



REPUBLIC OF KENYA

MINISTRY OF LABOUR AND SOCIAL  
PROTECTION  
STATE DEPARTMENT FOR SOCIAL  
PROTECTION & SENIOR CITIZEN AFFAIRS

# Linking Social Protection to income generation:

## A case for Economic Inclusion Programming - Kenya

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# Introduction



- **Social protection** is an effective instrument for reducing poverty;
- **Cash transfer** is the main instruments for SP delivering;
- **They provide immediate relief** - smoothening consumption – **BUT CT alone may not build livelihoods:**
- An **effective SP system should enhance social and economic inclusion**....build resilience, enhance human capital, improve livelihoods and eventually aid “graduation”;
- **CTs if linked to other initiatives** ...can produce better SP outcomes

# Groups approach to Economic Inclusion

- The Directorate of Social Development provided **grants to registered Self- Help Groups (SHGs)..... through funds to support IGAs + capacity building** (project, leadership & book keeping skills);
- **Positives changes on the social economic status was realized ....increased assets, livelihoods, social cohesion;**
- **Groups linked to cooperatives & MFIs increased opportunities for members to access saving & loans for investment.**



# Community-based approach to EIP



- In the 90s the **GoK** partnered with the **DANIDA** to supported communities to enhance their livelihoods;
  - ✓ **IGAs of approximately USD 5000 per community**– (livestock, village pharmacies and posho mills, water projects were initiated);
  - +
  - ✓ **Capacity building - Community institutional strengthening (128 communities supported)**

**Evidence**

**Self reliant and empowered communities – e.g. Makueni County**



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# Disability sensitive Economic Inclusion programs



- People living with disabilities have a right to access social services .... and **to participate in economic development processes;**
- The GoK has set up different Policy and institutional frameworks to ensure that PLWDs can have access to social and economic inclusion programs;
- FAO in collaboration with other partners are **implementing an Economic Inclusion Program to enhance disability inclusive social protection in Turkana—**
  - ✓ Over 200 PLWDs have been provided with seedlings + training....**transforming the socio-economic status of the PWDs;**



# EIP for Refugees



- **EIP** has been used **to facilitate livelihood inclusion for refugees** – building their self-reliant and reducing their dependency on assistance;
- **FAO, UNHCR & GoK** have **partnered** in providing **support to refugees in Turkana**
  - ✓ **Poultry production units**, livestock to 26,000 farmers (50% refugees),
  - ✓ **Support to 16 Agribusiness projects** (estimated 500 entrepreneurs - refugees and host community);
- Consumption and spending abilities of Refugees greatly increased - **purchasing power enhanced contributing to the local economies;**



# THE KENYA ECONOMIC INCLUSION PROGRAM



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+

Livelihood /  
Asset Transfer

+

Training,  
Mentorship &  
Referrals



# Economic Inclusion Programming



- Economic Inclusion is defined as a bundle of coordinated, multidimensional interventions that support individuals and households in increasing their incomes and assets (*The State of Economic Inclusion Report 2021*);
- These Programs have been on the rise globally
  - By 2021 covering approximately in 75 countries
  - Covering 20 million households (an estimated 92 million individuals);
- Mainly implemented by civil society organizations
- Governments have slowly embraced EIPs ..... Kenya has not been left behind



# EI Programming Contd..



- Resent shocks caused overwhelming negative effects on livelihoods;
  - Weakening households Economic capabilities .....diminishing their resilience;
- This awaked governments to start prioritizing programs that enhance community resilience ... ..mitigating against shocks
- EIPs aim to facilitate access to economic opportunities, facilitate business development, enhance financial inclusion, boost household income and build resilience of the benefiting households;
- Economic Inclusion Programs are sometimes known as Graduation Programs

# EIP programming Contd..



- The Kenya Economic Inclusion Program rides on cash transfer beneficiaries & selected individuals from registered self-help groups as entry point;
- Executed through multiple packages – complementarity in programming
  - ✓ Cash or in-kind transfers
  - ✓ Asset transfer – sometimes cash-based
  - ✓ Skills development,
  - ✓ Coaching/ mentorship
  - ✓ Linkages and referral



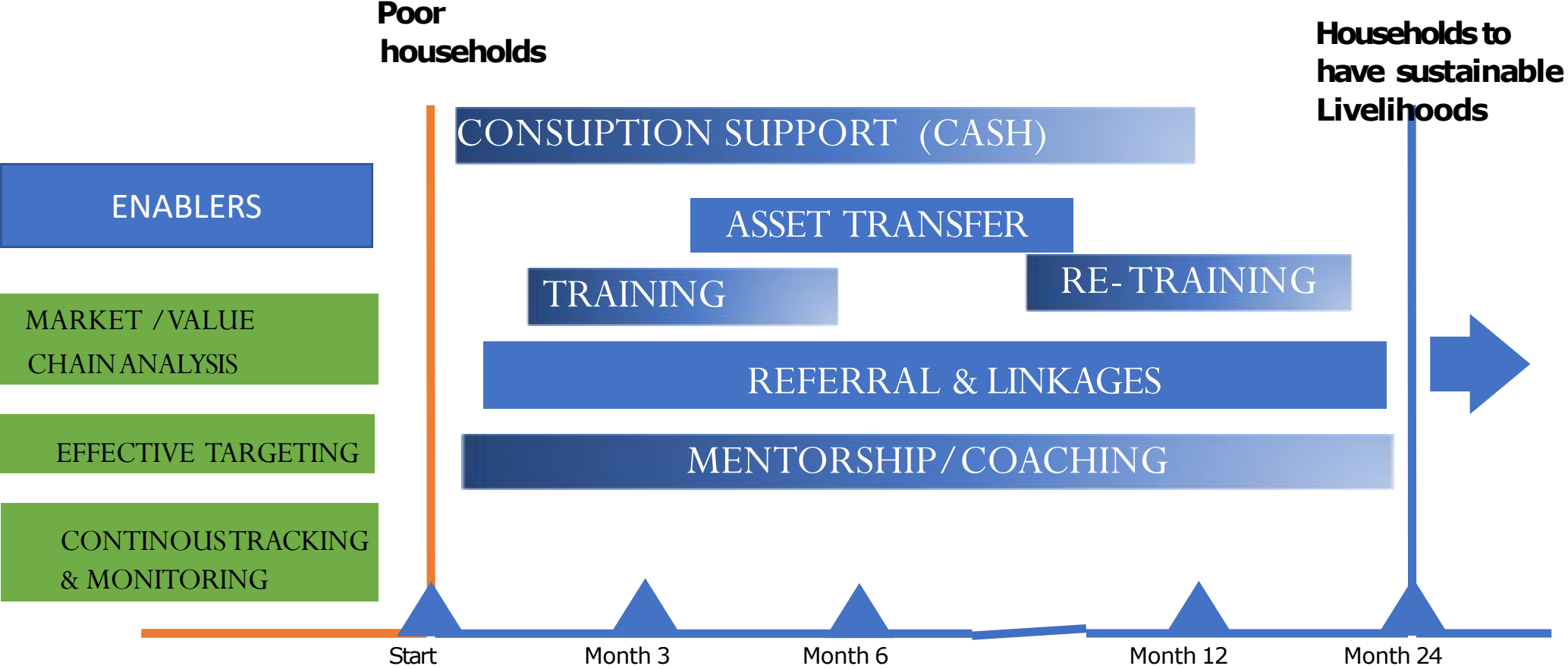
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# Kenya Economic Inclusion Program Conceptualization



# Goal of the Kenya EIP

- Overall goal is to test solutions for Kenya economic inclusion support on selected beneficiaries
- Specifically to:
  - ✓ Enhance access of poor & vulnerable persons to social and economic inclusion services and shock responsive social protection
  - ✓ Create jobs by providing investment opportunities to participants to generate income;
  - ✓ Enhance referral mechanism and linkages for enhanced social & economic inclusion



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# Selection of participants

**From poor households** (as per the social protection enrolment requirements)

Either **enrolled in government-led cash transfer programs** or a **member of registered self-help group**;

Either **engaged in a small income generating activity** or **have the potential to engage** in an income-generating activity;



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# Delivery of EIP



## Multiple and sequenced interventions

❑ **CT USD 15** per household per month for 12 months



+

Livelihood / Asset  
Transfer USD 250

+

Training, Mentorship  
& Referrals

Treatment period of 12 months - 24 months

Households identify a member to participate in the business enterprise

❑ Livelihood options are based on local value chain options and household capabilities;

❑ Village Savings & Loans Associations (VSLAs) formation

Training designed to meet the business needs of the participants

# Stories of Change through Economic Inclusion Programming



- Cumulative business value of participating households grew from KES 258.48 million (approximately 2.1 USD) to KES 961.6 million (approximately 8M USD) in a period of 8 months of implementation;
- Businesses value increased by up to 200 percent;
- 61 Village VSLAs established.....with savings totaling to KES 24.4 million (approximately USD 37,000) within a period of 10 months;
- Evidence that IGAs can enhance outcomes of social protection programs





# Stories of Change Contd..

## Participants of Agribusiness



Business increased value from KES 20,000 (160 USD) to KES 60,000 (500 USD)



A VSLA issuing cheques to members.

Current savings value is KES 186,000 (1500 USD).



Tomato business value is 169000/-





# Stories of change Contd..



Ramp constructed to facilitate access of the PWD to his business premise



Women are the majority participants in community programs – the positive impact have been attributed to their participation in these programs



# Building evidence



- Un Agencies including FAO are working with the Government in a Program - “Building Back Better and Greener: Integrated approaches for an inclusive and green COVID-19 recovery in rural spaces”
- This Program builds on Government-led Economic Inclusion and Recovery programmes;
- It is aimed at building evidence on **Integration of Social Protection with Targeted Complementary Services** ...working through Community- Based Organizations

## Treatment Groups

- ✓ Treatment 1 – Individual CTs
- ✓ Treatment 2 – Individual CTs + Training (climate smart agriculture)
- ✓ Treatment 3 – Group Grants + Training (climate smart agriculture)

# Opportunities for EI Programing



- National Social Protection Policy Pillar 4 –
  - ✓ Seeks to promote livelihoods, skills training, foster labour and economic inclusion, and build resilience among Social Protection beneficiaries;
- Leveraging on the Enhanced Single Registry to support linkages to other programs;
- Riding on existing SP programmes – CT to act as entry point;
- Partner interest to collaborate ..... can support complementarity.

# Opportunities Contd..



- Agriculture as the backbone of the Kenya's economy -
  - ✓ Linking poor small holder farmers to appropriate agri-food systems to boost Economic Inclusion programming;
- Wide range of global experience - learning from other programmes across the globe;
- Finally.....the stories of change from the on going pilot Economic Inclusion Program .....can support evidence for roll out



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# THANK YOU!

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