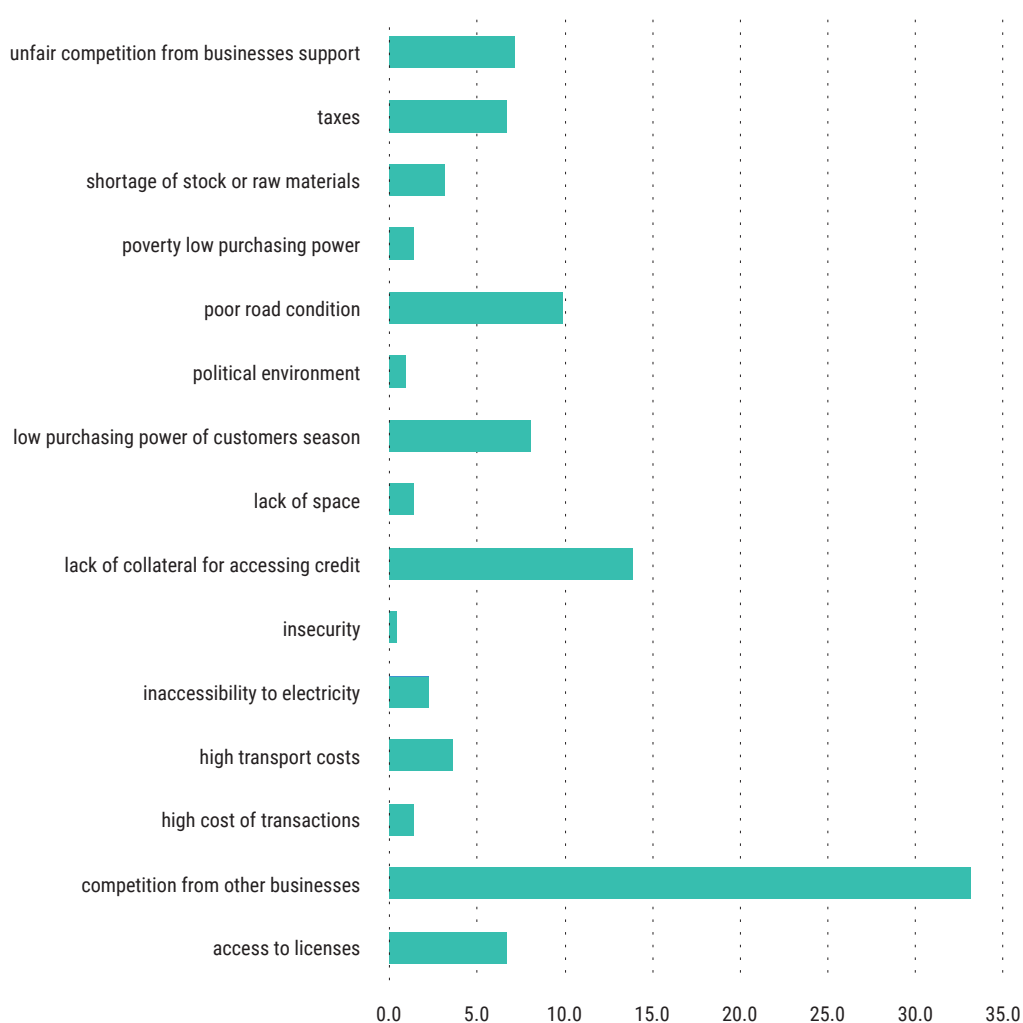
Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Key informant interviews also revealed that there had been a decrease in donor support as a result of the pandemic. Having affected the whole world, donors have reduced funding of programs in Dadaab to support their home countries. Additionally, some of the programs previously conducted daily have now been reduced or made virtual, which is not as effective as before. Other programs such as food distribution by WFP have had to continue since they cannot be done virtually, which presents a risk of staff infection. There was also a restriction of movement to reduce the spread of the virus within the camp, which brought many challenges in accessing goods and raw materials. NRC had an activity in May 2020 to physically assess Dadaab businesses and found that for most of them, the shops were empty since they could not get raw materials and supplies because of the restrictions.

### Prevailing Challenges Facing Businesses and the prospects

The main challenge that enterprises have been facing for the past year is competition from other businesses recorded at 33.2%. This is because the number of retail traders is relatively high and there are no restrictions on new entrants into the market. Lack of collateral for accessing loan is another challenge which was recorded at 13.9%. One of the most used assets as collateral is land. However, land in Dadaab is communally owned where no individual property rights are granted. This discourages private investors into the area and also limits the traders' opportunity to access loans from financial institutions by using land as collateral.

Figure 4.37 Main Challenges affecting businesses for the past year (%)



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The other problems experienced included poor road condition, low purchasing power of customers, challenges in accessing licenses, taxes, among others.

Dadaab refugee complex is a vibrant area whose potential to grow even further is hindered by the restrictions on refugees and high dependency on donor aid. The refugees operate businesses such as retail and wholesale shops, barbershops, salons, groceries, hotels and engage in casual labor such as construction work and laundry services. Refugees also engage in several light industries such as handicraft, furniture, welding, apparel making, etc.

Restriction of movement of the refugees impedes their ability to run their own businesses in cost-effective ways. Although the Refugee Act (2006) provides for work permits, obtaining them is curtailed by administrative bottlenecks and encampment policy. According to their calculation, RAS assesses if the cost of travel, accommodation, and lodging is made up for by availability of cheaper goods. They often find that it is not the case, and traders movement permits are uncommon. UNHCR estimates that 5000 movement permits are issued every year, many for refugees attending school (UNHCR & ILO, 2019). Most refugees are not aware about the processes, regulations or laws.



In addition, refugee repatriation, reductions in food aid, and cuts in humanitarian agency budgets have had a negative effect on the local economy in Dadaab (UNHCR & ILO, 2019). This has impacted both refugees and host communities because humanitarian financial assistance circulates in the local economy.

The host community businesses are strongly dependent on refugees and are allowed to operate businesses and purchase goods in the camps and are not restricted in any way. The most common businesses among them include livestock trade, trade in livestock products such as milk and meat, firewood, charcoal, miraa, and water, among others. In addition, some host community members are also involved in the retail trade of food items, including fruits and vegetables.

It was also apparent from the various FGDs conducted that the host community feel that the refugees have an upper hand in business as the humanitarian agencies support them. Garissa County being among the most marginalized counties in the country, the host community feel neglected and that refugees have more facilities and opportunities than them.

The insecurity threat in the region has been a key bottleneck to the economic development of Dadaab. This is because the Somalia border is extremely porous. As a matter of fact, the consultancy team was unable to access areas such as Al Jungur, Kambioos and Ifo 2 due to sheer security fears. The challenge of insecurity was faced by both refugee and host communities. Due to these concerns, the private sector is hesitant to invest in the area. This has an impact on the development of value chains, while also limiting the opportunities for the refugees and the host community alike.

## Summary of Emerging Issues

Dadaab refugee complex has a vibrant economy with a potential to grow even further. As mentioned earlier, most businesses in the area are MSMEs, a key alternative income generation strategy in the countenance of scarce limited livelihood opportunities, where unemployment is rampant among most working-age groups. This study established that the environment presents several opportunities and constraints. Some of the notable emerging issues include:

- Limited financing opportunities
- Infrastructure Development and Reliable Basic Services
- Capacity of Businesses to Grow
- Low Monitoring of livelihood activities
- Spatial Planning and Land Management

### Limited Financing Opportunities

As earlier discussed, MSMEs experience more difficulty in accessing loans from financial institutions compared to large firms. Indeed, most business operators in Dadaab pointed out that they got capital from personal savings while others borrowed from friends and relatives. This is because most employed refugees are employed as incentive workers and do not meet the loan repayment conditions since this is not formal employment. Additionally, Equity Bank is the only bank operating in Dadaab making informal lines of credit and community-based credit and saving schemes to be more popular. One of such is Village Savings and Lending Associations (VSLAs) which are promoted by UNHCR.

Access to financing for the businesses in Dadaab is crucial in their growth and expansion. This will allow them to generate more revenue through higher tax contributions and increased job creation. In other parts of the world, experience has shown that MSMEs can create productive jobs, which is critical in achieving human capital potential, strengthening domestic and export markets, improving performance of real sectors and achieving food security (The World Bank & ACET, 2016).

### Low Capacity of Businesses to Grow

The study further established low levels of education attainment among the business operators, where 46.5% of them did not attain any formal schooling. Additionally, lack of sufficient business management skills limits the ability of the entrepreneurs to keep their businesses profitable and in a manner that they grow. A major challenge highlighted by the business operators is that there are poor transitions within the various levels of education. Apart from this, although there are various organizations which are offering livelihood programs and trainings to the host and refugee communities, there is a lot of repetition due to lack of coordination among the agencies. A good approach would be to work with the livelihood working group whose main aim is to discuss issues related to livelihood activities. This would make the programs to be more targeted on addressing the pertinent issues because the working group encompasses every partner that works in Dadaab.

Furthermore, the recent government directive to close the camps has caused a lot of anxiety and uncertainty among the entrepreneurs as they do not know whether they should invest more and grow their businesses yet there is an impending closure. Additionally, the existing restrictions on refugees have a negative impact on refugee-owned businesses. Refugees must depend on intermediaries due to movement restrictions which increases operational cost of business and does not guarantee that they get the best products.

One of the best potentials for self-reliance activities would be producing goods and services and selling them outside Dadaab. This would be sustainable regardless of humanitarian aid and would increase the refugees' purchasing power through the sustainable supply of income. Moreover, if the products produced in the camp cannot be sold outside, through local consumption, refugees and the host community alike will save money from being channeled out of Dadaab.

### Infrastructure Development and Reliable Basic Services

One impact of historical marginalization of Dadaab and Fafi sub counties is manifested in the underdeveloped and in some cases lack of infrastructure, negatively affecting the area. The supply chains are negatively affected by this, especially because Dadaab is highly dependent on goods sourced from neighboring regions and gets its supplies mainly through the North-eastern corridor. With the main supply markets being Garissa and Nairobi, the availability of food supplies in Dadaab is considerably determined by seasonal production cycles and the road conditions during the rainy seasons, as local production is especially constrained by water challenges. During the rainy seasons, access constraints significantly influence the availability of goods and prices of commodities in Dadaab. Sometimes, Dadaab gets cut off completely creating a scarcity in the market, and even losses in case of perishable goods. This overreliance on external sources for food supplies can be addressed by investing in local production, which will require irrigated agriculture.

Another key component necessary for the growth of value chains is storage facilities which is significantly lacking in the markets. This is mainly because of the type of building structures in the market such as walls and roofing are insecure, and there is also scarcity in space. True to this, the study found that the goods in Hagadera Market in Fafi have to be stored in the main Hagadera market due to lack of space.

Inconsistent power supply due to rationing also impedes cold storage which is very critical due to Dadaab's hot weather. Increasing storage facilities will expand trade in fresh produce which has great potential to reduce wastages. The county can leverage more revenue by providing additional market infrastructure and automating the revenue collection system.

### Low Monitoring of Livelihood Activities

Previous studies and key informant interviews revealed that follow-up on livelihood activities in Dadaab is low. This is partly because the projects are implemented as part of larger protection programs, meaning that livelihood-specific objectives and indicators are not well articulated in program documents. As a result, the same mistakes experienced in the activities are usually repeated; good practices are not picked-up while useful lessons are not learned.

### Spatial Planning and Land Management

Land in Dadaab and Fafi is communally owned which allows the host community to move without restrictions while grazing their livestock. However, this tenure system limits land administration in urban areas. This makes the areas to be prone to unplanned development. According to the county planner, there are cases in Garissa where land belonging to some schools are being used as public spaces or loading and offloading

areas. Additionally, the communal land ownership hinders the allocation of individual property rights which is necessary in accessing financial credit to start or grow businesses.

Land administration is generally informal, a mix of traditional land governance structure of the host community and involvement of certain government agencies, in the absence of a defined planning system. Although there exists a development plan for Dadaab refugee camps, the plan is not detailed and lacks participatory engagements. This precludes optimizing land and spaces for enhanced economic productivity.

Moreover, the Somali culture known as "*iskadek*" meaning "live the way you are" is another impediment in land use management. Being nomadic by nature, the community live the way they are even in urban set-ups. Key planning issues such as accessibility to the land or development control are seldom adhered to. This makes it a challenge to develop these areas.

The vast nature of Dadaab and Fafi makes accessibility to some areas a big challenge. Areas such as Kambioos have accessibility challenges due to the security. The terrain is also a problem and the road conditions render certain areas inaccessible. People take advantage of the terrain and vastness of the area which limits security forces.

"They believe that my neighbor should be next to me, the other person should also be next to me and that means that it's difficult to access plots because of the settings the way we came from the rural areas and into urban. That is a main challenge that we have. Developing these areas is going to be hard due to the mentality that we have of live how you are without bothering me, and I will not bother you. For example, if you have a land parcel and cannot access it, it is difficult to develop it. This is the main challenge."

— **Source: Refugee in Dadaab Complex**











## CHAPTER 5. UTILITY SERVICES FOR BUSINESSES AND LOCAL ECONOMIC DEVELOPMENT

### Overview

Infrastructure and utility provision is a vital enabler of the business environment and will be critical in the local economic development of Dadaab. Since independence, the region has been significantly marginalized, and there has been no substantial investment from the government. Kenya's first major attempt to address historical marginalization came with the 2010 constitution, which introduced devolved governments with specific counties identified as beneficiaries of an equalization fund. Garissa and other Northern Kenya counties are part of that list. Although the devolved government has made some gains, and now resources are reaching these areas, this is slow and structural transformation is yet to be achieved. Infrastructure services in the county are extremely underdeveloped, and this continues to constrain local economic development. Notably, infrastructure in Dadaab is relatively better compared to other remote places of the county. This can be attributed to work of humanitarian agencies who developed water supply through boreholes, education facilities, health care facilities, among others.

In this chapter, the report presents findings about utility services as reported by business operators, including water and sanitation services, energy services and transportation.

### Water Supply Services

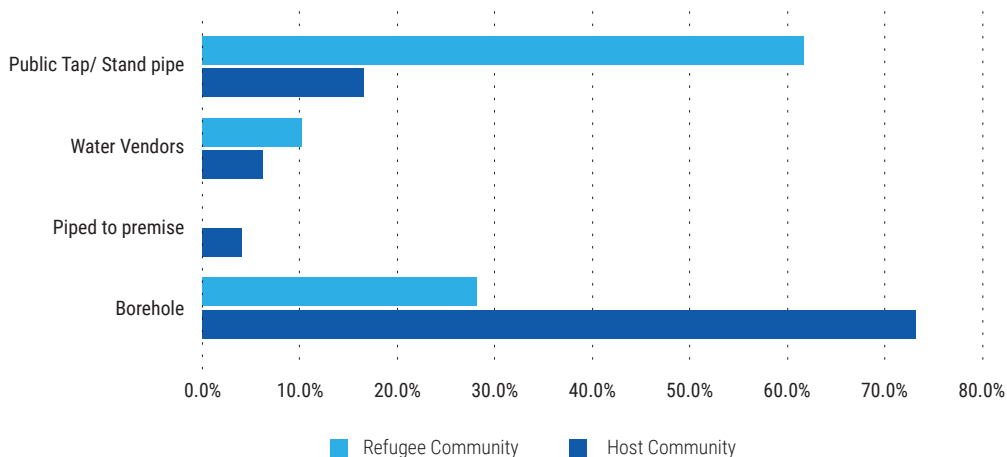
Dadaab is an ASAL area with sparse vegetation and no surface water. Water is scarce in terms of quality and quantity, and acute water shortages are usually experienced during the dry season. Therefore, the primary source of water in Dadaab is groundwater, mainly accessed through boreholes. There are two energy systems used to supply water from the boreholes in the camps, diesel generators and solar energy. In the refugee camps, these account for 60% and 40% respectively in terms of use.

The survey found that refugee-owned businesses primarily acquire water from a public tap or standpipe connected to a borehole, accounting for 61.7%. For host community-owned enterprises, 73.2% obtain water from boreholes.



Water pan at Dadaab Refugee Camp. © UN-Habitat/Julius Mwelu

Figure 5.1 Main water sources for businesses



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

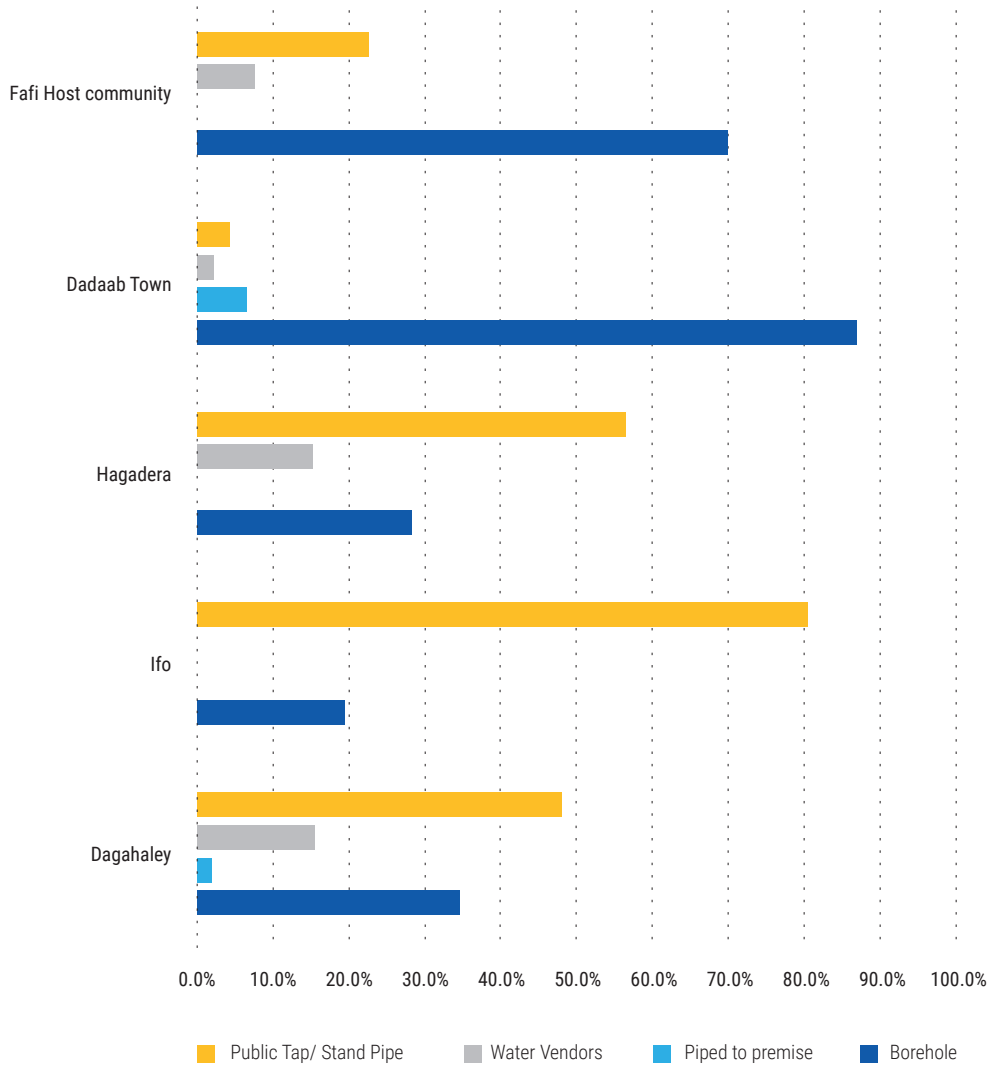
Boreholes are the most used water sources in Fafi and Dadaab Town at 70% and 87% respectively which are host community areas. In Hagadera, Ifo and Dagahaley, most businesses get their water supply from public taps which are connected to boreholes as well at 56.5%, 80.5% and 48.1% respectively.

Water is largely available in refugee settlement areas because the environment is capable of retaining moisture. Humanitarian agencies such as CARE International, which focus on WASH activities, can provide 30 liters per person per day, which is higher than the recommended per capita water of 20 liters. Before the COVID-19 pandemic, CARE provided 25 liters per person per day.



Pivot irrigation for agriculture at Dadaab Refugee Complex. © UN-Habitat/Julius Mwelu

Figure 5.2 Main water sources for businesses

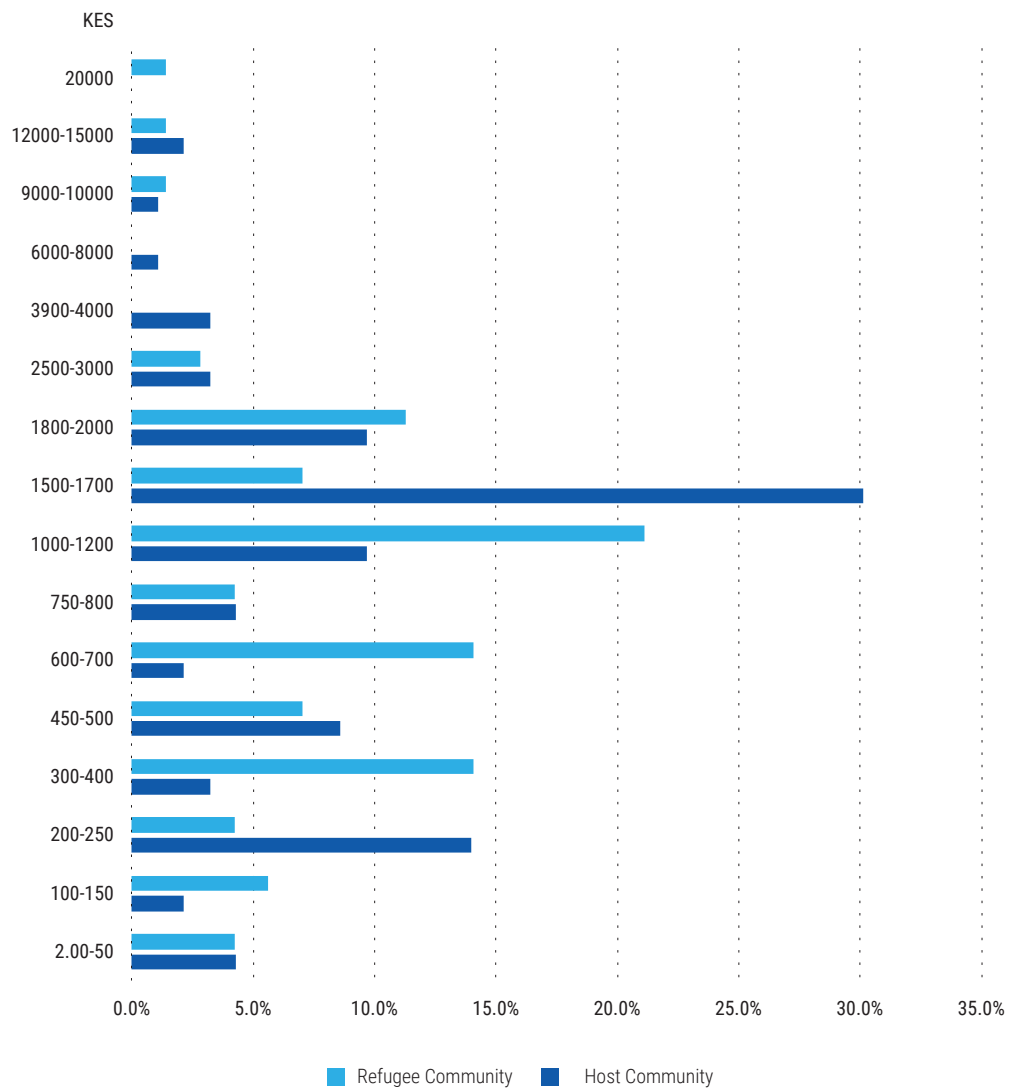


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

In terms on the cost of water used, 30.1% of host community businesses spend KES 1500-1700 followed by 14.0% spend KES 200-250. Additionally, 9.7% incur KES 1800-2000 while the highest recorded cost is KES 12000-15000 by 2.2% of the host community businesses.



Figure 5.3 Monthly expenditure on water



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

For refugee-owned businesses, majority, 21.1% spend KES 1000-1200, followed by 14.1% for KES 600-700 and KES 300-400 each. The highest cost incurred is KES 20000 by 1.4% of the refugee businesses. The high cost of water is attributed to the deficit in supply.

In the markets, most traders denoted that water supply is inadequate and is not able to meet the market population’s demand. For instance, operators in Suqa Xulaha livestock market in Hagadera highlighted that there is no water supply at all. This was also highlighted in Hagadera market in Fafi. Markets which were recorded to have fair water supply are Bosnia Market in Ifo, Dagahaley market, and Al faruq market in Dadaab.

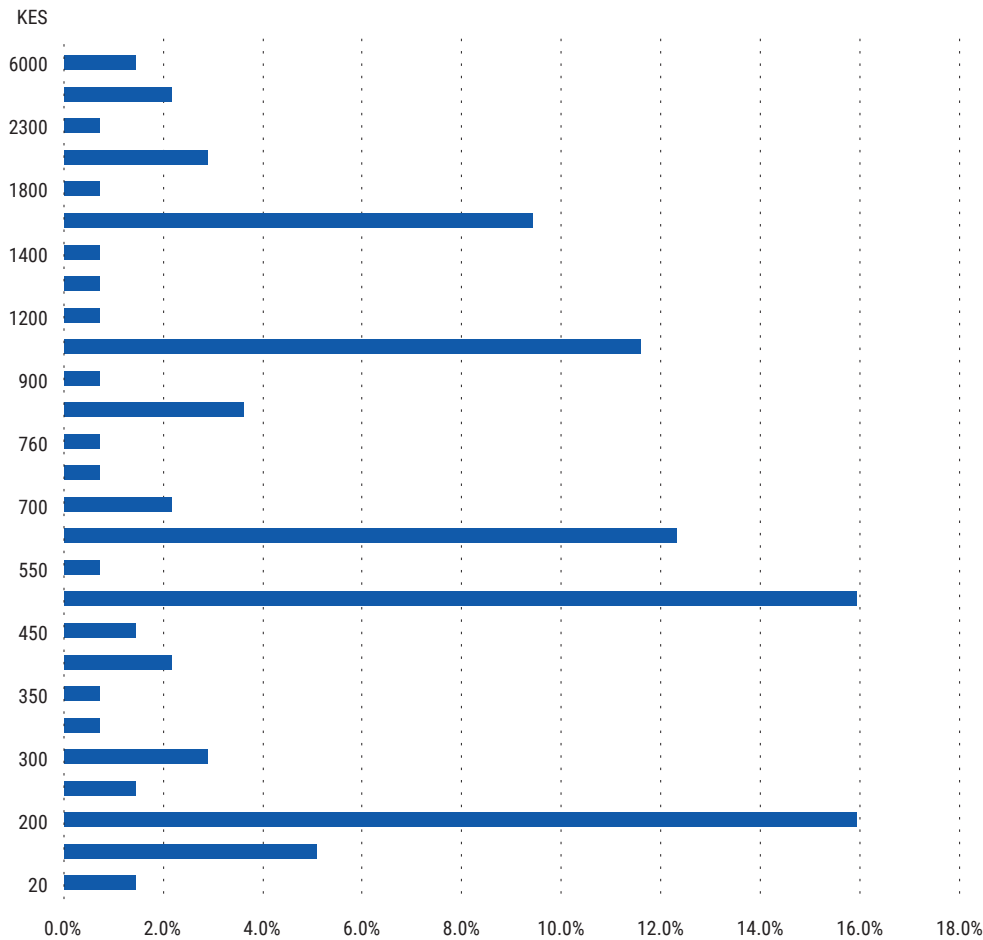
### Sanitation Services

According to ACF International, the latrine coverage in Dadaab and Fafi sub-counties stood at 42% in 2012. Insufficient water directly impacts health and nutrition as water scarcity undermines good sanitation practices (Fitzgibbon, 2012). The Garissa CIDP (2018) underscores that a majority of the county residents, 50.63%, practice open defecation, which poses a high risk of contamination of water sources, leading to disease outbreaks. Improved sewage disposal methods such as wet based systems like biodigester or septic tanks and mini-treatment facilities are limited to organization facilities and some public facilities.

The towns and the settlements do not have an organized solid waste management system, including the absence of a sanitary-engineered solid waste treatment facility. Traders therefore have to make their own arrangements with service providers at a cost.

There are enterprises that have a monthly expenditure on garbage collection costs where 15.9% spend KES 200, 15.9% incur KES 500, 12.3% spend KES 600, 11.6% spend KES 1000 while 9.4% incur KES 1500 monthly. The highest cost incurred in garbage collection is KES 6000 and KES 3000 at 1.4% and 2.2% respectively.

Figure 5.4 Monthly expenditure on garbage collection



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

The traditional method of solid waste management within the camps has been burning and in-situ burial, but this is becoming unsustainable because of the accumulated volume of waste (RDE & Norwegian Embassy, 2010).

Some humanitarian agencies provide rakes and bins for solid waste disposal and a dumpsite and trucks to collect the garbage in the camp. However, refuse disposal remains a challenge in Dadaab. The streets in the camp are littered with

garbage including papers, plastics, and scrap metal and the host community complain that it is a blight on the land.

The survey also established that there is poor solid waste management in the markets. Markets such as Fafi general market gets support from NGOs sometimes but in most cases, the responsibility of garbage management is left to the community.



Unauthorized dumping site in Dadaab. © UN-Habitat/Dadaab Socio-economic Survey (2021)

Nevertheless, waste recycling is a potential value chain that can be explored further in Dadaab. There is continued interest and demand from private actors in Nairobi to purchase the waste in Dadaab (UNHCR & ILO, 2019). The biggest challenge facing these efforts to develop the recycling sector is lack of efficient transport to Nairobi.

KIIs revealed that the host community are the most vulnerable when it comes to WASH activities. In the camps, the refugees are well taken care of by the agencies, and they get a free and consistent supply of water that sometimes

can surpass the minimum standards. There is a relatively better provision of latrines and waste management in the camps. The market profiling showed that most of the markets have inadequate toilets, with some having no provision altogether like Bosnia Market in Ifo, Al Faruq Market and AP Camp Market in Dadaab. Furthermore, some of the toilet facilities are in poor conditions and are not enough to serve the market population. The price range for using the toilets range from KES 5 to KES 20 as depicted in Table 5.1.

Table 5.1 Provision of Toilets in various markets in Dadaab

Market Name	Type of Service	Cost of the service	Comment about the Service and conditions of the infrastructure
Bosnia market	None	None	Not good
Livestock Market Suqa Xulaha	Latrines		The number of latrines is not enough in the livestock market
Dagahaley market	3 public toilets	KES 5 per person	Not fully cleaned
Hagadera Market	Toilets and bathrooms	40000	
Ifo Main Market	Latrine which is open	KES 20 Each	
Suqa Batiga	public toilets	they pay money upon using	Toilets are not enough and infrastructure is not up to standard
Vegetable Market	Public toilets and bathrooms	KES 10 & KES 20 respectively	
General Market	Public toilets and bathrooms	KES 10	
Hagdhera Main Market	open air toilets	Everyone pays after the service	poor infrastructure and less toilets compared to the market population
Dagahaley	Latrines	KES 5	
Al Faruq Market	None	None	None
Ap Camp Market	None	None	Very much in need of public toilets

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Given that most of the enterprises are MSMEs, they mainly use unimproved fecal disposal methods such as basic pit latrines because investing in improved sanitation systems is costly and not within their affordability. Additionally, priority given to such infrastructure and services are assumed as the responsibility of local authorities. The absence of town-wide or settlement-wide sanitation systems impedes private sector investment and industrial development, which require efficient waste management systems.

### Energy Infrastructure and Services

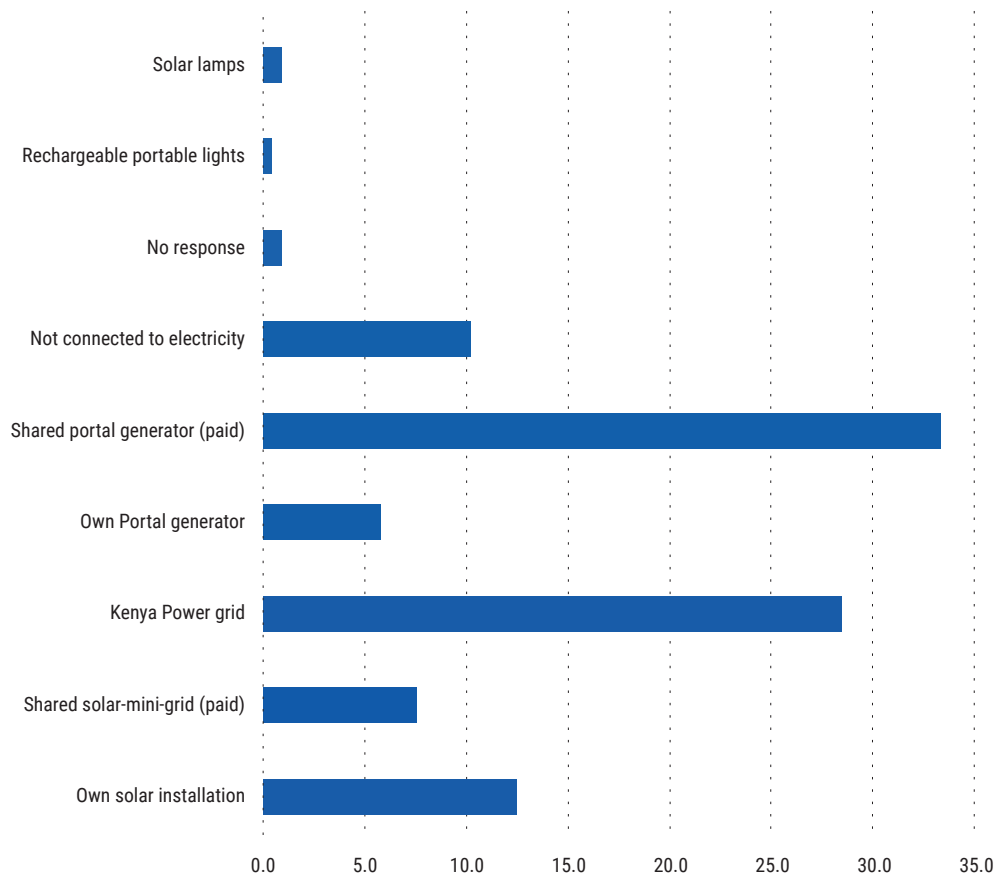
The type of energy used by businesses in the Dadaab and Fafi sub-counties depends on the nature and scale of their operations. The trade in fuels such as charcoal, firewood, batteries and kerosene are common in the camps (The Royal Institute of International Affairs, 2016).

The refugees highly depend on firewood and charcoal, which have had negative environmental impacts. Indeed, the Garissa CIDP (2018) indicates that Dadaab and Fafi sub-counties are among the most degraded areas in the county. This is due to activities such as tree-cutting, over-grazing, increasing settlements on grazing land, increase in population, climate change, the influx of refugees who continue to depend on firewood and charcoal, among others. This has led to a growing concern for environmental degradation among the host community.

33.3% of enterprises in Dadaab pay for shared portal generators for their appliances, while some of the businesses, 28.4%, are connected to the Kenya Power and Lighting Company grid. However, 10.2% of the businesses are not connected to electricity at all.



Figure 5.5 Sources of electricity for businesses (%)



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

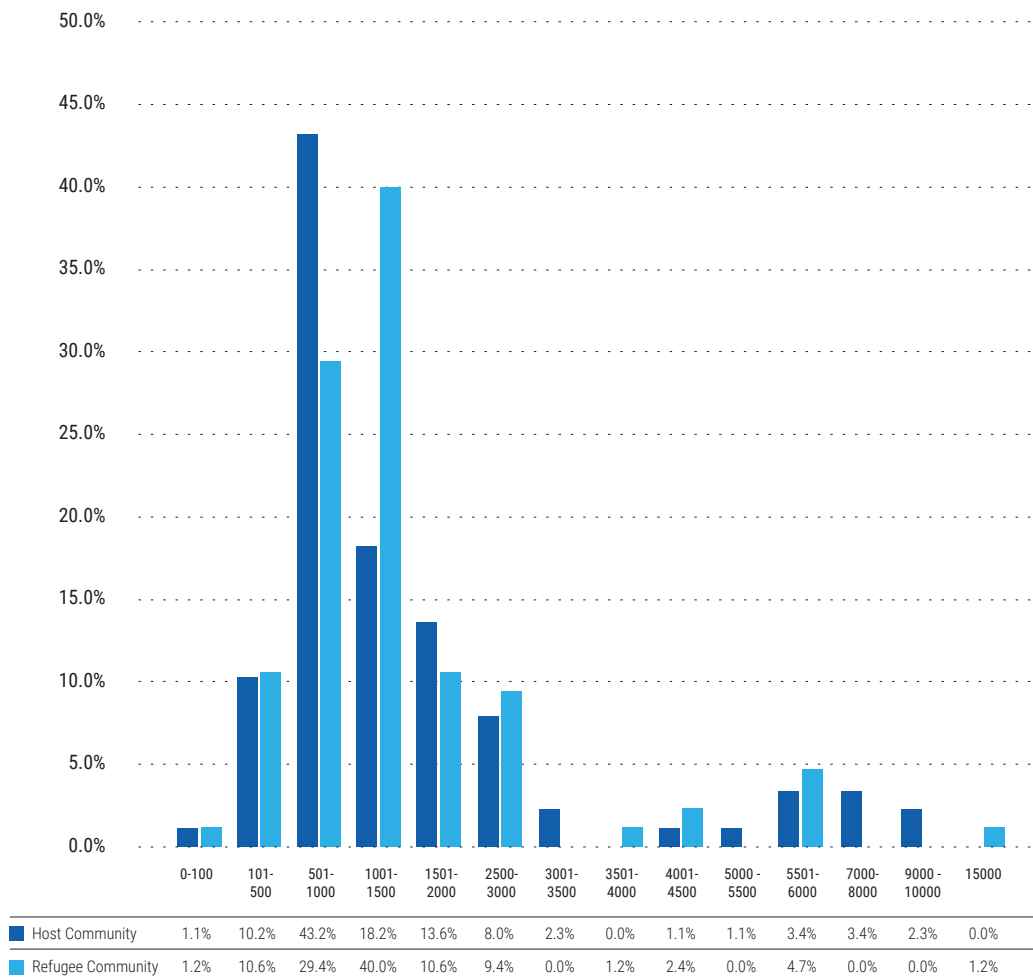
According to the socio-economic survey, 89% of households in the camp own a mobile phone. A study by The Royal Institute of International Affairs (2016), 48.9% of households charge their phones in kiosks at KES 10 per session, indicating a significant income-generating activity in the camp.

The primary source of energy for lighting and using electrical appliances in the camps is generators which are operated by businessmen who supply power at a cost. Facilities such as health centers are also served by generators which UNHCR services by providing fuel. At the same time, the Kenya Red Cross is the custodian who provides service parts and technicians to

improve their efficiency. Part of the host community is served by the Kenya Power and Lighting Company grid, while some have installed their own solar installation and other are not connected to electricity at all.

The monthly cost incurred for electricity varies depending on the type of business. A common feature of MSMEs is that their demand for electricity is minimal. This survey established that for refugee-owned businesses, 40% of them spend KES 1001-1500 per month on electricity while 43.2% of host community owned businesses spend KES 501-1000.

Figure 5.6 Monthly cost of electricity



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

According to the market survey conducted, power supply in the markets is very inconsistent. KPLC power supply is marred with power rationing which makes it inefficient. This affects other facilities such as storage and refrigeration which are key components in the supply chains.

Inconsistent power supply in Dadaab and Fafi negates any plan for industrial production in the area (NRC, n.d.). On the other hand, increasing the power supply in the area is likely to encourage further productive use of energy.

### Mobility Infrastructure and Services

Most of the business rely on road transportation for logistics. ASAL areas in Kenya have the lowest amount of tarmac or quality roads (Fitzgibbon, 2012). The Garissa CIDP (2018) acknowledges that roads in Garissa County are in poor condition, and most of them are rendered impassable during the rainy season, restricting all movement by road in the county.



Typical road surface in Dadaab. © UN-Habitat/Dadaab Socio-economic Survey (2021)

The road between Garissa and Dadaab is in a deplorable state. When it rains, the area gets almost cut off and businesses encounter significant logistical challenges. The situation can get so bad that in the last one or two years, agencies and businesses operating in the area had to stay for ten days without receiving supplies because of the dire state of the road during the rainy season.

The poor road conditions increase operational costs because of rising expenses incurred on transport. Consequently, improving the road condition was the main recommendation by business operators to realize enhanced productivity. Poor transport networks also discourage private sector investment due to high costs.

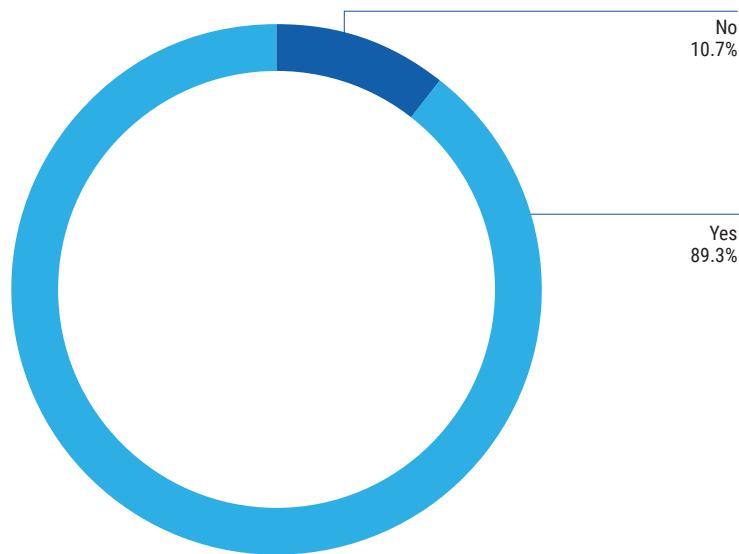
By enhancing the physical links with the main commodity suppliers and consumer markets, market integration in Dadaab will be supported.

### Communication Services

Garissa County is served by three mobile phone service providers, which are Safaricom, Airtel and Telkom Kenya. The coverage of these networks is 62% and areas in Fafi and Balambala are among areas which have no network coverage.

Mobile banking services are widely used in the area with the most common one being M-Pesa. It was established that most of the enterprises, 89.3% are registered with a mobile money service provider such as M-Pesa and Airtel Money.

Figure 5.7 Registration with mobile money services



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Cash based initiatives such as Bamba Chakula works in close collaboration with Safaricom using a system called SurePay that allows WFP to make payments to beneficiaries and puts tight restrictions on where the money can be spent. Additionally, agencies pay their incentive workers through M-Pesa because of existing government restrictions on paying refugees in cash.

Radio coverage in the county stands at 95% since most of the rural residents depend on radio for news coverage (Garissa County Government, 2018). Within the study area, there is one post office located in Dadaab Town.

KII with Windle Trust further revealed that UNHCR distributes tablets and solar radios to students both individually and sometimes to be shared per block so that they can have radio lessons during the holidays. Other organizations also disseminate information through the radios. For instance, HI creates awareness against violation of rights of persons with disabilities.

### Public Markets and their Significance to the Local Economy

At the Garissa County level, five modern markets are operating at different levels in terms of capacity and functionality. The main market, which is classified as a tertiary market, is Garissa Livestock Market in Garissa Town. Then there are modern markets classified as secondary markets in Balambala, Madogashi, Bura in Fafi and one in Masalani town. Those have good infrastructure and are well-developed livestock markets and are classified as modern markets.

The markets are fully operational, and there is good communication between these markets, especially on the northern side.

The major markets in Dadaab are the Hagadera market in Fafi sub-county and Dagahaley market in Dadaab sub-county. These two markets have made the area to be more vibrant. On the other hand, Ifo market is smaller and less established and is mainly accessed by refugees.





Garissa Market. © UN-Habitat/Dadaab Socio-economic Survey (2021)

“In terms of the functionality aspect of the markets and the governance, the government has done a lot in terms of organization of livestock market associations who are managing the livestock markets, providing trainings, ensuring smooth movement of animals, issues of disease inspection.” – **KII Livestock department, Garissa County**

Market integration in Dadaab and Fafi sub-counties is critical to food security and almost every sub-county has at least one market that operates daily.

Hagadera market is situated along the road to Wajir and Mandera, an arterial that connects to the rest of the country. The market is the most vibrant in the area, as more items are available than anywhere in Dadaab. In addition, Hagadera has more advanced shops and infrastructure, with transport services that link to Eastleigh in

Nairobi. The business owners are mostly the host community and refugees originating from other urban areas and Mogadishu, who have strong links to their social networks in these cities or Nairobi. Retail trade is common in the market, and the main products sold include fruits and vegetables, livestock and livestock products such as milk and meat. Goods in Hagadera are more expensive than the other markets, to some extent because of the urban origin of the goods (UNHCR & ILO, 2019).



Hagadera kitchen-ware market. © UN-Habitat/Dadaab Socio-economic Survey (2021)

Dagahaley lies at the intersection between Wajir and Garissa. Similarly, many goods and services are available in Dagahaley market, although at a lower price than in Hagadera. The sellers are mainly from the host community, and the most common items include food items, electronics

and clothing. Dagahaley market has a stronger farming community. This is because the community is more of a rural origin, including Somali Bantus who believe agricultural practices effectively build livelihoods and financial capital (Ibid, 2019).





Daghaley market street and vehicle terminus. © UN-Habitat/Dadaab Socio-economic Survey (2021)

Ifo market is less developed with limited goods. Refugee communities are the prominent business owners in Ifo, and there is a smaller number of host community traders. This may be because of lack of infrastructure and facilities. Food and non-food items like clothing, though available, are less diverse.

There are also more feeder markets within the region, and they are all interconnected. The markets in the Dadaab refugee complex are varied.



Al Faruq Market in Dadaab. © UN-Habitat/Dadaab Socio-economic Survey (2021)

Table 5.2 Markets in Dadaab Refugee Complex

Settlement Name	Market	Type of Market (By Structure)	Type of Market - By Main Products Sold
Ifo	Bosnia market	Open Air - [Unfixed stalls + Makeshift fixed stalls]	Fresh produce market and hotel, electronics, kitchenware, apparel,
	Ifo main market	Constructed - [with fixed stalls & marked unfixed stalls]	Vegetables, food, hotels, miraa, pharmacy stalls.
	Ethiopian market	Fixed Stalls street Market	Fresh produce market
	Bosnia market	Open Air - [Roofed without fixed stalls]	Retail products Market
	Bakeri market	Open Air - [Unfixed stalls + Makeshift fixed stalls]	Fresh produce market
	Wajinga Market	Fixed Stalls street Market	Fresh produce market
Hagadera	Ali dumal	Fixed Stalls Street Market	Retail products Market
	Livestock market suqa xulaha	Open Air - [Unfixed stalls + Makeshift fixed stalls]	Livestock market- Camels goats and sheep
	Suqa batiga	Open Air - [Unfixed stalls + Makeshift fixed stalls]	Mixed Produce Apparel- male and female
	Abdibade hardware	Open Air - [Roofed without fixed stalls]	Mixed produce. Hardware items- iron sheet wood cement tiles nails and paint
	Hagadera main market	Open Air - [Unfixed stalls + Makeshift fixed stalls]	Mixed Produce (Specify)
Fafi	Hagadera Market	Constructed - [with fixed stalls & marked unfixed stalls]	Livestock market
	Vegetable Market	Open Air - [Roofed without fixed stalls]	Fresh produce market
	Clothes	Constructed - [with fixed stalls & marked unfixed stalls]	Retail products Market
	General Market	Constructed - [with fixed stalls & marked unfixed stalls]	Mixed Produce (Specify)
Dagahaley	Dagahaley market	Open Air - [Unfixed stalls + Makeshift fixed stalls]	Retail products Market
	Dagahaley	Open Air - [Roofed without fixed stalls]	Livestock market
	Fresh produce	Fixed Stalls street Market	Fresh produce market
	Dagahaley hardware	Constructed - [with fixed stalls & marked unfixed stalls]	Fish Market
Dadaab	Alharamain	Fixed Stalls street Market	Retail products Market
	Al faruq market	Open Air - [Roofed without fixed stalls]	Retail products Market
	Ap camp market	Fixed Stalls street Market	Retail products Market

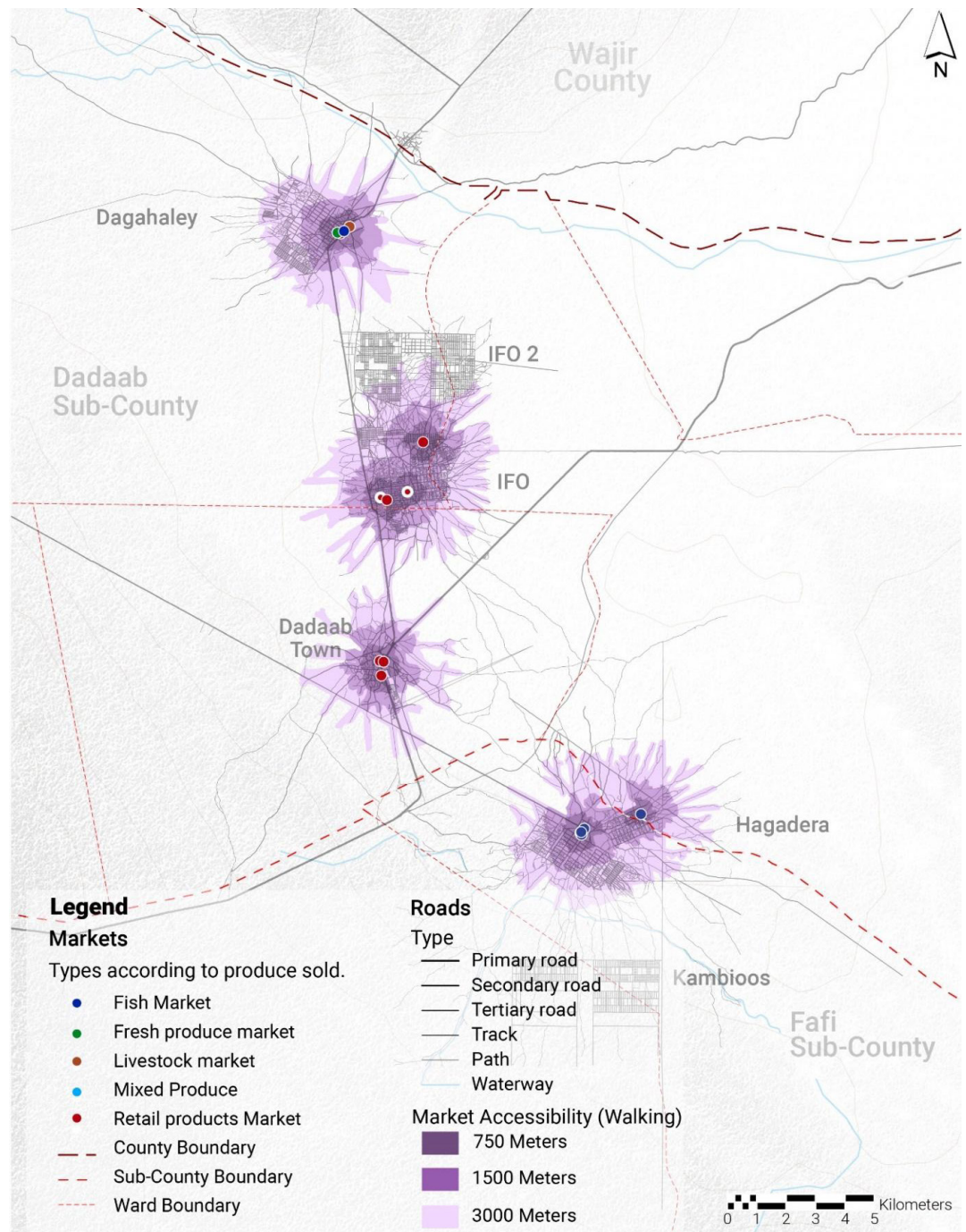
The typical market structure in Dadaab, with livestock markets being open-air markets while most market types (excluding street markets) having been constructed with iron sheets/ drum materials. Most of the markets, 71.4% are managed by the traders themselves, 19% by the county government while 9.5% are managed by and NGO or a UN agency.

### Market Infrastructure and Facilities

The study established that most markets have inadequate infrastructure, exposing the traders and users to public health and safety hazards, and generally making their work environment challenging. For instance, most markets were reported to have inadequate water supply.



Figure 5.8 Flow of goods to and from Dadaab



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Hagadera Market and Vegetable market in Fafi were found to have no water supply at all. This was the same case for Suqa Xulaha which is a livestock market in Hagadera. Water is essential in maintaining hygiene in the market and with the prevailing COVID-19 pandemic, it is very essential in reducing the spread of the virus especially through hand washing.

**Table 5.3 Management of markets in Dadaab and Fafi**

Settlement Name	Market	Management
Ifo	Bosnia market	Self-Management (by traders)
	Ifo main market	Self-Management (by traders)
	Ethiopian market	NGO or UN Agency
	Bosnia market	NGO or UN Agency
	Bakeri market	Self-Management (by traders)
	Wajinga Market	
Hagadera	Ali dumal	County Government
	Livestock Market Suqa Xulaha	County Government
	Suqa batiga	Self-Management (by traders)
	Abdibade hardware	Self-Management (by traders)
	Hagadera main market	Self-Management (by traders)
Fafi	Hagadera Market	Self-Management (by traders)
	Vegetable Market	Self-Management (by traders)
	Clothes	Self-Management (by traders)
	General Market	Self-Management (by traders)
Dagahaley	Dagahaley market	Self-Management (by traders)
	Dagahaley	County Government
	Fresh produce	Self-Management (by traders)
	Dagahaley hardware	County Government
Dadaab	Alharamain	Self-Management (by traders)
	Al faruq market	Self-Management (by traders)
	Ap camp market	Self-Management (by traders)

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

In addition, wastewater and solid waste management were also identified as major challenges in the markets. There are no proper systems in place for waste management and businesses resort to dumping of waste in undesignated areas and burning.

Key informant interviews and observations during the field survey revealed that some of the shops in the markets are not accessible to persons with disabilities. For instance, some of the shops have steps which are difficult for persons with certain disabilities that challenge their mobility.

The market surveys conducted further found that most markets lacked enough storage capacity for goods. This was attributed to factors such as lack of space, and also because the building structures in the markets including walls and roofing are insecure. In Fafi for example, goods in Hagadera market have to be ferried to the main Hagadera market as there is a dire shortage of storage facilities. Concomitant infrastructure such as power supply is also another challenge marred with inconsistency and rationing which further limits refrigeration and storage of fresh produce.

The study established that there is dire need for new markets and providing facilities in the existing markets. With this, the business operators and market users will have a clean and safe space to conduct activities and guarantee public health and safety. Additionally, by providing adequate storage, trade in fresh produce will expand and wastages will be reduced. Indeed, the county has the potential to leverage additional revenue by providing modern market facilities and automating revenue collection systems.

### Business Networks and Associations

The Kenya National Chamber of Commerce and Industry (KNCCI) is the most significant business network in Garissa County with approximately 6000 members. It facilitates business linkages with other chambers through trade exhibitions internationally in countries such as Egypt, UAE, and Turkey.

KNCCI is currently in partnership with the MasterCard Foundation and through this arrangement, has set up a COVID-19 Recovery Fund to support SMES. In the first phase, 253 people were supported, each of them getting KES 30,000 without interest. Dadaab is earmarked to benefit in Phase II of the project.

The study revealed that majority of the business operators do not belong to any financial network, 60%. This was due to varied reasons:

Lack of required documentations at 38%; Others do not understand the process and procedures at 27%; Lack of knowledge about benefits/services offered at 25%. Other reasons included long distances and lack of money to make deposits

### Safety and Its implications for Local Economic Development

The arrival of refugees from Somalia in 1991 occurred against the backdrop of long-standing discrimination against Kenyan Somalis in the Northeastern province after secessionist conflicts between 1963 and 1967 (UN-Habitat, 2021). Over the years, the Northeastern region in Kenya has been one of the most affected by highly disruptive and costly insecurity incidences in Kenya, characterized by periodic outbreaks of clan feuding, inter-community violence, and the presence of armed bandits and the Al-Shabaab militia group (Mc Sweeney, 2012). The Garissa University massacre in 2015 committed by the Al-Shabaab, in particular, was a defining moment that has affected businesses and the perception of investment opportunities in Garissa County (UNHCR & ILO, 2019).

The county's expansive nature makes it more challenging for the understaffed security personnel to reach everywhere in the county.

"Some areas such as Ifo and Dadaab are well accessible. However, areas such as Kambioos, there is an accessibility issue due to the security. The terrain is also a problem and the road conditions to be able to access certain areas, you need a bigger vehicle to move around those areas...The vastness of the sub county is also a big challenge. The terrain limits accessibility which makes it a target for mischievous people. People are taking advantage of the terrain and since it's a big area and security forces are limited to a specific area"

Indeed, the prevailing insecurity in the area was a major constraint when undertaking this study, where some areas such as Al Jungur, Kambioos and Ifo 2 could not be accessed due to these concerns. This shows that there is resonance in the security narrative.

After the closure of Ifo 2 and Kambioos, the sites have become an additional burden to the security challenges facing the area. Several key informants indicated that some of the facilities left behind by the support agencies are not utilized as assumed, but instead they are now linked to hide-outs for suspected criminals, in addition to their vandalism.

The private sector has been hesitant to invest in the area, in part due to the security and risks concerns (UNHCR & ILO, 2019). This is negatively impacting the development of value chains. For instance, various businesses linked high transport costs partly due to transport operators being hesitant to provide services, and where they do, the costs get inflated citing high risks associated with insecurity in sections of the routes.

Additionally, through the past few years, the refugees in Dadaab have been a threat to national security, and this negatively impacts the livelihoods in Dadaab. One way this has happened is that humanitarian agencies have reduced their operations (WFP, 2014). The UNHCR & ILO denote that there is a catch-22 of security and livelihoods in Dadaab. Whereas the employment of host community youth in the refugee camps has led to reduced insecurity cases in the region, the impending closure of the camps threatens to reverse these gains.

A major source of conflict between the refugees and the host community is Kenyan Somalis feeling that refugees are given basic commodities such as food, healthcare, and education from humanitarian organizations yet majority of them cannot afford these, or do not have access to these themselves. Although according to international law, for one to receive international aid they should live outside their country of origin without state protection (Kirui & Mwaruvie, 2012). To ease the tension, many programs established in Dadaab ensure that local communities also get benefit from their programs where possible.

## Refugee-Host Community Relations and their Implications to the Local Economy

The identities of the host community and the refugees are intertwined and overlap closely (RDE & Norwegian Embassy, 2010). The two communities share a common religion, language and culture, creating a sense of homogeneity and kinship between them. They also share a common property approach to resource use across large swaths of land on either side of the border (ACF International, 2012).

FGDs with both host and refugee communities revealed a symbiotic relationship among the two communities. The host community go into the camps to use the available facilities and engage in business and buy products, and there is no restriction on them. In addition, both refugee and host community members report intermarriages among each other. Intermarriages are also used to strengthen business ties. This has increased the level of acceptance among the two communities.

Market exchanges between the host and refugee communities are widespread, where some of the refugees are informally employed by the host community members.

"We love each other, do business together and live together in harmony. We have a good relationship."  
– **Host community member, Fafi (R6).**

"Over the years, the two communities have coexisted, some have intermarried while others have set up businesses interventions together." – **KII RRDO**

A significant part of Dadaab's economy is highly dependent on the existence of the camps. A study by the Norwegian Embassy in 2010 found that 70% of the host community members settled in the area less than 25 years ago, after the camp was established.



They intentionally chose to settle in the camp-hosting area rather than the many alternative locations. Undeniably, the circumstances in Dadaab are much better than other similar ASAL areas in Kenya (Kamau & Fox, 2013).

The Somali refugees are considered an entrepreneurial community, with considerable high level of uptake of skills and technology, compared to the local community. This has been very key in the growth of Dadaab's economy. Some refugee business operators also get financial support from their relatives who live abroad hence they are able to establish and expand their businesses.

Most of the businesses operated by the host community were established as a result of the camp. This includes businesses away from the camp fringes where the clientele are not refugees, but they target people who travel to Dadaab because of the refugee complex either as aid workers or for business purposes.

The host community have been extremely hospitable to the refugees and share with them their land for agriculture. While this has enhanced food security among the two communities, the collaboration has strengthened their relationship

and enhanced peaceful coexistence among the host and refugee communities (Nasrullah, 2019). The refugees on the other hand are very skilled in farming and have brought new farming technologies such as production of sorghum which the locals also learnt and are practicing.

However, the interaction of the host community and the refugees in terms of livelihood opportunities is greatly limited by the encampment policy and the inability of refugees to obtain work permits (Kamau & Fox, 2013). Several refugees are employed as casual workers in host community businesses around the camp, especially in hotels and guesthouses.

The study by the Norwegian Embassy in 2010 further established that registration of host community members is widespread in the area and is seen as a survival strategy for those living in the area. Incidences of refugee ration card holders among the host is most prevalent closer to the camps. The issue of double registration was also brought in a number of KIIs and FGDs. The host community mostly register as refugees out of frustration and lack of jobs. As refugees though, they are not able to leave the camps, pursue higher education from institutions outside the camp or get employment.

Table 5.4 Double registration in Dadaab

Type	Households	Individuals
Refugees who applied for or have obtained a Kenyan ID	3,355	15,799
Kenyans registered as refugees	5,843	24,655
<b>Total</b>	<b>9,198</b>	<b>40,454</b>

Source: UNHCR & ILO, 2019

The numbers are likely to have increased since 2016, though there exists no data since then. As a result, the youth become vulnerable to radicalization and induction into terror groups.

“The problem that we have is that 75% of the youths in the host community have been registered as refugees... The effects of the double registration has been very huge as the affected persons cannot get IDs, have no access to higher education, they are unable to get work, and they are separated from their families.” – *FGD with host community in Dadaab (R8)*

The host community members are very worried about this, especially with the impending camp closure and hope that the government will have deregistered Kenyans in the refugee database before closing the camps.

Apart from this, the economy of the camp is bound to be significantly affected by the eminent closure. The refugee population is a major consumer of products sold in the markets. The impact will also be felt in other towns such as Garissa which is the main supplier of goods to the camp.

Another concern raised by key informants is the uncertainty of implementation of the GISED P once the camps are closed. Being a strategic plan that seeks to strengthen and institutionalize some of the existing relations in Dadaab, it is a good opportunity to look at economic projects which will benefit both the host and refugee communities. However, now it is not clear how its implementation will be done once the refugees are not there.

### Policy Context and Its Implications to the Local Economy

The existing Kenyan government's policies on refugees greatly restrict the livelihood options available to them. One of the problematic policies is the encampment policy, which prevents refugees from settling outside the camp or securing work permits. Governments traditionally see this as a convenient administrative policy, and to reduce potential friction with host communities and security considerations. However, this restricts the refugees' ability to utilize other markets outside Dadaab such as Garissa, the Northeastern region and Nairobi.

In addition, the range of activities in Dadaab is limited due to its physical location. This means that the local market can only absorb relatively few people with requisite skills before it becomes saturated (Kamau & Fox, 2013). RAS issues travel permits to refugees in specific circumstances: for those who receive educational scholarships to study outside Dadaab, those who need medical care that is not available in Dadaab and traders to get supplies out of Dadaab. For traders' permits RAS evaluates according to their calculation whether the cost of accommodation, lodging, and travel is made up for by the availability of cheaper goods. They seldom find that this is the case and traders movement passes are rare. Approximately 5000 movement passes are issued annually with most being for refugees pursuing education (UNHCR & ILO, 2019).

The Refugees Act of 2006 requires all refugees and asylum seekers to have Refugee Identification Cards (RID). However, the government of Kenya suspended the registration of new refugees in 2018 which means that those who were born or arrived at the camp from then cannot get RIDs. Those without these RID encounter challenges accessing services and applying for other permits and documentation. For instance, one of the criteria that make refugees eligible to access local Bank services is that they should have an alien card proof of registration provided by RAS. Citizenship and Immigration Act 2011 gives a path to work permit, of class M is issued may engage in any occupation, trade, business or profession. However, the process of obtaining it is a tenuous bureaucratic process and documentation requirements usually not viable for most refugees.

"For example, there is a Bill in parliament for social protection and formation of self-help groups which should cater for refugees. The law refers to a 'person' not a 'citizen' but when it comes to the actual registration, the process is not refugee friendly. It is important to cater for or mention refugees so that when it comes to developing the processes they are also captured." – *KII with NRC Representative*

Interview with NRC representative revealed that there are laws in place which cater to refugee matters. The challenge is that most of them do not expressly mention refugees- where the laws are for the citizens with no specific provisions for the refugees. There are those that expressly mention refugee matters, but for those that do not, they are assumed that that law would apply as it would to a Kenyan citizen.

The study further established that most refugees are not aware of processes, regulations or laws yet they are affected. Some of the processes and services require refugees to go to Garissa but the restriction of movement make this a challenge. Moreover, although the County Government gets revenue from refugee businesses through licenses or permits, only the host community are given grants by the county.

The Garissa CIDP (2018) acknowledges the economic significance of refugees and agencies operating, but also identifies the negative aspect of environmental degradation. Even so, it was apparent from the KII conducted that the county government has been exceedingly supportive to the refugee operations in Dadaab. The county is at the forefront working together with UNHCR in spearheading the GISDP, which seeks to strengthen and institutionalize the existing socio-economic relationships between the refugees and host community in Dadaab.

Garissa County lacks a County Spatial Plan but there are plans to develop one either this year or the next. In Garissa Town, what is currently in use is the 1982 development plan for the defunct Garissa municipality for Garissa Township only. There is also the 2019-2025 Garissa Township Local Physical Development Plan by Kenya Informal Settlement Improvement Project (KISIP). The County government does not have the mandate to plan Dadaab Refugee Complex being gazetted. This means that any kind of development permission within the area can only be granted by UNHCR and RAS. The Dadaab development plan which encompasses the refugee camps was developed by UNHCR.

## Summary of Emerging Issues

The Dadaab Refugee camps, Dagahaley, Hagadera, and Ifo resemble a spontaneous form of urbanization, where the refugee settlements and Dadaab Town have evolved to become important economic areas of the county. This area socio-economically connects the north-eastern Kenya and southern Somalia. Garissa County has long been among Kenya's marginalized counties, within ASAL areas where livelihoods are limited for the residents. It is the presence of refugees that has largely had a substantial impact on the economy and the development of the Dadaab area, but also associated with challenges such as environmental degradation and the question of its self-reliance as the economy is highly dependent on financial aid targeting the refugees.

The study revealed that there are many challenges beyond the factors of production such as capital, availability of land and skilled labor, which hinder local economic development in Dadaab and Fafi sub-counties. These are as outlined below.

### Inadequate Water Supply for Businesses

As an ASAL area, Dadaab has no surface water and experiences perennial water scarcity in terms of quantity and quality. However, water supply is fairly good within the camps because of the heavy investment by the humanitarian agencies who have dug boreholes. Specifically, water supply in the markets is unable to meet the demand, with some markets such as Suqa Xulaha livestock market in Hagadera and Hagadera market in Fafi having no water supply at all. This exposes the traders and market users to public health safety hazards. Additionally, being that one of the key COVID-19 prevention measures is maintenance of hygiene through handwashing, adhering to the protocol in the markets remains to be a task due to the lack and inadequacy of water.



Public transport in Ifo camp in Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

### Poor Sanitation

Unimproved fecal waste disposal is a common feature of MSMEs as the provision of such infrastructure is usually left to the local authorities. Indeed, The market profile revealed that most of the markets do not have enough toilets or even none altogether like in the case of Bosnia Market in Ifo, Al Faruq Market and AP Camp Market in Dadaab. Some of the existing facilities are in poor conditions and market users have to pay a fee to access them. This fee ranges from KES 5.00 to KES 20.00.

When it comes to solid waste management, the businesses and markets do not have an organized solid waste management system, including the absence of a sanitary-engineered solid waste treatment facility. Traders make their own arrangements with service providers at a cost. Depending on the type of business, the cost may be as low as KES 20 and as high as KES 6000. The unavailability of such critical infrastructure inhibits industrial development and private sector investment in the area which require efficient waste management.

### Inconsistent Power Supply

Energy is a key component and it needs to be efficient for the supply chain to grow. In Dadaab, electricity supply is mostly done by KPLC and shared portal generators. Businesses experience inconsistency due to rationing by KPLC and this affects facilities such as storage and refrigeration. Unreliable power supply in Dadaab and Fafi negates any plans for industrial production and further discourages private sector investment in the area.

### Poor Road Conditions

This was identified as the main challenge facing supply chains in Dadaab. Most of the roads in the area are in a deplorable state, with the situation worsening when it rains. During such times, Dadaab can get completely cut off and transporting goods becomes challenging, especially perishables which leads to a lot of wastages and losses. The snowballing effect of this is that traders incur high transport and operational costs which ultimately affects the market prices of goods. Additionally, the high operational costs further discourage investors from venturing in Dadaab. Indeed, for market integration to be achieved, the physical links such as roads need to be improved.



### Poor Market Conditions

From Key informant interviews and observations during the field survey, it was discovered that some shops in the markets are not accessible to persons with disabilities- some of them have steps which cannot be accessed on wheelchairs and PWDs either have to seek assistance or crawl up to the shops.

Moreover, most markets were found to lack enough storage capacity, another key component of the supply chain. The building structure in some markets such as roofing, and walls are insecure while there is also lack of space to use for storage. Some of the markets totally lack storage facilities. For example in Fafi, goods in Hagadera market have to be transported to the main Hagadera market as there is a deficiency of storage facilities.

The inadequacy and lack of the basic infrastructure in the markets have made the markets to be inefficient, unsafe and compromise public health and safety. Therefore, there is dire need for new markets and providing basic facilities in the existing markets. With this, the business operators and market users will have a clean and safe space to conduct activities and guarantee public health and safety. Additionally, by providing adequate storage, trade in fresh produce will expand and wastages reduced.

### Donor Dependency and Need for Self-Reliance

The economy of Dadaab is significantly shaped by financial inflows from NGOs and INGOs which has its limitations. The economic environment in the refugee camps and surrounding markets are extremely distorted (ILO, 2017). This is because when people are used to food aid and free delivery of goods and services, the market demand for these goods and services is usually low. This is mostly aggravated by the increased negative impacts of climate on agriculture and livestock production. Additionally, the encampment policy prevents refugees from getting gainful employment outside the camp (WFP, 2014).

As mentioned earlier, there has been budget cuts by donors due to donor fatigue and repatria-

tion which has resulted in reduction in food aid and staffing cuts, affecting the local economy. Reduction of food distribution has also affected the host community because they used to buy foodstuff from refugees at lower prices than on the market. Self-reliance among the host and refugee communities will be key in achieving sustainable local economic development in Dadaab. However, this is quite uncertain given the recent policy by Government of Kenya to close the camps. It means an economic shock is likely in the eventuality that the refugee-based operations are closed; hence, a long-term development strategy is urgently needed for the area, accompanied by the necessary investments.

### Encampment Policy and Impact on Access to Markets

The national encampment policy and restriction of movement of refugee business owners is a major constraint to achieving self-reliance and the potential growth of Dadaab. As such, limitations in accessing land further hinders efforts to further develop the agricultural sector. Although work permits are available, the process of attaining them is curtailed by administrative bottlenecks, tenuous bureaucratic process and documentation requirements usually out of reach for most refugees. Further, refugees lack adequate information on the processes, regulations and documentation for obtaining business permits. In retrospect, the encampment policy hinders self-reliance activities among the refugees.

### Environmental Conservation

The environmental impact of refugee settlement in Dadaab emerges as the most significant source of conflict between the host and refugee communities (UNHCR & ILO, 2019). The changes to the ecological balance of flora and fauna as a result of the camps are having immeasurable impacts on pasture, grazing and rangeland stability (RDE & Norwegian Embassy, 2010). These changes are exacerbating resource deterioration and livelihood vulnerability, a common phenomenon across ASAL areas in Kenya. Undeniably, the environmental degradation experienced is an inevitable result of refugees being contained in large camps in an area of low productivity.

Refugees are left to depend on the environment to meet their daily needs such as obtaining construction material, firewood and charcoal. Therefore, striking a balance between economic growth and environmental conservation and protection will be necessary to achieve local economic development in Dadaab. This is because environmental challenges and climate change have adverse impacts on all sectors including agriculture, livestock, water, health, energy, infrastructure, and wildlife (UNHCR, 2019b).

In addition, although development of green-belts has had positive effects on environmental conservation, they represent privatization of the rangelands to the detriment of pastoral production. Any investment in fenced fodder banks should allow broad-based access and not become private grazing areas (ACF International, 2012).

### **Regional Insecurity and its Impact on Businesses**

The North-eastern Kenya experience recurrent insecurity issues, and the security discourse, even at national level, greatly affects the socio-political environment in Dadaab. The major effects of this are hesitance of certain sub-sectors of private sector to invest in the area. However, UNHCR and ILO denote that there is complex situation of livelihoods and security in Dadaab- while investors are discouraged from involving themselves in Dadaab, opportunities for refugees in the camps are limited and this has led to some of them being radicalized and recruited into militia groups (UNHCR & ILO 2019).





Children make up about half of the 350,000 population at the Dadaab camp, and more than 90,800 of those attend school, according to the U.N. refugee agency. © UN-Habitat/Julius Mwelu

# SECTION IV: RECOMMENDATIONS





Somali refugee line up at the World Food Program distribution center in the Ifo settlement at Kenya's Dadaab refugee camp in Garissa county, Kenya. © UN-Habitat/Julius Mwelu

# CHAPTER 6. RECOMMENDATIONS AND CONCLUSION

## Overview

This chapter outlines various recommendations aimed at informing interventions that seek to envision and build a long-term development prospect for Dadaab, beyond the current over-reliance on humanitarian programming. However, this long-term outlook will require a phased approach as the humanitarian withdrawal and focus on long-term development will demand a transition. The recent announcement by Government of Kenya on closure of refugee camps in the country stresses the need for long-term solutions for refugee hosting areas. Therefore, envisioning Dadaab and Fafi sub-counties beyond humanitarian interventions is imperative, albeit the complexity such realization can present.

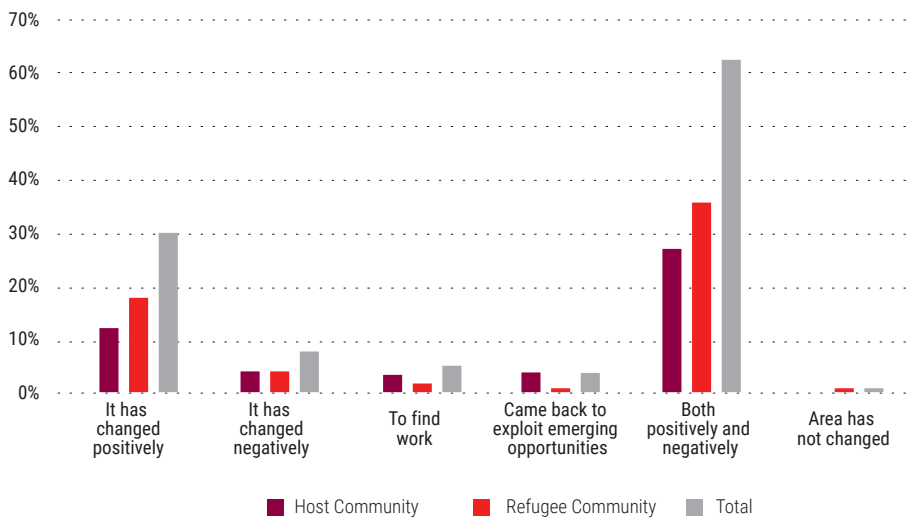
## Host-Refugee Communities' Relations

To envision the future of Dadaab, it is important to appreciate how the relations have been between refugees and the host community.

Presence of refugee community was seen by majority (62.1%) to have both positive and negative impact, and 29.6% as compared to 7.6% of households thought that the presence has positive and negative impact respectively. It also worth noting that 58.4% and 41.6% of the refugee and host households, respectively, perceived the presence of refugees in the area to have enhanced the socio-economic conditions. Some of the factors linked to this were employment, inter-marriage, religious and education services, and provision of facilities. In terms of relationship, majority of the households 56.1% and 43.9% of refugee and host households noted that the relationship between host and refugee community to be good and that they have seen or witnessed good collaboration between host and refugee in the area.

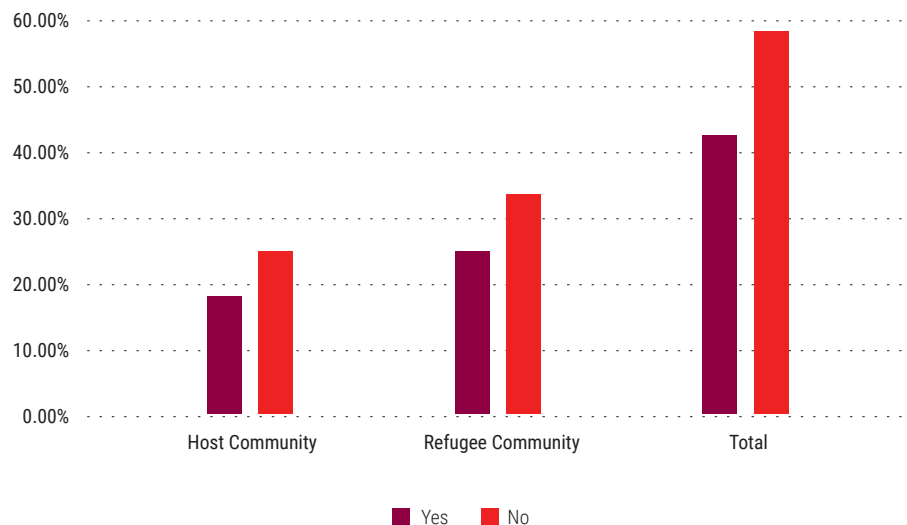
A sizeable portion of household respondents noted that they have experienced or witnessed conflict between host and refugee (42.2%).

Figure 6.1 Impact of Refugee community presence in Dadaab



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Figure 6.2 Experienced conflict between refugee and host



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

But there are some individuals who view biasness and forms of exclusion with regards to programming. For example, a refugee in Dagahaley stated that in FGD that “...Ethiopians... have been a minority in the camp, and some feel discriminated against in getting resources. When vulnerability assessment is done ... we are not prioritized.” Another level of such bias is felt when refugee-host community programming is compared, with many organizations in the area largely focusing on refugee assistance, and where host community are involved, the assistance is not always equal but can vary depending on programs. Therefore, future programming needs to pay more attention to enhancing inclusion, and the various forms of vulnerabilities that exist in the communities.

### Views About Closure of the Camps

The survey sought views about how the local community experienced the close of Ifo 2 and Kambioos camps. The key issues cited were loss of livelihoods and business, disruption of social life given the high levels of inter-marriages and social networks already established between refugees and the host community, overcrowding of camps, shortage of services, increased sense of fear by both hosts and refugees, sense of uncertainty of future of refugee community, insecurity, and family separation. Therefore, the impact of closing the two camps was mainly viewed by the survey participants as a negative impact. It was therefore recommended that government and the relevant organizations need to rethink the approach to closure of the remaining camps, with emphasis on the need to mitigate negative impacts and address the sustenance of the area in the long-term.



Table 6.1 Impacts of camps closure

Positive/ Neutral	Negative Impact
Improved access to basic services by the local community, reduction in cases of human-wildlife conflict and cases of livestock keepers and farmers conflict, no change and no idea	Loss of jobs and livelihood opportunities, hopelessness, insecurity, mismanagement of the facilities, environmental degradation, disruption of family and social life, food insecurity

Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Regarding the camps closure impacts on people living with disabilities, Community FGD participants stated that, "...It will be more challenging for PWDs once the camp is closed. This is because they will need to get the services elsewhere which is not guaranteed. For example, there are PWDs who require a minimum of 3 therapy sessions weekly. If the camp is closed down, the only place they can access the services is Dadaab Sub-County Hospital in Dadaab Town which may not be easily accessible to everyone. This will bring rise to other expenses such as transport costs. If they are left in Kenya, it will be a challenge, and if taken back to Somalia with the insecurity and instability, it will also be a challenge."

It was further noted that since the closure of the camps, the sites remain abandoned, with infrastructure and facilities lying idle and some of it vandalized. This indicates that a post-closure strategy is needed to address the environmental and spatial development issues that arise. It is evident that given the refugees population is higher than the local host community, when the camps are closed the left facilities

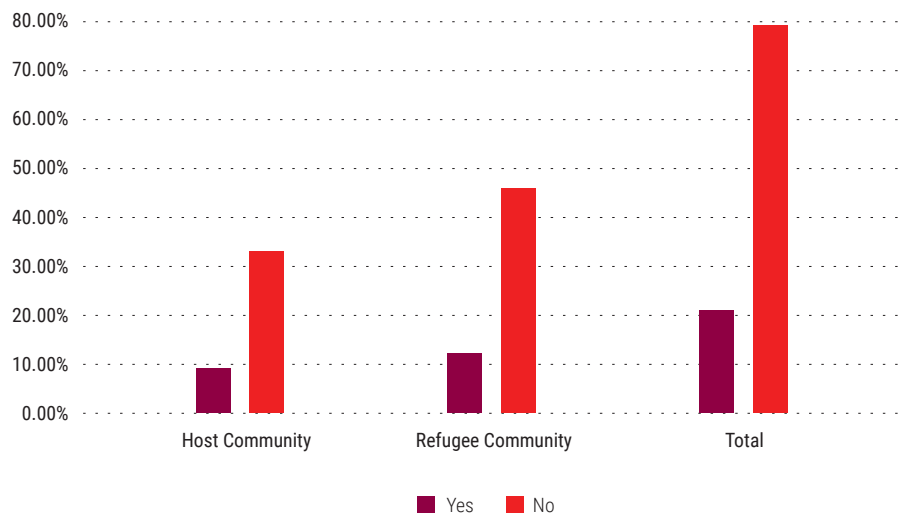
and infrastructure cannot be fully utilized by the remaining populations. Fundamentally, without plans and finances to rehabilitate the sites for suitable uses, they remain an environmental and even safety challenge for the remaining populations. These are some of the considerations, in addition to the socio-economic imperatives that government, UNHCR and other agencies need to pay attention to, as the closure of the remaining camps is planned.

### Public Safety

Safety in Dadaab is an important element for consideration when formulating a long-term development strategy for the area. Household members reported experiencing of insecurity in the last 12 months, with 12% and 9% of refugee and host community households reporting their household members having experienced insecurity in the last 12 months. Severe cases of insecurity in the camps and in the host, community include killings, abductions, and rapes – they remain a major concern for both refugees and host communities, as government and the organizations that support the area.



Figure 6.3 Insecurity Incidence experienced in the last 12 months

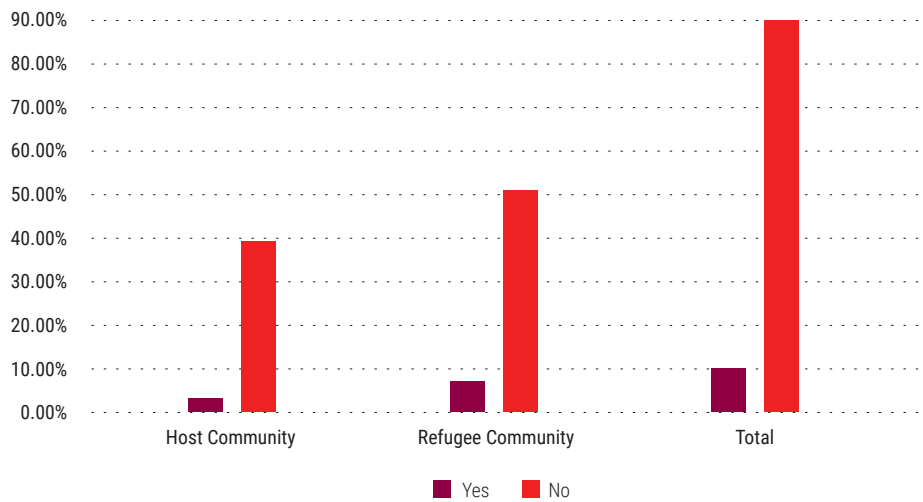


Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

Other cases of insecurity and conflicts are related to access to essential services such as firewood, water or visiting toilet located outside the house at night. A few households (10%) reported to have experienced flood risk. The floods were experienced annually during long rains. The impact of the floods was listed as collapsing

of mud houses, sinking toilets, displacement, destruction of roads and infrastructure, death and disruption of livelihoods. This implies that addressing the local needs for infrastructure and environmental resources management are imperative for sustainable interventions that seek to promote local economic development.

Figure 6.4 Households experiencing flood risk



Source: UN-Habitat/Dadaab Socio-economic Survey (2021)

## Recommendations

It is evident that shaping a sustainable 'Future Dadaab' is an urgent project. This urgency is echoed by the recent government's order to close the refugee camps, which basically can be interpreted as a call for a paradigm shift to durable and long-lasting interventions for the protracted refugee crisis, as well as the sustainable development of the areas that have for decades hosted refugee camps in Kenya i.e., Kakuma-Kalobeyei and Dadaab. The assumption is that even with the closure of the camps, there will be a community living in Dadaab area, notably the host community, and with the assumption that there could be an opportunity to locally integrate and resettle some of the refugees in the area-considering the intermarriages and social networks that have evolved between refugees and the host community for decades. Importantly, this survey recognizes the challenges that loom for the local area's socio-economic development, drawing lessons from Lokichoggio town which declined immediately after refugee-assistance operations were withdrawn from the town.

Subsequently, a key recommendation proposed by this study is for Kenya government (national and county) and partners (UNHCR and support agencies) to consider undertaking a comprehensive Socio-Economic Impact Survey on the planned closure of the remaining camps. From that assessment, the partners to develop a strategy and mobilize funds for the long-term development of the area. Additionally, this survey puts forward the following considerations in designing such interventions for the future of Dadaab, while in meantime addressing the urgent/prevaling socio-economic challenges:

- Undertake a Comprehensive Socio-Economic and Environmental Impact Assessment of the wider Dadaab area.
- Formulate a strategy for long-term development of Dadaab, and mobilize the necessary resources required to realize the strategy.
- Plan and provide vital local infrastructure with priority to attaining a reliable water supply system (capable of supporting domestic and economic production needs), sanitation, transportation and energy.

- Invest in regional connectivity infrastructure to link Dadaab with the wider socio-economic flows of the region.
- Invest in the area's Local Economic Development with priority to education and skills development for youth and enhancement of job creation opportunities.
- Invest in regional connectivity for Dadaab, by prioritizing the area's all-season accessibility by road.
- Establish a multi-stakeholder program for addressing security of the area, and actively involve the local community leaders in this process. Link this process with the planning and investments for long-term development interventions needed for the area.

Further to the above overarching recommendations, the research has formulated thematic recommendations in the ensuing sections of the report.

### Recommendations for Improvement of Socio-Economic Conditions

- 1. Population and Demography** - Dadaab area has a youthful population who have known the area as home and this is compounded by the existing socio-cultural networks and ties through inter-marriages, religion and similarity of culture which glue both the host and refugee community together. The long-term Dadaab redevelopment strategy has to take this into consideration.
- 2. Environmental restoration and cleanliness** - there is need to identify proper landfills which are managed well in addressing the solid waste menace in the area. These should strategically be located and linked with proper waste management mechanisms to enhance the general hygiene and cleanliness of the area. NEMA and the County Government to conduct awareness creation and regular auditing in ensuring that the area environmental condition is improved and maintained.
- 3. Access to Basic Services** - findings indicate that some basic services such as education and health services are shared but not in a structured manner, there is need to develop a deliberate basic services sharing plan with a clear catchment population framework in ensuring that even with the closure of the camps, the Ifo 2 and Kambi-oos experience is not replicated.
- 4. Awareness and Counselling** - there is need to prepare both the host and refugee communities and also the humanitarian agencies workers who are scared of the Government pronouncements and living in fear of losing their livelihoods and networks which may have serious socio-psychological problems which may also contribute to issues associated to mental health challenges.
- 5. Improved Infrastructural conditions** - the area is still facing lack and inadequate infrastructure such as road, water and sustainable energy. This should be given priority in opening up the area for economic activities by linking the area with the regional markets.
- 6. Addressing Gender imbalances** - female tend to be overlooked in development matters due to their low level of education and their education and skills development is not given serious attention. There is need therefore to come up with gender empowerment programmes which can empower female to learn more livelihoods skills to enable to contribute more significantly to the development of the area.

7. **Economic diversification** - There is need to diversify the economy by encouraging innovation hubs to address challenges facing the area such as engaging in waste recycling, production of biomass, solar technologies amongst others to create employment opportunities for the many jobless youths in the area.
8. **Provision of well-defined open Spaces** - there is need to identify well-defined and managed open spaces in the area where the community can recreate and interact with each other and especially the youth whose interaction space is limited.
9. **Addressing Food insecurity** - whether the camp is closed or not, food insecurity will continue to be a challenge in the area. Comprehensive agro ecological analysis is required in addition to supporting of irrigation projects in expanding the crop farming opportunities and reliable water for livestock to address the perennial food insecurity in the area. This may be worse with the withdrawal of the humanitarian agencies which is supporting both the host and refugee community
10. **Enhance safety and insecurity** - there is need to invest in safety and security measures to restore confidence among the host and refugee community, especially in relation to the imminent fear of terror attack among the local community

## Recommendations for Businesses and Enhancing the Local Economy

### 1. Strengthen Existing and Potential Value Chains

Dadaab being predominantly pastoralist, economic development around the livestock sector is one key area that will need to be explored. This includes economic activities on value addition on livestock like meat processing, slaughterhouses, tanneries and promoting exports in camel milk and meat. The hides and skins value chain also has the possibility to improve.

There is a significant demand for fresh fruit and vegetables in Dadaab and some host and refugee communities are farming the high demand produce themselves. With the existing availability of water and soil, there is still great potential to augment local production to meet the high demand, increase self-sustenance activities, and reduce the transport costs, which currently constitute a significant portion of the prices of imported produce. The other identified value chains include biogas (animal dung), waste recycling, and the neem tree.

All these present a strong potential in job creation across all demographic segments. However, they will require significant investment in infrastructure especially roads, water and sanitation, communication, storage facilities and energy.

### 2. Market Integration and Enhanced Connectivity

The strategic location of Dadaab along a secondary corridor that links Garissa with the Liboi on the border with Somalia can be leveraged to improve market integration. This will also aid in ensuring consistent availability of food in these locations. In addition, the proximity of Dadaab to the Northern Economic Corridor and the LAPSET Corridor will be key in enhancing connectivity as well as market intervention in Dadaab and Fafi Sub-counties. The corridors will open up markets and local industries, including the livestock and agri-business sectors. This will however require substantial investment in infrastructure such as transportation, communication, water and sanitation.

### 3. Strengthening the MSMEs Sector and Develop Appropriate Public Markets

MSMEs are crucial in alternative for income generation strategy in the face of scarce limited livelihood opportunities. Many of them operate in the existing public markets, which are not well planned and lack the needed infrastructure. By focusing on MSMEs and their spaces of operation, is an opportunity to diversify the local livelihood strategies, and also for enhancing revenue for the county.



Businesses related to agriculture, trading, manufacturing, hotels, and transport, are and will be important in attaining self-reliance, economic growth, employment creation, poverty reduction, and in developing the county's industrial base.

A gendered approach will be necessary to enhance business sustenance among women in the area. This is because more businesses are run by men and women-run businesses were found to be comparatively smaller in scale than those of men. FGDs with women entrepreneurs revealed that women have more challenges accessing business financing and are not always involved in local development projects. This makes women to be more vulnerable in terms of socio-economic or climatic shocks.

#### 4. Skills Development

Education and skills are key determinants of employment, such that the higher the education and skill level, the higher the probability of being employed, owning a business, and having a higher income (The World Bank, 2019). The lack of knowledge and skills in the value chains impedes the exploration of their full potentials in the region.

The study found that most of the business operators attained no formal education. Additionally, there was a lot of repetition in the livelihood training activities conducted by the agencies operating in Dadaab. Therefore, livelihood partners need to have a common data system to avoid duplicate targeting. This would also help to build a strategic livelihood approach that can assist refugees and host community with regard to a model whereby they can develop their skills to integrate local market systems. These include basic technical skills, advanced vocational skills (in coordination with the county government), ICT skills development, and entrepreneurship skills training administrative, logistical, and marketing skills. Upskilling farmers and potential farmers will also be key, especially on effective water management and flood farming and basic produce cultivation practices.

#### 5. Encourage Private Sector Investment

The private sector will be a crucial player in business development, tailoring financial products to the local circumstances and developing internship programs and vocational skills development for refugees and host communities in to equip them with marketable skills. Indeed, the study found that privately funded initiatives produce better results because they are more creative—often times originating from people who are dedicated to the crisis for a very long period. Private sector involvement will additionally enhance access to employment opportunities, markets, services, and economic opportunities. One key factor that will encourage private sector investment in Dadaab is the provision of concomitant infrastructure. The high operational costs incurred as a result of high transport and energy costs have been identified by previous studies as key impediments to private sector involvement in the area.

#### 6. Reforming the Refugee Regulatory Framework

It is clear from the KIIs and FGDs that the presence of the refugee camp has been a major factor in the economic growth of Dadaab. Refugee businesses also generate significant revenue to the county government and therefore need to be acknowledged as such. Some studies suggest that by easing existing barriers to refugees such as restriction of movement, opportunities for some refugees may be unlocked, particularly the educated and those with entrepreneurial capabilities (The World Bank, 2019). Some of the incremental changes that can be adopted by the government of Kenya include relinquishing the requirement for refugees to have a movement pass for travel within Garissa County, allowing refugees with valid business permits to be issued with movement passes upon request and providing multi-trip and/or year-long movement passes for refugees who meet specified criteria.

## 7. Long Term Business Financing

Shifting from short-term emergency financing to long-term development financing will be necessary in order to achieve local economic development in Dadaab. This would require partnering with development actors especially because Garissa is a relatively poor county. The GISED P is a positive step towards area-based development through strengthening and institutionalizing the already existing socio-economic relationships between the refugees and host community in Dadaab.

## 8. Spatial Planning, Land Management, and Integrated Development Interventions

Dadaab and Fafi need an integrated development plan which guides spatial and socio-economic development of the area. Additionally, there is need for a land information system which is well-designed and has a parcel identification system, documents existing land rights, and establishes a structure of land adjudication. Through policy, planning will also address how land administration will affect economic activities in both the host and refugee community areas.

## 9. Provision of Infrastructure and Services

Infrastructure provision will be a key enabler of local economic development in Dadaab. This is because the inadequacy and lack of these services are impediments and discourage private sector investment and industrial development in the region. This is due to the high operational costs that would be incurred. By providing the facilities, the county has the potential to leverage additional revenue by providing modern market facilities and automating revenue collection systems.

## Conclusion

This survey has simultaneously studied households and businesses, refugees, and host community in Dadaab. It is an approach intended to demonstrate the need for an integrated area-based intervention, as opposed to isolated or biased interventions that are selective of either refugee and host community, or that seek to advance housing socio-economic conditions without understanding how such conditions are influenced by the livelihood strategies that households rely on. Overall, the study has revealed the prevailing challenges confronting socio-economic development of the wider Dadaab area, such as over-reliance on refugee-based economy, historical context of marginalization of the host community, poor infrastructure development and inadequate basic services, low education attainment levels, public safety concerns, environmental challenges, political challenges, among other factors. The study recommends an urgent shift towards mapping the future of Dadaab, a developmental approach, beyond the previous focus, dominated by humanitarian assistance. However, this proposition acknowledges the need for such shift to be executed in a gradual way. This is because the prevailing needs for humanitarian assistance remain a priority, just like the priority to focus on the long-term development of the area.

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BUSINESSES AND LOCAL ECONOMIC DEVELOPMENT

**UN-HABITAT**  
**DADAAB SURVEY**  
**2021**

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