



# Inaugural Entrepreneurship Workshop – Nairobi

Presentation by:

Peter Lengapiani and Mutisya Muindi

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# Governmental Support for Entrepreneurs - Outline



- Opportunities in government services and doing Business with the government
- How to handle ethics & integrity while doing business with government
- Opportunities for funding in government
- Case studies of entrepreneurial businesses and products that have made an impact

# Uwezo Fund



A National Government programme in the Ministry of Public Service, Youth and Gender affairs and administered by the state department of Gender Affairs.

The aim of the Fund is to enhance economic empowerment amongst women, youth and persons with disabilities and thereby realizing the Sustainable Development Goals

# Mandate of the Fund



- To expand access to finances in promotion of women, youth and persons with disability businesses and enterprises at the constituency level for economic growth towards the realization of the goals of vision 2030.
- To generate gainful self-employment for the youth and women; and
- To model an alternative framework in funding community drives development

# The Fund



- Is a revolving Fund that operates within the constituency.
- Applicants and criteria
- Repayment of loan
- Capacity Building of groups

# Funding Status



## Disbursed

- Kshs. 5,915,990,660
- 995,363 individual beneficiaries
- 40,864 women groups; 22,761 youth groups and 1,720 groups of PWDs

## Revolved.

- Kshs. 584,374,730

## Repaid

- Kshs.1, 731,555,823
- 34.40% repayment rate

# Entrepreneurship defined



The concept of entrepreneurship was first established in the 1700s and the meaning has evolved ever since. Many scholars have made their definitions.

In the Handbook of Economic Sociology, **Howard E. Aldrich** highlights four competing definitions of entrepreneurship:

- The setting up of high-growth and high-capitalization firms (as opposed to low-growth and low-capitalization 'lifestyle' businesses)

# Entrepreneurship defined ctn..



- Innovation and innovativeness leading to new products and new markets (the Schumpeterian tradition);
- Opportunity recognition (the Kirznerian tradition) e.g. Sergio Rial, Brazilian bank manager sent to establish the ABN AMRO Bank there and the chicken feet;
- The creation of new organizations.

Many scholars simply equate entrepreneurship with starting one's own business. Most economist believe it is more than that.

# Entrepreneurship defined ctn..



In a nutshell in almost all the definitions of entrepreneurship, there is agreement that we are talking about a kind of behavior that includes:-

- Initiative taking,
- Organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical account
- Acceptance of risk or failure

# Igniting Startups



Envisioned as:-

- Where vision meets doingness, creating programs & communities to accelerate new ventures,
- More than an accelerator, startups ignite is developing an ecosystem
- Startups ignite exists to connect entrepreneurs with knowledge and resources to grow
- An ecosystem where entrepreneurship and innovation flourishes based on purpose, passion, merit and effort.

# Entrepreneurial ecosystem



The entrepreneurial ecosystem consists of many players, among them are: -

- **Government** - develops laws and regulations that govern the Country and create an enabling environment for entrepreneurship growth and development.
- **Igniters** - The media houses that celebrate and spread the stories of successful entrepreneurs as role models that serve as examples to would be entrepreneurs.
- **Incubators** - the organizations that accelerate growth, development and success of young entrepreneurs through an array of support resources.

# Entrepreneurial ecosystem ctnd..



- **The educators** - The training institutions both secondary and tertiary that provide entrepreneurs with knowledge, skills and mindset required to formulate ideas that could be business.
- **The financiers** - The individuals/organizations that provide and invest financial resources for both startups and large businesses.
- **The champions** - The Communities and community based organizations that nurture and support young entrepreneurs at the individual level.

Entrepreneurs are always looking for ***opportunities*** within the ecosystem that can give them an ***advantage***

# Government Policies And Programmes That Encourage Entrepreneurship



Government policies and principles are Important for entrepreneurship to succeed i.e. make businesses exist within parameters that are not restrictive to their growth.

Examples of government policies that allow for growth:-

- **Intellectual property rights** - The protection of intellectual property is important to promote innovation by protecting ideas.
- **Entrepreneurship in school curricula** - Promoting entrepreneurship at the educational level will create a culture of innovative, solution-orientated individuals
- **Ease of doing business** - Government can ensure that business entry requirements are attainable at multiple levels to support both formal and informal business.

# Government Policies And Programmes ctnd..



- **Incentivized tax laws** - It is important for governments to continually reform their tax policies so that they promote small business growth e.g. reducing corporate tax/reforming tax laws.
- **Automation of business registration** – Automation of business registration processes has eased the process. Payment of necessary fees using mobile money, for example the ecitizen portal that offers business registration, licenses' renewal government payments among others.
- **Access to funding for MSME's** - Government affirmative action funds - Youth, Women and Uwezo Funds). Other upcoming Funds are Biashara Fund Kenya, Stawi Loan which offers unsecured loans to small enterprises.

# Government Policies And Programmes ctnd..



- **Incubators** - The Kenyan government aims to become one of the top 10 ICT hubs in the world and has partnered with Nailab, a Kenyan incubator, to launch a \$1.6 million technology incubation program in an effort to support's growing ICT startup community.
- Successful businesses are:- Tusgee, a mobile app that allows schools to send children's grades to their parents by SMS, and My Order, an app that allows every street vendor to open his or her own mobile web shop, allowing customers to order and pay by mobile phone.

# Government Policies And Programmes ctnd..



- **Innovation Hubs** - Pasha Centres are ICT hubs, established to address the ICT disparities between urban and rural populations. The centres get the online services using internet connected computers and other ICT enabled applications. Digital Villages resulted to the total number of internet users tripled between 2009-2014. Other programmes are Huduma Centers, the USAID supported CLIC project and the VSAT-based internet connectivity project operated by Postal Corporation of Kenya.
- **Entrepreneurship and Vocational training** - TVET Act 2013 designed to address the job skills issue and increase a sustainable enrolment ratio of 20% by the year 2030. The government can redefine entrepreneurship by incorporating it in our TVET curriculum. This will open up a universe of creativity.

# Laws And Regulations Established To Support Entrepreneurs In Kenya



- 1. SCIENCE, TECHNOLOGY AND INNOVATION ACT** - An Act of Parliament to facilitate the promotion, co-ordination and regulation of the progress of science, technology and innovation of the country; to assign priority to the development of science, technology and innovation; to entrench science, technology and innovation into the national production system and for connected purposes
- 2. ACCESS TO GOVERNMENT PROCUREMENT OPPORTUNITY (AGPO)** - The Constitution of Kenya, 2010 Article 227 on the fair, equitable, transparent and cost-effective public procurement of goods and services, and Article 55 on affirmative action and the Public Procurement and Asset Disposal Act, 2015. AGPO was aimed to facilitate the enterprises owned by women, youth and persons with disabilities to be able to participate in Government opportunities
- 3. THE MICRO AND SMALL ENTERPRISES ACT, 2012** – An Act of Parliament to provide for the promotion, development, and regulation of micro and small enterprises

# Laws And Regulations Established To Support Entrepreneurs In Kenya



4. **THE TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING ACT, 2013** - An Act of Parliament to provide for the establishment of a technical and vocational education and training system; to provide for the governance and management of institutions offering technical and vocational education and training; to provide for coordinated assessment, examination and certification; to institute a mechanism for promoting access and equity in training; to assure standards, quality and relevance; and for connected purposes

# National Programmes Offered By The Kenya Government In Support For Entrepreneurs



## **Kenya Industrial Property Institute (KIPI)**

- To administer Industrial Property Rights
- Provision of Technological Information to the public
- Promoting Inventiveness in Kenya and
- Provision of Training on Industrial Property

# National Programmes Offered By The Kenya Government In Support For Entrepreneurs



## **Intellectual Property Office (IPO)**

- Workshops for SMEs,
- IP awareness raising and online assessment tools.
- Trains independent business advisers as IP auditors
- National business support programmes

# National Programmes Offered By The Kenya Government In Support For Entrepreneurs



## **Kenya Industrial Research and Development Institute (KIRDI)**

Mandated to undertake multi-disciplinary research and development in industrial and allied technologies i.e.

- Mechanical engineering,
- Energy and power resources,
- leather technology, textile etc

# National Programmes Offered By The Kenya Government In Support For Entrepreneurs



## **Kenya Industrial Estates (KIE)**

Established in 1967 as a subsidiary of ICDC in;

- Promoting indigenous entrepreneurship by financing and developing SMEs.
- Incubation of Micro, Small and Medium enterprises (MSMEs) through industrial parks, providing credit and business development services (BDS) in a sustainable manner

## National Programmes Offered By The Kenya Government In Support For Entrepreneurs..contd



- Micro and Small Enterprises Authority (MSEA)
- The Technical and Vocational Education and Training Authority (TVETA)
- Kenya Bureau of standards (KEBS)
- Kenya National Bureau of statistics (KNBS)
- Kenya Industry and Entrepreneurship Project (KIEP)
- Kenya Youth Employment & Opportunities Project (KYEOP)

# Opportunities For Funding In Government



The Government of Kenya has established various affirmative funds to provide affordable and accessible loans to SMEs and entrepreneurs both for startups and expanding business.

- Youth Enterprise Development Fund
- Uwezo Fund
- Women Enterprise Fund
- The Industrial and Commercial Development Corporation (ICDC)
- Kenya Industrial Estate
- Industrial Development Fund
- Agriculture Finance Corporation

# Doing Business with the Government



The government is the country's largest single buyer of goods, works and services. It spends approximately 70 per cent of the Budget on procuring these items. This is in fulfilment of its mandate to meet the needs of its citizens.

The government registers and pre-qualifies the identities (suppliers) who will do the business with the government at the beginning of every financial year. The Government advertises in dailies for the firms to apply for pre-qualification of government tenders.

Procuring entity shall allocate at least 30 per cent of its procurement spend for the purposes of procuring goods, works and services from micro and small enterprises owned by youth, women and persons with disability.

# Doing Business with the Government



The government of Kenya has introduced ecitizen platform where potential entrepreneurs can register their businesses suppliers can apply for government tenders.

This portal enables individuals owning businesses to access Government to business (G2B) services online.

Government advertises its tenders in My Government, Institutional websites, IFMIS and dailies

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# How To Handle Ethics And Integrity While Doing Business With The Government



## **Ethics defined**

Moral principles that govern a person's behaviour or the conducting of an activity.  
synonyms: moral code, morals, morality, moral stand, moral principles, moral values, rights and wrongs, principles, ideals, creed, credo, ethos, rules of conduct, standards (of behaviour), virtues, dictates of conscience

# How To Handle Ethics And Integrity While Doing Business With The Government



## What factors contribute to unhealthy decision making in organization

- Growing demand for low cost products
- Fierce business competition
- Easier availability of counterfeit products
- Product innovation, cheaper but suitable alternatives of existing raw materials
- Ineffective supplier shortlisting process etc.
- A laissez-faire attitude of top management to tackle such issues prevailing in the market will only add to their misery.
- To make quick and easy money

# How To Handle Ethics And Integrity While Doing Business With The Government



## Emergence of Ethical Issues

With different parties involved in the supply chain process there is always a question of who is being fair and otherwise

- Honesty and fairness:
- Fraud: Deceptive practices e.g. manipulating records or concealing facts for personal gain.
- Accountability
- Transparency
- Timeliness in delivery of service and completion of projects
- Confidentiality

# How To Handle Ethics And Integrity While Doing Business With The Government



## Code of Business Ethics

- Professionalism.
- Personal Integrity
- Transparency and accountability.
- Compliance and continuous improvement

# EMMAUS SELF HELP GROUP



Constitutes 10 members who are People with Disabilities (PWDs) and was established in the year 2012. The group has setup public toilets that are disability friendly within Gilgil Town. They also produce detergents which they sell at affordable prices. They received a startup loan of Kshs. 70,000 and they have completed to repay.

# Case Study – Emmaus Self Help Group





END OF PRESENTATION