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Kenyan MSMEs supported by USAID's Kenya Small Business Development Centers program during 10th SME Conference and Expo at Strathmore University. Photo credit: Strathmore University

KENYA

SMALL BUSINESS DEVELOPMENT CENTERS

Micro, small, and medium enterprises (MSMEs) are critical drivers of economic growth and contribute substantially towards poverty reduction, employment, and income generation. Kenya has an estimated 1.5 million formally registered MSMEs and over 5 million informal MSMEs. They collectively generate 30 percent of the GDP and provide non-agricultural employment. Kenyan MSMEs operate in all sectors of the economy, with large concentrations in wholesale and retail trade, manufacturing, and food services. The Kenya Small Business Development Centers (SBDC) program strengthens the capacity of Kenyan MSMEs and builds linkages to U.S. counterparts. The program targets MSMEs at any stage of business in the agribusiness (crops, livestock, and fisheries) and apparel and creatives (artisanal, visual arts, cinema, audiovisual, and multimedia) sectors.

OUR WORK

The program takes the best practices in business development and advisory services from the U.S. Small Business Development Center model and transfers them to a local network of county-based business centers. This local network of centers, six to begin with, adapts and implements the SBDC's accredited training curriculum and proven methodology for supporting small businesses. The program also builds linkages between Kenyan and American MSMEs. The program helps Kenyan MSMEs more effectively take advantage of local and export market opportunities, gain improved access to finance, apply market analytics, and benefit from a supportive business-enabling policy environment at the county-level. This strengthens Kenya's economic competitiveness and generates positive impacts (jobs, livelihoods, and incomes) for the Kenyan people.

ACTIVITIES

The centers provide the following services:

- **Consulting:** Structuring production and pricing of various value chains, business operations, and planning.
- **Training:** Focusing on export market readiness, business governance, management, sustainable business operations, and planning.
- **Advisory on Business Development:** Accessing finance, business planning, technology development, regulatory compliance, marketing, and international trade; and
- **Policy Research and Market Intelligence:** Focusing on consumer market insights, export market trends, and policy briefs.

OBJECTIVES

- Establish a certified network of small business development centers (SBDCs). The centers will provide MSMEs subsidized to no-cost technical advisory/business support services.
- Establish sustainability mechanisms and support systems for the SBDCs from the National and County governments, the private sector, and other stakeholders.
- Increase the awareness and capacity of MSMEs to tap into the export market available under U.S. – Kenya Trade Programs.
- Ensure effective inclusion and participation of women in businesses served and leadership positions at the business centers.
- Build business linkages between U.S. and Kenyan small and medium enterprises and transfer best practices and proven models from the U.S. Small Business Administration's network of SBDCs to the accredited network of SBDCs.

ACHIEVEMENTS

- Held the first Governor's Roundtable to ensure the Governors deeply understood the SBDC model. This resulted in the buy-in of the governors and maximum support of the program in the counties for a successful implementation of the SBDC model.
- Trained over 400 stakeholders about the SBDC Model. In collaboration with the University of Texas at San Antonio (UTSA), the program has trained stakeholders from private and public institutions to enable them to understand the model and adapt it for sustainability.
- Involvement in County Integrated Development Plans (CIDPs) and budget allocation. The County Government of Makueni allocated a budget for Makueni SBDC to support the operations.

BUDGET: USD \$5 million

DURATION: 2021-2026

ACTIVITY LOCATIONS

Nairobi and 6 Prosper Kenya Counties (Isiolo, Kiambu, Kisumu, Makueni, Mombasa, and Nakuru)

IMPLEMENTING PARTNER

Strathmore University

KEY PARTNERS

- The University of Texas at San Antonio
- The Ministry of Cooperatives, and Micro, Small and Medium Enterprises Development
- County Governments
- Private sector and civil society organizations
- Academic institutions

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