



Viffa Consult

State of **ENTREPRENEURSHIP SUPPORT IN KENYA**

Role of NGO & CSOs in Entrepreneurship Support

INTRODUCTION

Kenya has an abundance of organizations supporting entrepreneurship (ESOs) and enterprise development classified broadly under the themes of; direct support to SMEs to learn and scale, financing and technical advisory, conveners and capital together with thought leadership.

Despite the presence of a significant number of SME support organizations in Kenya there are still challenges such as ; interventions focused on Nairobi, sub optimal support for basic products and services companies for the consumer market, lack of significant early stage financing players as well as long standing SME challenges leading to a high mortality rate.

During the last decade, the role of collaboration between different sectors of society in supporting and catalyzing entrepreneurship and innovation has been emphasized through the introduction of the Triple Helix model (Etzkowitz & Leydesdorff 2000), in which successful entrepreneurial activities are seen as dependent upon the effective interplay between private businesses, governmental agencies and the university sector. an extension of the model into a Quadruple Helix model – including also Non-Governmental Organizations.

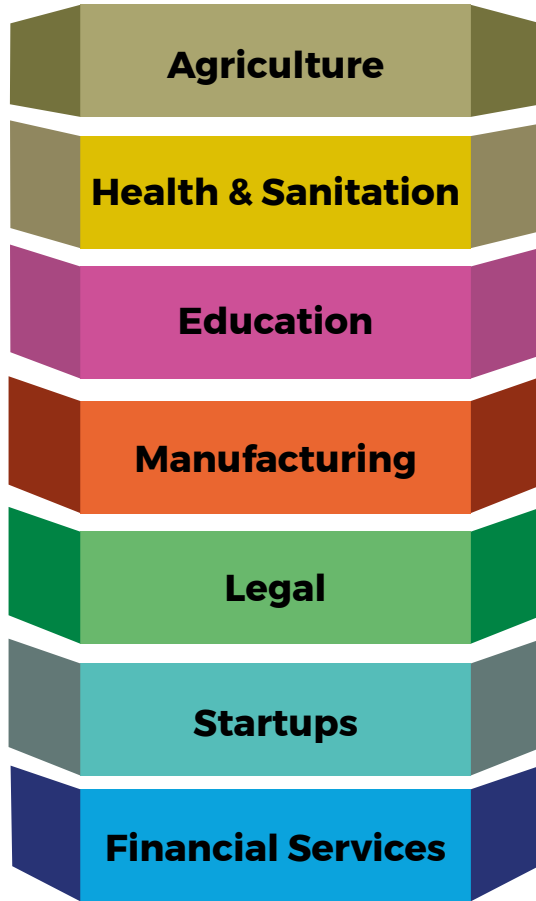
Viffa conducted a survey between 10th-17th September 2020 with an overarching objective of exploring the role of NGOs & CSOs in supporting entrepreneurship in Kenya as well as contribute to existing body of knowledge on the state of play of the Quadruple Helix model in Kenya.

Specific study objectives;

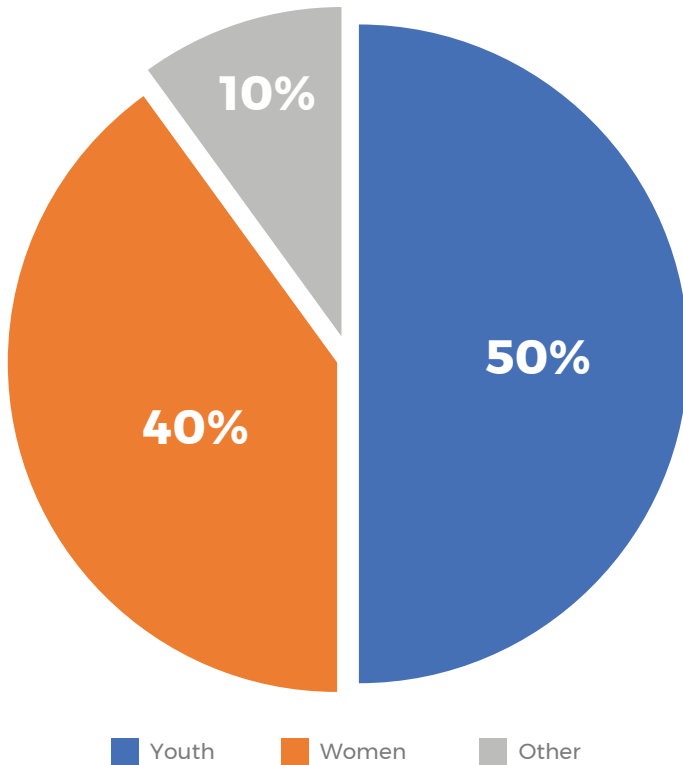
- 1 - Establish current interaction between NGOs-CSOs with entrepreneurship eco-system
- 2 - Establish short comings of current interactions
- 3 - Develop an improved collaboration framework

SURVEY RESULTS

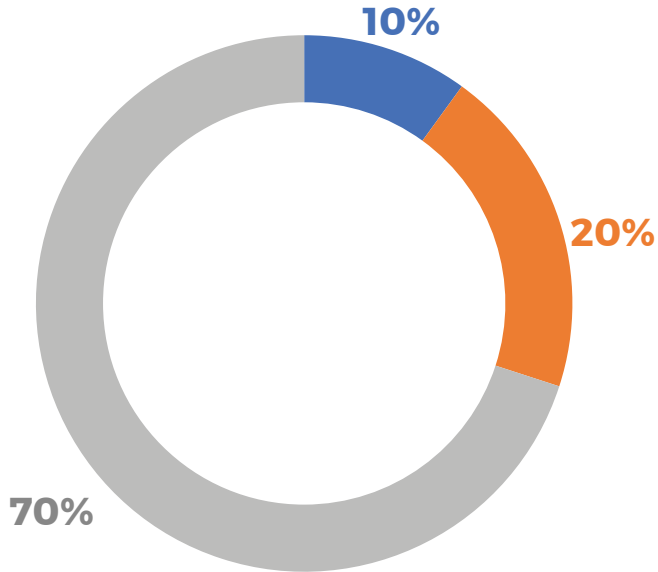
1 - Top Entrepreneurship Sector Focus



2 - Demography of Entrepreneurs supported



3 - Location of Entrepreneur supported



■ Urban ■ Peri-Urban (Slum) ■ Rural

4 - Form of Engagement with Entrepreneurs

Working with Government
(National & County)

Working with Institutions
of higher learning

Direct working
through Internal team

Working with Entrepreneurship
Support Organizations
(Incubators-Accelerators)

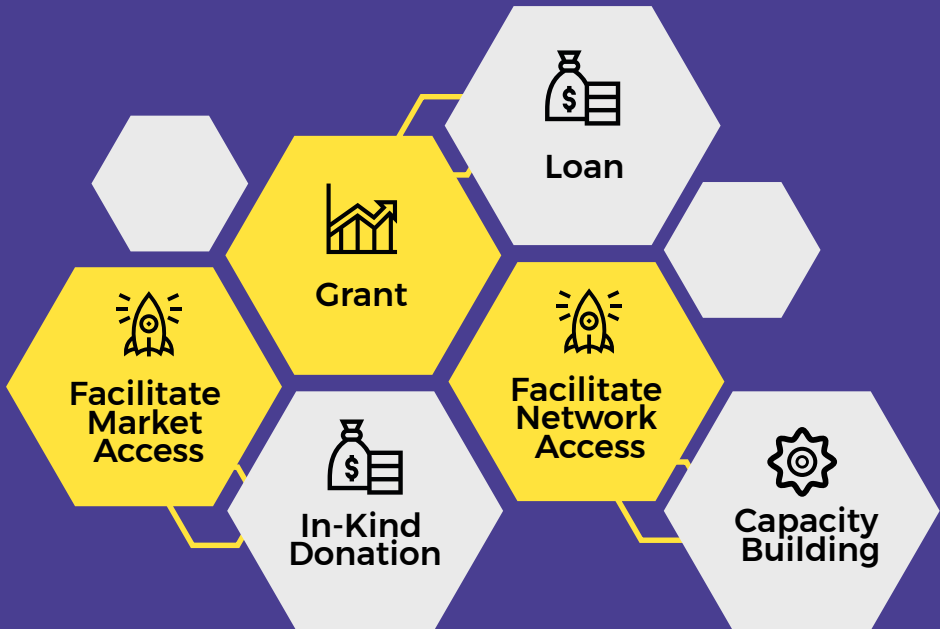
INSIGHT

A bulk of entrepreneurship funding by NGOs is channelled majorly through government and academic institutions as well as expatriate consultants who work closely with internal teams.

ESOs in Kenya have made great strides to foster collaboration and synergy hence offer value to SMEs and Startups in Kenya through initiatives such as formation of county, regional and National associations for example Association of Start-ups and SME Enablers Of Kenya (ASSEK), Countrywide Innovation Hubs.

As a risk mitigation measure and due to less than optimal effectiveness of government and academic institutions due to wastage and lack of pragmatic experience respectively; as well as to foster the helix model, NGOs must shift focus and engage ESOs such as incubators through the national associations as they are better placed to effectively support SMEs and Startups but lack sufficient resources.

5 - Nature of Support to Entrepreneurship Eco system



6 - Key performance Indicators in Supporting Entrepreneurship (How does success looks like)



7 - Challenges Faced in Supporting Entrepreneurship Eco system in Kenya

- A** Access to credible grassroots 3rd party organizations supporting SMEs & Startups
- B** Sustainability of SME beyond support timeframe
- C** Access to pipeline of SMEs & Startups
- D** Acces to credible experts

INSIGHT

Entrepreneurship support Organizations such as Incubators and accelerator programs located in majority of counties in Kenya although play a crucial role in supporting enterprises especially during ideation, prototyping and launch often face going concern challenges.

Stakeholders in both NGO-CSO involved in entrepreneurship and Entrepreneur support Organization (ESOs) must develop a collaboration framework where NGOs provide ESOs with a sustainability avenue while ESOs provide expertise, SME-Startup pipeline and long terms SME support beyond specific programmatic support.

Further, stakeholders can establish a NGO-ESO reference group or network that coordinates entrepreneurship interventions in Kenya ensuring intervention effectiveness and efficiency.



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