



Annual Report

The Kenya Climate Innovation Center is an incubation hub that supports early stage start-ups in clean technology to address climate change

2018 -
2019

-  Agri-business
-  Water Management
-  Renewable Energy
-  Others





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Message from the Chairman of the Board

As we reflect on our progress over the past year, I first want to thank our partners, KCIC Board members and KCIC staff for your continued commitment and support to KCIC.



According to the new World Bank Kenya Economic Update, Kenya's real gross domestic product is projected to grow by 5.7% in 2019, a slight decrease from the estimated 5.8% growth experienced in 2018. Similarly, Kenya has made significant political, structural and economic reforms that have largely driven sustained economic growth, social development and political gains over the past decade. However, our country's key development challenges still include poverty, inequality, climate change and the vulnerability of the economy to internal and external shocks.

Consequently, we are compelled to remain alive to these realities because such economic elements have the potential to impact our business operations. This requires us to be agile and constantly adaptive so as to address challenges beforehand while, taking advantage of opportunities that come by. KCIC, like all other entities in Kenya, cannot therefore continue in a business-as-usual mode. We have taken a hard look at how we can carry out our role of facilitating businesses in the most efficient and effective manner.

Having completed three years of implementing our 2016–2021 Strategic Plan, we embarked on reviewing it in order for us to learn from what has been achieved so far with an eye on making improvements as we walk through the remaining two years of its implementation. At the same time, we assessed our institutional capacity to efficiently implement

proposed interventions with the view of making strategic adjustments. KCIC also reviewed the sustainability of her operations beyond 2021. I am very optimistic that such periodic reviews will unlock new opportunities going forward.

Looking at 2019 and beyond, we have a robust plan that includes providing clients with tailored business advice as opposed to a generic one-size-fits-all approach. This includes conducting client needs assessments both at the point of entry to KCIC and on an ongoing basis. We have separated the incubation and acceleration services to allow clients apply to either service depending on their need and stage of development.

We intend to identify and partner with likeminded organisations which are specifically working on issues around policy, lobbying and advocacy in order to continue influencing the policies that provide an enabling

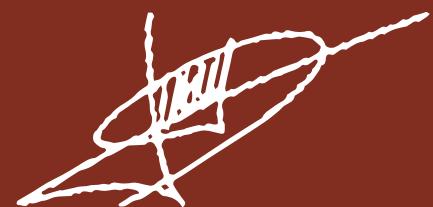
environment for the growth of clean tech enterprises. KCIC also came up with a robust resource mobilization strategy and we are reaching out to various partners with value propositions in a bid generate resources that would enable us implement our various activities.

We are excited to announce the launch of KCIC Consulting, a firm that aims at providing quality consultancy services in climate technology, innovation, climate change and sustainable development. Establishment of the company arose out of the demand for such services.

I am proud of what we accomplished together during the 2018/2019 financial year in our continued effort to innovate and help our clients improve their efficiency and productivity. The good performance in 2018/2019 could not have been achieved without the dedication and leadership of our Management Team, as well

as the efforts and good work of all our employees.

In partnership with all our clients, business partners and donors; and with the sustained effort of the Board and staff of KCIC, we look forward to the future with confidence. It is my belief that we will continue scaling greater heights in the year ahead.



Prof. Izael Da Silva

Chairman
Kenya Climate Innovation
Center



Message from the Chief Executive Officer

We continue to offer them
an array of support services
and resources to successfully
develop their businesses.



Climate change comes with adverse consequences on lives and economies. The resultant damage is likely to increase over time. Hope lies in adopting affordable, scalable solutions that have the potential to move countries towards greener and sustainable economies. At Kenya Climate Innovation Center (KCIC), we continue to deliver on our mandate of developing and growing small businesses that help in addressing the challenges posed by climate change. We continue working with businesses that are creating and developing innovative solutions in renewable energy, agriculture and water sectors.

I am pleased to present KCIC's 2018/2019 report, which highlights some of our achievements and key moments of the year as we implemented activities guided by our mission, vision and the 2016–2021 Strategic Plan.

KCIC works with clients through the incubation and acceleration, financing and awareness creation programmes. Each programme has distinct services to ensure that clients receive relevant support based on their stage and business needs. During the period, KCIC admitted 32 clients drawn from across 13 counties into the incubation programme. We continue to offer them an array of support services and resources to successfully develop their businesses. We also supported 18 clients in the accelerator programme with the primary goal of producing successful firms

that will develop cleantech products, create employment opportunities for the youth and women, and remain financially sustainable.

A number of interventions were undertaken to support our clients in developing cleantech enterprises. These included financial systems support, human resource support, branding and web development, testing and prototyping, patenting and copyrighting, as well as international certification. Clients were also supported in attending exhibitions and events where they interacted and networked with other stakeholders within the green economy space. All these interventions were made possible through technical and financial support from our partners who include DANIDA, Autodesk Foundation, World Bank, Salesforce among others.

KCIC also contributes to the development of cleantech businesses through its independent subsidiary, Kenya Climate Ventures (KCV) which was founded in 2016 through support from DANIDA and UKAid. KCV provides tailored financial as well as technical support to innovative early stage enterprises. The firm invested in Kilifi Moringa Estates, Hydroponics Africa Limited and Sistema.bio.

KCIC also offers clients financial support through Proof of Concept (PoC) grants and Early Stage Financing (ESF). In the 2018/2019 financial year, the amount of money committed towards PoC was approximately Kes 18 million while ESF disbursement stood at Kes 17 million. Our clients managed to create 709 jobs within the year, 32% of which went to women.

We also continue to work

towards an environment that supports growth and investments in green enterprises and offers market for eco-friendly products. By partnering with other players in government, civil society, academia and media, we held policy dialogues and policy trainings aimed at influencing policy as an enabler of green entrepreneurship. We also translated relevant knowledge and research findings and shared with our clients in a bid to keep them abreast of the happenings within their sectors. In our continued commitment to offer them alternative sources of financing, funding opportunities were also identified and shared appropriately.

We also reaffirmed our belief in partnerships by engaging a wide spectrum of players interested in innovative and sustainable enterprises. These included government, the academia,



civil society organisations and development partners. We joined hands with the government through the Youth Enterprise Development Fund to promote youth entrepreneurship in renewable energy, agribusiness and water management. We also partnered with World Agroforestry Centre (ICRAF), the Swedish Environment Institute and Africa Centre for Technology Studies in carrying out a pilot project which seeks to examine the potential of using land both for crop and electricity production in East Africa.

The path to sustainability requires that we all walk together- as professionals, business enterprises and the

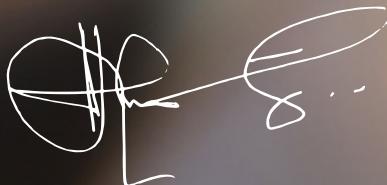
like- to share in the idea of people, planet and profit for a shared prosperity. Upon this realization, KCIC spearheaded the formation of the Association of Sustainability Practitioners in Kenya (ASPK). We also seek to bring on board county governments in our effort to embed sustainability practices across the width and breadth of our society. KCIC was also represented at forums such as the JKUAT Tech Expo where we interacted with stakeholders from institutions of higher learning in order to create awareness on sustainability matters, particularly to the youth. So far, we have recruited 12,000 students from institutions of higher learning into the

WeSustain platform.

In 2019/2020, we will continue to support initiatives that seek to adopt clean technologies while striving to mitigate and adapt to climate change.

We extend an invitation to you to partner with us in our endeavor to scale up climate change solutions that will positively impact our lives and the lives of future generations.

Happy reading!



Edward Mungai, CEO



Who we are

We work across 4 thematic areas



Agribusiness



Water Management



Renewable Energy

The Kenya Climate Innovation Center (KCIC) provides holistic, country-driven support to accelerate the development, deployment and transfer of locally relevant climate and clean energy technologies. The KCIC provides incubation, capacity building services and financing to Kenyan entrepreneurs and new ventures that are developing innovative solutions in renewable energy, water management and agribusiness in a bid to address climate change challenges. The KCIC is an initiative supported by the World Bank's infoDev and was the first in a global network of Climate Innovation Centers being launched by infoDev's Climate Technology Program (CTP). The KCIC is currently funded by the Danish Ministry of Foreign Affairs.



We provide services to our clients through the following delivery areas:



1 Business Advisory

KCIC provides technical expertise and mentorship in business, management and technical skills and competencies to turn appropriate technologies into viable businesses. We also facilitate market development for clean tech entrepreneurs by identifying and developing new market segments for current products.

3

Access to Information

The KCIC provides market intelligence products including market opportunities, market penetration, information on competing solutions in the market. Information on funding opportunities as well as that on market research and trends for various technologies is also provided. This enables technology to be developed in line with market needs.

2

Enabling Environment

We leverage the direct experience of private sector innovators to inform relevant government regulations, policies and strategies to encourage the adoption of profitable local innovations.



5

Access to Finance

Through competitive financing offerings including proof of concept grants, early stage financing mechanism, matching grants, seed capital investments, syndicate financing and the Kenya Climate Ventures which is an early stage financing aimed at assisting the clean tech entrepreneurs to move from proof of concept stage to commercialization, we facilitate flexible access to finance needed by clean technology enterprises.

4

Access to Facilities

Housed at Strathmore Business School, the KCIC provides working space for startup companies and also facilities for networking and business meetings. We provide access to and use of technical facilities which include those that aid in idea testing and demonstration. Through our partners, we also offer clients access to initial production and manufacturing at KCIC negotiated rates.





KCIC Subsidiaries

a) Kenya Climate Ventures

Kenya Climate Ventures (KCV) was founded in 2016, with seed capital from Danida and UKAid. KCV is an independent subsidiary of Kenya Climate Innovation Center. KCV provides funding and technical assistance support that enables entrepreneurial organisations to develop more robust products or services and demonstrate their value to intended users and other stakeholders. KCV has invested in three companies, namely Kilifi Moringa Estates, Hydroponics Africa Limited and most recently Sistema.bio.

• Kilifi Moringa Estates

KCV invested Kes 50 million in Kilifi Moringa Estates as seed funding for the expansion and extraction of additional value to increase supply over the long term. The money is being used for the expansion of the outgrowers programme, research and development, capital expenditure and the value addition of the moringa by-products. The company is in the business of growing moringa

trees and producing products such as moringa powder, tea, and massage oil from the leaves and seeds.

Kilifi Moringa is using the tree to create alternative livelihoods for the residents of Kilifi County. Kilifi Moringa Estates won the Chivas Venture 2018 award for their outstanding work towards uplifting small-scale farmers in Kilifi through incentivising and supporting them in growing Moringa.

• Hydroponics Africa Limited

KCV invested Kes 35 million in Hydroponics Africa Limited (HAL) to promote the growth of the company by reaching more customers within the country. Hydroponics Africa Limited is the pioneer initiator in hydroponic farming systems in East Africa. HAL enables farmers to achieve predictable and highly nutritious yields for vegetables and produce their own animal feed at limited cost of input.

With KCV funds, HAL has been able to grow its presence in four more counties i.e Machakos, Kitui, Tharaka Nithi and recently Meru. The company has

established offices in Rwanda, Nepal and Burkina Faso. Tanzania and Uganda operations are managed from Kenya.

• Sistema.bio

Recently, KCV invested in Sistema.bio Kes 35 million to scale its hybrid reactor bio digesters, delivering sustainable renewable energy and agricultural solutions to more farmers in Kenya. The company has sold over 800 Hybrid Reactor bio digesters, giving access to clean cooking energy to thousands of consumers.

b) KCIC Consulting Limited

We are excited to announce the launch of KCIC Consulting, a non-profit company focused on providing exciting solutions to start-ups, corporates, government and NGOs. The establishment of the company arose out of the need and demand for providing quality consultancy in climate technology, innovation, climate change and sustainable development.



OUR PEOPLE

The KCIC team is always at the frontline in a mission to provide incubation, financing and awareness that empowers the private sector to deliver innovative climate change solutions. The passionate team of employees works in partnership with the private sector, government including county governments, institutions of higher learning, civil society organisations, development partners and other stakeholders within the green economy space. We serve communities through innovative business ideas premised on cleantech enterprises, climate smart agriculture and sound water management.





OUR PROJECTS

1

The Urban Briquetting Project

The Urban Briquetting Project is a co-creation between Hivos EA, Greening Kenya Initiative Trust (GKIT) and Kenya Climate Innovation Center. The project also incorporates the National Treasury. This is a pilot for sustainable and quality production of biomass briquette programme for Nairobi County with an aim of transforming the biomass energy sub-sector, creating jobs for both women and youth in the county while contributing to universal access to clean energy at the household level.





As we reflect on our
progress over the
past year, I first want
to thank everyone of
you for your continued
commitment and
support to KCIC.





2



Kenya Miniwind Project

The Kenya Mini-Wind Project aims to develop a market for low cost energy by introducing partially locally produced kW wind turbines and operated wind turbine in mini-grid systems. The objective is to provide affordable and reliable electricity in rural communities in Kenya. This will reduce poverty, stimulate growth and increase accessibility of sustainable energy supply for the rural areas in Kenya. A pilot was undertaken in Ndeda Island where a 10kW wind turbine was integrated in an already existing mini grid. The project is being implemented by a consortium comprising of Kenya Climate Innovation Center, Rural Electrification and Renewable Energy Corporation (REREC), Sustainable Energy, Technical University of Denmark and Vestas.



ITC T4SD Hubs: one-stop shop for sustainability

We were excited this year to partner with Strathmore Enterprise Development Center and the International Trade Center (ITC) to launch the Trade for Sustainable Development (T4SD) Hub. The T4SD Hub will act as one-stop shop for Small and Micro Enterprises (SMEs) to internationalize by building green business strategies that will enable them access green finance and international markets for sustainable products.

A coaching programme will be implemented as a blended learning approach of e-learning and customized face to face coaching sessions and incorporates the ITC's existing tools and services. This will be rolled out as a two-year programme.

3



Association of Sustainability Practitioners in Kenya

In the wake of the adoption of Sustainable Development Goals (SDGs) by the United Nations (UN), the corporate world is now concerned about sustainability more than ever before. Professionals are also keen to embrace sustainability practices within their work environments and careers. It is on this realization that KCIC spearheaded the formation of the Association of Sustainability Practitioners in Kenya (ASPK), a body that brings together individuals and businesses with an interest in sustainability of business enterprises. This consortium provides a platform for the exchange of ideas and experiences as well as the discussion of issues around sustainability among professionals.



5



ClimateLaunchpad Competition

ClimateLaunchpad (CLP) is the world's largest green business ideas competition, whose mission is to unlock the world's clean technology potential that addresses climate change. The competition creates a global community of innovators determined to address the negative impacts of climate change through entrepreneurship. ClimateLaunchpad is part of the entrepreneurship offerings of Climate-KIC and the Kenya Climate Innovation Center.

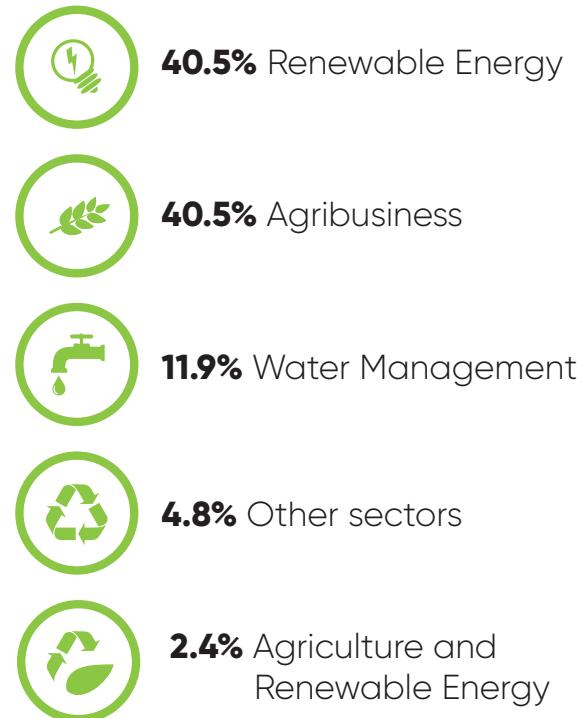


CLIENT SERVICES



In order to provide quality services to clients, KCIC works with them through the incubator and accelerator programmes. Each programme has distinct services to ensure that clients receive relevant support based on their stage and business needs.

Portfolio alignment of clients in Incubation Programme



ADMISSION OF QUALITY CLIENTS

Client servicing begins with their admission based on a set of guidelines. In the financial year 2018/2019, we admitted 32 clients against a set target of 30. A number of initiatives were undertaken to attract and admit quality clientele. These included exhibitions, competitions, direct targeting and partnerships with county governments as well private sector players working within the green economy space. KCIC also called for applications on its social media platforms where potential clients submitted online applications.

KCIC leveraged partnerships with county governments and other organisations to create a pipeline for new applications. Some of the partners included HIVOs, Micro Enterprise Support Programme Trust, Laikipia County Government, Ministry of Industry, Trade and Cooperatives and the Climate-KIC.

**Number
of clients**

15



**Thematic
Areas**

14



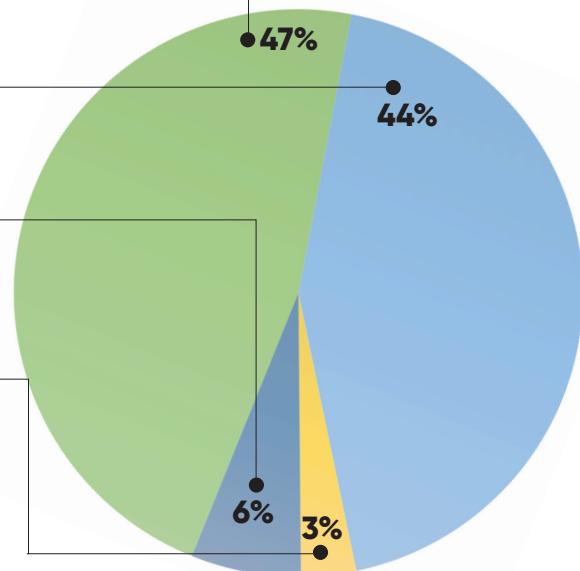
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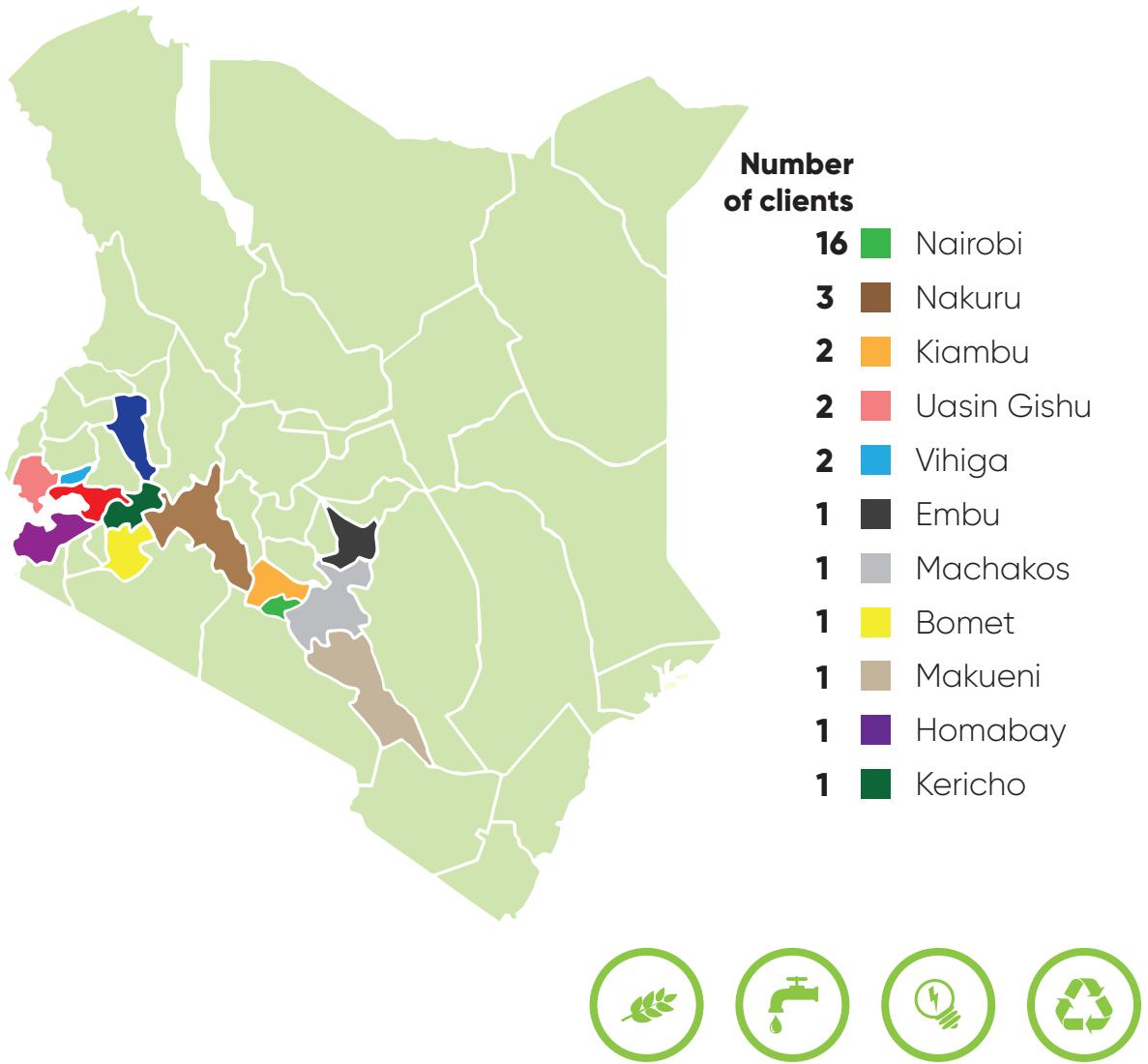
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The new clients are drawn from 13 counties, with Nairobi County attracting 50% of the admissions. Female-owned enterprises constitute 25% of these new admissions.



Pipeline development

key events and exhibitions
attended





Pwani Innovation Week

The Pwani Innovation Week brought together stakeholders and representatives from the six coast counties of Mombasa, Kwale, Kilifi, Lamu, Tana River and Taita Taveta within the Coast region. The forum sought to provide a platform for innovators to showcase their ideas with the aim of creating an innovation ecosystem focused on building and supporting value chains across critical sectors within the Coast region. From the event, KCIC was able to admit one client (Raw Valley E.A limited).



Laikipia Innovation Fair

The 2nd edition of Laikipia Innovation Fair was held in Laikipia County. KCIC attended the event to scout for potential clients. Three clients Agri-Flora Organic Solutions Ltd, Laikipia Permaculture, and Api Bio and Cultural Enterprise participated and showcased their successes gained through KCIC support.



ClimateLaunchpad

The 2nd edition of ClimateLaunchpad, the leading global green business ideas competition was launched in 2018. KCIC received over 95 applications which were vetted for admission. Fifteen businesses were selected to undergo a two-day boot camp followed by six intensive coaching sessions. Three finalists during the national's finals were chosen to represent Kenya in the global finals held in Edinburgh, Scotland. From the event, KCIC admitted two clients into Incubation Programme.



KCIC INCUBATION PROGRAMME



For the past six years, the incubator programme has been focusing on supporting entrepreneurs to come up with products that solve market challenges and build effective business models to increase the chances of success in the marketplace.

In the financial year 2018 /2019, the program supported 42 enterprises, with a majority of them at the product development, market testing and validation stage. The portfolio was made up of



40.5% Renewable Energy



40.5% Agribusiness



11.9% Water Management



4.8% Other services



Twenty five percent of the enterprises in the incubation phase are female-owned businesses.

Key services delivered during the period:

Business Training and certification

Seventy-eight clients were trained on various business and investor readiness topics including taxation; sales and marketing; branding and communication among others. During the investor-readiness training, 10 clients pitched their business proposals to potential investors.

Networking opportunities, Exhibitions and Events

Ten clients were each supported to attend and exhibit their products



2.4% Agriculture and
Renewable Energy

and services at various forums and conferences.

- One client attended and exhibited at ASK Nairobi Show.
- Five clients attended and exhibited at Strathmore University SEDC 6th Annual Conference
- Six clients at Kenya Fruits & Vegetables;
- One client at Kenya Climate Smart Agriculture Implementation Framework
- Nairobi International Trade Fair - Agricultural Society of Kenya (ASK)
- Six clients at Green Growth Conference & Exhibition
- One client at Biomass and BioEnergy Trade Conference, South Africa
- One Planet Summit
- Seven clients at Clean Energy conference

Mentorship

An SME that has gone through mentorship has an excellent opportunity to survive in comparison to one that has not been mentored. KCIC mentorship programme is designed to match clients (mentees) with mentors who support them to close specific gaps identified at the onset of the programme. So far, 98 clients have been mentored.

Experience from previous mentorship cohorts provided valuable lessons which were used to improve on the structure, content, and overall methodology of the programme. The 4th business mentorship programme was officially launched in February 2019 with the overall goal of sustainably improving and supporting 30 companies under the KCIC accelerator and incubator cohorts to grow and expand. The programme, which was

expected to run for a period of eight months, from February to September 2019, was designed to offer seven individual sessions per client, six group sessions and six one-day trainings.

Staff Mentorship Training- Six staff members were trained on the mentorship programme where six modules were delivered.

Financial system support

Five clients were supported on a cost sharing basis to install accounting/ bookkeeping systems and to also meet the cost of training. Training and other support activities in financial systems are ongoing.

Human resource support

Four clients received support on improving their human resource and accounting systems. On human resource, the focus was on developing job descriptions for their staffing needs in order to give a clear articulation of roles and responsibilities amongst the team. They were also assisted in staff recruitment.

Other support areas included financial management, sales and marketing, branding and public relations, human resource management, tax management, legal issues and fundraising.



Comments from clients on Incubation Programme

"A good training with regard to reinventing the business so that you're not stagnant. Because the main reason for partnering with KCIC is to always innovate in every aspect of the business,"

**Joab Amollo,
Wide Technologies Ltd.**

"I now know where to focus on. This knowledge will enable me change the rules of the game and be fair to my business,"

**George Ndong'a,
Solatrend Ltd.**

"A largely successful session because of the huge turnout of participants who really appreciated the business game. We could see the enthusiasm in participants by the many questions they kept asking,"

Emiliy Hinga, a trainer.

"The mentorship program has allowed us to attend trainings on strategy development, branding, and taxation. In particular, the tax workshop really hit home. We learned how to make a list of our expenses and realized that we could enjoy some tax relief."

Pascal Aloo, Simatech Integrated Solutions, KCIC incubation client

"KCIC has been a gem, I must say. They have helped us in the basic understanding of business and have gone to extremes of facilitating trainings on different aspects of business- such as bookkeeping, human resource, and taxation. KCIC really motivates you- they push you and remind you not to give up. They offer a platform for you to build yourself and grow"

Samuel Gitau, Operations Manager of MIS Company Limited, KCIC incubation client



KCIC GREEN TECH ACCELERATOR PROGRAMME

This is a ten-month programme targeted at clients graduating from the KCIC incubator programme. During the programme period, we provided clients with highly individualised services whose aim is to set them on a rapid growth path and ensure their ideas are investable.

In this cohort, there are 18 clients—seven renewable energy clients, ten clients on agriculture and one on water management. This is an improvement from the previous cohort, which had eleven clients. Since the inception of the programme in 2017, 42 clients have successfully gone through it.

The green-tech programme aims to enable clients to access early

stage financing from KCIC; attract external financing; and build investable businesses through sound financial projections, enhanced business and marketing strategies as well as the building of a robust management team for the businesses.

We supported three of our clients – Kings Biofuels Limited, Acacia Innovations, and Zijani to attend and exhibit at the KAM Annual Clean Energy Conference. The entrepreneurs also networked with other clean energy stakeholders.

Portfolio distribution of clients in Green Tech Accelerator Programme



7 clients

Renewable Energy



10 clients

Agribusiness



1 client

Water Management





CLIENTS SUPPORT SERVICES



KCIC supports specific client requests which have the potential of creating high-value results to the clients. Clients received support in the following areas:

Certifications

Seven clients were supported to register and acquire standard certification such as Hazard Analysis and Critical Control Points (HACCP) and GLOBALG.A.P. which are required for export business. Such certification is a global requirement for businesses to demonstrate that they are producing or trading in safe food. By complying with these international requirements, the clients would widen their access to international markets and hence increase their revenues.

Client branding

Branding improves on the visibility of a business by defining its characteristics and making it easily identifiable.

Five clients developed new logos and publicity materials, which included new packaging designs for their products. Three clients received support to create new websites.

Testing and prototyping services

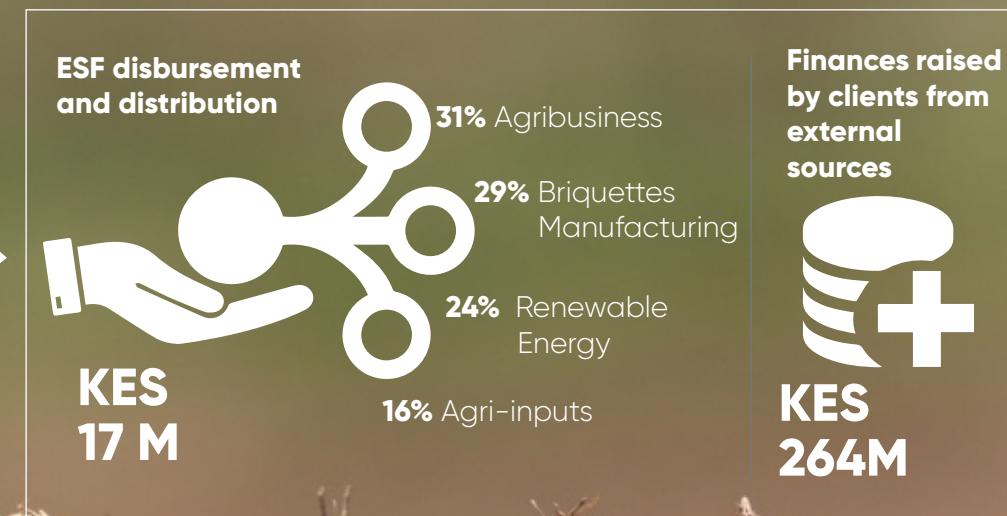
We aimed at imparting the skills for developing practical models to test ideas easily and quickly. Nine clients benefited from prototyping services.

Patents and copyrights

This service is meant to support clients acquire copyrights and patents from Kenya Industrial Property Institute (KIPI) in order to protect their inventions and ideas against misuse by third parties. They received legal advice on patenting and intellectual property. Five clients applied for registration of trademarks with KIPI while three received support in intellectual property through Strathmore University's Centre for Intellectual Property and Information Technology Law (CIPIT).



FINANCING



Introduction

Innovative products and business models are the foundations of a promising startup. However, these startups also need a steady flow of funds, especially in the early stages, to turn those ideas into reality. The existing imperfections in the credit and financial markets, credit constraints and a lack of capital in general have been identified as constraints for enterprise growth. In developing countries, SMEs face significant constraints such as high cost of capital, high collateral requirements and lack of experience with financial intermediaries.

KCIC facilitates flexible access to finance needed by clean technology enterprises by providing competitive financing offerings including Proof of Concept (PoC) grants and Early Stage Financing (ESF). This is aimed at assisting the cleantech entrepreneurs to scale their

businesses and move to growth stage where they can get further funding from other potential investors.

Early Stage Financing

The purpose of ESF is to unlock early stage funding opportunities for companies within KCIC portfolio while creating a pipeline for other funders looking at opportunities at a larger scale than what KCIC would typically fund. ESF is structured to provide both debt, equity and hybrid funding on a case-by-case basis upon assessment of needs for the opportunities.

These companies are drawn from KCIC's accelerator and incubator programmes. Since its inception in 2017, seven investments have been approved for funding. They include Exotic EPZ Limited, Kings Biofuels Limited, Acacia Innovations

Limited, Rafode Limited, Dash Crop Limited, SCODE Limited, and Lentera Limited.

ESF portfolio is made up of two clients in briquettes manufacturing, two in renewable energy products distribution, two in agri-processing and one in agricultural inputs. By portfolio value, agri-processing comprises the bulk of our portfolio at 31%, followed by briquettes manufacturing at 29%, renewable energy products distribution at 24% and agri-inputs at 16%.

To date, total investment for the seven companies stands at Kes. 32.3million out of which Kes. 17 million has been disbursed.





The success story of ESF clients.

Elana Laichena founded Acacia Innovations in October 2016. Based in Bungoma County, the enterprise manufactures biomass briquettes made from sugarcane waste to be used as alternative to firewood and charcoal fuel sources. Their main clients are schools in Nairobi and 19 other counties. They joined KCIC in early 2017, where they benefited from access to media coverage, use of facilities, business advisory, and mentorship. Specifically, Laichena was interviewed on KTN television and the company used KCIC's office space to conduct team meetings and interviews.

In December 2018, Acacia Innovations signed an Early Stage Finance agreement with KCIC of USD 45,000.

According to Laichena, "We received the funds to import a new briquetting machine from India in addition to a hammermill and a grinder to make the process go more smoothly. We were awarded the funds in December and placed the order then. We just got the machine installed earlier this month, so we are doing tests to get it up and running."

The ESF will assist Acacia Innovations in expanding their impact in the community as they contribute to conservation of the

environment. So far, they have employed 70 people, most of whom would traditionally have difficulties finding employment. For instance, they have hired factory workers who are either illiterate or semiliterate but are able to perform that kind of work well.

As Laichena says, "Creating employment is one of the most direct ways that people see a benefit from our operations. It's meaningful to provide jobs for people of all skill levels. We pay our employees fairly above the minimum wage thereby giving them an opportunity to support their families."

Additionally, sugarcane briquettes have numerous environmental and health advantages. The use of traditional firewood for cooking leads to deforestation; every ton of sugarcane briquette saves twenty-five trees. Furthermore, the product has almost no smoke. In the short term, this means that cooks do not suffer as much from irritations such as coughs or watery eyes, while in the long run, they are less at risk of respiratory illnesses.





Proof of Concept (PoC) funding

Four PoC cases were approved for funding with the grant awarded amounting to

KES 18 million.

PoC cases by sector were as follows:



Water sector- two companies, Simatech Solutions and MIS Company Limited



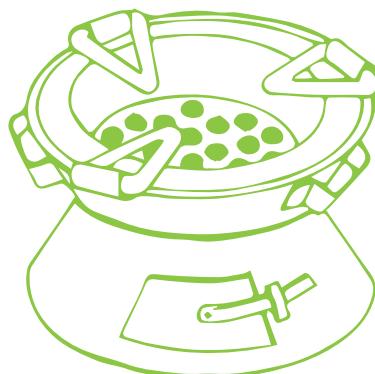
Renewable Energy
Sector- F&M Industries Company Limited



Agribusiness Miyonga Fresh Greens Limited Company

Amount of finance leveraged from other sources by KCIC clients

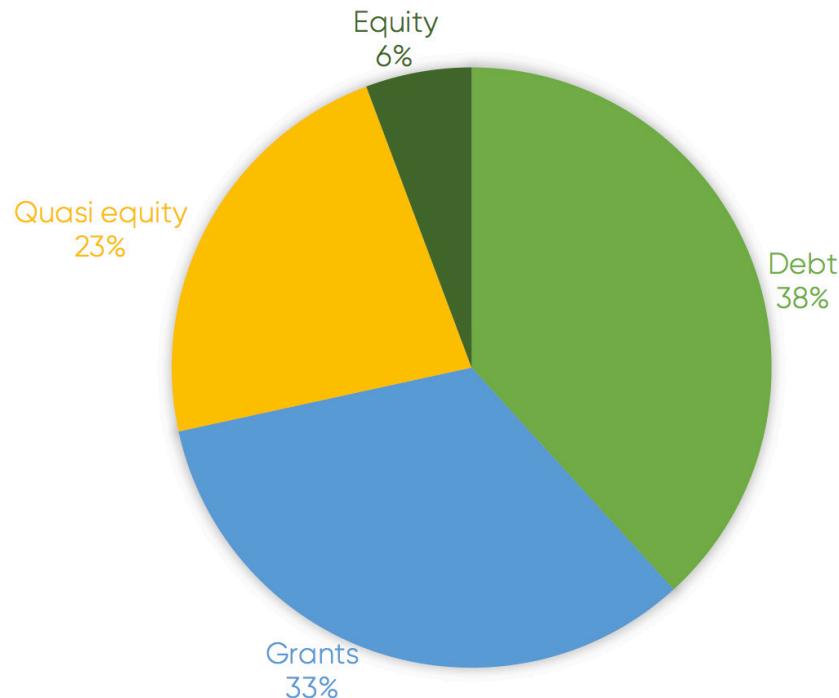
As start-ups grow, so do their financial needs. Access to finance is an essential catalyst for sustainability for both early and growth stage companies. KCIC avails support to clients through its funding facilities, i.e., PoC and ESF technical assistance to enable them apply for external funding through proposal writing. We also create awareness to clients on funding opportunities.



During the period, **27 clients** raised finances amounting to **KES 264 million** from external sources. The amount raised was in form of debt at **KES 101 million**; grants at **KES 88 million**; quasi equity at **KES 60 million**; and equity at **KES 15 million**. These finances were used by clients mainly to fund their working capital needs and acquire equipment to boost production



AMOUNT OF FINANCE LEVERAGED (2018 /2019)



A comment from a client who received external funding

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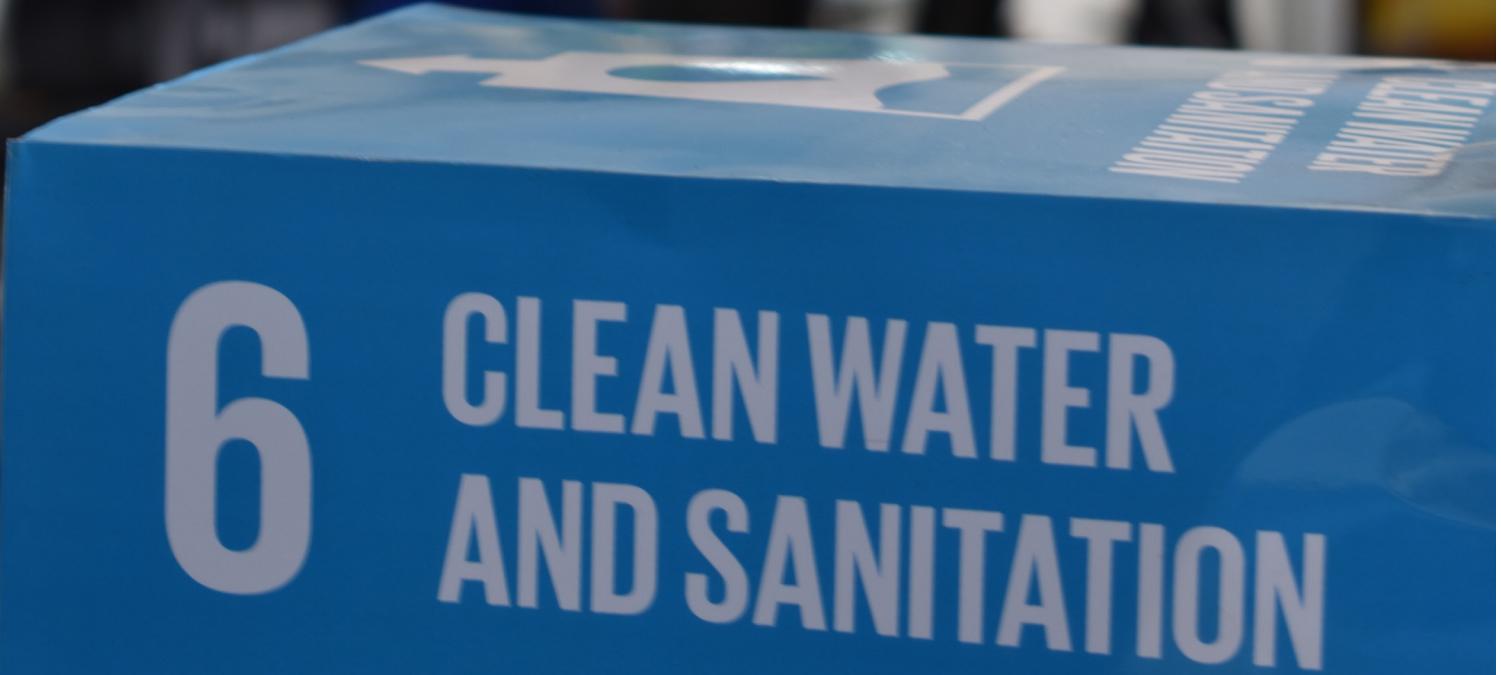
"We worked on our accounting systems to ensure we had proper records. The support of our mentor helped us to have updated books of account. My client lead helped in developing our financial model that I used to apply for funding."

Moses Kimani, Lentera Limited.

”

Revenues generated by clients

Through the support of KCIC, clients were able to realise KES 220 million during this reporting period. The assistance given through the mentorship and accelerator programmes played a useful role in increased revenues. Implementation of knowledge received by clients on marketing strategies and product standardization enabled the businesses to increase their revenues.



**Policy Advocacy And
Research**

POLICY ADVOCACY AND RESEARCH

Research and policy aim to contribute to cleantech enterprise development in Kenya. To achieve this, KCIC must be able to influence and foster favorable policy frameworks and an enabling environment for cleantech enterprises development through:

- a) Translation and dissemination of valuable knowledge and research;
- b) Creation of evidence-based research policies, including standards;
- c) Promotion and implementation of high-quality cleantech research evidence.

Policy Dialogues

Three policy dialogues on renewable energy, water, and sustainability of the agriculture sector in Kenya were held in partnership with private sector players, civil society organisations, government institutions and the public. The dialogues were guided by the current campaign to shift from fossil fuels to sustainable energy options; inclusivity in the value chain; climate smart agriculture and access to financing in the agriculture sector; as well as regulatory challenges that have affected the water sector.

A total of 25 clients were trained on policy and legislation affecting SMEs. Corporate governance practices for SMEs was also captured during this capacity building session. As a follow-up to this training, Miyonga Greens was assisted to develop a corporate governance guideline.

Opportunities shared with Clients

KCIC continues to identify and inform clients of the trends impacting the various sectors of the green economy. Five briefs were developed in the following areas: corporate governance practices among SMEs; the role of micro-finance in SMEs; tapping into the Vision 2030 Medium Term Paper 3 priorities; aligning business plans to the country's development agenda; and public-private partnerships in dealing with the effects of climate change.

In addition to the sector briefs, clients have received technology and funding opportunities through newsletters.





Three policy dialogues on renewable energy, water, and sustainability of the agriculture sector in Kenya were held in partnership with private sector players



Policy trainings

In partnership with The WaterCap and UNDP-CapNet, we carried out two policy trainings on water targeting the media and the youth. The session on Strengthening Water Science Communication for Policy and Accountability was meant to impart skills on journalists on how to report on water issues including on policies affecting the water sector. The second training involved the youth who were enlightened on various policies in the water sector, business models, market needs assessment, intellectual property rights, innovation development process as well as business pitching.

University Awareness Forums

Two forums/open days were conducted in Strathmore and Mount Kenya Universities where we interacted with over 300 students and created awareness on the services we offer so as to create a pipeline of young innovators.





A total of 25 clients were trained on policy and legislation affecting SMEs.



PARTNERSHIPS



We continue to forge partnerships with appropriate stakeholders in diverse fields ranging from civil society and government to the academia and development partners.

KCIC, World Agroforestry Center (ICRAF), Swedish Environment Institute and African Center for Technology Studies are implementing a pilot project aimed at investigating the feasibility of co-using land for crop and electricity production in East Africa. An award of £ 50,000 was made to Glasgow University for the project. Glasgow University is facilitating the research and development of a full proposal for funding. It will also set up of an experiment site for data collection to feed into the proposal.

We have also partnered with the government through the Youth Enterprise Development Fund (YEDF) to promote youth entrepreneurship in agribusiness, renewable energy and water management. The MoU we signed with YEDF will benefit the Kenyan youth through the creation of a database of youth entrepreneurship; access to affordable business finance; growth in climate-focused entrepreneurial

innovations and consequently the creation of decent job opportunities. It shall be instrumental in contributing to Kenya's journey towards the attainment of the Sustainable Development Goals, Kenya Vision 2030 and the Government of Kenya's Big Four Agenda.

government agencies, and members of the public in pursuit of sustainable development. The initiative achieves this goal through its five pillars: awareness creation, sustainability advisory, capacity building, research and community of practice.

In the 2018/2019 FY, we managed to partner with institutions of higher learning and this has led to the recruitment of 12,000 students into the entitative. KCIC has also completed projects such as an essay competition about the youth's role in sustainable development goals and debates with youth on sustainability topics. Our focus has also been on awareness creation through outreach campaigns including the JKUAT Tech Expo, an annual forum attended by 100 youth from various universities. These projects facilitated information sharing through sustainability publications that have reached over 3,000 subscribers.

SUSTAINABILITY INITIATIVES



The KCIC Sustainability Initiatives was launched in 2016 to challenge, inform and support various Kenyan stakeholders including businesses, civil society organisations, learning institutions,



We've also held discussions with development partners to explore openings for engaging county governments in the sustainability framework through awareness creation and capacity building.

In order to embed sustainability practices among our clients, we also conducted sustainability assessments of two clients- Zijani and Kings Biofuels. Findings from these evaluations were shared with the clients together with suggested strategies on how to improve on their application of sustainable practices within their business operations.

KCIC also took the lead in the formation of the Association of Sustainability Practitioners in Kenya (ASPK). This body is integral in bringing sustainability practitioners including businesses together to share and identify best practices to be embedded in enterprises and other professions. Most importantly,

this will create an avenue for putting the spotlight on the UN Sustainable Development Goals and deliberate on ways through which cleantech enterprises can contribute to their achievement.

Corporate environmental performance research has also been ongoing and when concluded, it will be able to show how sustainability is being embraced by various companies.



KCIC IN THE MEDIA

Our Visibility initiatives at a glance



**Issues of Live
Green Magazine
published- 4**



**Twitter followers
6,800**



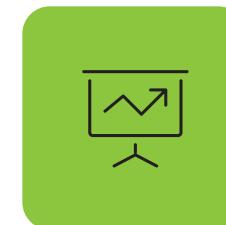
**Facebook followers
7,500**



**Number of TV
features- 9**



**Number of OpEds
published- 14**



**Margin of open rate
increase for the weekly
newsletter – 8.9% to 19.8%**

We have continued to leverage the power of the media, both traditional and new, in order to reach out to the communities we serve by showcasing our work as well as those of our clients. Through social media we raise awareness, keep stakeholders updated on KCIC news, share knowledge and strive to drive traffic towards KCIC online sites. We publish latest news, blog posts,

client features, funding opportunities as well as research and policy outcomes in our website and send them out to our clients in form of newsletters.

Eight of our clients were featured on various television programmes with their work transcending innovations in solar energy, biopesticides, hydropower, briquettes and nutritious diet-friendly cassava flour. Some of the clients who

were featured include:

- Bio Pesticides, Eco Dudu, Mhogo Foods, Mutunguru Hydropower, Acacia Innovations- KTN
- Solar e Cycle- KTN and Switch TV
- Scode Cook Stoves and Rafode Microfinance – K24 and EBRU TV



Go sustainability way for brand value boost

GROWTH



EDWARD MUNGAI
CEO, Kenya
Climate
Innovation Centre

Sustainability is becoming an integral part of many company's philosophies, just like a firm's management practices, it is influencing the business value.

There has been a movement towards establishment of sustainability activities for large, medium and small enterprises.

A recent study more than 89 percent of CEO's confirm that sustainability is fundamental to any business success. In your free time, if you have lots of effort, make a commitment put towards sustainable strategies such as developing sustainable products, services, creating sustainable departments, and publishing sustainability reports, working in their stakeholders as part

of the business ecosystem etc.

But what is sustainability? There are many versions. I will, however restrict myself to the definition provided by my friend Dr Michael Hopkins CEO at MHCI who defines it as that situation where activities undertaken by the business ensure that all the stakeholders are treated responsibly or ethically. This incorporates companies' relationships to the natural environment, social causes, and the corporate governance are dealt with in a proactive way.

This means that companies must invest in decisions that impact people positively, benefit the environment and guarantees the sustainability of the project itself through profit creation. Evidence shows that companies that invest in sustainable development are more successful in their business strategy.

demand- suits customers' needs at the moment, influences buying behaviour by reducing risks, and develops a strong relationship with customers to its uniqueness, hence influencing their recurring purchases- a key factor to securing profits for the business.

A sustainability programme that is consistent with a brand positioning will create more value for its brands. Corporates have sought to increase competitive positioning by linking sustainability and corporate strategy.

Recently Brand Africa announced the top 100 brands in Africa in their *7th Annual Brand Africa 100: African's best Brand*.

In 2019, Where Nike, MTN (South Africa), Dangote (Nigeria) Safaricom (Kenya), were the highest listed brands in the list. Safaricom leading South Africa, MTN Stock Exchange, and other securities exchange in Africa.

Looking into this top four brands, there is a common denominator, despite making a name for themselves in the top 100 brands, these companies have also embraced sustainability in their business strategy.

Newspaper cuttings

We also published 14 OpEds in the mainstream dailies- Daily Nation, The Standard and The Star newspapers, as well as KBC online. These touched on clean energy, the ongoing ClimateLaunchpad competition, green enterprises, World Environment Day and combating desertification.

Environment

Achieving 10 per cent forest cover is crucial in plans towards combating desertification

desertification means climate change is aggravated, because of low vegetation cover to support carbon dioxide uptake. Increased desertification also means water scarcity, leading to low food and forage production, thereby adversely affecting the lives supported by ecosystems. At a higher level, it means low production and unstable economies.

Today's event, therefore, provides a great chance to reflect on achievements towards afforestation over the last 25 years. As a nation, we are still below the minimum required amount of forest cover relative to land area. The UN says at least 10 per cent of a country's land area should be covered by forests. We are on course as recent tree planting efforts led by the Government and various organisations have enabled us to reach seven per cent cover. We shall hopefully hit our target by 2022, as promised by President Uhuru Kenyatta. We need to embrace practices that work towards sustainable land management. Degraded



land can also be recovered through aggressive afforestation practices the way it has proved successful in neighboring Ethiopia's Tigray region. We must also remain alive to the realities of the day, and remain resilient by adopting and adapting to climate change through sustainable agribusiness practices. This will involve proper utilisation of water, practicing agro-forestry, embracing the use of technology and being innovative in order to secure the future of our lands.

Vincent Ogaya, Kenya Climate Innovation Centre

Let's protect insects from extinction threat to maintain clean ecosystem



■ Some insects are a human bother. They hover around our personal spaces, sting, bite and

mass habitat loss compounded with pollution from much extensively used pesticides.

Kenyan youth should seek limitless and untapped global opportunities



Our Corporate Social Responsibility

KCIC commits to positively impact the workplace, the environment and the community. As a result, we partnered with Clean Up Kenya, the County Government of Nairobi and South B Primary School to clean up the surrounding areas of South B Estate. Thereafter, we held a tree planting exercise at South B Primary School where we also enlightened pupils on environmental issues particularly on the need to conserve trees.

The residents of the area were excited to receive us during this CSR activity. "We promise to take good care of the trees by constantly watering them so that they grow and benefit our school community," Madam Millicent, the Wildlife Club Patron remarked.





The Board

KCIC Board of Directors comprises men and women with a wealth of experience from diverse fields spanning both the public and private sectors. They bring on board a mix of skills, experience and professional as well as industry knowledge that is relevant in meeting KCIC's strategic goals. The Board provides strategic direction for the organisation and is in charge of planning and policy formulation.



Prof. Izael Da Silava



Anne Angwenyi



Salim Mohamed



Lydia Kiburu



Julie Waweru



Job Kihumba



Dr. Arthur Onyuka



Susan Otieno



Edward Mungai



Thank you

We appreciate our friends and partners who believed in our cause and supported us in championing sustainable business enterprises that address the climate change challenge.

KCIC highly recognises the support extended to us by our donors and partners in form of resources and technical guidance.

To our staff and to everyone else who gave their time and commitment towards a cause that we are so passionate about, we say thank you!

Looking to the future: 2019/2020

There is a greater focus on sustainable development both at the local and global scenes. This is driven by the need to align growth towards the UN Sustainable Development Goals. It holds the promise that development should not be spearheaded at the expense of lives and the planet.

KCIC sees a greater opportunity to build on the successes of 2018/2019 to broker relationships with civil society, governments, development partners, individual champions and citizens at large to bring about meaningful conversations around sustainability and the need to embed sustainable practices in business ventures.

We will also continue to bring more clients on board while working with

existing ones to ensure viable business ideas are nurtured around agribusiness, water management and renewable energy. Without a sound enabling environment, SMEs may not survive and thrive especially in the face of stiff competition from well-established corporates; ever-changing economic climate; and tough regulatory frameworks. KCIC will therefore strive to work hand in hand with other organisations and the government to push for friendlier laws and policies that assure sustainability of SMEs.

We welcome you in our journey of upscaling innovative solutions in cleantech enterprises, because in it, a greener future is guaranteed.



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Who we are

The Kenya Climate Innovation Center is an incubation hub that supports early stage start-ups in clean technology to address climate change. Our vision is to be the one stop shop supporting innovative climate change solutions in Kenya. We endeavor to provide incubation, financing and business advisory support to clean tech enterprises in Kenya.

2018 -
2019



Agri-business



Water Management



Renewable Energy



Others



MINISTRY OF FOREIGN AFFAIRS
OF DENMARK
Danida

