



AI Made in Africa:

Removing policy barriers for Refugee-Led
SMEs in East Africa and the Great Lakes

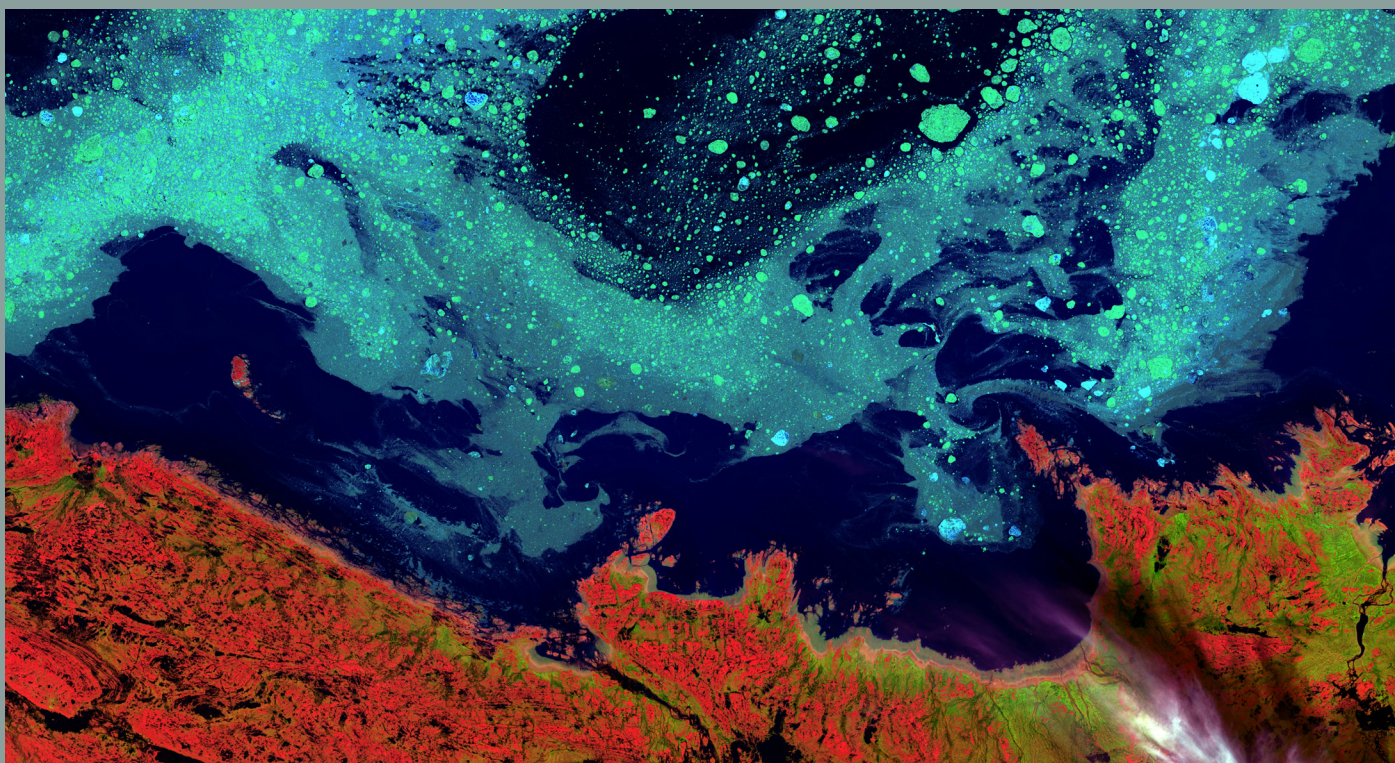
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August 2026

Author Biography and Acknowledgements

Donatien Niyongendako is a Burundian human rights defender and technology practitioner currently living in exile in Uganda. He is founder and the current Executive Director of the Integrated Refugee Organization (IRO), a refugee-led organization advancing digital resilience, protection, and socio-economic inclusion for refugees, journalists, and human rights defenders across East Africa and the Great Lakes region. Donatien holds a Master's degree in Computer Engineering and has over 14 years of professional experience spanning organizational leadership, financial management, and technology-driven programming in fragile and displacement contexts. He previously worked with DefendDefenders (the East and Horn of Africa Human Rights Defenders Project), where he supported regional digital security initiatives, conducted risk assessments, and delivered capacity-building for civil society actors. He has carried out digital security audits for CSOs across Africa and co-authored research on documenting and preventing internet shutdowns, surveillance, and censorship during the 2023 general elections in the Democratic Republic of Congo. His work focuses on aligning emerging technologies, including AI, with inclusive policy frameworks that enable refugee-led innovation and SME growth.

This policy brief is one of fifteen published under the AI Made in Africa initiative, a joint partnership between GIZ and the African Observatory on Responsible AI (AORAI), a flagship project of the Global Center on AI Governance.

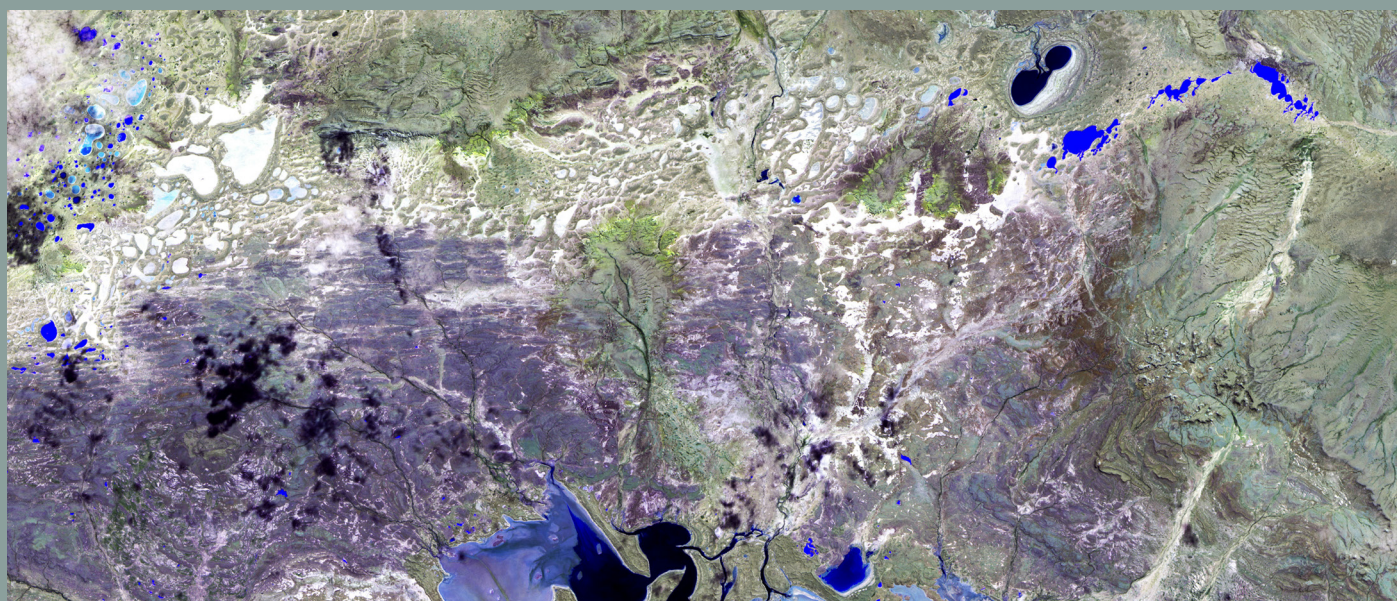


Executive Summary

Artificial Intelligence (AI) is increasingly shaping Africa's digital economy, yet refugee-led small and medium-sized enterprises (SMEs) remain largely excluded from the systems required to participate meaningfully in AI-driven markets. Across Uganda and the wider Great Lakes region including Kenya, Tanzania, Rwanda, Burundi, the Democratic Republic of the Congo (DRC), and South Sudan, refugee entrepreneurs are already using digital tools and experimenting with AI applications such as translation, customer engagement, and digital marketing. However, their ability to scale AI adoption is constrained by structural barriers embedded in legal identity systems, financial infrastructure, digital platforms, and connectivity environments.

This paper argues that refugee SME exclusion is not primarily a digital skills problem, but a systemic governance problem. Refugee entrepreneurs are trapped in a digital exclusion loop where identity restrictions lead to financial exclusion, which then limits access to digital platforms, AI tools, and regional markets.

This matters because refugee-led SMEs are not only humanitarian actors; they are increasingly part of Africa's entrepreneurial and digital innovation ecosystem. Excluding them weakens regional digital trade, innovation capacity, and inclusive economic growth.



Key policy recommendations

- Reform refugee business and identity systems to enable formal economic participation
- Harmonise regional recognition of refugee documentation and digital identities
- Adapt platform verification and KYC systems to displacement realities
- Expand affordable digital infrastructure in refugee-hosting areas
- Integrate refugee entrepreneurs into national and regional AI strategies
- Shift AI capacity-building from basic literacy to applied business integration

1. Introduction

Artificial Intelligence (AI) is rapidly becoming a central pillar of Africa's digital transformation agenda. Governments, the African Union (AU)¹, and regional bodies such as the East African Community (EAC)² are investing in digital economy strategies designed to strengthen innovation, entrepreneurship, and regional trade. However, these emerging frameworks largely overlook a strategically important but structurally excluded segment of the private sector: refugee-led SMEs.

Across East Africa and the Great Lakes region, refugee entrepreneurs are increasingly active in digital commerce, mobile-based businesses, and informal cross-border trade. In Uganda, one of Africa's largest refugee-hosting countries, refugees are legally permitted to work and establish businesses under the Refugees Act (2006) and Refugee Regulations (2010). Similar economic activities exist across Kenya, Rwanda, Tanzania, Burundi, the DRC, and South Sudan.

Despite this entrepreneurial activity, refugee-led SMEs remain largely excluded from formal digital economies. Many are unable to access banking systems, register businesses, verify accounts on global digital platforms, or use advanced financial technologies³. These barriers directly affect AI adoption because modern AI-enabled business systems increasingly depend on verified digital identities, interoperable payment systems, stable connectivity, and platform access.

The implications extend far beyond refugee communities themselves. Refugee entrepreneurs are active participants in local markets, regional trade networks, and emerging digital economies. Their exclusion limits business growth, reduces cross-border commerce, constrains innovation, and prevents a significant pool of entrepreneurs from contributing to Africa's digital transformation. As AI becomes increasingly embedded in trade, finance, logistics, and entrepreneurship, barriers that prevent refugee-led SMEs from accessing digital ecosystems risk creating a permanent participation gap between those who can benefit from AI and those who cannot.

Addressing these barriers is therefore both an inclusion imperative and an economic opportunity. Enabling refugee-led SMEs to participate fully in digital and AI-enabled markets would expand the region's entrepreneurial base, strengthen digital trade, stimulate innovation, and contribute to more inclusive economic growth. At a time when African governments and regional institutions are investing heavily in digital transformation and AI strategies, ensuring that refugee entrepreneurs are not left behind is essential to building competitive, resilient, and inclusive digital economies.

¹ African Union Commission, *Digital Transformation Strategy for Africa (2020–2030)* (African Union Commission 2020) <https://archives.au.int/handle/123456789/8758> accessed 30 June 2026

² East African Community Secretariat, *EAC Digital Transformation Strategy (2020–2030)* (EAC Secretariat 2021) <https://www.eacgermany.org/news/eac-secretariat-accelerates-efforts-towards-comprehensive-regional-digital-transformation-strategy-giz> accessed 30 June 2026

³ UNHCR Innovation Service, *Displaced and Disconnected: East Africa Report* (UNHCR 2023) <https://www.unhcr.org/innovation/wp-content/uploads/2023/08/Displaced-and-Disconnected-East-Africa-Report.pdf> accessed 30 June 2026

1.1 Evidence base and research approach

This paper combines policy analysis, literature review, and primary field evidence to examine barriers affecting AI adoption among refugee-led small and medium-sized enterprises (SMEs) in East Africa and the Great Lakes region. The analysis draws on regional and international policy frameworks, including African Union (AU), East African Community (EAC), United Nations, and World Bank publications, alongside original data collected from refugee entrepreneurs and organizations supporting refugee economic inclusion.

Primary data were collected between April and May 2026 through an exploratory survey involving 12 respondents and eight semi-structured interviews. The interview participants included refugee entrepreneurs, leaders of refugee-led organizations, digital inclusion practitioners, and representatives of organizations supporting refugee economic participation.

Survey participants included refugee entrepreneurs, civil society organizations, and community-based actors working on livelihoods, entrepreneurship, and digital inclusion. Respondents were primarily based in Uganda, with representation from the Democratic Republic of the Congo (DRC) and Rwanda, and included individuals originating from Burundi, the DRC, and Uganda.

The research explored five interconnected themes: digital access and infrastructure, AI awareness and adoption, legal and administrative barriers, financial and platform exclusion, and cross-border business participation. The interviews provided qualitative insights into the lived experiences of refugee entrepreneurs navigating digital platforms, financial systems, identity requirements, and emerging AI technologies. The findings indicate that refugee

entrepreneurs are already participating in digital economies and experimenting with AI-enabled tools, particularly for customer engagement, translation, content creation, and business administration. However, they continue to face significant barriers related to affordability, connectivity, legal status, financial access, mobility, and platform governance.

While the survey sample is relatively small and not statistically representative of all refugee-led SMEs in the region, it provides valuable practitioner perspectives and field-based evidence that complement existing literature. The purpose of this research is therefore not to generate region-wide statistical estimates, but rather to identify recurring patterns, policy gaps, and opportunities for more inclusive AI governance and digital economic participation.



2. The Policy Challenge

2.1 Legal identity and economic exclusion

Legal identity is the foundation of participation in digital economies. Across the Great Lakes region, refugee entrepreneurs frequently lack access to identity systems that are recognized consistently by banks, regulators, and digital platforms.

In Uganda, despite one of Africa's most progressive refugee legal frameworks, delays in obtaining refugee identity documents and administrative barriers continue to affect refugees' access to financial services and the formalization of businesses.⁴

In Kenya, the long-standing encampment policy has historically constrained refugee economic integration outside designated settlements such as Kakuma and Dadaab by limiting freedom of movement, access to urban labour markets, and integration into national economic systems, although recent legal and policy reforms seek to expand socioeconomic inclusion⁵.

In Tanzania, refugee policy has increasingly emphasized encampment and voluntary repatriation as the preferred durable solution, creating uncertainty over refugees' long-term legal status and reducing incentives for long-term economic investment and business formalization⁶.

In the Democratic Republic of the Congo (DRC)⁷ and South Sudan, protracted conflict, repeated displacement, and weak state institutions undermine civil documentation systems and disrupt business continuity,⁸ limiting refugee and displaced entrepreneurs' ability to participate in formal financial and digital economies.

These constraints create a regional identity bottleneck with direct consequences for AI adoption:

- Limited access to banking and fintech systems
- Barriers to formal business registration
- Exclusion from digital payment ecosystems
- Failure to meet verification requirements for global platforms

The result is structural exclusion from the digital economy rather than simple market disadvantage.

⁴ UNHCR, *Regional Investment Climate Report* (UNHCR 2025) https://www.unhcr.org/africa/sites/afr/files/2025-06/unhcr_final_regional_report-may_2025.pdf accessed 30 June 2026

⁵ World Bank, *Building Evidence to Enhance the Welfare of Refugees and Host Communities in Kenya* (World Bank) <https://www.worldbank.org/en/country/kenya/publication/building-evidence-to-enhance-the-welfare-of-refugees-and-host-communities-in-kenya> accessed 30 June 2026

⁶ UNHCR, *Refugee Data Finder: United Republic of Tanzania* (UNHCR) <https://rimap.unhcr.org/countries/united-republic-tanzania> accessed 30 June 2026

⁷ UNHCR, *Global Trends: Forced Displacement 2023* (UNHCR 2023) <https://www.unhcr.org/global-trends> accessed 30 June 2026

⁸ International Organization for Migration, *World Migration Report 2022* (IOM 2022) <https://worldmigrationreport.iom.int/> accessed 30 June 2026

2.2 Financial and platform exclusion

Financial exclusion emerged as one of the most significant barriers to AI-enabled business growth among refugee-led SMEs participating in this study. While most survey respondents (92%) reported using mobile money for day-to-day transactions, access to more advanced financial services—including formal credit, international payment systems, and integrated digital commerce platforms—remained limited.

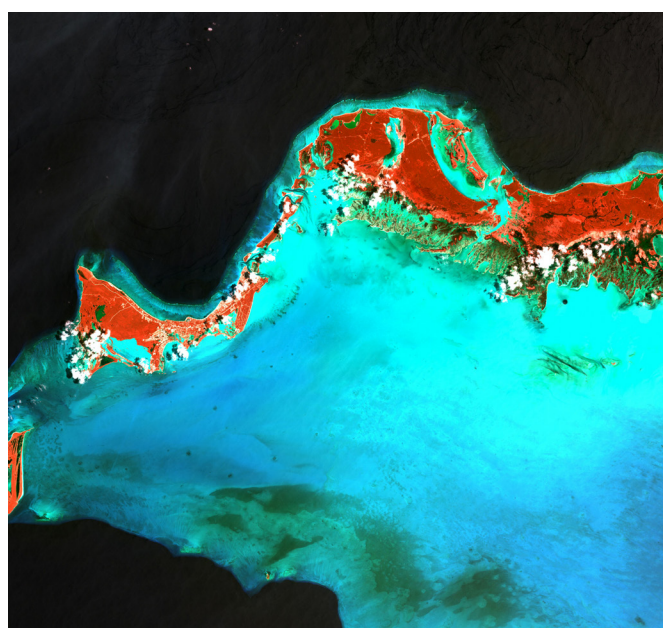
Survey findings indicate that 42% of respondents had been denied access to digital or financial services, or were unsure whether their refugee status had affected access, while 67% reported experiencing barriers when using global digital platforms such as Google, Meta, X, PayPal, and Stripe. The most frequently reported challenges included account verification failures, payment restrictions, and difficulties meeting platform identity requirements.

These findings are consistent with broader evidence showing that refugees often face exclusion from formal financial systems because banks and digital service providers rely on Know Your Customer (KYC) requirements that depend on nationally recognized identity documents, which refugee documentation is not always accepted to satisfy. This limits access to bank accounts, credit, international payment gateways, and digital financial services that are increasingly essential for AI-enabled entrepreneurship (World Bank, 2023; CGAP, 2021; UNHCR, 2019).

The interviews reinforce these findings. Several participants described difficulties opening bank accounts, accessing credit, verifying business accounts, and using international payment systems because refugee-issued documentation was not consistently accepted by financial institutions or global digital platforms.

The consequences are severe:

- Account verification failures
- Restricted access to monetization systems
- Inability to conduct cross-border transactions
- Limited participation in digital marketplaces
- Reduced access to AI-enabled business services
- Cross-border visa fee requirement for displaced populations



This exclusion has broader implications for Africa's digital economy. Refugee entrepreneurs are active participants in informal regional trade networks. Their exclusion weakens digital market integration, cross-border commerce, and SME-driven innovation ecosystems across the region.

Interview participants consistently described difficulties accessing financial services and global digital platforms. Several respondents reported challenges opening bank accounts, accessing credit, verifying business accounts, or using international payment systems due to documentation requirements that did not adequately accommodate refugee-issued identification.

One interview participant summarized this challenge by noting: “I can create content using AI tools, but I cannot monetize my business online because I cannot verify my account using refugee documentation.” (Interview participant, refugee entrepreneur, Uganda, May 2026).

One interviewee noted that although digital platforms are increasingly essential for business growth, verification procedures often create additional barriers for displaced entrepreneurs seeking to operate across borders.

2.3 Infrastructure and connectivity constraints

AI adoption depends on stable infrastructure. Across Uganda, Kenya, Tanzania, Burundi, Rwanda, the DRC, and South Sudan, refugee-led SMEs operate in environments characterized by expensive connectivity, unreliable electricity, and weak digital infrastructure.

Field evidence consistently highlights:

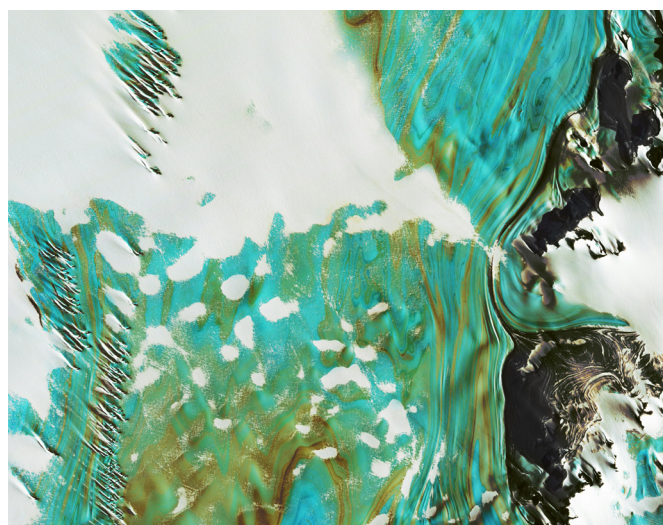
- High mobile data costs
- Slow internet speeds and service outages
- Limited electricity reliability
- Low access to smartphones and laptops capable of supporting advanced digital tools
- Internet censorship (Facebook in Uganda)
- Internet shutdowns during elections or demonstrations (DRC, Burundi, Tanzania, Uganda, etc.)

These constraints create a Cost–Connectivity–Capability Trap:

- High costs reduce sustained internet access
- Weak connectivity limits productivity
- Infrastructure instability disrupts digital business continuity
- Low device access prevents effective AI integration

The impact is particularly severe in displacement-affected regions such as eastern DRC and South Sudan, where conflict and infrastructure fragility make sustained digital operations extremely difficult.

As a result, refugee SMEs remain confined to low-value digital participation rather than scalable AI-enabled enterprise development.



2.4 Skills gaps or structural capacity constraints

AI policy discussions frequently frame exclusion as a digital skills problem. However, evidence from refugee-led SMEs suggests that the deeper issue is structural capacity exclusion.

Many refugee entrepreneurs are already using AI tools for:

- Translation
- Marketing content generation
- Customer communication
- Social media engagement
- Weak infrastructure
- Limited access to formal digital markets
- Absence of applied business-oriented AI training ecosystems
- Without addressing these structural barriers, digital skills programs alone will produce limited economic impact.

As one refugee entrepreneur explained, “The problem is not learning the technology; the problem is accessing the systems that allow us to use it for business growth.” (Interview participant, refugee entrepreneur, Uganda, May 2026).

To better understand the barriers affecting AI adoption among refugee-led SMEs, a survey⁹ was conducted with 12 respondents operating primarily in Uganda, including refugee entrepreneurs, organizations supporting refugee businesses, and community-based livelihood actors. The findings challenge the assumption that refugee exclusion is driven primarily by a lack of interest in technology. More than 83% of respondents reported using digital tools, while 42% were already using AI tools such as ChatGPT, translation services, and automation applications. Furthermore, 92% reported using mobile money services and 67% had experimented with AI either regularly or occasionally. However, respondents identified lack of skills and training (83%), high costs of tools and devices (67%), lack of awareness (50%), internet connectivity challenges (33%), and refugee-related legal and administrative restrictions (25%) among their most significant barriers. Importantly, 83% reported having missed business opportunities due to limited digital or AI access, including access to funding, partnerships, online markets, and cross-border business opportunities. These findings suggest that refugee entrepreneurs are not digitally disconnected; rather, they face a combination of capacity, affordability, infrastructure, and policy constraints that limit their ability to move from basic AI experimentation to meaningful business integration.

2.5 The regional systemic exclusion architecture

The barriers identified throughout this research are not isolated challenges occurring within individual countries; they form a regional exclusion architecture that systematically limits refugee participation in digital economies and AI-enabled markets.

Across the region, the same exclusion chain consistently appears:

Identity restrictions → financial exclusion → platform barriers → limited market participation → reduced AI adoption

This architecture operates differently across national contexts but produces similar outcomes:

- Uganda demonstrates partial inclusion undermined by administrative friction
- Kenya reflects mobility-based economic containment
- Tanzania illustrates legal uncertainty and investment fragility
- The DRC and South Sudan reveal conflict-driven digital fragmentation
- Rwanda highlights inclusion gaps within otherwise advanced digital systems
- Burundi demonstrates cross-border instability affecting trade continuity

The key policy implication is clear: refugee SME exclusion is not a humanitarian side issue. It is a structural weakness within Africa’s emerging digital economy.

⁹ Integrated Refugee Organization, *Survey on AI Adoption among Refugee-Led SMEs in East Africa and the Great Lakes Region* (online survey, April–May 2026) <https://forms.gle/L7X9CFJ5bqFgrzZP6> accessed 30 June 2026

If AI ecosystems depend on verified identity, financial interoperability, stable connectivity, and platform access, then excluding refugee entrepreneurs limits the region's broader innovation and economic potential.

The survey findings further illustrate how multiple barriers reinforce one another. While most respondents possessed some form of recognized identification, 42% reported having been denied access to digital or financial services or were uncertain whether their refugee status had affected access. Respondents cited difficulties accessing bank loans, payment systems, and digital platforms, while 67% reported barriers when using global platforms such as Google, Meta, X, PayPal, and Stripe. Account verification failures and payment restrictions were the most common challenges. At the same time, 92% identified high data costs as a major constraint on internet reliability, and only one respondent reported access to stable electricity. These interconnected obstacles demonstrate how identity, infrastructure, financial access, and platform governance combine to create a digital exclusion loop that constrains refugee participation in AI-enabled markets.

2.6 Refugee SMEs as an untapped AI opportunity

Beyond the barriers identified in this paper, refugee-led SMEs represent an important but underutilized component of Africa's digital economy. Survey respondents reported using AI tools for customer engagement, translation, marketing, financial management, and business administration, demonstrating both demand and readiness for further digital integration. As AI becomes increasingly

embedded in trade, services, agriculture, and entrepreneurship, enabling refugee-led businesses to participate fully could contribute to job creation, cross-border commerce, innovation, and local economic growth. Policies that reduce exclusion are therefore not merely social inclusion measures; they are strategic investments in Africa's future digital competitiveness, innovation capacity, and regional economic integration.



¹⁰ Integrated Refugee Organization, *Survey on AI Adoption among Refugee-Led SMEs in East Africa and the Great Lakes Region* (n 9), accessed 30 June 2026

3. Policy Recommendations

3.1 National governments

Reform refugee economic inclusion frameworks

Governments should remove administrative barriers that prevent refugee entrepreneurs from participating in formal digital economies. Survey findings showed that respondents experienced difficulties accessing banking services, verifying digital accounts, and registering businesses because refugee documentation was not consistently recognised across institutions.

This could be implemented by:

- Accelerating the issuance and renewal of refugee identity documents through digital registration systems and decentralized service centres to reduce processing delays.
- Recognising refugee identity documents issued by national authorities and UNHCR as valid credentials for business registration, bank account opening, mobile money, and digital platform verification.
- Creating one-stop business registration services that integrate refugee documentation verification with licensing and tax registration.
- Removing administrative restrictions on urban economic participation, allowing refugee entrepreneurs to establish businesses closer to markets, financial institutions, and innovation ecosystems.

For example, several respondents in Uganda reported difficulties accessing banking services and verifying accounts despite holding refugee documentation. Addressing these administrative bottlenecks would enable entrepreneurs who are already using AI tools to integrate digital payments, e-commerce, and AI-enabled business services into their operations.

Develop inclusive national AI strategies

Governments should explicitly include refugee-led SMEs within national AI and digital economy strategies.

Implementation could include:

- Reserving places for refugee entrepreneurs in government-supported AI incubation programmes;
- Extending SME digital transformation grants to refugee-owned businesses;
- Partnering with refugee-led organisations to deliver applied AI training;
- Collecting disaggregated data on refugee participation in AI and digital entrepreneurship programmes.

Survey respondents indicated strong interest in expanding AI use beyond translation and content creation into accounting, marketing, and customer management. Integrating refugee SMEs into existing national SME digitalisation programmes would therefore build on existing demand rather than creating parallel initiatives.

Expand digital infrastructure

Digital infrastructure should be treated as an economic inclusion priority rather than a purely technical issue.

Governments should:

- Subsidize internet access in refugee-hosting areas
- Expand broadband and electricity infrastructure
- Support community digital innovation hubs
- Reduce affordability barriers for devices and connectivity

3.2 Regional institutions (AU, EAC)

Harmonize digital identity and AI governance systems

Regional institutions should move beyond fragmented national approaches by developing interoperable digital identity, AI governance, and digital trade frameworks that enable refugee-led SMEs to participate in cross-border digital markets.

Implementation should build on existing regional initiatives rather than creating new parallel systems. The African Union Digital Transformation Strategy (2020–2030) already promotes interoperable digital identity and integrated digital markets, while the AfCFTA Protocol on Digital Trade seeks to reduce barriers to cross-border digital commerce. However, these frameworks remain only partially operational because digital identity systems, financial regulations, and platform verification requirements continue to be implemented differently across member states, with limited recognition of refugee documentation.

Regional institutions should therefore:

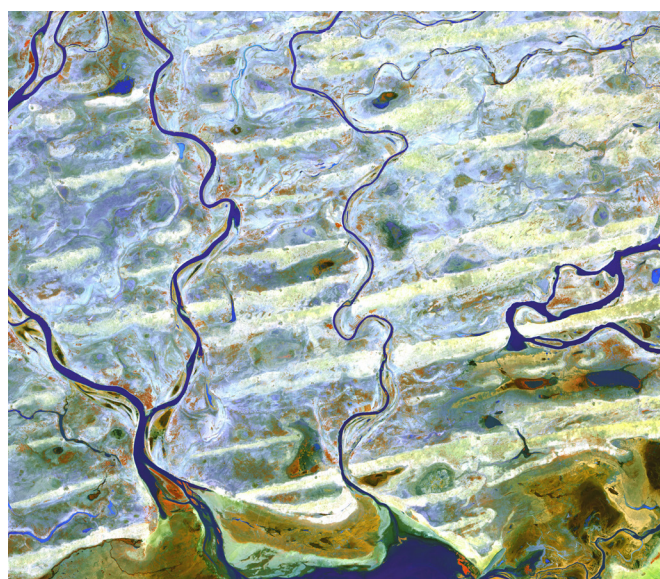
- Establish regional standards for recognising refugee identity documents issued by national governments and UNHCR for business registration, banking, and digital platform verification;
- Develop interoperable digital identity frameworks that allow refugee entrepreneurs to use trusted credentials across East African borders;
- Harmonise AI governance, data protection, and Know Your Customer (KYC) standards to reduce inconsistent regulatory requirements affecting SMEs;
- Integrate refugee entrepreneurship into the implementation of the AfCFTA Digital Trade Protocol and regional SME development programmes.

For refugee entrepreneurs participating in cross-border trade, these reforms would reduce duplicated verification procedures, improve access to financial services, facilitate online payments, and enable AI-enabled businesses to operate across multiple markets.

Accelerate implementation of AfCFTA digital trade objectives

The AfCFTA presents one of Africa's greatest opportunities for expanding digital entrepreneurship, yet many refugee-led SMEs remain unable to benefit because the enabling digital infrastructure and regulatory systems are not fully aligned.

Although AfCFTA aims to create a single African market, practical implementation continues to face challenges including fragmented digital identity systems, inconsistent financial regulations, limited interoperability of payment systems, uneven digital infrastructure, and differing national approaches to refugee documentation. These constraints disproportionately affect refugee entrepreneurs, whose businesses often depend on cross-border trade but whose legal identities are not consistently recognised across jurisdictions.



Regional institutions should accelerate implementation by:

- Operationalising the AfCFTA Digital Trade Protocol through common standards for digital identity and electronic verification;
- Expanding interoperable regional payment systems that enable SMEs to transact securely across borders;
- Aligning refugee economic inclusion policies with AfCFTA implementation so displaced entrepreneurs are not excluded from regional digital markets;
- Supporting pilot programmes in major refugee-hosting and border regions to test interoperable digital identity, digital payments, and AI-enabled trade services before scaling regionally.

These measures would not only improve refugee inclusion but also strengthen regional trade, expand Africa's digital single market, and increase the number of SMEs able to adopt AI-enabled business models.

3.3 Technology companies and digital platforms

Reform platform verification systems

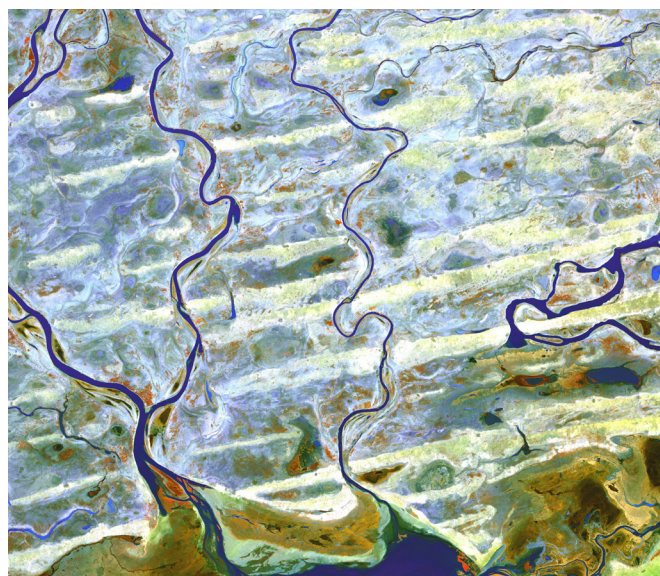
Technology companies should adapt identity verification and Know Your Customer (KYC) processes to better reflect the realities of displaced populations operating legitimate businesses across Africa. Current verification systems are largely designed around nationally issued identity documents and permanent proof of residence, creating unintended barriers for refugee entrepreneurs despite their legal right to work and conduct business in many host countries.

Implementation should include:

- Recognising refugee identity documents issued by host governments and, where appropriate, UNHCR documentation as acceptable forms of verification for eligible services.

- Developing alternative risk-based verification pathways, allowing users without national identity cards to complete account verification through a combination of refugee documentation, biometric verification, recognised financial institutions, or registered business licences.
- Establishing dedicated support channels for displaced entrepreneurs experiencing verification difficulties, including trained customer support teams familiar with refugee documentation.
- Improving transparency by clearly communicating verification requirements, reasons for account restrictions, and available appeal procedures.
- Introducing independent review and appeal mechanisms for accounts suspended because of documentation-related verification challenges.

These reforms would directly address one of the most common barriers identified in this study. Sixty-seven percent of survey respondents reported experiencing difficulties accessing or verifying accounts on global digital platforms, limiting their ability to use AI-powered business services, receive digital payments, and participate in online markets.



Improve accessibility of AI tools

Technology companies should ensure that AI products are designed for the connectivity and affordability realities of African SMEs, particularly those operating in refugee-hosting and other low-resource environments.

Practical implementation should include:

- Developing low-bandwidth and mobile-optimised AI applications capable of functioning under intermittent internet connectivity;
- Providing offline or synchronised functionality where continuous internet access is unavailable;
- Introducing subsidised pricing or social enterprise licensing for refugee-led SMEs and community organisations;
- Expanding AI interfaces into widely spoken African languages to improve accessibility.

Survey findings showed that 92% of respondents identified the high cost of internet connectivity as a major barrier, while interviews consistently highlighted unstable electricity and unreliable internet services as obstacles to sustained AI use. Designing AI systems that accommodate these realities would significantly expand participation beyond well-connected urban centres.

3.4 Development partners and donors

Shift from digital literacy to applied AI integration

Development partners should move beyond introductory digital literacy programmes towards supporting refugee-led SMEs to integrate AI into day-to-day business operations. The findings of this study demonstrate that many refugee entrepreneurs have already begun experimenting with AI tools; however, they face significant challenges translating this



initial exposure into measurable business growth.

Implementation should include:

- Establishing AI business accelerator programmes specifically designed for refugee-led and other underserved SMEs;
- Supporting community-based digital innovation hubs equipped with reliable internet, electricity, shared devices, and AI-enabled software;
- Funding peer-learning networks where experienced entrepreneurs mentor others on practical AI applications;
- Embedding AI advisory services within existing SME development, entrepreneurship, and livelihood programmes rather than creating standalone digital literacy initiatives.

Survey respondents reported using AI primarily for translation, content creation, customer communication, and marketing. Future programmes should therefore prioritise higher-value applications such as financial management, inventory control, customer relationship management, logistics, and e-commerce integration.

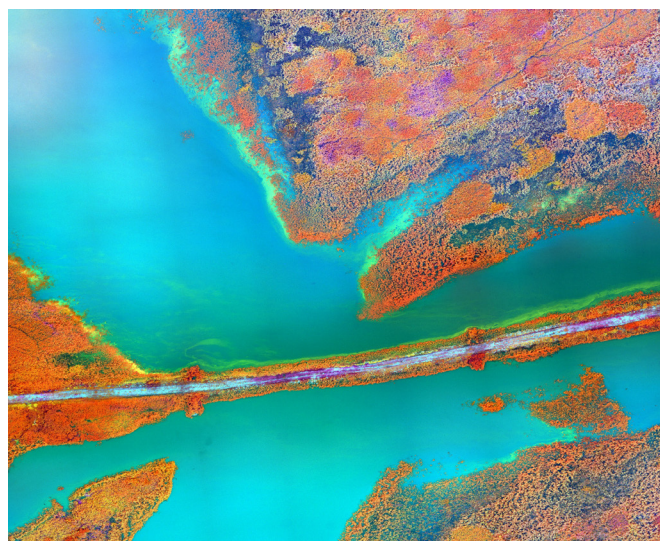
Strengthen evidence-based AI governance

Development partners should strengthen African-led research and policy dialogue to ensure that refugee-led SMEs are recognised as economic actors within regional AI and digital economy strategies rather than being considered solely through humanitarian programming.

Implementation should include:

- Funding longitudinal research on AI adoption among refugee-led SMEs across African regions;
- Supporting national and regional policy dialogues involving governments, refugee-led organisations, technology companies, financial institutions, and AI developers;
- Integrating refugee entrepreneurship into AI governance initiatives led by the African Union, AfCFTA Secretariat and EAC;
- Investing in monitoring and evaluation systems that measure refugee participation in AI-enabled entrepreneurship, digital trade, and innovation ecosystems.

The survey and interviews demonstrate that refugee entrepreneurs are already participating in Africa's digital economy. Improving the evidence base will help policymakers design AI governance frameworks that reflect the realities of all entrepreneurs, including displaced populations, and ensure that future digital transformation policies promote inclusive economic growth rather than reinforcing existing inequalities.



Conclusion

Refugee-led SMEs are already contributing to Africa's digital transformation, yet current AI and digital economy frameworks continue to treat them as peripheral actors rather than participants in regional economic growth. However, their ability to scale remains blocked by a regional systemic exclusion architecture rooted in fragmented identity systems, financial exclusion, platform governance failures, infrastructure inequality, and mobility restrictions.

These findings show that refugee exclusion from AI economies is not primarily a technological problem. It is a structural governance problem.

If current barriers remain unaddressed, AI adoption risks amplifying inequality by concentrating opportunity among populations already integrated into formal systems. Conversely, dismantling the digital exclusion loop would expand regional digital markets, strengthen SME ecosystems, and contribute to more inclusive AI-driven growth across Africa.

The future of Africa's AI economy will depend not only on technological advancement, but also on who is permitted to participate in it. The findings from both the survey and interviews reinforce a central conclusion: refugee entrepreneurs are not passive beneficiaries of digital transformation but active participants seeking to leverage AI and digital technologies for business growth. Most respondents already use digital tools, and many have begun experimenting with AI applications for communication, customer engagement, translation, and business management. However, their ability to move beyond experimentation is constrained by a combination of legal, financial, infrastructural,

and platform-related barriers. These findings suggest that refugee exclusion from AI ecosystems is fundamentally a governance challenge rather than a technological one. Addressing these barriers would not only improve refugee economic inclusion but also strengthen regional innovation, digital trade, and AI-driven economic development across East Africa and the Great Lakes region.

Evidence from the survey respondents and eight semi-structured interviews consistently indicates that refugee entrepreneurs are already engaging with AI tools and digital platforms but face systemic barriers that prevent them from translating experimentation into scalable business growth. The challenge is therefore not whether refugees can adopt AI, but whether governments, regional institutions, technology companies, and development partners will remove the policy and governance barriers that continue to exclude them from Africa's emerging digital economy.

Refugee entrepreneurs should no longer be viewed solely through humanitarian lenses. They are business owners, employers, innovators, and contributors to regional economic integration. AI policies that fail to account for displaced populations risk creating a two-tier digital economy in which legal status determines access to innovation. Building an inclusive African AI future therefore requires removing the governance barriers that prevent refugee-led enterprises from participating fully in digital markets and regional digital transformation.

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