

IMPROVING ACCESS AND AFFORDABILITY OF STAPLE FOOD PROCESSING FOR REFUGEES



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The Kakuma refugee camps are known for their entrepreneurial spirit, and for good reason. In 2018, an International Finance Corporation (IFC) study estimated the market size of Kakuma at a whopping \$56 million. This underscores the potential for private sector interventions in an area heavily dependent on humanitarian aid.

By the end of 2023, Kenya was home to over 600,000 registered refugees and asylum seekers, with the majority living in the Dadaab and Kakuma refugee camps, and the Kalobeyei settlement.

To support self-reliance among refugees and the host population, Agsol began its work in Kakuma in 2022. Through the WFP Innovation Accelerator Sprint Programme, Agsol conducted market research and piloted its solar-powered MicroMill in Kakuma and Kalobeyei, in collaboration with SNV's Market Based Energy Access (MBEA) project.

The initial research highlighted a clear need for improved milling services. Seventy percent of the refugees in Kakuma receive in-kind food supplies via WFP and other aid agencies. The majority of food aid is provided as raw cereal grains that still need processing before they are eaten. With only 5% electrification rate, the great majority of this processing is met by informal diesel milling businesses. However, whereas one mill serves approximately 120 households on average across Kenya, in Kakuma one mill serves 700 households, highlighting a distinct need for more milling services.

Collaborating with local partners, Agsol piloted several mills in Kakuma and Kalobeyei. Operating at the intersection of agriculture and energy, Agsol partnered with a private sector mini-grid company to offer the MicroMill to customers as a productive use of electricity, thereby increasing their overall income. Partnerships with NGOs like DanChurchAid (DCA) further expanded the reach of Agsol's initiative.

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In 2024, we have a renewed focus on scaling impact in Kakuma and Kalobeyei, partnering with dedicated distribution partner, Access and Move, who have recently established operations to serve the area. Recognising the importance of local presence, Agsol currently operates four solar MicroMills, all managed by women. The MicroMills have proven profitable businesses, with word-of-mouth marketing driving further adoption.

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One such success story is Lucy Nakuk, operator of a solar MicroMill in Lokichar. Lucy and her husband, who owned a small grain shop, decided to invest in value addition when they came across the MicroMill. According to Lucy, "The customers like it. Because the machine is transparent, they see how it leaves nothing left inside after milling." By eliminating operating costs, they can offer milling services at a lower fee than diesel mills.

The growing private sector activity in Kakuma reflects an entrepreneurial spirit that we are eager to harness. The transformative power of the MicroMill in delivering healthier staple foods to refugees and host communities, coupled with its user-friendly operation and compelling business proposition, makes it an instrument for generating dignified employment opportunities for young individuals.

As we expand our presence in the area, in collaboration with sector and channel partners, we move closer to models that can be replicated in refugee camps across Sub-Saharan Africa (SSA), improving access to affordable food for millions of refugees.