



Kwale County Biashara Centres

Pamoja Tunapaa...

**County Biashara Centres - a one-stop-shop facility
for the empowerment of Small and Micro Enterprises
(SMEs) at the County Level**



COUNTY GOVERNMENT OF KWALE
Department of Trade & Cooperative Development



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Background

Under the Vision 2030, Kenya aims to be a middle-income rapidly industrializing country by 2030, offering all its citizens a high quality of life. Vision 2030 is implemented through the Medium term Plans (MTP). Despite the achievements of the First Medium Term Plan (MTP I), unemployment and poverty remain a major challenge in Kenya today. Kenya's steady economic growth in the last five years has not effectively translated into more job creation and poverty reduction, and economic inequality in the country remains the highest in the East African region. The poor and vulnerable, especially women and youth, do not sufficiently participate in, benefit from and shape economic growth

The Second Medium Term Plan (MTP II) for 2013 – 2017 aims at:

- (i) Promoting growth and development of SMEs in order to enhance employment creation and poverty reduction, and
- (ii) Moving towards a formalized domestic trade sector that is efficient, multi-tiered, and diversified in product range and innovation.

Studies have shown that Micro, Small and Medium-Sized Enterprises (MSMEs) generate roughly 85% of employment and 20% of GDP in Kenya. A larger majority of Kenya's companies are unregistered, small in size and hence non-competitive, due to limited access to basic infrastructure and finance and lack of economies of scale. Furthermore, linkages between informal and formal, micro and large, domestic and foreign companies are very weak, further limiting companies' potential to expand, diversify, innovate and build up skills. Limited focus on value addition of raw materials and commodities remain a major stumbling block as well as the access to markets.

Rationale for Engagement

Accordingly, the Government of Kenya and its development partners have identified the need to support micro and small enterprise development in order to create more jobs, and increase productivity and income security. Several initiatives and programs have been implemented in the past targeting the weaknesses of the MSME sector, but with insufficient impacts. There is a need for a well-coordinated, demand-driven and needs based response for the needs of Kenya's micro and small enterprises at County level. In addition, following the devolution, County Governments should play a key role in promoting sustainable economic growth and job creation.

It is acknowledged that there is a need to develop conducive policy, legal, and regulatory environment, infrastructure and entrepreneurship spirit; increase MSME productivity, access to capital, markets and market information, and expand formal outreach. Previous national and global experience regarding Business Development Centres has highlighted the importance of experienced centre management, focus on building market linkages and opportunities instead of just focusing on capacity building, and importance of mobilization of multiple resources, active and extensive private sector leadership, commitment and involvement and network building.

UNDP's Response – Economic Empowerment Program (EEP)

The Economic Empowerment Program was launched in March 2013 with the objectives of (i) enhancing and mainstreaming inclusiveness of the poor and vulnerable in institutional and policy frameworks and promoting private sector participation in job-rich and pro-poor growth; and (ii) empowering the poor and vulnerable as economic agents. EEP, which is fully aligned to the goals set by the Government of Kenya in the MTP II and the United Nations Development Assistance Framework (UNDAF), has a special focus on youth and women.



EEP aims at supporting the GoK in achieving its MTP II priorities relating to inclusive and equitable growth. The main implementing partner is the Ministry of Devolution and Planning; other key government partners include the Ministry of Industrialization and Enterprise Development, the Ministry of Agriculture, Livestock and Fisheries, the Ministry of Education, Science and Technology and other State Corporations like the Micro and Small Enterprise Authority (MSEA), Kenya Industrial Estates (KIE), the National Industrial Training Authority (NITA) among others.

County Business Development Centres

The flagship initiative for the EEP is the County Business Development Centres, also known as the County Biashara Centres. The County Biashara Centres are a key tool for implementing the Economic Empowerment Program, both at the macro level through advocacy and dissemination of information, and at the micro level through support for SMEs, economically excluded and vulnerable groups, and through the implementation of the African Agribusiness Supplier Development Programme (AASDP) initiative.

The key objective of establishing the County Biashara Centres is to promote inclusive economic growth and job creation at the County level through empowering SMEs, smallholder farmers, youth, women and people living with disabilities to access and leverage local economic opportunities. The County Biashara Centres will compliment actions taken under the Economic Empowerment Program at the policy level to promote policies and frameworks conducive of inclusive economic growth and empowerment of economically excluded groups. UNDP will support the County Governments to establish the Biashara Centres as a Public-Private Partnership structure to enhance county level capabilities.

The key target beneficiaries are established SMEs, aspiring entrepreneurs and SME associations and/or smallholder farming communities, with specific focus on youth and woman. Other beneficiaries include medium sized and large enterprises engaged in inclusive business approaches or value chain development programs driving backward-forward market linkages, local business development service providers and financial institutions.

Kwale Biashara Centre at Mivindeni

According to the Kwale County Integrated Development Plan (CIDP), the County government of Kwale has planned to have four business development centres in the County (one per sub-county). These were so as to provide business development services and other business solutions including business incubation. The mandate of the business centre is summarized into 5 components namely:

1. Business Skills development- Business management skills (trainings such as Entrepreneurship training); financial literacy etc.; value addition with emphasis on quality and standardization, mechanization, storage and packaging technologies; develop and practice best industry practices.
2. Market linkages- exposure on existing opportunities and how to take advantage- expanding boundaries.
3. One stop centre for business services - Business Incubation, Business Development Services (BDS) especially in areas of Business solutions; research; linkages with business community, Media centre. This is to be informed by SME survey, rapid needs assessment developed from analysis of needs of KCoTReF beneficiaries, comprehensive economic survey to be conducted by Strathmore University via support of the UNDP.



4. ICT Centre – ICT solutions to support economic growth e.g. develop platforms, mobile applications, computerized financial literacy and book keeping tools.
5. Grow leadership – mentorship of leadership talents and values, attachment for university students

The 1st Biashara Centre in Kwale County will be situated at the Mivindeni County offices, Ukunda ward. This is as a result of the partnership between the Kwale County Government, UNDP and other development partners. The goal of the centre is to facilitate economic empowerment for inclusive economic growth in the County. In Kwale County, there is dire need for:

- Building capacities for youth, women and existing SMEs to stimulate inclusive economic growth in Kwale County; capacities will be built around the area of value addition to local produce, value chains, extractives industry and other technical skills that match the market demands.
- Preparing women and youth to take advantage of existing opportunities e.g. Biashara Centre to train county business people on access to government procurement (AGPO), market linkages as well access to devolved funds like the Youth Fund, Uwezo Fund and Women Enterprise Fund.

Business Development Services

Business Development Services (BDS) shall be demand-driven and tailored to county needs and development priorities. Key services will differ across counties, supporting target groups' capabilities to leverage the most promising opportunities in the specific counties, and resulting therefore in some centres providing for example more agribusiness related capacity building services and others specializing in ICT entrepreneurship capacity building. It is important that centres seek synergies between existing and future support programs and structures targeting or related to SMEs, and compliment or scale them up where gaps and needs have been identified and prioritized. Importantly, BDS and training shall be linked to feasible business opportunities and market linkages, and thus should be designed in collaboration with the business community keeping in mind the development of strong value chains.

Role of Private Sector

The Private Sector has an important role to play in the County Biashara Centres; the main goal for the Centres is to promote business, and the role of the private sector is vital for the success of the County Biashara Centres. To enhance private sector participation, UNDP is working with various umbrella organizations like the Kenya Association of Manufacturers (KAM), the Kenyan National Chamber of Commerce and Industry (KNCCI), and the Kenya Private Sector Alliance (KEPSA).



Photo 1: Kwale Biashara Centre