KENYA INDUSTRY AND ENTREPRENEURSHIP PROJECT (KIEP)

TOR for Project Manager:
Ministry of Industry Trade and Co-operatives (MoITC) - State Department for Industrialization (SDI)

Project: Kenya Industry and Entrepreneurship Project (KIEP)
Project Location: Ministry of Industry, Trade and Co-operatives (MoITC) – [State Department for Industrialization (SDI) - Project Implementation Unit (PIU)]
Contract type: Individual Consultancy
Start date: 27th August, 2018
Duration: 2 years contract renewable based on performance (Project period – 6 years)
Location: Nairobi, Kenya

PURPOSE OF ASSIGNMENT

The Government of Kenya, through the Ministry of Industry, Trade and Cooperatives, is leveraging financing from the World Bank to spearhead and manage the Kenya Industry and Entrepreneurship Project (KIEP). The KIEP endeavors to increase innovation and productivity in select private sector firms in Kenya and will be implemented over six (6) years beginning in 2018.

The State Department for Industrialization is hiring an individual consultant as a Project Manager. This individual will manage the project, including oversight as well as designing, running, and monitoring the project’s technical and administrative work as part of KIEP’s Project Implementation Unit.

PROJECT BACKGROUND

1. The Government of Kenya through the State Department for Industrialization in the Ministry of Industry, Trade and Co-operatives partnered with the World Bank to prepare a project to strengthen the innovation ecosystem for increased productivity growth and innovation, especially around adopting new technologies and processes, increasing the use of ICT, strengthening linkages between academia and businesses, and strengthening management and organization.
2. According to the Economic Survey 2017, the global economy is estimated to have expanded by 2.9 per cent in 2016 compared to 3.1 per cent in 2015. Kenya on the other hand has had an economic growth of 5.8 per cent in 2016. The average growth between 2010 and 2015 was 5.3 percent, higher than the 4.9 percent average for Sub-Saharan Africa, thereby making the Country be amongst the fastest growing economies in Africa. This follows improvements in public investment, mainly in infrastructure, improvement of the Business Reforms through the ease of doing business measures thereby enhancing investments, growth in the Information Communication Technology Sector; transport and storage. These positive prospects provide an opportunity to achieve structural transformation in the long-run. According to the 2016 Country Economic Memorandum, Kenya’s long-term growth will depend on three key elements: oil and natural resources, the urbanization process, and the extent of innovation of the economy.

3. Despite promising prospects, economic growth has been constrained by low investment and low firm-level productivity, particularly in labor-intensive sectors. This undermines the attainment of rapid and sustained growth needed to transform the lives of ordinary citizens. Recent analyses using firm-level data in Kenya reveal that productivity dispersion is large and most firms operate at low productivity levels. This is likely to be explained by the difficulties firms face in leveraging technology due to poor managerial practices and the very incremental nature of Kenya’s innovation. The Global Innovation Index 2017 further highlights the weak linkages between players in Kenya’s innovation ecosystem, leading to capacity underutilization, a disconnect between industry and research organizations, and obstacles to innovation for small and mid-sized firms. Although the innovation and entrepreneurship ecosystem in Kenya has grown significantly since 2010, with the increase in the number of hubs, co-working spaces, and incubation and acceleration centers much work remains to be done if the country is to ultimately live up to its expectations of becoming Africa’s ‘Silicon Savannah’. In today’s rapidly evolving and globalized economy, innovation and startups are key drivers of economic growth and creators of new types of jobs. Supporting this agenda requires strengthening incubators, accelerators, rapid technology (tech) skills trainings (bootcamps), small and medium enterprises (SMEs) and startups.

4. The limited connections to networks of international mentors, angel investors, and venture capitalists (VCs) make it difficult for local startups to grow and compete internationally. Exposure to experienced mentors and investors, and deeper networks of global resources, can increase the likelihood of startup survival and growth, including their possibility to obtain funding. Kenya has the second highest number of startups in Sub-Saharan Africa and is considered a hub for venture capital in Africa. However, given the high risks associated with early stage businesses, combined with the macroeconomic risks of operating in Africa, venture funds capital in Kenya is limited. In addition, female startup founders report a disproportionate lack of industry-specific mentoring, networks, and information, and they too stand to benefit from these broader links. Similarly, there is currently limited contact between traditional industry and technology-enabled startups in Kenya, a missed opportunity for both sides. Firms in major employment generating sectors such as agriculture or manufacturing have not yet absorbed the benefits from Kenya’s growing tech scene, and tech firms are not creating solutions that respond to their specific needs. Closer links with larger firms would help young firms better target their products and services and become viable more quickly. It would also help create a pipeline of investable businesses for investors.
5. SMEs also have difficulties in improving their productivity due to poor managerial practices and information failures around how to upgrade. Firm-level data in Kenya reveals most firms have low productivity due to a skills deficit both at the managerial and technical levels. While Kenya fares better than other African countries in terms of management quality, it is far below the managerial capabilities in most middle-income and emerging markets. Analyses of various manufacturing subsectors show that Kenyan firms operate with inadequate technology and have difficulties connecting to global and regional value chains. These internal constraints will continue to hold back Kenyan SMEs from increasing their productivity and potentially accessing regional markets, even if the various business climate constraints in Kenya are improved. Recent World Bank reports show, there is a direct impact of improving managerial and organizational practices on innovation and productivity. They also show the benefits of interventions that incorporate both firm-level capabilities (supply) and access to markets (demand) in linking them and building viable markets. With further technological change being driven by Industry 4.0, manufacturing is becoming more global, more automated, more highly skilled, more infused with technology, and more integrated with services. For Kenyan companies to adapt to this changing landscape of manufacturing and secure higher-level jobs, their own capabilities will need to continuously improve.

6. Vision 2030 and its third Medium Term Plan 2018-2022 (MTP3) have set ambitious development targets that will require significant growth in private sector employment generation and productivity. Vision 2030 aims to transform Kenya into a newly industrialized, middle-income country, whilst making the country globally competitive. The MTP3 addresses the challenges of an inclusive growth model and calls for infrastructure investments and leveraging of private sector resources. As a vehicle for that, the Kenya Industrial Transformation Program (KITP) highlights the importance of firm-level support to Kenya’s industrialization efforts and recognizes the centrality of technology and innovation to the development of industry. Increasing productivity and innovation in Kenya’s private sector will enable firms to better survive, grow, and compete in an ever more connected world. This has been further emphasized and elaborated in the Country’s BIG Four transformation Agenda to the year 2022. There is thus considerable scope for investments in firm upgrading for increased productivity growth and innovation, especially around adopting new technologies and processes, increasing the use of ICT, strengthening linkages between academia and businesses, and strengthening management and organization.

A. Project Description

7. The Project Development Objective is to increase productivity and innovation in select private sector firms. The higher-level objectives of the project are to accelerate the growth and competitiveness of Kenya’s private sector by improving productivity and innovation. Key instruments include firm-level support, strengthening the innovation and entrepreneurship ecosystem, increasing their managerial and technical skills, building linkages between traditional industries and startups, and upgrading their equipment and technology.
8. The Project has three components that focus on the following areas:

**Component 1: Strengthening the innovation and entrepreneurship ecosystem (Consultant Firms)**

a. **Under Component 1A, Strengthening the ecosystem’s support**
   The objective is to strengthen the intermediaries that underpin and support early-stage companies and the broader innovation and entrepreneurship ecosystem. The approach includes the use of performance contracts to build capacity of ecosystem intermediaries including incubators, accelerators, and technology boot camp providers. This would allow them to offer better quality services and more soundly pursue their own individual business plans and operational objectives.

b. **Under Component 1B1, International Acceleration Process**
   The objective would be to will connect the Kenyan ecosystem to international networks. It will support linkages and coordination within the Kenyan ecosystem and connect it to global expertise and investors. The program will pair established firms with technology-enabled startups; conduct active outreach and connecting the Kenyan ecosystem to international networks of talent and support infrastructure (for example, mentors and early-stage investors); and increase the capacity within the accelerator landscape in Kenya.

c. **Under Component 1B2, Industry-Startup Linkage Program**
   The objective would be to develop a productive connection of startups and ecosystem stakeholders with traditional industries. The platform aims to bridge medium to large companies from key priority industries with technology-enabled startups and create new startup products and services. It would provide practical capacity building on innovation and technology adoption to staff of participating large companies, facilitate and manage relationships between startups and select corporates, and provide support to startups for product and service creation.

d. **Under Component 1B3, Industry-Academia Platform**
   The objective would be to create a Kenya-wide industry–academia platform (IAP) to support open innovation between Kenyan firms and academia, through collaboration, while also generating new opportunities for students. The IAP would boost the entrepreneurial talent supply for Kenyan firms and support innovation and growth in startups and existing firm.

**Component 2: Firm-level Support (Consultant Firm)**

e. **Under Component 2, SME Linkages and Upgrading**
   The objective is to help strengthen the productivity and internal capabilities for innovation of select SMEs, by improving their managerial and technical skills and their use and access to technology, in order to significantly increase their competitiveness, as well as to strengthen local supply chains and sales by Kenyan SMEs to large companies.
Component 3: Communication, M&E (Consultant Firms)

f. Under Component 3, Communication, Monitoring and Evaluation
   The objective is to coordinate the project’s communications strategy, covering all components and stakeholders, develop M&E strategy and analysis to ensure implementation and sustainability of the project’s activities.

9. Core Activities
   The Project Manager will be required to:
   • Work with the State Department for Industrialization - Project Implementation Unit (SDI-PIU), to manage KIEP project activities.
   • Act as liaison between SDI-PIU and other Strategic Partners, that is, World Bank, procured consultants and the private sector to realize the KIEP objectives.
   • Support the supervision of in procurement activities and management of project implementation.
   • Report to the Coordinator and or the Deputy Coordinator of the PIU in the Coordinator’s absence.

10. Deliverables
    The consultant will, in liaison with the PIU, be required to complete the following deliverables among others:
    • Develop and manage project implementation plans, including the annual work plans and updates to the Project Operations Manual.
    • Oversee implementation and completion of initiatives undertaken by the project, reviewing outputs and reporting from the Technical Leads in the PIU, and briefing the Coordinator and Deputy Coordinator of the PIU.
    • Ensure timely and quality completion and internal sign-off on deliverables undertaken by contracted consulting firms.
    • Provide quarterly and annual progress reports and regular briefs on overall project implementation, monitoring implementation and flagging issues.
    • Organize stakeholder workshops for sensitization, disseminating best practices and validation of reports.
    • Ensure smooth and timely exchange of documents between the PIU, the World Bank and procured consultancies, including liaising with the Procurement Officer of the PIU to ensure timely submission of documents through the Systematic Tracking of Exchanges in
• Other deliverables as agreed with project leads over the course of the consulting engagement.

11. Required Experience & Skills
• Economics, Business or comparable degree. (a Master’s degree in a related field would be an added advantage)
• Strong analytical, technical writing and public presentation skills.
• Proven project management skills, including planning, coordinating, monitoring and reporting.
• Minimum 10 years of professional experience in Project Management, in a top leadership capacity out of which at least 3 years are in Coordinating/implementing economic development projects.
• Strong stakeholder communication skills.
• Proven ability to work with partners including donors, bilateral organizations and governments. (preferably with 4 years’ experience on donor funded projects)
• Proven ability to operate effectively and independently with remote supervision.

12. Reporting
The position reports to the Project Coordinator - KIEP at the Project Implementation Unit, State Department for Industrialization.