



Taita Taveta County Biashara Centre



Tuimarike Pamoja ...

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



County Government of Taita Taveta
Department of Trade and Community Affairs



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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.

Business Case for the Biashara Centres

The Government of Kenya (GoK), Taita Taveta County Government and United Nations Development Programme (UNDP) have embarked on establishment of Biashara Centres in Kenya, with Taita Taveta County as one of the pilot areas. These efforts are in response to the GoK private sector development strategy (PSDS 2006 / 10) Goal 5 that highlights the government's commitment to: (also see MTP 2)

- Improve Kenya's Business Environment;
- Accelerate Institutional Transformation;
- Economic Growth Through Trade Expansion;
- Improved Productivity and Competitiveness, and
- Entrepreneurship and MSE Development.

Biashara centers are a one stop shop for provision of Business Development Services (BDS) to youth and women taking up employment within the Micro and Small enterprises (MSEs). Thus the centers are envisaged as a focal support and reference point for planning and implementation of enterprises as well as coordination of respective training services at the county level. The services of the Biashara Centre are meant to catalyze employment creation and wealth creation thus leading to improved livelihood and economic growth. According to the Sessional Paper No.2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction, The Micro and Small Enterprise (MSE) sector is one of the most prolific sources of employment creation, income generation and poverty reduction.

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.

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.

UNDP Inclusive Economic Growth Unit intervention can be witnessed at three pillar levels informing the establishment of the Biashara Centres in which it seeks to address economic and social exclusion and inequality. The main focus areas are;

1. People: strengthening the capabilities of the poor and vulnerable as agents of economic and social change.
2. Opportunities: enhancing access for the poor and vulnerable to participate in, benefit from and shape their economic opportunities and social rights.
3. Institutional Structures: strengthening the institutional, policy and regulatory frameworks that shape the social economic environment in which the poor and vulnerable interact.

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.

A Brief Profile of Taita Taveta

Taita Taveta County is one of the 47 counties of Kenya. It lies approximately 200 km northwest of Mombasa and 360 km southeast of Nairobi city. According to KNBS, Taita Taveta has a population of 284,657, the population densities varies from 3 persons per km² to more than 800 persons per km² due to the varied rainfall and terrain with the lower zones receiving an average 440 mm of rain per annum and the highland areas receiving up to 1900 mm of rain. It is estimated that about 66% of the population live below the poverty line. The county covers an area of 16,975 km² of which a bulk 62% or 11,100 km² is within Tsavo East and Tsavo West National Parks. The remaining 5,876 km² is occupied by ranches, sisal estates, water bodies such as Lakes Challa and Jipe in Taveta, and the hilltop forests which occupy less than 100 km² or approximately 10 km² out of 587.5 km². The lowland areas of the county that do not belong to national parks are divided into ranches, estates and wildlife sanctuaries. The main land use in ranches is cattle grazing.

The County Government of Taita Taveta has demonstrated a strong political good will to participate and support the economic development of its citizens. The County management has sought partnership with UNDP to initiate projects that are geared towards improving the economic welfare of the people. While there are numerous opportunities in the production, trade and services sector that would be able to absorb many of the youth and women who are currently unemployed, lack of entrepreneurial and business skills has hampered exploitation of available opportunities. This is largely attributed to 8 inadequate empowerment, poor / negative attitude and poor infrastructure in the region. Other challenges include formalization and access to markets - and mutually beneficial backward-forward business linkages youths participating in artisanal mining in the County.

Challenges facing women and the youth in Taita Taveta

One of the major challenge confronting women and the youth is high unemployment rate as well as lack of skills. Creation of employment opportunities in the county therefore need not be over-emphasized. This calls for proper planning and well thought out interventions in order to address this challenge. The high level of poverty in the county is attributable to a number of factors including: inadequate rainfall especially in areas dependent on rain-fed agriculture; insufficient water for irrigation in the lowlands; use of inappropriate agricultural practices; wildlife crops destruction especially in areas that border the Tsavo National Parks; population increase characterized by large family sizes, and high rate of unemployment. This is further compounded by economic and social challenges posed by HIV / AIDS pandemic.

County Integrated Development Plan/Transform Taita Taveta by 2020

The Taita Taveta County government has developed a County Integrated Development Plan (CIDP) which is now the basis of for development of various sectors strategic Plans. The CIDP and strategic plans are geared to inject new thinking and ways of doing business for the purpose of making the County economic environment competitive. The County government goal is to stimulate transformational economic development towards moving a majority of its population into a middle income status with improved levels of living and to lower the percentage of the number of people living below which now stand at 57.2 per cent. As the County government is focusing in creating wealth, keen interest will be taken to ensure equity in the distribution of economic gains. Capital and Social investments will be put in place to address perennial challenges of which brought about high poverty levels such include historical marginalization and exclusion, human-wildlife conflict, inadequate funding in irrigation and agriculture, roads health care delivery and education. The establishment of the Biashara Center at the County will serve to economically empower the youth, the women and other disadvantaged groups and reduce poverty levels in line with the Taita Taveta County CIDP and TTT2020.

Business Development Services

Business Development Services (BDS) shall be demand-driven and tailored to county needs and development priorities. Key services will differ across the sub counties i.e Mwatate, Voi, Wundanyi & Taveta sub counties, supporting target groups' capabilities to leverage the most promising opportunities in the specific sub counties, and resulting therefore in some sub county centres providing for example more agribusiness related capacity building services, artisan mining development and others specializing in ICT entrepreneurship capacity building. It is important that the Biashara centre 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.

Some key Business Development Services to be offered at the centre include;

- Promotion of youth and women entrepreneurship development based on best practices
- Promotion of awareness amongst youth and women on the opportunities and challenges of entrepreneurship and self-employment
- Lobbying and advocacy for an enabling environment for the growth of youth and women enterprises across the county.
- Business groups formation and registration
- Ensuring active participation of the disabled persons and other marginalised groups in development activities.
- Entrepreneurship focussed trainings mentorship & post training support.
- Promotion of public-private partnership
- ICT training programs
- Business Linkages, and value chain development
- Access to markets
- Organizing business promotion events for youth and women
- Business profiling, baseline surveys and promotion of identified potential areas e.g. Artisan Mining, & Livestock
- Promotion of adoption of modern technologies in the county

Role of actors

The Biashara centre will actively engage the private sector and other actors in the county as a s to promote economic growth in the county and wider inclusion. The private sector is now recognized as a critical driver of economic growth, with substantial contribution to inclusive economic growth which contributes significantly to poverty reduction and higher living standards.

The private sector is responsible for majority of employment in the Taita Taveta County—including both formal and informal jobs—it provides critical goods and services; is the source of most tax revenues; and is key to ensuring the efficient flow of capital. The public and private sectors can be most effective when they work together, and the public sector has a critical role to play in creating a healthy environment for investment and business activity in the County.

Various actors including Kenya Women Finance Trust, (KWFT), Equity Bank, Kenya National Chamber of Commerce and Industry (KNCCI), Kenya Private Sector Alliance (KEPSA), Kenya Youth Empowerment Project, (KYEP), I Choose Life, (ICL), Cherie Blair Foundation and Microsoft, are already underway in the County and collaborating with the Biashara Centre to promote public-private initiatives and cooperation around specific developmental challenges of common concern such as job creation, inclusive growth and climate change.