



Country: Kenya
Sector: Agriculture
Project: Capacity Enhancement for Green Business Development and Eco-entrepreneurship in the Agriculture Sector
Grantee: Kenya Private Sector Alliance (KEPSA)
Partner: Kenya Agribusiness and Agroindustry Association (KAAA)

Acknowledgements

The SWITCH Africa Green programme was developed by the European Commission to support African countries in their transition to an inclusive green economy, the main objective being to promote sustainable development. This is based on sustainable consumption and production (SCP) patterns, while generating growth, creating decent jobs and reducing poverty.

This impact sheet on 'Capacity Enhancement for Green Business Development and Eco-entrepreneurship in the Agriculture Sector' provides a snapshot of results and achievements of the project under the Green Business Development Component of Phase I (2014-2019) of the SWITCH Africa Green programme. This component supported micro, small and medium-sized enterprises (MSMEs) to apply and adopt SCP practices in their business operations.

The project was implemented by the Kenya Private Sector Alliance (KEPSA) in partnership with Kenya Agribusiness and Agroindustry Association (KAAA), with the support of the SWITCH Africa Green National Focal Point Dr. Charles Mutai, Ministry of Environment and Forestry, Kenya and National Coordinator Dr. Lily Chebet Murei, United Nations Development Programme (UNDP), Kenya. The grants were managed by the United Nations Office for Project Services (UNOPS) and coordinated by Celia Marquez with support from Mercy Gatobu.

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Background

The project focused on the agriculture sector and aimed to build the capacity of Business Membership Organizations (BMOs) and MSMEs to adopt SCP practices and advocate for enabling a green business environment by implementing resource efficient and environmentally friendly green economy initiatives. Agriculture is the mainstay of the Kenyan economy directly contributing 28 per cent of the Gross Domestic Product (GDP) annually and supporting 80 per cent of the population. It constitutes the largest employment sector. The sector accounts for 65 per cent of Kenya's total exports and provides more than 70 per cent of casual employment in the rural areas.

The MSMEs that were engaged represented a diverse set of value chains: banana, potatoes, cereals, dairy, vegetables, herbs and spices, fruit processing and equipment fabrication.

They received targeted training to incorporate SCP practices into their business models. The enterprises benefitted from mentoring and networking forums to address one of the key challenges they face, accessing markets for their products.

Key activities undertaken included a gap analysis, training on SCP practices and MSME mentoring, a needs assessment analysis of the capability of the MSMEs to implement SCP practices and design appropriate interventions. It also included the review of institutional capacity, product offering, product packaging, raw material used in production, utilities used, customers served, human resource requirement, waste management practices, nature and type of processing equipment used, and financing requirements. KEPSA and KAAA used the analysis to design the ToT (training of trainers) programme and compile the baseline information of the selected MSMEs.



Beneficiaries

The project enabled 15 MSMEs involved in agriculture under the umbrella of KEPSA and KAAA to build their capacity on the uptake of SCP practices to achieve sustainable agro-business development.

Objectives

The overall objective of the project was capacity enhancement for green business development and eco entrepreneurship in the agriculture sector. Specific objectives include:

- Enhance capacity of MSMEs to develop, adopt and implement appropriate frameworks for SCP practices
- Enhance the capacity of BMOs and MSMEs to advocate for an enabling a green business environment that promotes SCP practices
- Strengthen KEPSA and KAAA capacity to monitor and implement the action

Outputs

Improved stakeholder participation in green economy policy development

Contribution to policy changes

KEPSA and KAAA made submissions to Kenya's third medium term plan MTPIII (2018-2022) on mainstreaming sustainable development goals (SDGs) in all sectors of the economy to support in the implementation of the Vision 2030 programmes.

During the annual budget of 2016-2017, KEPSA contributed to the development of a policy that led to a reduction of import duty on energy efficient stoves from 20 per cent to 10 per cent, as well as directive that 40 per cent of procurement to be local.

KEPSA also made submissions that contributed to the process of enacting five bills which have elements of sustainability incorporated: Water Act (2016), Environment (Impact Assessment and Audit) Amendment Regulations (2016), Forest Conservation and Management Act (2016), Natural Resources (Classes of transactions subject to ratification) Act (2016) and Climate Change Act (2016).



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Improved capacities of Business Development Services (BDS) to promote SCP practices by MSMEs

Supporting SCP adoption across supply chains

For quality control and standardization, MSMEs started sourcing their raw materials from only credible suppliers. Some of the enterprises were training their sub-contractors and suppliers on their own requirements and standards while integrating SCP practices.

Increased networking among green businesses

Beneficiary MSMEs were supported to participate in national and international forums which served as important avenues for them to market their products and create new networks to support their future growth. These forums included: India Kenya Business Forum (2016), UNCTAD 14 (2016), TICAD VI (2016), SEED Symposium (2016), SWITCH Africa Green Regional Networking Forum (2016), Mitreeki East Africa-India Partnership for women entrepreneurs (2017) and the sixteenth session of the African Ministerial Conference on the Environment (AMCEN) (2017).

Improved capacities of workers in green sectors

ToT workshops on SCP practices in business were held for 32 (18 male and 14 female) MSMEs in the agro processing sector drawn from seven counties across Kenya. In turn, the MSMEs trained 2,955 people from other members of KEPSA and KAAA as well as their suppliers.

ToT workshops on SCP practices in business were held for 32 MSMEs in the agro processing sector

Toolkits developed

A total of nine SCP toolkits were developed for use by the MSMEs. They covered water efficiency, storage practices, processing, energy efficiency, raw materials sourcing, marketing, food safety and hygiene, managing employees and equipment, financial management and record keeping.

Improved awareness of consumers on the impact of the products they buy

Beneficiary MSMEs managed to inform approximately 252,592 persons through their engagement forums including social media and branding materials that they had developed. There was therefore increased awareness among members of the public on sustainably produced (green) products.

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Outcomes

Uptake of SCP practices by MSMEs

All 15 MSMEs under phase I of the SWITCH Africa Green supported project adopted one or more aspects of SCP practices in their operations.

Number of MSMEs that obtain firm-specific sustainability standards certification

One of the beneficiary enterprises, Helitech, worked with Kenya Organic Agricultural Network (KOAN) through which they received training and were able to obtain organic certification by Acert services limited (ACERT). This helped the company reach a wider market.

Another enterprise, Shauri Vision Women Group, secured Kenya Bureau of Standards (KEBS) certification for their potato crisps after receiving training supported by the SWITCH Africa Green programme.





Waste reduction

In addition to increasing water and energy productivity, the enterprises improved their waste management with a 33 per cent average reduction in waste generated. This led to a significant decrease in the cost of disposal through transportation, labour and hours spent.



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Improved business processes

Beneficiary MSMEs made significant improvement and transformation in operational areas such as human resource management, process mapping and documentation as well as records management. All these led to enhanced performance by the respective enterprises.

MSMEs recorded the gains in reducing water consumption by as much as 48 per cent. They adopted simple water saving techniques including installing simple water saving meters in their premises, repairing broken pipes and simplifying process flows.

Impacts

Environmental impacts

Energy and water productivity

MSMEs reduced their electricity consumption by as much as 24 per cent. This can be attributed to adopting simple ways of increasing energy efficiency such as: using energy efficient appliances, proper servicing of machinery, simplifying production processes, retrofitting equipment and reducing idle time on machinery.



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MSMEs reduced their electricity consumption by 24 per cent





Economic impacts

Increase in revenue

More than 60 per cent of the beneficiaries who, as a result of the project, were engaged in product value addition, improved their profit margins. Others introduced new product lines in their businesses creating additional revenue streams. As a result, the MSMEs reported an average revenue growth of about 44.8 per cent.

60 per cent of the beneficiaries

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Social impacts

Jobs created

Through project intervention, 125 direct jobs were created in the beneficiary MSMEs. Of the jobs created, 75 jobs were permanent and 50 of them were part-time. Approximately 725 indirect jobs were created as a result of project implementation.

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Impact on youth and women

Beneficiary MSMEs started supporting women and youth groups by sourcing raw materials from them and offering them employment opportunities.

Lessons learnt

- A strong business case is needed for enterprises to buy-in to the adoption of relevant SCP practices. The process takes time and calls for awareness creation, capacity building and collective action by stakeholders.
- In addition to technical training on SCP, enterprises need business development services and appropriate finance to green their businesses.
- There is a need to develop monitoring tools at the start of similar projects for effective tracking and determining actual project progress and results.
- Networking and peer to peer learning are effective ways of spreading SCP practices and securing business opportunities.
- Future SCP projects should consider working on specific value chains to enhance forward and backward links by MSMEs.



“Imagine in 2015, we used to make only KES 250,000 per month, but we are now talking of KES 1.2 million and I attribute all these to KAAA as they have mentored me to the person I am today. I now have a lot of confidence in my business and can talk about my products anywhere,”

Pailine, Owner, PAMAT Foods.



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