

Innovate & Elevate

A Publication of the State Department for Industry

Q3: Oct - December 2023

www.kiep.go.ke

QUARTERLY ISSUE





About KIEP

Launched in 2019, the Kenya Industry and Entrepreneurship Project (KIEP) is a six year US\$50 million (KSh.7.5 billion) project that aims to deliver on the Government's industrialization agenda by strengthening the entrepreneurship ecosystem, increasing firm level innovation and productivity, and developing technically skilled talent in Kenya. It is being implemented by the Ministry of Investments, Trade and Industry (MITI), with support from the World Bank.

The project, ending in 2024, has three components.

Under the first component, Strengthening Kenya's Innovation Ecosystem (SKIES), KIEP seeks to formalise the innovation and entrepreneurship ecosystem in Kenya by building the capacity of incubators, accelerators, and rapid technology skills providers (collectively called 'intermediaries'). This will open Kenya's innovation ecosystem to global innovation scouts of talent and support infrastructure, thereby fostering links between startups and traditional industries. The International Acceleration Process is being done through a sub-component known as Startup Savanna.

Industry and Academia dubbed as iTATU is an online government-led e-platform,

that promotes academia-industry link for initiation, testing to commercialisation of local innovations. iTATU seeks to create a safe avenue for prototype trials at a national level for mutual benefit of the innovators, the companies and the local economy. iTATU opens Kenya's innovations to the world on a regulated platform that protects the interests of innovators while ensuring local companies have access to new technologies and innovations, not to mention cheaper human capital. The platform will run an annual challenge where industry players interact with new innovations as well as get an opportunity to market their needs to student innovators.

The second component, KIEP 250+, invites small and medium enterprises in select sectors to apply for business training that includes enhancing the managerial and technical skills of their senior staff and improving their access to and use of technology. The goal is to significantly increase the competitiveness of SMEs. SMEs accepted into KIEP 250+ will receive an integrated package of diagnostic and advisory services as well as financial support to address identified gaps. This will enhance their innovation capacity, upgrade processes, increase use of technology and promote market linkages.



SKIES Post-Launch Update

Active Outreach & Awareness Creation

After the stakeholder analysis and mapping, SKIES initiated a robust outreach and awareness campaigns through six national information sessions, strategically organized and in line with the stakeholder analysis. Over 130 potential intermediaries and 900+ Kenyan University student alumni were reached. Tailored info sessions for Track 1 and Track 2 beneficiaries provided detailed information on KIEP and SKIES, resulting in increased awareness and engagements leading to a large number of applications by the potential SKIES beneficiaries. The effectiveness of the outreach strategy was demonstrated through the engagement with over 500 active participants in the various info sessions.

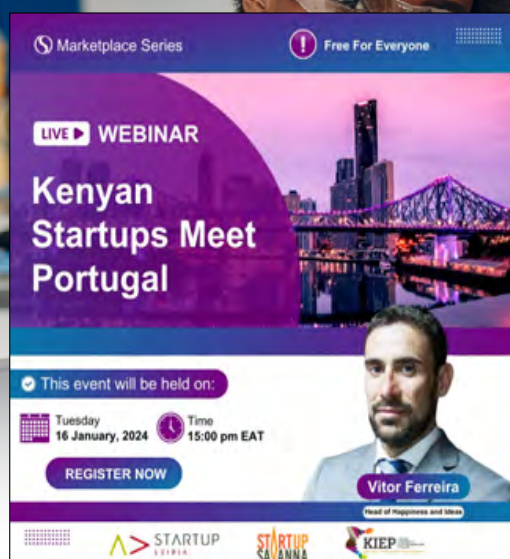
Online Receipt of Proposals & Short Listing.

With the successful launch of SKIES application by The Principal Secretary of the State Department for Industry on the 22nd of August 2023, the call for applications remained open for three weeks, receiving a total of 1,531 submissions. Categories included 142 from Incubators, 103 from Accelerators, 119

from Technology Bootcamp Providers, and the majority, 1,167, from Rapid Tech Skills Students. This long list was then subjected to a thorough evaluation process that encompassed: administrative and eligibility screening, cross-cutting criteria assessments, Rapid Tech Skills Students Interviews, and evaluation of technical and financial proposals for intermediaries.

SKIES Pitch Event (Final identification of Phase 1 Beneficiaries)

The SKIES Pitch Event held on 18th December, 2023, at the SKIES Management firm offices located at the E4Impact Entrepreneurship Center, marked a pivotal moment in the final beneficiary identification. The event featured 8 incubators, 5 accelerators, and 10 technology bootcamp providers. A 14-member Expert Review Panel (ERP) comprising of ecosystem actors, industry leaders and subject matter experts ensured the integrity of the final selection process. The ERP utilized a scoring system aligned with RFP criteria, leading to the selection of 7 incubators and 3 accelerators for Track 1 and 8 tech boot camp providers for Track 2.



Startup Savannah

Portugal: A Hub For Entrepreneurial Opportunities

As part of the Market Series, Startup Savanna hosted “Kenyan Startups Meet Portugal,” unveiling the entrepreneurial opportunities Portugal offers. The event took place on Tuesday 16th January 2024 and was hosted by Vitor Ferreira, CEO at Startup Leiria.

Vitor shared compelling information on Portugal’s remarkable growth, which made it the second-highest growing eurozone country in 2023 thus ideal for startups to tap into.

Key insights from the session:

1. **Sustainable solutions:** Entrepreneurs can tap into Portugal’s demand for sustainable solutions, addressing issues like poverty, clean water access, and climate change.
2. **Cybersecurity sector:** Exploring opportunities in the evolving cybersecurity sector is crucial for entrepreneurs adapting to industry dynamics.
3. **Tech innovation:** Acknowledging the rise of quantum computing is essential for staying ahead in the tech industry.

Unleashing Impact Investing

Startup Savanna’s Investor Series featured a virtual event on Thursday 25th January 2024, exploring the realm of impact investing. Lisa Illingworth, co-founder of Futureproof SA and the Commercial Director at Raise, shared insights on financial modelling, investor relations, and the balance between impact and revenue in social entrepreneurship.

Key insights from the session:

1. Understanding business costs and revenue streams is crucial for informed decision-making.
2. An advisory board, sharing in net profits, plays a pivotal role in business structure and impact investment success.
3. Balancing impact and revenue require breaking down tasks and managing them effectively.

The success of these virtual sessions reaffirms our commitment to empowering and inspiring startups on their journey to success. Stay tuned for more insights and events that shape the entrepreneurial landscape!



Industry Academy Platform (IAP) - iTATU

Introduction

The industry-Academia Platform (IAP) – iTATU – under the Kenya Industry and Entrepreneurship Project (KIEP), is an ambitious component backed by the Ministry of Investments, Trade, and Industry (MITI) and supported by the World Bank Group, aimed at boosting innovation and productivity in Kenya's private sector.

As iTATU continues to bridge the gap between academia and industry, greater strides can be anticipated towards a future that is not only technologically advanced but also sustainable and inclusive.

Harnessing The Boundless Creativity Of Students To Tackle Challenges Faced By Companies!!!!

iTATU is more than just an innovation platform; it's a catalyst for change. Through carefully curated challenges, students are invited to put on their thinking caps and devise solutions with support from iTATU facilitators and mentors. In its inaugural year, four prominent companies - Endless Africa, Kenya Power, Milly Fruits, and LRC Foundation - set forth challenges that inspired a cohort of talented students to embark on a journey of innovation.

1. Endless Africa: Transforming the Dairy Sector Through Micro-dairies. Endless Africa company challenged students to revolutionize dairy farming with micro-dairies, promoting sustainability and quality. Responses showcased innovative community-driven models, highlighting a deep understanding of industry challenges and the drive for practical solutions.

TRANSFORMING THE DAIRY SECTOR THROUGH MICRODAIRIES

Basic Package - Micro Dairy Setup:

- Assistance in breed selection and sourcing
- Basic micro-dairy infrastructure design
- Training on animal care and health
- Introduction to waste management practices

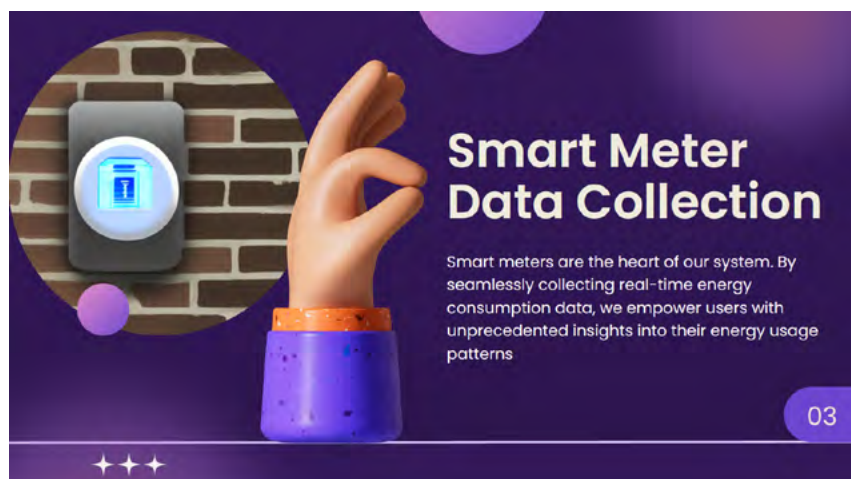
Standard Package - Sustainable Practices:

- In-depth training on sustainable techniques
- Guidance on feed optimization
- Implementation of rotational grazing
- Environmental impact reduction strategies

Premium Package - Comprehensive Dairy Management:

- Customized feed formulation and management
- Advanced health and reproduction training
- Business planning and marketing strategies
- Data-driven farming implementation

2. **Kenya Power; Green and Digital Transition Center of Excellence.** Kenya Power, a pivotal player in the energy sector, sought to address the critical need for sustainable energy solutions. Their challenge centred on establishing a Green and Digital Transition Center of Excellence. This ambitious endeavour aimed to catalyze



the shift towards renewable energy sources and the integration of cutting-edge digital technologies. The students' responses were marked by their visionary approach to the energy landscape. Concepts such as smart grids, decentralized energy systems, and AI-powered management platforms were at the forefront. The ideas showcased a profound understanding of the role technology plays in shaping the future of energy.

3. **Milly Fruits Company: Towards Sustainable Mangoes** Milly Fruits, a leader in the fruit processing industry, recognized the importance of sustainable agriculture in their quest to deliver high-quality mango products. Their challenge focused on developing transparency in the mango industry. A growing trend among consumers as people



want to know how and where their food was grown or made. Moreover, consumer engagement builds trust which is important to the producers since it leads to increased sales and brand longevity. The more the consumer knows about the product the better choices they will make, and the producers will be able to adjust according to them. The students rose to the occasion with innovative approaches that resonated around the use of blockchain technology for traceability. Each proposal demonstrated a deep commitment to preserving natural resources and fostering economic growth.

4. **LRC Foundation; Unlocking Telephone Farming Opportunities:** Student teams rose to the challenge posed by the LRC Foundation, seeking to revolutionize remote farming, where urban-based landowners oversee distant rural farms. Their innovative solutions harness precision farming, bolstered by AI, resulting in higher yields, reduced environmental impact, and improved food security. Smart farming promotes sustainability, food security, and economic growth through technology-driven, environmentally conscious practices.

This is an infographic

High-risk crops

Health seeds, Genetic purity free from seed-borne pathogens

High production

Improve resource efficiency; Proper water supply, chemicals and fumigation.



Manufacturing and Marketing

Production and Manufacture of healthy and nutritious crops increases market demand

Global collaboration, economic growth & food security

Best practices adoption across regions driving agriculture to a global scale

Other follow-up activities by iTATU Students solving the community issues.

Geothermal Egg Automation Project

The Geothermal Incubator Automation Project was propagated by iTATU students in September 2023. The project seeks to enhance the geothermal incubator by incorporating sensors, an Arduino-based microcontroller, and GSM technology. These additions will enable remote monitoring and control of the incubator, ensuring that temperature and humidity levels remain optimal for successful egg incubation. The project holds significant potential for the Songoroi Farmer community in Eburu.

This endeavor reflects the spirit of innovation and community collaboration that characterizes iTATU. It also aligns with the broader vision of harnessing geothermal energy for various agricultural applications, thus contributing to the economic empowerment of residents.

What is coming up next?

A second cohort of students is yet to start executing the four challenges once more from a local perspective facilitated by the Kenyan mentors. In addition to that, Mobius Motors an automotive company in Kenya that designs, manufactures, and sells affordable vehicles shall be posing a challenge to Green mobility – A revolution from oil to Hydrogen.

Follow us on our social media platforms and check out our website: <https://itatu.net/> for updates.

Social media: **Instagram:** @Itatu_officialke, **Facebook:** @Itatu IAP, **LinkedIn** @ ITATU, **Twitter :** @itatu_iap_3i



Kiep 250+ Drives Progress Across The Various SME Cohorts

Introduction

Small and Medium Enterprises (SMEs) continue to be pivotal to Kenya's economic and business growth, contributing significantly to the country's GDP, fostering employment, and sustaining livelihoods. KIEP 250+ is actively supporting three distinct SME cohorts, totaling approximately 150 businesses at various stages of the project.

Cohort 1 Grant Contracts Signing Ceremony

A momentous occasion transpired on December 4th 2023, as Cohort 1 SMEs witnessed the signing of their grant contracts. This event, officiated by Dr. Juma Mukhwana, the Principal Secretary of the State Department for Industry, marks a crucial milestone for both the SMEs and the project. With approved interventions backed by project funding, Cohort 1 SMEs are currently collaborating with diverse business development service providers to implement strategies aimed at addressing identified business gaps and areas for improvement. KIEP 250+ emphasizes the promotion of local manufacturing, increased

productivity, innovation, and value addition across government priority sectors like agriculture, healthcare, and manufacturing among others.

During the ceremony, Dr. Mukhwana emphasized that the grant provided by the World Bank and the Government through KIEP 250+ is intended to transform and enhance business operations, promoting efficiency, agility, innovation, and improved competitiveness among the SMEs.

Cohort 2 Field Visits and Performance Improvement Plan Development

Cohort 2 SME field visits are going on as part of the due diligence and diagnosis processes.



From right to left: Michael Wainaina, KIEP 250 + Project Manager, Principal Secretary, State Department for Industry, Dr. Juma Mukhwana, Rose Ogangah, General Manager, Animix Ltd, during the grant contracts signing ceremony

These are very fundamental steps of the project as they allow for a proper analysis of the business together with the entrepreneurs to identify the business improvement areas and possible interventions. The SMEs are spread across the country, widening the geographic representation of the project. KIEP 250+ seeks to foster a pull effect, whereby enhanced SMEs serve as catalysts for knowledge-sharing among their peers and inspire smaller entrepreneurs and startups to innovate and compete effectively.

Cohort 3 Call for Application Country-wide Workshops and Information Sessions

In a spirited effort to raise awareness and boost applications for Cohort 3, KIEP 250+ collaborated with the Kenya National Chamber of Commerce and Industry

(KNCCI) and other strategic partners (KCB Bank, Stanbic Bank, Absa Bank, Equity Bank, among others) to organize SME workshops in Eldoret, Kisumu, Mombasa, Nanyuki, Nakuru, and Webuye. These workshops served as platforms for explaining the project's objectives and addressing applicants' queries on the application process.

Cohort 3 call for applications, launched on 20th November, 2023, garnered 233 applications with 101 submitted by the time the call was closed on 16th January, 2024. The shortlisting process of these applications is on-going and successful applicants will proceed to the next stage of diagnosis. An online information session held on January 15, 2024, provided Cohort 3 applicants with insights into project processes and outlined the subsequent steps after shortlisting.



Developing a Shared Voice for Entrepreneurship Ecosystem Enablers

To celebrate the growth and journey of the Innovation ecosystem, ASSEK, a network organization that brings together the collective voice for Entrepreneur Support Organizations, hosted its Annual Conference and 5th Year Anniversary themed: **“Developing a Shared Voice for Entrepreneurship Ecosystem Enablers,”** on the 14th of December 2023 in Nairobi. The goal of the event was **to facilitate learning, share knowledge, foster networking, and cultivate collaborations that fortify the Kenyan Innovation and Entrepreneurship Ecosystem.**

Some of the key interventions that have helped Kenya leap frog in the Innovation Ecosystem include: the ongoing partnership with the The Ministry of Investments Trade and Industry (MITI), Kenya Industry and Entrepreneurship Project (KIEP), a cutting-edge government initiative and The World Bank.

Policy and government relations is a key pillar under ASSEK and to recognize the role of government in nurturing and building the innovation and entrepreneurship ecosystem , we had notable speakers such as Hon. Kivutha Kibwana, the first Governor of Makueni County who addressed the Role of Leadership in the Public Sector in Driving Innovation for Socio-Economic Development. The second speaker was Dr. Tonny K. Omwansa, PhD - CEO, Kenya National Innovation Agency who shared the 10- Year , Kenya Innovation Masterplan and also the CEO of Konza Technopolis John Okwiri who was represented by Josephine Ndambuki – Chief Manager, Business Development and Innovation, Konza Technopolis Development Authority to delve deeper on how Konza is Unpacking the Kenyan Startup Landscape.

Additionally, we had panel discussions



and fireside chats on key topics like: **Unlocking Investments to Drive Growth and Sustainability in Key Priority Sectors, Navigating IP Strategies and Commercialization in the Digital Age – From Idea to Sectors Market, Promoting Entrepreneurship and Innovation culture to drive Kenya’s economic agenda and ASSEK at 5 Anniversary** championed by the **ASSEK Board Members and partner representatives.**

Sameer Goyal, Senior Financial Sector Specialist from World Bank Group addressed how ESOs could accelerate Job Creation and Socio-economic Development in the Innovation and Entrepreneurship Ecosystem. We also had **Philip Maitha**, Senior Economist KIEP Project Coordinator – State Department for Industrialization- Ministry of Investments, Trade and Industry as a keynote speaker addressing how the KIEP Project is driving the entrepreneurship and Innovation agenda and **Victor Agolla** – Digital Economy and Startups

at Nairobi County Government dissecting The Rationale Behind The Startup Act.

On other Key segments is the panel discussion moderated by: Cecilia Mwangi –Innovation Ecosystem Manager, KIEP- Ministry of Investments, Trade and Industry together with **David Cheboryot** – Director, E4Impact Entrepreneurship Centers at **E4Impact Foundation**, **Dr. Julius Gatune** – Senior Project Consultant, **iTatu: Kenyan Industry - Academia Platform**, **Ian Lorenzen** – Executive Director, **GrowthAfrica** leading KIEP Startup Savannah, **Angela Kariuki**, Expert at NIRAS & KIEP 250+ Project and **Mercy Kimalat** – CEO, **ASSEK** expounded more on the benefits of KIEP and the positive Effect it has in accelerating job creation and socio-economic development in Kenya.



SME Linkages And Upgrading Program

The SME linkages and upgrading program is a component under KIEP aimed at increasing productivity at the firm level by supporting Small and Medium Enterprises in improving their managerial and technical skills and in improving their use and access to technology.

KIRDI is implementing this initiative supported

by MITI and World Bank. KIRDI's mandate is to undertake research, development and innovation in industrial and allied technologies and disseminate research findings to support industrial development.

KIRDI's role in the project is to focus on strengthening the managerial and technical capabilities within Kenyan SMEs, to enhance their competitiveness for local and international market opportunities.

1.1 Project Objectives

1. Promote increased uptake for innovation and technology adsorption among traditional companies and facilitate commercial relationships with start ups

2. Strengthen the productivity and internal capabilities for innovation of Kenyan SMEs
3. Support 90 SMEs in improving SME managerial and technical skills, and their use and access to technology
4. Strengthen local value chains and sales by Kenyan SMEs to large companies.

Target groups: Vulnerable and special interest groups; Youth; Women; PWD

2.2 Implementation Progress

2.2.1 Project stakeholder engagement

During the period, the project undertook internal and external sensitization to staff, management and project beneficiaries and external stakeholders. The stakeholders were sensitized on KIRDI-KIEP project outputs, environmental and social safeguards and gender mainstreaming. Stakeholders were also engaged in validation of various project implementation tools. A total of 217 participants were engaged in the various forums with 119 participants representing women and person with disabilities.

2.2.2 Developed project implementation tools

KIRDI-KIEP developed and validated a set of nine (9) tools to support implementation of specific project objectives. The tools have been employed in screening of potential talents and innovations for industry uptake; selection of SMEs to participate in the incubation and CMF process; identifying established firms and start-ups to be matched with innovators; undertaking technology needs and productivity assessment of SMEs; mapping of sectoral value chains; provide selected project beneficiaries with operational procedures related to provision of in-house and offsite incubation services offered; monitoring and assessing impact on targeted beneficiaries. In addition, we have set up an online knowledge management system to handle and maintain the integrity of information and knowledge generated from the project activities.

2.2.3 Development of training manuals

Customised training content has been developed to suit the technical needs of the select SMEs beneficiaries. The training material content covers Agro-processing, Engineering, ICT and Digital technologies, Leather, Textile, Energy, Chemical Products, Ceramics and Building Materials, Environment and Business Development Services sectors. A total of 35 training manuals have been developed.

2.2.4 Undertaking technology needs assessment and mapping of sectoral value chains

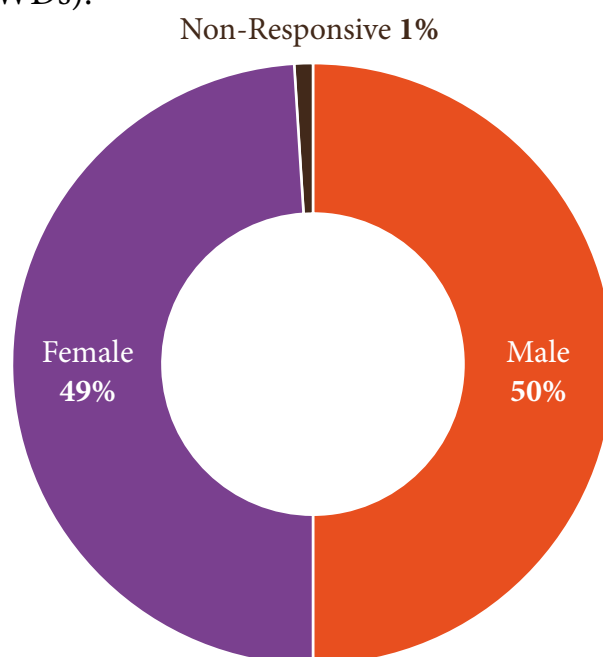
Main purpose of this activity is to enhance capacity of SMEs in improving their managerial, technical skills and their use and access to technologies; and strengthening local value chains. In this regard data collection surveys have been undertaken by the project teams covering seven (7) counties. The main sectoral value chains covered were agro processing, livestock products and by products, mining

and building materials. The survey was undertaken from 23rd to 29th October 2023 for Kajiado, Narok, Kirinyaga, Nyeri, counties and from 21st to 26th November for Kakamega, Nakuru, and Kisii counties. Validation of reports from the study is ongoing and sharing of findings will be done in a stakeholder's workshop to be organised.

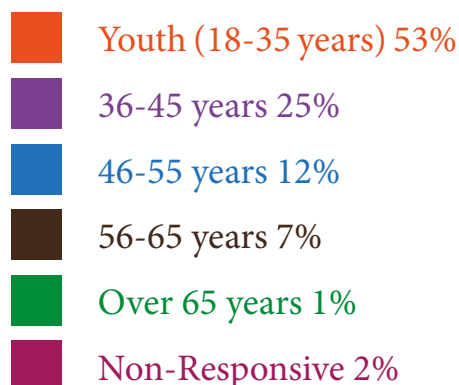
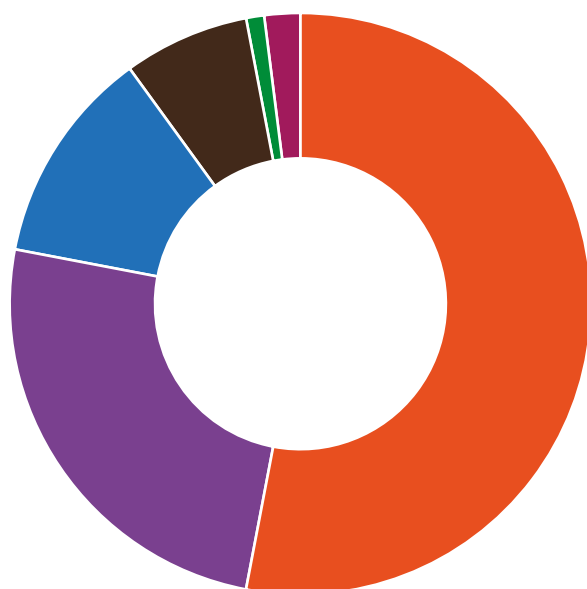
2.2.5 Selection of MSMEs

The purpose of this activity is to undertake selection of SMEs for admission into the Incubation and CMF programme. The activity was held from 14th to 18th November 2023. The project call for application was done from 14th October 2023 – 16th November 2023. A total of 1446 applicants submitted their applications for admission into KIRDI-KIEP project incubation program. The applications reflect huge interest in the incubation program.

Applicants Gender and PWD distribution: The application process shows gender parity between male and female applicants as indicated in Figure 1. Eighty (80) applicants comprising 5.5% of the total number of applicants were people with disabilities (PWDs).



Age Composition: The majority of the applicants were youth (18-35 years) comprising 53% of the applicants (Figure 2). Twenty-eight (28) applicants did not respond to the age question probably because they were representing organizations with undefined age distributions.



2.2.6 Sensitization and Incubation Launch Workshop for Entrepreneurs

KIRDI organized a sensitization workshop and launch of incubation programme for successful MSME applicants on 6th December 2023. The objective was to launch KIRDI-KIEP Incubation Programme, sensitize successful applicants and showcase existing linkages between the various partners and stakeholders.

A total of 100 participants (45% women, 55% men) attended the workshop, of whom 3% were people with disabilities (PWDs). The participants were drawn from the public and private sectors as well as KIRDI-KIEP project implementing partners, such as the State Department of Industry (SDI), Kenya Bureau of Standards (KEBS), Micro and Small Enterprises Authority (MSEA), Kenya Industrial Estates (KIE), and Kenya Industrial Property Institute (KIPI). Additionally, KIRDI-KIEP invited mentors and networks such as Proteq Automation, Kenya Climate Innovation Centre (KCIC), Elekea Limited, Youth Business Council, University of Nairobi (UON) and Kenya Export Promotion and Branding Agency (KEPROBA).

Pictorials

SKIES Pitch Event



Pictorials

ASSEK Annual Conference



Pictorials

KIRDI



Pictorials

KIEP 250+



C1 Grant Contracts Signing Ceremony



C2 Field Visits



C3 CFA Workshops

Pictorials

iTATU





A Publication of the State Department for Industry - Ministry of Investments, Trade & Industry

Contact us



**Ministry of Investments
Trade and Industry**
State Department for Industry

State Department for Industry
Social Security House, Block A, 23rd Flr
P.O. Box 30418-00100, Nairobi, Kenya
Telephone: +254 20-2731531
Fax: +254 20-2731511
www.industrialization.go.ke
Email: ps@industrialization.go.ke