



MINISTRY OF INVESTMENTS, TRADE
AND INDUSTRY
STATE DEPARTMENT FOR INDUSTRY



KIRDI

KENYA INDUSTRIAL RESEARCH AND DEVELOPMENT INSTITUTE

Kenya Industry and Entrepreneurship Project (KIEP)

Grievances Redress Mechanism (GRM)

November, 2023

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List of Acronyms

| | |
|--------|---|
| BETA | Bottom-Up Economic Transformation Agenda |
| ESMF | Environmental and Social Management Framework |
| GDP | Gross Domestic Product |
| GoK | Government of Kenya |
| GRM | Grievance Redress Mechanism |
| IDA | International Development Association |
| ICT | Information and Communication Technology |
| KAM | Kenya Association of Manufacturers |
| KITP | Kenya Industrial Transformation Program |
| KIEP | Kenya Industry and Entrepreneurship Project |
| KIRDI | Kenya Industrial Research and Development Institute |
| M&E | Monitoring and Evaluation |
| MITI | Ministry of Investments, Trade and Industry |
| MoU | Memorandum of Understanding |
| MTP IV | Medium Term Plan IV |
| PDO | Project Development Objective |
| PIU | Project Implementation Unit |
| PLWD | Persons Living with Disabilities |
| PS | Principal Secretary |
| PC | Project Coordinator |
| PM | Project Manager |
| TEI | Tertiary Education Institution |

Terminology

| Term | Definition |
|----------------------------|--|
| Ecosystem | The enabling environment under which entrepreneurs grow and thrive, including a variety of actors such as startups, support organizations, financiers, government, academia, etc. |
| Ecosystem intermediaries | Under this Project, they refer to incubators, accelerators, tech hubs, and technology boot camp providers. |
| Implementation action plan | Generated by the ecosystem intermediaries (incubators, accelerators, hubs, boot camp providers) based on recommendations from the diagnostic, and pitched as part of the selection process; they will include milestones. |
| Incubator | A company that helps startups to develop and grow by providing services such as management training or office space. Also referred to as hubs and innovation centers. Incubators support the creation and initial growth of new and early-stage enterprises through access to resources such as capital, physical space, networking connections, and mentorship. Their support can last for a longer period than the support offered by accelerators. The time period can be at minimum 6 months up to 18 months; however, some incubators' support lasts even longer. They offer a pathway to the first investment for startups. Incubators can be run by the private sector, government, universities etc. |
| Innovation ecosystems | This describes the interaction between the main innovation actors that contribute to enhancing competitiveness and generating growth and employment. In the context of the knowledge economy, beyond researchers, university faculty, and industries, public administration, entrepreneurs, developers, and investors are also considered important actors of the innovation ecosystem. Innovation ecosystems grow continuously with the increase of skilled people capable of creating innovative products and solutions. |
| Complainant Owner | KIEP-KIRDI Coordinator |
| Complainant | An individual, group or organization who submits a complaint to KIEP. |
| Complaint/ grievance | A concern, grievance or an expression of dissatisfaction with the KIEP or Beneficiary Activities associated with KIEP, typically referring to a specific source of concern and/or seeking a specific |

| Term | Definition |
|-------------------------|--|
| | solution. For the purposes of this Procedure, a question or request may also be treated as a complaint. |
| Complaints File | A file used to store all complaint investigation related documents |
| Complaint Register/ Log | A database for maintaining information about complaints received. |
| Contractor/ Consultant | An individual or firm that has entered into a contract to provide goods or services to KIEP. The term covers parties directly contracted by KIEP and those contracted by a Contractor company, also referred to as subcontractors. |
| Registration Form | A form used to capture information about an incoming complaint. |
| Stakeholder | KIEP Beneficiary or any other party interested directly or indirectly involved in or influenced by KIEP operations. |

1.0 Introduction

1.1 Overview of KIEP

The Government of Kenya (GoK) received a credit of US\$50 million (Euro 41.4 million) from the International Development Association (IDA) to finance the implementation of the Kenya Industry and Entrepreneurship Project (KIEP) for a six-year period spanning from August 2018 to December 2024. Kenya's Vision 2030 has set ambitious development targets that require significant growth in private sector employment, generation and productivity. The Kenya Vision 2030 aims to transform Kenya into a newly industrialized, globally competitive, middle-income country. By strengthening the innovation and entrepreneurship ecosystem and increasing firm-level innovation and productivity, this loan will help deliver Kenya's Vision 2030, which recognizes the challenges of slow structural transformation and low productivity in sectors that employ the majority of Kenyans.

This project also helps in the achievement of the Fourth Medium-Term Plan (MTP IV), which envisages to increase the share of manufacturing contribution to GDP from 7.5 percent in 2022 to 15 per cent by 2027 and 20 percent by 2030. In addition, the project plays a huge role in the implementation BETA - the development agenda for the government (2022-2027). This agenda is cognizant of the critical role played by enterprises at the bottom of the economic pyramid in employment and wealth creation. Consequently, BETA seeks to direct the limited national resources to sectors with the highest economic impact by supporting economic activities at the bottom of the pyramid. The BETA has identified five priority sectors for economic transformation: agriculture and agro-processing, MSME economy, housing and settlement, healthcare, digital superhighway and creative economy. KIRDI has positioned itself to support MSMEs to develop and upgrade their products, technologies and processes, in line with BETA.

As part of the implementation of the Kenya Vision 2030, the Ministry of Investments, Trade and Industry has taken lead in the country's industrial transformation program by enabling technology and innovation to the development of industry and recognizing the centrality of firm-level support to Kenya's industrialization.

1.2 Objectives of KIEP

The Project Development Objective (PDO) is “to increase innovation and productivity in select private sector firms.”

1.3 Objectives of KIRDI-KIEP

The overall objective of the KIRDI-KIEP is to increase productivity and innovation in select private sector firms. The specific objects are to: -

- a) Promote increased uptake for innovation and technology-absorption among traditional companies and facilitate commercial relationships with start ups
- b) Strengthen the productivity and international capabilities for innovation of Kenyan SMEs
- c) Support 90 SMES in improving managerial and technical skills and their use and access to technology
- d) Strengthen local supply chains and sales by Kenyan SMEs to large companies
- e) Reduce gender-Gap in the SME sector.

1.4 Project Beneficiaries

The direct beneficiaries of the KIRDI-KIEP project are innovators, start-ups, and Small and Micro Enterprises (SMEs) that involved in manufacturing activities. The project gives priority to women and youth owned enterprises.

1.5 Overview of KIRDI-KIEP activities

KIRDI-KIEP will involve the implementation of the following activities: -

- a) Development of diagnostic tools and undertaking surveys to identify technological and entrepreneurial gaps in the SME sector to inform design and execution of intervention initiatives
- b) Development and implementation of a Knowledge Management System/ platform for sharing knowledge among all players within the SME sector.
- c) Organizing workshops for sensitization, networking, match-making and knowledge sharing for SMEs, large industries, academia and research Institutions.
- d) Development of training materials for skills transfer to SMEs
- e) Upgrading and rehabilitation of KIRDI incubation pilot plants
- f) Provide training, incubation and common manufacturing facilities to SMEs
- g) Undertake Monitoring, Evaluation and Impact Assessment of KIRDI-KIEP activities.

2.0 National KIEP GRM

The National KIEP project has set a GRM that is aimed at establishing a prompt, consistent and respectful mechanism for receiving, investigating and responding to complaints and concerns raised in connection with KIEP's activities. The GRM will enable project beneficiaries and other stakeholders to raise grievances and seek redress when they perceive a negative impact arising from the project implementation activities and reduce the likeliness of escalation of disputes. KIRDI has cascaded the national KIEP GRM to KIRDI KIEP and set up the KIRDI-KIEP GRM.

3.0 Objectives of the KIRDI-KIEP GRM

The KIRDI-KIEP GRM objectives are to:

- i. Establish a prompt, consistent and respectful mechanism for receiving, investigating and responding to complaints and concerns raised in connection with KIEP's activities.
- ii. Describe the scope and procedural steps for the complaint handling process and specifies the roles and responsibilities of the parties involved.
- iii. Enable local communities, employees, SMEs, Innovators, and other affected stakeholders to raise grievances and seek redress when they perceive a negative impact arising from the project implementation activities and reduce the likeliness of escalation of disputes.
- iv. Ensure proper documentation of complaints and any corrective actions taken.
- v. Mitigate, manage, and resolve potential or realized negative impacts, as well as fulfil obligations under international and national human rights law and contribute to positive relations with communities and employees.

4.0 Scope

This KIRDI-KIEP GRM Procedure is open to all stakeholders who consider themselves affected by KIEP activities. Complaints may be submitted on a named or anonymous basis. Although anonymous submissions may be harder to resolve, they will be treated in the same way as named complaints to the extent reasonably possible. There are no restrictions on the type of issue a stakeholder can raise under this procedure. However, when a complaint is received that is more appropriately handled under a separate Organizational process established for that purpose (such as employment or business integrity related issues), it will be redirected so as to prevent parallel processes being followed.

All complaints received under this Procedure shall be tracked until completion regardless of the process under which they are handled. KIRDI-KIEP, upon consultation

with Director General/CEO, the Principal Secretary for Industrialization and the Chairperson of the Project Implementation Unit (PIU) reserves the right not to address a complaint which it reasonably considers amounts to no more than general, unspecified and therefore un-actionable dissatisfaction with KIEP, is otherwise malicious or vexatious in nature, or concerns a matter for which KIEP has no formal responsibility (for example, a matter that the government controls or stakeholders control internally).

KIRDI-KIEP will create awareness of the GRM through various stakeholder's forums. In addition, a complaint reporting facility will also be availed as an online grievance redress system displayed on KIRDI website www.kirdi.go.ke. The GRM will be revised and updated periodically based on experience and feedback from stakeholders.

5.0 Roles and Responsibilities

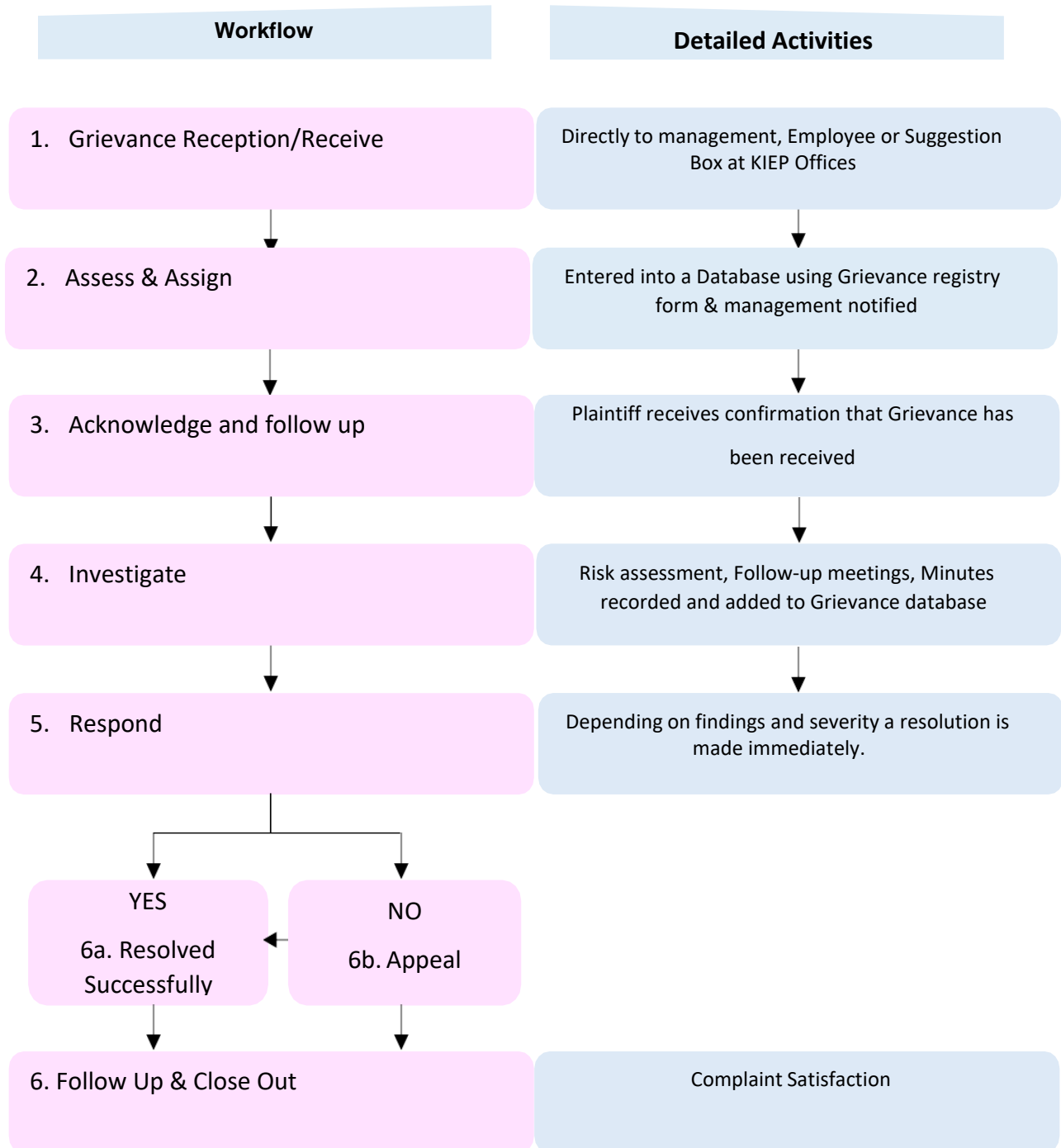
Roles and responsibilities under this GRM Procedure are as follows: -

| Role | Responsibility |
|--|---|
| KIRDI-KIEP Project Coordinator | <p>Responsible for the overall implementation of this procedure. This includes serving as custodian of the complaints process, monitoring the handling of complaints, and suggesting changes to policies or practices based on lessons learnt.</p> <p>The KIRDI-KIEP Project Coordinator also serves as the Complaint owner (but can delegate to an appropriate appointed alternate) and also as the main point of contact with the Complainant</p> |
| KIRDI-KIEP grievances handling committee | <p>Responsible for assessing, investigating, proposing corrective actions as well as undertaking follow up to ensure complaints are fully resolved.</p> <p>The GHC secretary shall also be responsible for coordinating the response to a Complaint. This includes receiving and reporting Complaints, maintaining the Complaints Log, supporting the resolution of Complaints; and liaison with the Complainant</p> |
| Complaint Owner | Responsible for investigating and resolving a Complaint. This includes conducting investigations, proposing resolutions, implementing corrective |

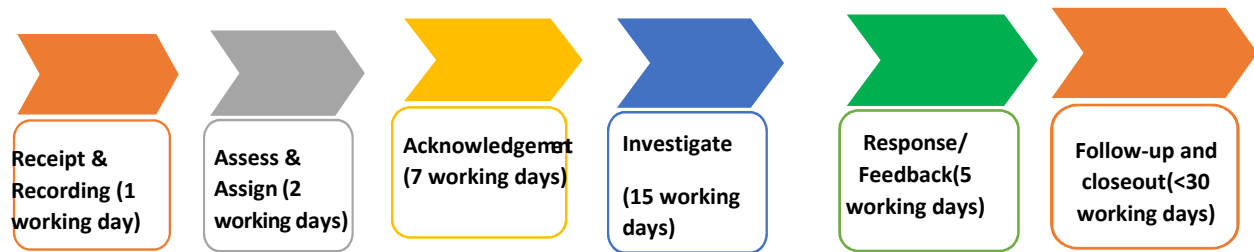
| Role | Responsibility |
|-----------------------------|--|
| | actions and coordinating with the Complainant and other parties. This include the project implementation coordination committee, staff involved in the implementation of the KIEP project and any KIRDI staff who may be assigned the responsibility of handling a complaint. |
| Director General /CEO KIRDI | Responsible for reviewing escalated complaints and authorizing KIRDI-KIEP Project Coordinator and KIRDI-KIEP grievances handling committee additional actions to be taken. This includes reviewing overdue or escalated complaints, authorizing additional actions, and approving the close out of complaints where it is not reasonably possible to reach an agreed resolution with the Complainant |

6.0 Procedure for Resolving Complaints

This section sets out the process to be followed for receiving, investigating and resolving Complaints.



The timelines for key steps are as outlined in the process flow chart below: -



6.1 Grievances handling committee

KIRDI has appointed a grievance handling committee with the following composition: -

- a) Director, Strategy Planning and Compliance - (Chairman)
- b) Director, Corporate Services
- c) Assistant Director, Human Resource and Administration
- d) Head, Corporate Communication (Secretary)

6.2 Grievance Reception/Receive

The Procedure is initiated when a Complaint is received by the KIRDI-KIEP project coordinator, KIRDI Director/CEO, KIRDI staff, contractor or referred to KIRDI from the office of the ombudsman (Commission on Administrative Justice) or any other Government Agency. The complaints can be forwarded to KIRDI through emails, telephone calls, letters and short text messages (SMS), through contact details below. However, if there is an issue of concern published in social media, print and electronic media such an issue should be directly taken up and treated as anonymous reporting. KIRDI will have a grievance log that record; i) the number of complaints received, ii) receipt/acknowledgement details, iii) describes the issues, iv) location of each complaint, v) number of complains resolved and v) the number of complains that have gone to mediation. If the Complaint is readily resolvable and can be dealt with immediately, the KIRDI-KIEP grievances handling committee takes action to address the issue directly and KIRDI-KIEP grievances handling committee secretary records the details in the Complaints Register. If the Complaint is not readily resolvable, creates a record of the Complaint in the Complaint Register. When of particularly high risk, a grievance can be fast tracked to ensure involvement of Project Implementation Coordination Committee at an early stage.

Contact Details:

Telephone Number: [0724214092/0202591071](tel:0724214092/0202591071)

Email: complaints@kirdi.go.ke/directorgeneral@kirdi.go.ke

Postal Address:

Kenya Industrial Research and Development Institute, P.O. BOX 30650-00100,
Popo Road, South C, NAIROBI.

6.3 Assess and Assign

The KIRDI-KIEP grievances handling committee makes an initial assessment of severity and assigns the Complaint to a Complaint Owner. The KIRDI-KIEP grievances handling committee and the Complaint Owner agree on the timelines for an investigation and any follow up actions. The KIRDI-KIEP grievances handling committee provides access of all relevant documentation to the Complaint Owner. In the event that the complaint is against the KIRDI-KIEP grievances handling committee, it should be directed to the CEO KIRDI.

For Complaints regarding issues for which a more appropriate separate organizational process already exists, The KIRDI-KIEP grievances handling committee shall refer the matter to the appropriate process owner for further action. This will typically be the case for Complaints related to contractual or commercial issues; industrial relations and employee relations; business integrity or criminal matters; and issues subject to current or pending litigation. The KIRDI-KIEP grievances handling committee secretary updates the Grievance registry form /Complaint Record as appropriate.

6.4 Acknowledge and follow up

Once a Complaint has been assessed and a Complaint Owner assigned, the KIRDI-KIEP grievances handling committee secretary sends a written acknowledgement to the Complainant. The acknowledgement can be in form of a letter or email depending on practicality and appropriateness. The letter should normally be sent within Seven (7) calendar days of receiving the Complaint. The KIRDI-KIEP grievances handling committee secretary documents the acknowledgement in the Complaints Register as well as details of follow-up steps and set time-lines for follow-up activities to seek verification or investigation if need be and communication of outcomes and next steps based on the outcomes.

6.5 Investigate

Appropriate investigation is decided at the assessment stage. The Complaint Owner investigates the factual basis for the Complaint and proposes options to resolve the issue. If deemed necessary, the investigation will include a risk assessment. The investigation may also include follow up meetings between stakeholders and the complaint owner, where an impartial party is present. Minutes are recorded and added to the grievance database. The Complaint Owner may involve third parties in the fact finding process as required. The identity of the Complainant should only be disclosed

to the extent necessary to resolve the issue or as required by law. If the Complainant has specifically requested that his or her identity not be disclosed, their personal information may not be shared with third parties unless required by law. KIRDI-KIEP grievances handling committee will put measures to ensure complaints are resolved within Thirty (30) days. The maximum resolution period should not normally exceed Ninety (90) days. The KIRDI-KIEP grievances handling committee secretary is responsible for providing regular progress reports to the Complainant, including a verbal update every fifteen (15) days and a written update after thirty (30) days. If additional time is needed to complete an investigation, the Complaint Owner will notify the KIRDI-KIEP grievances handling committee secretary, who will inform the Complainant of the reason for the delay. When the investigation is complete, the Complaint Owner documents the findings and proposes options for resolving the Complaint as appropriate.

6.6 Response

The Complaint Owner (KIRDI-KIEP Coordinator) and KIRDI-KIEP grievances handling committee agree on a response to the Complainant. The response should communicate the findings of the investigation, set out the proposed solution and timelines, and seek feedback from the Complainant. The Complaint Owner and KIRDI-KIEP grievances handling committee determine next steps based on feedback from the Complainant. If the Complainant accepts the resolution, KIRDI-KIEP will proceed to implement (Section 6.7). If the Complainant does not accept the resolution, the Complaint will be escalated to the Director General/CEO KIRDI (Section 5.8). The Complainant's response will be documented in the Complaint Log.

6.7 Resolution

If the Complainant accepts the proposed resolution, the mutually agreed actions are implemented. The Complaint Owner is responsible for assigning action parties, actions and deadlines to implement the resolution. These are recorded in the Complaint Log with any supporting documentation. Monitoring arrangements may need to be put in place to verify implementation. The Complaint Owner informs the KIRDI-KIEP grievances handling committee secretary once the resolution has been implemented. The KIRDI-KIRDI-KIEP grievances handling committee secretary asks the Complainant to sign the Confirmation Form. If the Complainant agrees to sign, the Complaint is closed out as Resolved. If the Complainant refuses to sign because of dissatisfaction, or has failed to sign within the timeframe allowed, the Complaint is referred to the Director General/CEO-KIRDI (Section 6.8).

6.8 Appeal

KIRDI-KIEP Project will seek to reach a resolution with the Complainant that is satisfactory to both sides. If KIRDI-KIEP Project and the Complainant are unable to agree

on a solution, the Complaint may be escalated to the Director General/CEO who will review the complaint and decide/recommend the next course of action. The Director General will undertake a follow-up to assess the action taken and if effective instruct the close out of the complaint.

If the action taken is not effective the KIEP - PIU will make decision on further corrective action to be taken and undertake a further follow up until the complaint is closed.

6.9 Close Out

A Complaint is closed out when no further action can be or needs to be taken. Closure status will be classified in the Complaints Register as follows:

- Resolved. Complaints where a resolution has been agreed and implemented and the Complainant has signed the Confirmation Form.
- Unresolved. Complaints where it has not been possible to reach an agreed resolution and the case has been authorized for close out by KIRDI Director General/CEO.
- Abandoned. Complaints where the Complainant is not contactable after one month following receipt of a Complaint and efforts to trace his or her whereabouts have been unsuccessful.

The KIRDI-KIEP grievances handling committee secretary is responsible for updating the Complaints Register and the logistics associated with closing out the case. At the end of a case, regardless of whether agreement was achieved, the KIRDI-KIEP grievances handling committee secretary will seek feedback from the Complainant on their level of satisfaction with the complaint handling process and its outcome. If the complainant is not satisfied with the resolution made, they have a right to go to a court of law for further redress of their complaint.

7.0 Performance Monitoring and Reporting

KIRDI Head of Strategy and Planning is responsible for gathering and reporting performance monitoring data under this Procedure. Key performances indicators (KPIs) will be collected to enable KIRDI-KIEP analyze trends in complaints received and identify underlying systemic issues. KIRDI-KIEP grievances handling committee is responsible for making recommendations for changes to KIRDI-KIEP policies or practices based upon on-going learning from Complaints. Every half year, KIRDI-KIEP will evaluate the GRM by analyzing grievance data to reveal trends and patterns through taking stock of all complaints that have been received, how they have been handled and determine what lessons emanate from such complaints. Furthermore, from the lessons learnt it will be determined what actions or decisions are necessary to forestall similar complaints in the future. A grievance report will be submitted to the KIRDI Director General/CEO every

quarter by 15th of the next month after the end of the quarter. This report will present; (i) the grievance log; (ii) an analysis of the grievance reported and closed during the quarter. KIRDI-KIEP will also provide feedback to GRM users and the public at large about why the GRM is important, enhance the visibility of the GRM among the project beneficiaries and increase users trust in the grievance redress mechanism under the project. In addition, KIRDI-KIEP GRM report will be part of the Institute's report to the Commission on Administrative Justice every quarter using the prescribed format.

8.0 Confidentiality

8.1 Duty of Confidentiality

KIRDI-KIEP is committed to protecting the identity of the Complainant and to handling personal information in accordance with legal requirements. This duty extends to all employees or representatives of KIRDI or its Contractors who participate in the complaint handling process. Information about a Complaint will be shared within KIRDI on a need-to-know basis and only to the extent necessary to complete a step under this Procedure. The complainant personal details will be coded to ensure confidentiality and impartiality. KIRDI will not share personal information with third parties unless required by law or authorized by the Complainant in writing.

8.2. Personal Data

Personal data contained in the Complaints Register will be kept only as long as it is necessary to investigate the Complaint and implement a resolution. Personal data will then be either deleted or modified and transferred to an archive for a reasonable period pursuant to GoK Data Privacy Policy.

9.0 Conflicts of Interest

A conflict of interest exists where there is a divergence between the interests of an employee or Contractor and his or her responsibilities under this Procedure, such that an independent observer might reasonably question whether the actions of that person are influenced by his or her own interests. This procedure seeks to manage potential conflicts of interest by segregating the roles and responsibilities of individuals involved in the complaint handling process and avoiding placing individuals in a position where conflicts could be perceived to arise. When a Complaint relates to a specific KIRDI or Contractor employee, that person shall not play a role in the complaint handling process.

10.0 Protection from Retaliation

Retaliation is any adverse action taken against a Complainant, employee or Contractor whose purpose is to frustrate the operation of this Procedure. KIRDI will not tolerate

such conduct. When concerns about retaliation or victimization are raised, they will be fairly investigated under applicable legal procedures.

11.0 Online Grievance Mechanism System

Given the nature of the Project and its stakeholders, most of whom use online and social media to communicate and engage with their audiences, KIRDI will set up an online grievance redress system to be displayed on kirdi.go.ke website. The system, will work similar to the World Bank's Grievance Redress Service (GRS), to enable submission of grievances by the aggrieved stakeholders anywhere and anytime (24/7). The KIRDI-KIEP grievances handling committee secretary will scrutinize and take action for speedy and favorable redress of these grievances. Tracking grievances will also be facilitated on the portal through the system generated unique registration number. This grievance administration system will enable effective monitoring and submission of online monthly status reports regarding the number of grievances received, resolved, and the ones pending.

APPENDIX

Annex II: Complaint Register/Log (KIRDI-KIEP-GRM/001)

| No. | Date received | | Complainant Name/Anonymous | Nature of complaint (Brief Description) | Registration Form Number | Complaint Number | Investigation Kick off date | Investigation closure date | Resolution |
|-----|---------------|------|----------------------------|---|--------------------------|------------------|-----------------------------|----------------------------|------------|
| | Date | Time | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

Annex III: Complaint Confirmation Form (KIRDI-KIEP-GRM/002)

| No. | Date Received/Recorded | Complainant Name | Nature of complaint (Brief description) | Registration Number | Resolution | Complaint confirmation | | | | |
|-----|------------------------|------------------|---|---------------------|------------|------------------------|--------|---------|-----------|------|
| | | | | | | Name | ID No. | Comment | signature | Date |
| | | | | | | | | | | |
| | | | | | | | | | | |