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Financial Inclusion Learning Brief

From Kakuma, Mandera, Garissa and Nairobi



Introduction

Financial inclusion emerged as a critical driver of economic resilience, business growth and household wellbeing across the programmes. Community-based savings mechanisms, particularly VSLAs and CSLAs, provided accessible and trusted pathways for refugees and host communities to save, borrow, invest and manage financial shocks.

The programmes demonstrated refugees' capacity to participate effectively in financial markets, including managing loans, growing businesses and accessing formal financial services. However, documentation and KYC requirements, collateral constraints and unsuitable financial products continue to limit broader access.

The key lesson is that sustainable financial inclusion requires moving beyond individual financial readiness to building inclusive financial systems, products and policies that respond to the realities of displaced communities.



What worked

Approaches that consistently generated strong and sustainable outcomes across the programmes.

Savings Groups as the Foundation

VSLAs and CSLAs provided a trusted and flexible platform for saving, accessing loans, investing in businesses and managing household shocks.

Financial Literacy Improved Behaviour

Training strengthened financial planning, saving, debt management and business decision-making, especially when combined with livelihoods support and market access.

Tailored Financial Products Show Promise

- Revolving loan funds.
- Stock financing models.
- Challenge and green business grants.
- Group lending facilities.
- Graduated pathways from VSLAs to formal finance.





Financial inclusion in numbers

Key results from Nairobi and Mandera programmes.

335

CSLAs supported

500+

Existing businesses expanded

KES 48M+

Loans accessed

5,000+

Women reached

234

CSLAs formally registered

Refugee participation **70%**

200+

New businesses started

Challenges and strategic lessons

Key challenges

Documentation and KYC barriers

Complex and costly requirements that limit access to formal finance.

Collateral and credit constraints

Limited credit histories and collateral requirements.

Inappropriate financial products

Few products tailored to the realities of refugees and small businesses.

Irregular and insufficient income

Limits saving, loan repayment and investment potential.

Strategic lessons

Ease documentation requirements

Advocate for more inclusive and flexible KYC processes for refugees.

Expand and tailor financial products

Promote flexible, low-collateral and market-appropriate products (e.g. stock financing, group lending, green loans).

Strengthen intergrated support

Combine financial inclusion with livelihood, market access, business development and protection services.

Build pathways to formal finance

Link successful savings group to banks and other financial service providers for long-term access.

Partners

ReDSS

DCA actalliance

Pastoralist Girls Initiative
Empower Girls , Save Communities

RCK REFUGEE CONSORTIUM OF KENYA

Rights Organization for Advocacy & Development ROAD

TUPADO
Creating Change in Pastoralist Lives

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