

GGBP Case Study Series

Kenya Climate Innovation Center

Related Chapter: [Public-private collaboration](#)

Case developed by: [Lit Ping Low](#)

Country: [Kenya](#)

Sector(s): [Finance, water, energy, agriculture](#)

Key words: [Technology, innovation, climate change, jobs, financing, capacity-building](#)

Climate Innovation Centers (CICs) are an important initiative of the World Bank Group's Climate Technology Program. The first CIC opened in Kenya in 2012 with the aim of providing “incubation, capacity building services and financing to Kenyan entrepreneurs and new ventures that are developing innovative solutions in energy, water and agribusiness to address climate change challenges.”

Context

The network of Climate Innovation Centers (CICs) is the flagship initiative of the World Bank Group's Climate Technology Program, funded by the Australian Agency for International Development, the Danish International Development Agency, the Department for International Development of the United Kingdom, and the Government of Norway. The concept was originally proposed by India in discussions on technology transfer under the United Nations Framework Convention on Climate Change; in its current form the CICs are aimed at providing all-round support to climate technology innovators from

incubation to seed financing facilities, specialized policy interventions, network linkages and technical facilities, and business training (The Government of India, 2009).

Kenya has been an attractive country in which to launch the first CIC. The country is recognized as investing strategically in innovation, and compared with its peers it scored well on a benchmarking exercise called the Global Innovation Index 2013 (Cornell University et al., 2013). The country was considered to be an ‘innovation learner’, with recognized strengths in access to credit (including microfinance), investment in education, and trade in technology.

Approach

The central premise for the CICs is to create a robust system of innovation comprising a range of actors and institutions that can support the activities along the innovation chain. However, recognizing that different countries may have different needs and gaps in their systems of innovation, each CIC needs to be tailored to the local context, and therefore involve local stakeholders in its design and implementation. The current plan aims for CICs to be developed in eight locations of Kenya, Ethiopia, India, South Africa, Vietnam, Morocco, the Caribbean, and Ghana, each with a slightly different focus: The first CIC opened in Kenya in September 2012, with the stated aim of providing “incubation, capacity building services and financing to Kenyan entrepreneurs and new ventures that are developing innovative solutions in energy, water and agribusiness to address climate change challenges”. InfoDev, the program within the World Bank that is tasked with seeding the CICs, engaged 120 Kenyan climate technology stakeholders over eight months to conduct an assessment of the climate innovation landscape, and analyzed existing capacity and market gaps. A business plan has been proposed which outlines the focus, implementation strategy, investment requirements, and impact of a CIC in Kenya.

The Kenyan CIC aims to create tangible impacts in its first five years, with projections of creating over 70 sustainable climate technology ventures, generating 4,600 direct and indirect jobs, mitigating 1.5 million tons of carbon dioxide emissions, providing one million people with access to electricity and 440,000 people access to water, and increasing the agricultural efficiency of 22,000 farms. Financially it aims to lever over 100 percent of cost from co-investment and contributions from the private sector. The success rates of technology

incubation hubs in developing economies have been mixed, so the impacts, effectiveness, and efficiency of the CIC remains untested.

Outcomes

Current progress sees the CIC receiving support from Kenyan government agencies and private sector bodies, such as the Ministry of Industrialization and Enterprise Development through the provision of incubator space, and the Kenya Private Sector Alliance on private sector and financing linkages. By July 2013, despite limited marketing and outreach, the CIC had received 169 applications and had been incubating 41 enterprises, many of which were cases where innovators had proactively approached the CIC. The levels of interest indicate that the CIC is addressing a gap in the innovation community. At the time of writing, the CIC has started to scale up its outreach activities and expects greater inflow of applicants as the scheme becomes more widely known.

The significant time and effort undertaken in consulting and engaging local stakeholders is crucial to ensure robustness in the process; however, continued engagement by the local parties will be important for its continued success. There have also been parallel and linked efforts and initiatives to the CIC, for example, the establishment of the East Africa Climate Innovation Network, which functions as a pipeline of applicants to the CIC. Another feature of the CIC is its collaborative nature where, albeit funded by donors via the World Bank, its day-to-day operations are designed and supported by an alliance of the private sector, government agencies, academia, and non-governmental organizations. The government agency Kenya Industrial Research and

Development Institute ensures that there is a link to government policy and standards that complements and supports innovations.

It is still too early to assess whether the CIC will meet its targets set. As a new initiative it has progressed well and garnered positive support from multiple stakeholders. Lessons learned from the Kenyan experience will undoubtedly inform the models of the other planned CICs, and the overall evolution of this initiative will be important considerations for other countries seeking to set up an innovation or technology incubation hub.

Lessons

Success factors of this partnership are:

- **Pursue rigorous analysis and consultation on market barriers and value chains and high-impact opportunities for innovation:** The business plan was developed through extensive consultation. This helped to provide the CIC with a 'license to operate' and buy-in from local stakeholders, which is important to generate real impacts;
- **Ensure support from both public and private bodies:** the CIC received support from government agencies and private sector bodies in the form of, for example, incubator space and private sector and financing linkages;
- **Collaborate and use a multi-disciplinary team:** collaboration is central to the activities of the CIC, which are supported by an alliance of the private sector, government agencies, academia, and non-governmental organizations.

Key challenges are:

- **Need to allocate significant time and resources to consultations and engagement of stakeholders:** This ongoing consultation and participation of local stakeholders is crucial to ensure robustness in the process but will imply significant set-up costs;
- **Need for an early, structured outreach program:** Many of the applicants thus far learned about the Kenyan CIC through word of mouth, as the outreach program was limited in the first months. However, in the case of the CIC, there was a sufficiently strong demand even in the first months. An outreach program therefore also needs to be balanced against the capacity to respond in both the short and the long term.

References

- Cornell University, INSEAD, and World Intellectual Property Organization (WIPO). 2013. The Global Innovation Index 2013: The Local Dynamics of Innovation, http://www.wipo.int/edocs/pubdocs/en/economics/gii/gii_2013.pdf
- Crawford, G. 2012. Case study: Nairobi's Climate Innovation Centre, http://www.ids.ac.uk/files/dmfile/LHcasestudyII_CICsNairobi.pdf
- InfoDev. 2010. Kenya Climate Innovation Center (CIC): Summary Note of Business Plan, http://infodev.org/infodev-files/resource/InfodevDocuments_1005.pdf
- InfoDev, assessed July 2013. <http://infodev.org/articles/climate-technology-read-more-about>

Government of India. 2009. CleanNet: A Network of Climate Innovation Centres, <http://climatestrategies.org/wp-content/uploads/2009/04/network-of-innovation-centres-2009.pdf>

Kenya Climate Innovation Centre. <http://kenyacic.org/devs/about>

Mathur, A. 2008. CleanNet: A Network of Climate Technology Development & Diffusion Centers, AWG-LCA In-Session Workshop on

Cooperation on Research and Development of Current, New and Innovative Technology, COP-14, Poznan http://unfccc.int/files/kyoto_protocol/application/pdf/indialcaresearch.pdf

Sagar, A. 2011. Climate Innovation Centers: Advancing Innovation to Meet Climate and Development Challenges, <http://www.climatestrategies.org/research/our-reports/category/56/314.html>

Disclaimer

This case is a summary of research input to the Green Growth in Practice: Lessons from Country Experiences report published by GGBP in July 2014. The views and information expressed in this case study are not necessarily endorsed by the GGBP sponsors or organizations of the authors.

December 2014

GGBP sponsors:

