

EXECUTIVE SUMMARY



**EFFECTS OF CASH ON SOCIAL
COHESION IN KALOBEYEI
SETTLEMENT, KENYA**
A DO NO HARM ASSESSMENT

© UNHCR/Samuel Otieno

KEY FINDINGS AND RECOMMENDATIONS

This document outlines key findings from the effects of cash on social cohesion between refugee and host communities in Kalobeyei settlement, Kenya, and some of the considerations to take into account when planning and implementing cash assistance. The goal is to help cash assistance strengthen existing capacities for social cohesion.

INTRODUCTION

The [Global Compact on Refugees](#) highlights peaceful coexistence as one area in need of ongoing support. Accordingly, the UNHCR results framework tracks contributions to peaceful coexistence as an important indicator of change, emphasizing through the [UNHCR Policy on Cash-based Interventions \(CBI\)](#) that cash assistance in particular could contribute toward coexistence in the form of social cohesion. While some research has analyzed the multiplier effect of cash-based interventions on local economies, there remains only anecdotal evidence demonstrating how cash increases the potential for social cohesion between refugees and host communities. This research begins to unpack the question: *what does it mean if cash assistance contributes to social cohesion at a micro level, and how does it contribute?*

CDA Collaborative Learning Projects, founder of the [Do No Harm Framework](#), and UNHCR were keen to better understand UNHCR's cash assistance project in Kalobeyei settlement, Kenya. Specifically, since the pilot began in June 2018, is there any effect on social cohesion between host and refugee communities? And, if so, *how* these effects are occurring. Between 2016-2018, UNHCR reached over 16 million people¹ through cash assistance in over 100 countries, making the implications of the research widely relevant.

LEARNING FROM KALOBEYEI, KENYA

In the far north of Kenya, Kalobeyei settlement hosts refugees mainly from South Sudan, Ethiopia, Burundi and the Democratic Republic of Congo and is the result of a multi-agency collaboration to strengthen a coordinated service delivery and develop the local economy. In June 2015, the Turkana County Government, at the request of the Central Government of Kenya, allocated a site for the development of the [Kalobeyei Integrated Social and Economic Development Programme \(KISED\)](#) near the Kalobeyei Township, outside the town of Kakuma. This represented a major paradigm shift. The overall objective of this initiative is to re-orient the refugee assistance programme to contribute to the improvement of the socio-economic conditions of the more than 36,000 refugees and surrounding host communities. This settlement was designed to foster greater social and economic interaction between communities and ultimately reduce dependence on humanitarian aid by helping refugees achieve self reliance. Cash assistance was implemented by UNHCR as a means to encourage economic interaction and self sufficiency through the pilot cash for shelter project.

Besides contributing a vital piece of research on the influence of cash assistance on social cohesion, this project also presents an interesting learning opportunity from a Do No Harm (DNH) perspective. Projects that are not designed with 'peace' or 'social cohesion' in mind can still build on existing connectors within and among groups in diverse contexts, can be conflict sensitive, and possibly contribute to longer-term cohesion, thus helping a project achieve its designated objectives. More lessons on how this might occur are needed. An additional goal for this learning effort was thus for UNHCR and CDA to capture lessons learned after six months of implementing the cash assistance project in Kalobeyei settlement.

¹ See: <https://www.unhcr.org/5c5c5acc4>



MAIN FINDINGS

EFFECTS OF CASH ON SOCIAL COHESION

Using local resources to further the local economy and markets.

The research found that the cash assistance project has had an overall positive effect on the 'local market.' This was evident through the project choosing to pilot and select the most appropriate local resources required for constructing houses. Using local resources such as stones for construction is seen by some as one of the most important elements for this project to work, to "be permanent,"² and for the host communities to be engaged. "We opted for Turkana stone blocks, and we made sure there were enough in the quarry, so we wouldn't deplete them."³

² Key informant interview.

Refugees feel empowered through leadership.

One of the positive effects of the project is the sense of ownership and empowerment felt by the refugees who were directly involved throughout the project. Key informant interviews revealed that refugees felt involved and that they had more control over the construction process compared to previous projects. According to refugees, the fact that they could directly interact with masons ("fundi") meant that they were able to voice their opinion on the quality of the construction being undertaken. This direct accountability may be an important key for the long-term sustainability of the project, as Kalobeyi residents self-select to lead the future development of this industry in the area. Given that refugee residents were not once mentioned as 'dividers' – or sources of tension – in the area, or linked to violent or unjust behaviour, their becoming business leaders in Kakuma could have positive long-term effects.

³ Key informant interview.

UNHCR's cash assistance provides more reliable business for existing suppliers and/or masons within the host community.

A key informant mentioned that suppliers see value in the project's longer-term potential impact, including attracting investment in this region.

At the same time, refugees are saving unspent cash from the project and employing it to improve shelter conditions and buy household items from local suppliers and vendors. This suggests a ripple effect into other markets that are not associated with the cash assistance project, which is a positive market effect. This contributes to local businesses outside of the hardware and construction sector.

Enabling host communities to access services is paramount to reducing the risk of tensions.

While members of the host community are not direct recipients of the cash for shelter programme, the fact that they are able to access the amenities within the settlement means that there was no reference to unfair distribution of resources in any of the focus group discussions. Members of the host communities living in the areas surrounding the settlement live in permanent stone houses identical to those provided through the cash for shelter project.⁵ It is also worth noting that some members of the host community have been living in Kalobeyei settlement, occupying vacant plots of land. Focus group discussions showed that refugees often offer water or cash to members of the host community in exchange for energy sources such as coal or firewood.

Using a Kenyan bank may support longer-term financial inclusion for refugees.

Equity Bank Kenya Limited, a reputable commercial bank headquartered in Nairobi, has partnered with UNHCR for this project. The bank is committed to this long term project as demonstrated by the fact they plan to open a branch within Kalobeyei settlement in 2019. The partnership with Equity Bank is also strategic in nature since Equity Bank is also used by the Government of Kenya to distribute social safety net benefits. Equity Bank will also eventually begin training financial inclusion trainers from the Kakuma community, strengthening the ability of the local population to access bank accounts, handle ATM cards and obtain loans. This could increase the prospect of independent economic activity after UNHCR and other agencies transition out of this context and be seen as a positive substitution effect (strengthening existing national financial systems, rather than displacing them).

For cash assistance elsewhere, partnering with national financial institutions, either commercial or central government banks, could ultimately support longer-term financial inclusion for refugees and is **highly recommended**.

⁴ In the cash assistance programme framework the main role that women play is to carry water and help masons with unskilled work to reduce the cost of labour.

⁵ Key informant interview.



KEY LESSONS LEARNED

Cash projects may provide a base for cohesion.

The project has strengthened existing business relationships and even created new ones, but it is important to consider that there may be limits to the types of relationships that form as a result of cash assistance projects. From discussions, it appeared that the strongest contribution of the project to cohesion has been how the project has built on existing *market relationships*. This was mentioned as a ‘connector’ uniting Kalobeyei residents, and between Kalobeyei and host community members.

Continued Do No Harm analysis and monitoring of protection tensions.

At the moment, host communities have free access to hospitals and schools in Kalobeyei and, though not a target participant group to receive UNHCR cash assistance, do receive some permanent shelters. As one UNHCR staff member stated, the *“whole goal is that this is an integrated settlement, and a booming business place. We don’t look at how many host community members live there, but how many can access services – they are pastoralists, they need services.”* Though it is not a current issue catalysing tension between suppliers and Kalobeyei residents, when shelters are completed and hardware suppliers are no longer hired as frequently, the

question of access to services may become critically important to address quickly. The UNHCR team might consider training Kalobeyei field monitors in basic Do No Harm analysis so they can monitor whether tensions of this nature exist and they are improving or getting worse as the project draws to a close. Supported by UNHCR's facilitation, joint planning conversations between Kalobeyei and host community members could explore how their business relationships will continue after shelters are completed.

Addressing longer-term integration early on.

Cash assistance is just a component of a much broader strategy for long-term integration. This is the objective of the Kalobeyei Integrated Social and Economic Development Programme (KISED), which considers socio-economic inclusion and integration of refugees a gradual process with legal, economic, social and cultural dimensions.

The current positive contribution of the cash assistance project on cohesion is mainly in relation to business relationships after six months of programming. What does broader integration look like, specifically to integrate host and refugee communities outside of business relationships? How will both men and women contribute? While these questions are addressed in the broader framework of the KISED, it may be beneficial to answer such questions at the inception phase of a cash assistance project in order to achieve a more sustainable outcome. This could include investing in further research on cohesion and external evaluations of the project's effect on longer-term cohesion. Above all, such questions must be considered as part of the broader KISED's impact on integration and social cohesion.



MORE INFORMATION

Please contact: UNHCR Global Cash Operations at hqcash@unhcr.org

UNHCR Kenya: KENKA@unhcr.org

June 2019



UNHCR
The UN Refugee Agency