



# BUILDING BLOCKS TO ECONOMIC INCLUSION

Highlighting success from across East Africa and Yemen

## BACKGROUND

Economic Inclusion (EI) is defined as an economy where everyone, inclusive of displaced and disenfranchised people, regardless of their citizenship, gender, age, social and economic status, and other circumstances such as disability, has equality of access to finance, education and legal status, essential to take an active role in labour markets, be entrepreneurial and build their economic self-reliance.

The fundamental building blocks for NRC's EI programming are within its five Core Competencies (CC): Livelihoods and Food Security (LFS) encompassing cash and markets; Water, Sanitation and Hygiene (WASH); Information, Counselling and Legal Assistance (ICLA), highlighting protection considerations; Education; and Shelter. It is a matter of developing how these fit together in the various stages of humanitarian response, recovery/resilience and addressing inequalities of opportunity driving displacement. This case study discusses NRC's EI programming, reflecting regional experiences and learnings.

## NRC IN EAST AFRICA AND YEMEN

NRC in East Africa and Yemen (EA&Y) operates in ten countries: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, South Sudan, Uganda, Tanzania and Yemen. The region experiences high poverty, inequalities, and unemployment, coupled with the negative effects of climate change and recurrent and ongoing conflicts combining as drivers for displacement.

## CONTEXT

Protracted displacement  
Out of camp  
Rural and urban

## CORE COMPETENCIES

Livelihoods and Food Security (LFS), Information, Counselling and Legal Assistance (ICLA), Education, Water, Sanitation and Hygiene (WASH), Shelter

## GLOBAL STRATEGY

Integrated Programming to build self-reliance in displacement affected communities as the basis for Durable Solutions

## APPROACH

Market-based approaches built on partnerships focused on empowering displaced people for self-reliance

The drivers of displacement across the EA&Y region are complex and often overlapping. Recurrent shocks further exacerbate the vulnerability risk displaced communities and refugees face. In this complex context, NRC facilitates durable solutions through promoting more and better economic opportunities for people in displacement affected communities across the EA&Y region.

## REPLICABLE APPROACHES AND LESSONS

### **Community Ownership: Inclusion through Active Participation in Socio-Economic Engagement**

Danwadaag means 'common purpose' in Somali; the Danwadaag Durable Solutions programme aims to enhance durable solutions, reduce displacement and support the (re)integration of displaced affected communities in Banadir Regional Administration, South West State and Jubaland State in Somalia. The UK Foreign, Commonwealth & Development Office (FCDO) funded the Danwadaag Solutions Consortium, which is led by the International Organization for Migration (IOM) in partnership with NRC, Concern Worldwide, and Regional Durable Solutions Secretariat (ReDSS). Critically, Danwadaag works with the Government of Somalia to ensure the capacity to innovate by linking humanitarian and development with peace building programmes.

An inclusive area-based approach needs to ensure complementarity and coherent programming with other actors in the displacement affected communities. The programme, accordingly, is built on lessons learnt from the EU-funded RE-INTEG (Enhancing Somalia's responsiveness to the management and reintegration of mixed migration flows), Midnimo (Unity) project and other durable solution-focused programming in line with the Wadajir Framework for Local Government Community Consensus Planning.

Danwadaag Durable Solutions is built upon this premise: a government-led, community-driven approach, formulating community action plans (CAP) through an inclusive, consultative process, and setting out priorities for durable solutions adoption. NRC's integrated socio-economic approach has enabled interventions to address a wide range of needs and displacement-specific vulnerabilities for people, the communities.

The CAP process builds inclusion and fosters development at the local level. The voices and views of vulnerable people are listened to and influence programme planning and decision making. Dynamic stakeholder analysis ensures all people have a voice, driving inclusion, and creating local ownership through active participation in all facets of socio-economic engagement. NRC sees this as a fundamental element for economic inclusion and facilitating social cohesion and peace building.

### **Leveraging Partnerships to Break Barriers in Accessing Local, Regional and Global Markets**

Refugees in Kenya have limited options in terms of sustainable livelihood opportunities. The lack of marketable, valued skillsets for refugees means they will remain dependent and in poverty regardless of where they seek to settle. NRC is supporting the development of refugee skills through its Refugee Employment & Skills Initiative (RESI) programme, funded by the Government of the Netherlands. The programme provides trade-led, market-based solutions for income generating opportunities for refugees and their hosts, helping build self-reliance and foster economic inclusion. A collaborative initiative led to NRC's partnership with the International Trade Centre (ITC) linking small business to markets in displacement affected communities, hosts and refugees.

RESI's two-fold intervention includes promoting commercially valuable skills and market linkages for refugee and host communities while supporting Kenyan small and medium-sized enterprises (SMEs) in creating value and employment in the host counties. RESI provided social enterprises support to activate market linkages, source from refugees and host communities, and ensure the customer's quality standards were met and surpassed.

NRC's crucial success is anchored in in-depth local knowledge and internal technical expertise supported by quality partnerships. RESI's unique model built on existing skillsets and a partnership with online marketplace GrowthBond. GrowthBond is an online "learn & earn" platform that is developing refugee and host community members' skills, and allowing them to test their online skills and earn an income.

A further link to the online Upwork Foundation platform enabled freelancers to get additional training through Bootcamp and participate in an online freelance competition with a cash prize. The newly confident online freelancers earned over USD 2,908, obtained 46 online jobs, with over 100 interviews for potential jobs received.

Fashionable clothing and home décor are in demand in refugee camps. Somali refugees and Kenyan artisans received training from Tosheka Textiles and Master Artisan, a social enterprise, to upgrade their skills and expand their product range based on current market trends and aesthetics. The partnership led to 15 training of trainers (TOTs) who created desirable product lines to facilitate market access and, ultimately, increased incomes. The diffusion of learning from TOTs to local entrepreneurs is building local markets and leading to sustainable learning loops as local ownership is developed.

The trained group of artisans formed a local collective, Nyota Farsamo, made up of 50 artisans. They established market linkages by participating in Nairobi's craft fairs and are now starting to generate income, with over USD 1,600 in orders from across Kenya so far. Refugees are economic actors who become self-reliant when granted an enabling environment where they can use their existing skills and access new ones to generate business. Equal access to opportunities generates economic growth and further opportunities for all.

*"The online freelancing course was very informative and taught me about the opportunity of making a living online. My first job was translating from Kiswahili to Somali. I received good feedback, the client was satisfied and said they hoped to work with me again."*

Salim, Online freelancer



### Local Production Adds Value to Income

NRC's research in Uganda found that refugee settlements have access to land that they use for agriculture. However, the land is not sufficient to provide food for their entire household, either because it is too small or ill-suited for crops. NRC's support led the Sudanese refugee and host communities in Bidi-Bidi settlement to work together in a collective approach to build sustainable livelihoods. The Refugee Youth Cooperative Service Association (RYCSA), a group of 30 members made up of refugees, host community, and persons with disability, led a joint venture based on farming and developed a chain of small businesses.

NRC supported RYCSA's business with skills in business planning, budgeting and financial management. The business quickly earned profits. In a bid to obtain alternative income for its members, the group took loans and started complementary businesses based on market needs. The groups' efforts paid off, with the majority reporting their income allowed them to improve diets (fitting with related awareness work on nutrition), buy basic family needs, and pay school fees and medical bills with ease. NRC is focusing on empowering refugees as agents of their own positive change as economic contributors to wider socio-economic inclusion. Working on the enabling environment and skills development, displacement affected communities are building vibrant local economies.

## Micro-Entrepreneurship Shines in an Acute Emergency Context

Yemen's problems continue with insecurity and obstruction of civilian access to services hampering economic inclusion of displacement affected population. Because of the ongoing conflict in a complex crisis, NRC focuses on providing critical emergency assistance. At the same time, however, it also seeks every opportunity to support displaced people in finding a more durable solution. Where possible, NRC fosters self-reliance and local skills by employing local labour and purchasing locally produced goods and services. A recent survey by NRC revealed a quarter of all families in Yemen had lost their income as a result of the Covid-19 pandemic. Three in every four families have seen their work opportunities suffer a devastating blow.

In smaller rural towns away from the frontlines, 155 people were selected for a pilot livelihood project funded by the French Ministry for Foreign Affairs. To provide more sustainable long-term solutions to the humanitarian crisis, the selected individuals, mostly breadwinners of their families, were trained to develop business plans and budgets. They received a small grant facilitating the plans to become enterprises as a test of micro-entrepreneurship in displacement affected communities. Equipped with existing skills, for example, an electrician purchased a drill, ladder and other equipment from the grants received, and forged ahead to rebuild and repair damaged buildings in his village. Inspired by his success, he trained promising electricians to work with him creating employment. The trained small business owners were able to hire employees, buy assets, inventory, and grow their businesses further.

In a country with ongoing conflicts, the entrepreneurship spirit of those affected defies the odds and becomes a model to emulate. The relatively isolated location of the targeted towns, worked in favour of the businesses, where communities, although affected by displacement and a Covid-19 pandemic, stood strong and saw solutions built on their own skills supported in the right manner to build self-reliance.

## KEY TAKEAWAYS

In protracted displacement situations, finding durable solutions and building local self-reliance is critical. A holistic, transformative framework is needed in reducing the barriers to economic inclusion. NRC in EA&Y is working towards economic inclusion in a building block approach using its five CCs to deliver aspects of economic development and social inclusion:

- This includes systematic institutional change in policy, regulatory, and financial framework that brings about an enabling environment resulting in sustainable outcomes for all. NRC prioritises creating a conducive enabling environment for economic activities. This is built on open access to information, legal rights, security of tenure and access to finances facilitating job creation and entrepreneurship; all geared towards self-reliance and resilience.
- Cash and voucher assistance, fitting with market based basic service provision, skills training and local market development, creates local growth. This will be inclusive when embedded in a wider spectrum of interventions to ensure a lasting impact for displacement affected communities.
- Active community participation fosters social cohesion and local ownership, and provides the basis for sustainability. NRC's in-depth local knowledge and technical expertise is a competitive advantage for partnerships with key actors in socio-economic engagement for displacement affected communities.
- Based on learning, displaced people are positive economic contributors when the enabling environment is in place allowing them to reach their full potential and generate inclusive growth and socio-economic inclusion throughout their community.

## RESOURCES

**NRC Economic Inclusion Strategy Document (to be finalised)**

Contact person for more information: Hamelmal Getachew at [hamelmal.getachew@nrc.no](mailto:hamelmal.getachew@nrc.no)