



**COHORT 1
'COVID WINDOW'**



CALL FOR APPLICATION (CFA)

**KENYA INDUSTRY AND ENTREPRENEURSHIP PROJECT
COMPONENT 2: SME LINKAGES AND UPGRADING**

<https://kiep250plus.co.ke>

APPLICATION OPENS FROM 20TH NOVEMBER 2020 TO 18TH DECEMBER 2020 1400 HRS (GMT+3)

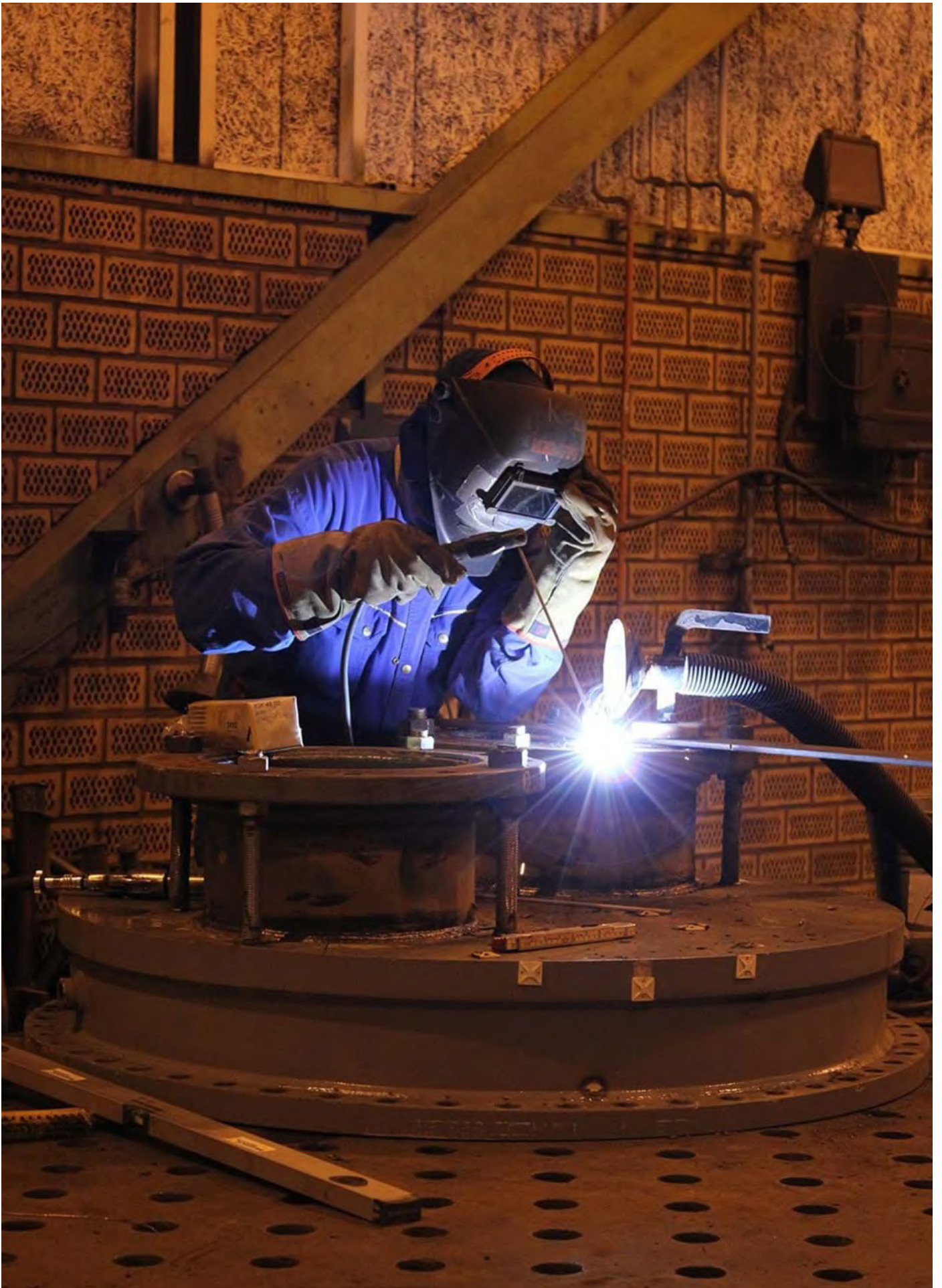


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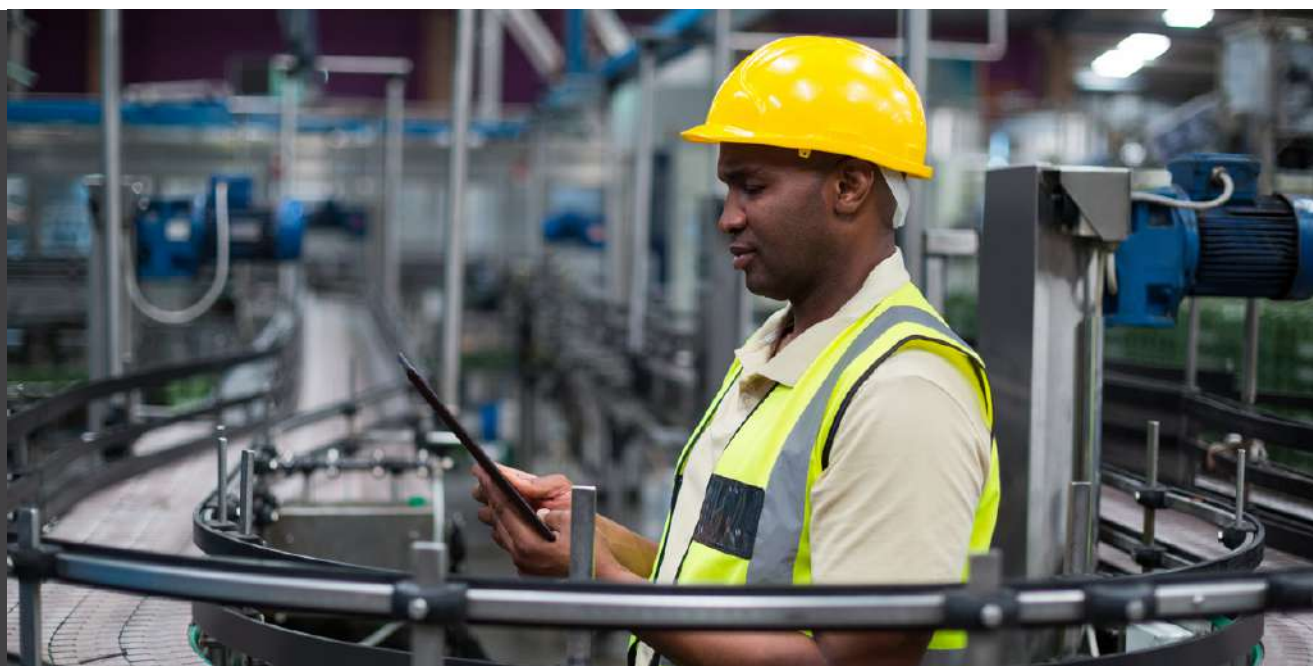
NOTICE

KIEP 250+ is designed to help strengthen the productivity and internal capacity to innovate for 250 carefully selected SMEs. We do so by improving the managerial and technical skills, and the SMEs use of technology. Our goal is to significantly increase business resilience, productivity, competitiveness and enhance market linkages.

This is the first Call for Applications under KIEP 250+ and we are targeting at least 50 qualifying SMEs for this specific cohort. The actual number of short-listed SMEs may be lower or higher than the target of 50, dependent on applicants meeting the eligibility criteria and the outcome of the evaluation processes.

SMEs who meet the eligibility criteria are encouraged to apply online through <https://kiep250plus.co.ke/smartme-registration/>. The KIEP 250+ platform allows for a fully transparent and efficient process that reduces the overall time taken by applying SMEs to complete the application procedure. This guideline is meant for SMEs who are interested in applying to understand the overall process and requirements.





PROJECT DURATION	JULY 27 2020 – JUNE 30 2024
Number of SMEs	250+
Target minimum women SMEs	50
Eligibility criteria	<ul style="list-style-type: none"> • Nominated by strategic partner • Annual sales > KES 50 million • > 2 years in existence • Committed management
Priority sectors	<ul style="list-style-type: none"> • Manufacturing • Healthcare • Food security • Affordable housing • Other sectors considered on a case by case basis
Key Goal	SME Linkages and Upgrading
Mobilization	Nomination through Lead Firms, Financial Institutions or Business Associations
Average grant amount	USD 50,000 (KES 5M)
Own contribution	> 30% (compulsory)
Number of cohorts	6
Duration Call for Applications	4 weeks
Average duration of Technical Assistance provision	15 months

BACKGROUND

The Government of Kenya (GoK) has sourced for funds from the World Bank to jointly finance the implementation of the Kenya Industry and Entrepreneurship Project (KIEP) for a four-year period from 2020 to 2024. KIEP will be implemented by the Ministry of Industrialization, Trade and Enterprise Development (MoITED).

The Project Development Objective is to increase innovation and productivity in select private sector firms, in line with Kenya's Vision 2030 and its Second and Third Medium Term Plan 2010-2017 (PMTP2 and MPT3) that have set ambitious growth targets in private sector employment generation and productivity.

KIEP will provide Technical Assistance through financial grants and its direct beneficiaries are fast growing SMEs that operate in key economic sectors in Kenya.

KIEP consists of three components:

1. *Strengthening the innovation and entrepreneurship ecosystem;*
2. *SME Linkages and Upgrading; and*
3. *Project implementation support and M&E.*

This Call for Applications (CFA) Guide deals with Component 2: SME Linkages and Upgrading.

The aim of this part of KIEP is to increase productivity and innovation within established Kenyan SMEs by supporting select firms to improve their managerial and technical skills and their access to and use of technology, in order to significantly increase operational competitiveness.

Component 2, "KIEP 250+", targets to work with at least 250 SMEs across various manufacturing and

trade-exposed sectors, and/or SMEs who already supply - or wish to supply - large(r) firms in Kenya.

Shortlisted SMEs accepted into the project will receive an integrated package of diagnostic and advisory services and financial support for the implementation of identified gaps that need to be addressed in order to increase innovation, productivity and competitiveness.

KIEP 250+ is managed by a consortium of international development consulting firms led by NIRAS Finland Oy ("the Fund Manager"), with Intellectap Advisory Services Private Limited Kenya as sub-contractor and supporting partner. The major part of the implementation will be carried out by NIRAS Africa Ltd of Kenya, which is part of the NIRAS Group. NIRAS Finland Oy and NIRAS Africa Oy will be referred to jointly as NIRAS.



ELIGIBILITY CRITERIA

The selection of beneficiary SMEs is based on objective criteria as described below:

Eligible SMEs are firms:

- Who have been nominated by lead firms or other third parties such as financial institutions or industry associations;
- Whose annual turnover falls between KES 50m-1b (USD \$0.5mm and USD \$10mm). This turnover may be from the previous financial year, or an average annual turnover from the previous three years;
- Priority will be given to SMEs in the big 4 agenda sectors; Affordable Housing, Healthcare, Manufacturing and Food Security;
- Who may have export potential;
- Whose management is committed to participating in the program
- Who are incorporated in Kenya and have been in existence for at least two years, and are not insolvent;
- Who are able to present audited financial statements.

Who can nominate an SME?

To become eligible for inclusion into KIEP 250+, an SME must be nominated by a Strategic Partner which includes Lead Firms, Financial Institutions, Business Associations or other stakeholders.

Lead firms are those who:

- Belong to sectors of the economy with potential to use local suppliers and with potential to export goods and services, or;
- Are a major buyer of goods and/or services from Kenyan suppliers that are SMEs;
- Have part or all of their supply chain in Kenya, or;
- Have suppliers that are SMEs that add value in Kenya, or;
- Want to build their local supply chain in Kenya.

Financial Institutions include commercial banks, non-bank finance institutions (NBFIs), Investment/Private Equity Funds or other financial institutions that work with SMEs.

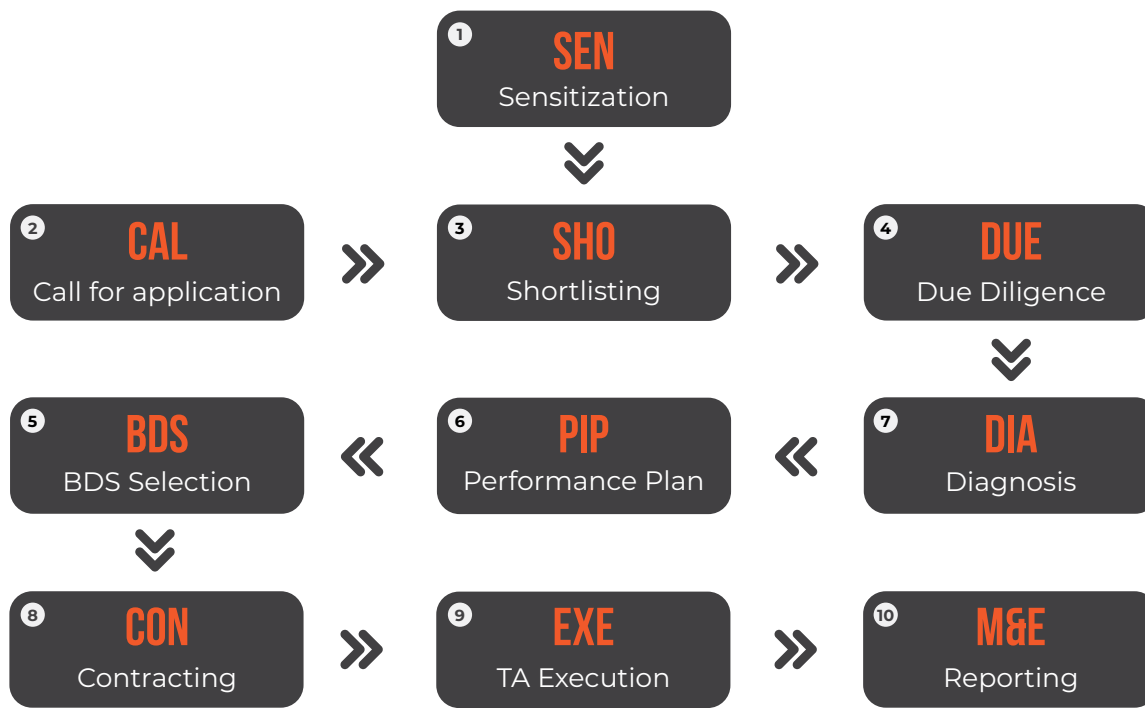
Business- and Industry Associations are membership organizations, often organized per sector or profession, who would nominate member-SMEs

Other Strategic Partners include women organizations, NGOs, professional firms who work with SMEs.

Own Contribution by the SME is a minimum of 30% of the project's total costs, in monetary and/or non-monetary contributions. This contribution need not be upfront and can be spread across the duration of the performance contract.



PROCESS OVERVIEW



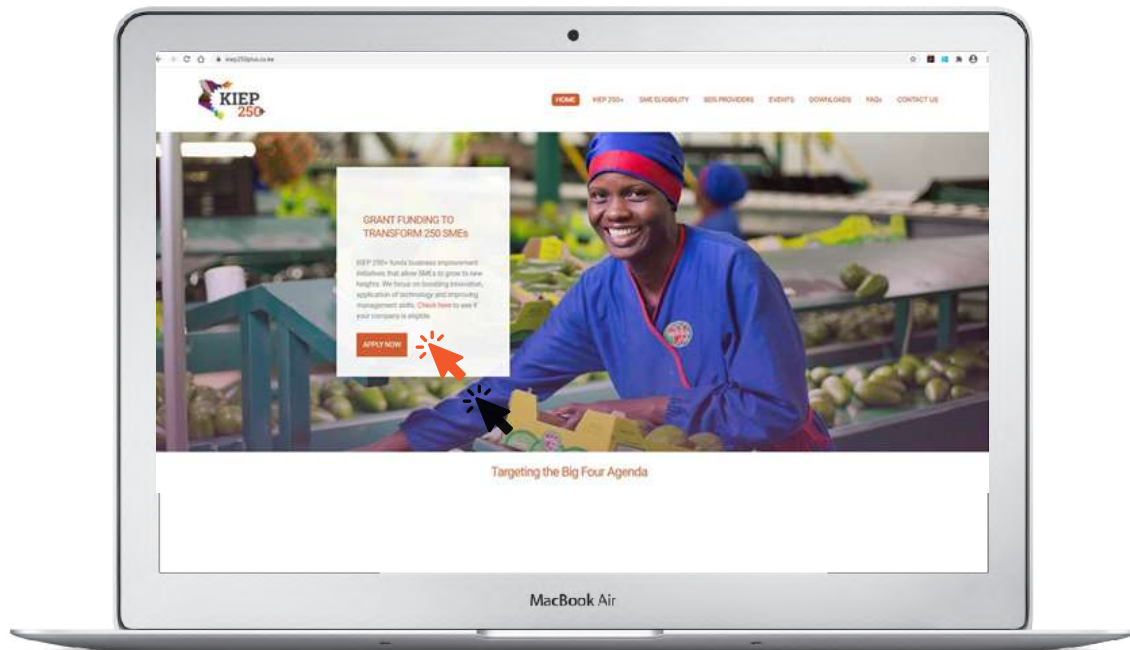
STEP 1	The KIEP 250+ project team reaches out to Strategic Partners to alert them that a new Call for Application will shortly be launched and discuss with them the prospect of nominating eligible SMEs;
STEP 2	The Call for Application officially opens on SMART ME platform. The Call will remain open for 4 weeks;
STEP 3	Shortlisted SMEs will receive an official communication informing them of next steps;
STEP 4	Comprehensive due diligence to verify the information provided by SMEs is undertaken;
STEP 5	A diagnosis of the shortlisted SME, its commercial objectives, organization and operational processes is undertaken and key priority areas for improvement are highlighted;
STEP 6	A Performance Improvement Plan (PIP) is developed jointly by the shortlisted SME and a KIEP 250+ appointed Business Advisor. The PIP will state the agreed areas of Technical Assistance;
STEP 7	Specialist Business Development Service providers who are qualified to execute the agreed Technical Assistance projects are shortlisted and contracted;
STEPS 8-9	KIEP 250+ provides 15 months of technical assistance to help achieve the business improvement objectives highlighted in the Performance Improvement Plan (PIP);
STEP 10	The SME reports on agreed key indicators enabling us to measure the success and impact of the Technical Assistance grant.

APPLICATION PROCESS REVIEW

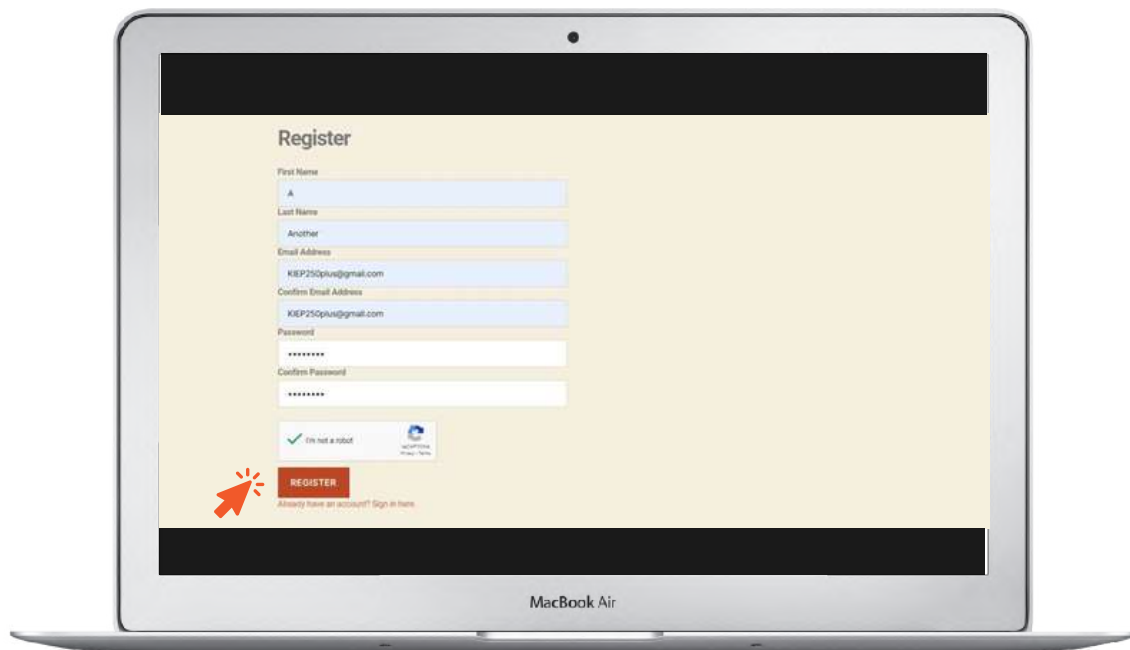
The following steps are a guide on how to log on, fill in and submit your application for KIEP 250+

SETTING UP AN ACCOUNT

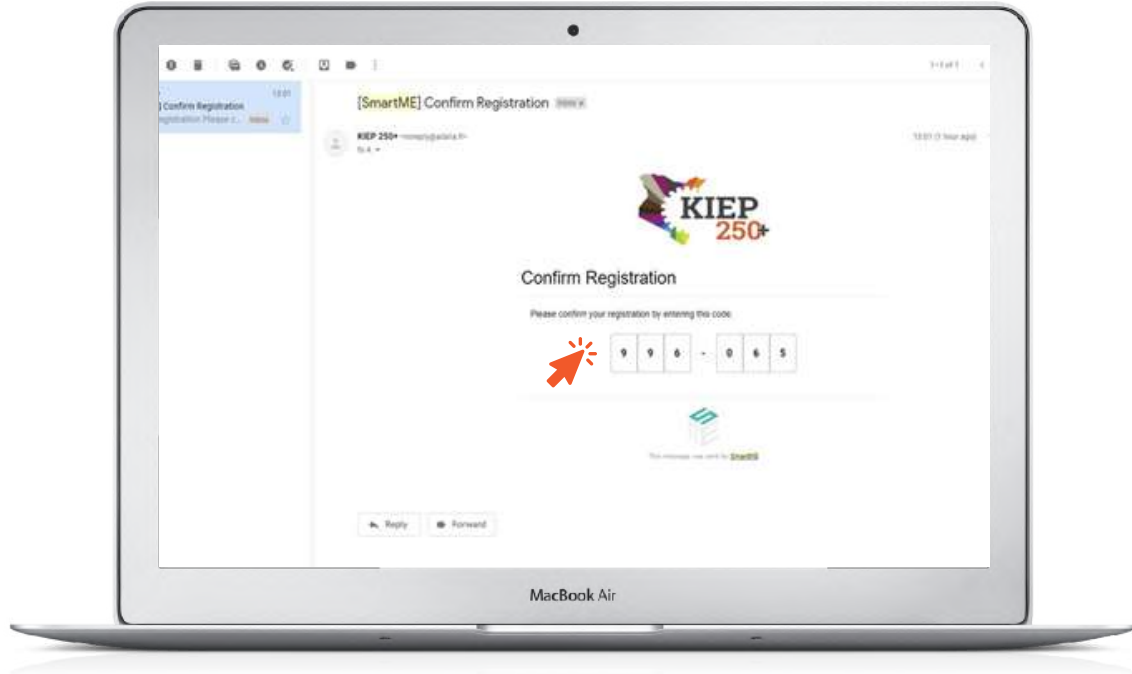
1. Visit the KIEP 250+ website under <https://kiep250plus.co.ke/> and click on “Apply now”



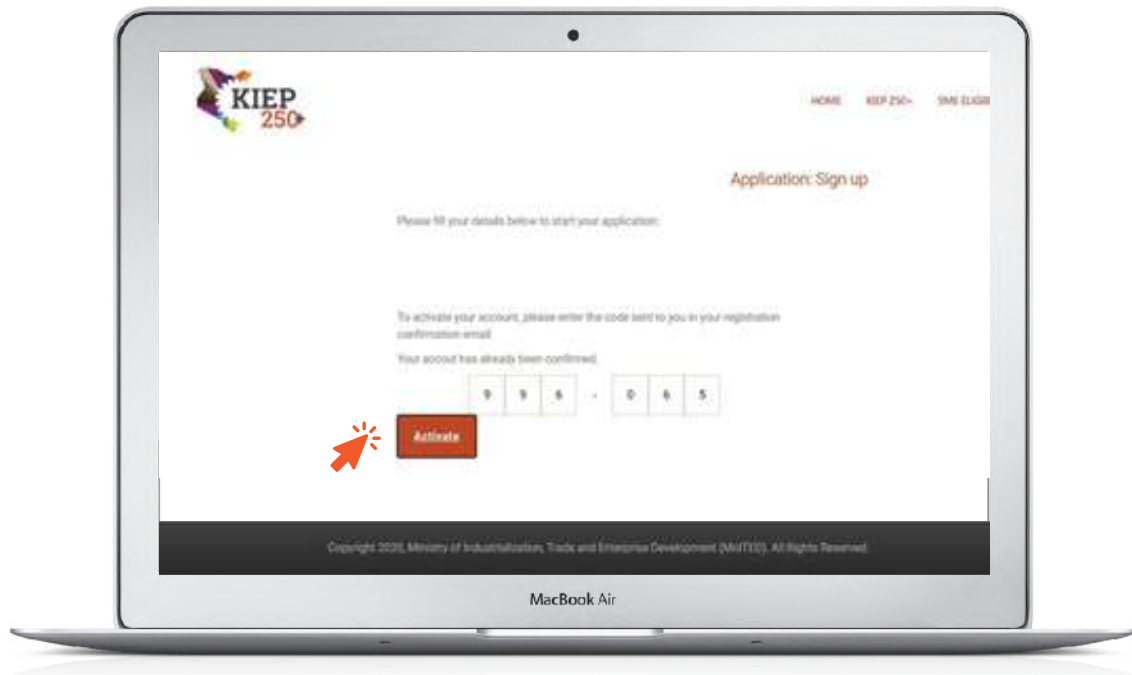
2. Click: “Apply now”, then fill out the registration form, finish by clicking “Register”.



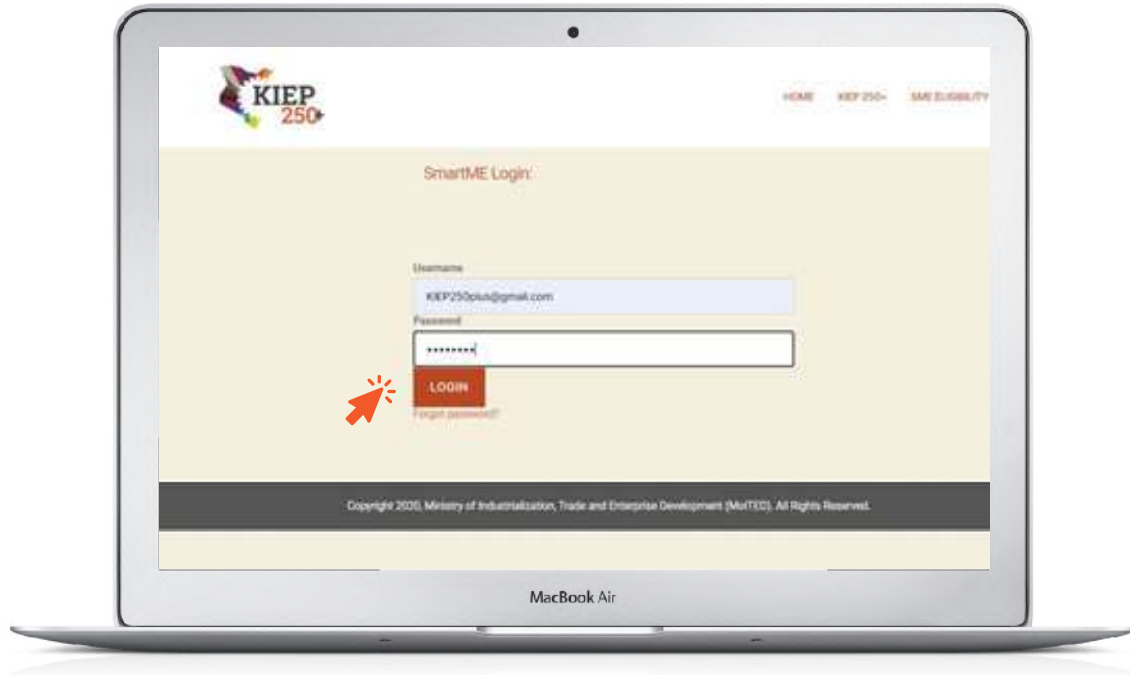
3. Check the inbox of the e-mail address you used to register for KIEP 250+. You will get an email with a code which will allow you to verify your registration.



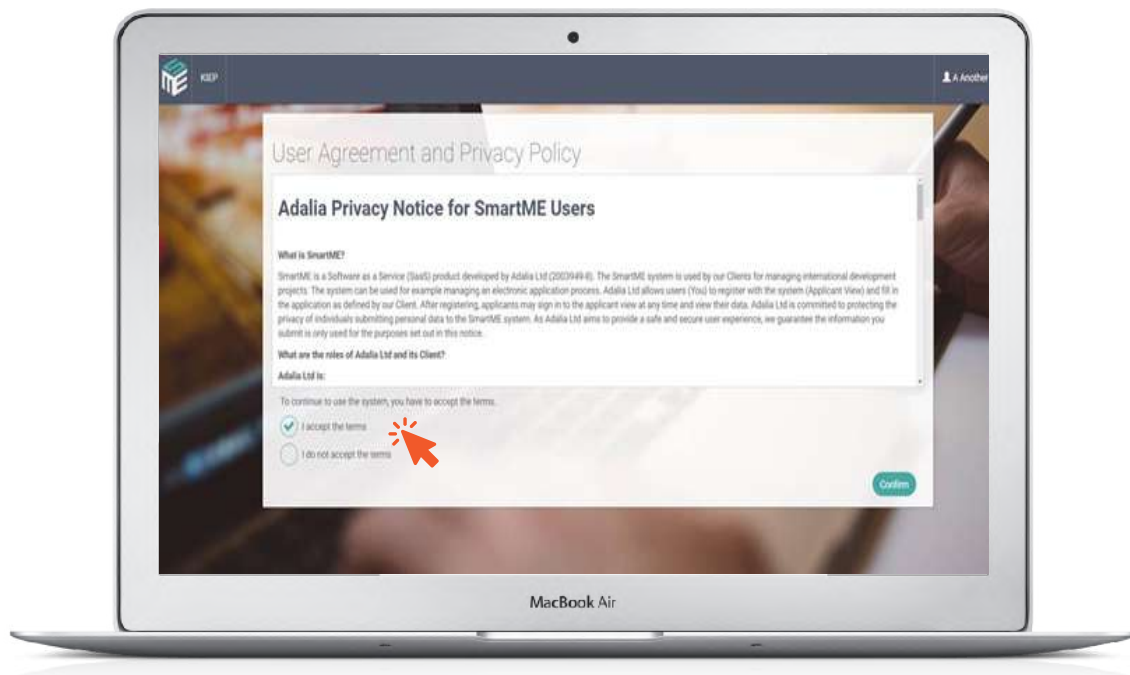
4. On the website, insert the code that you have received by email.



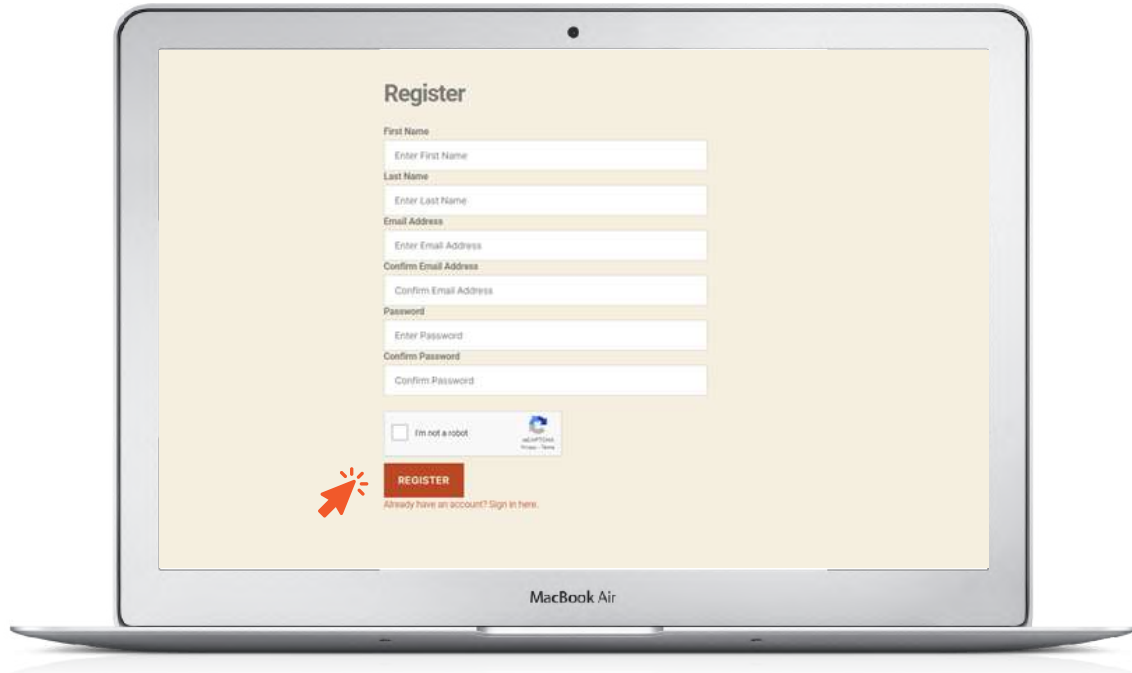
5. After clicking on **“activate”**, you will be asked to log-on. Use the e-mail you provided and the password you typed in at **step 2**.



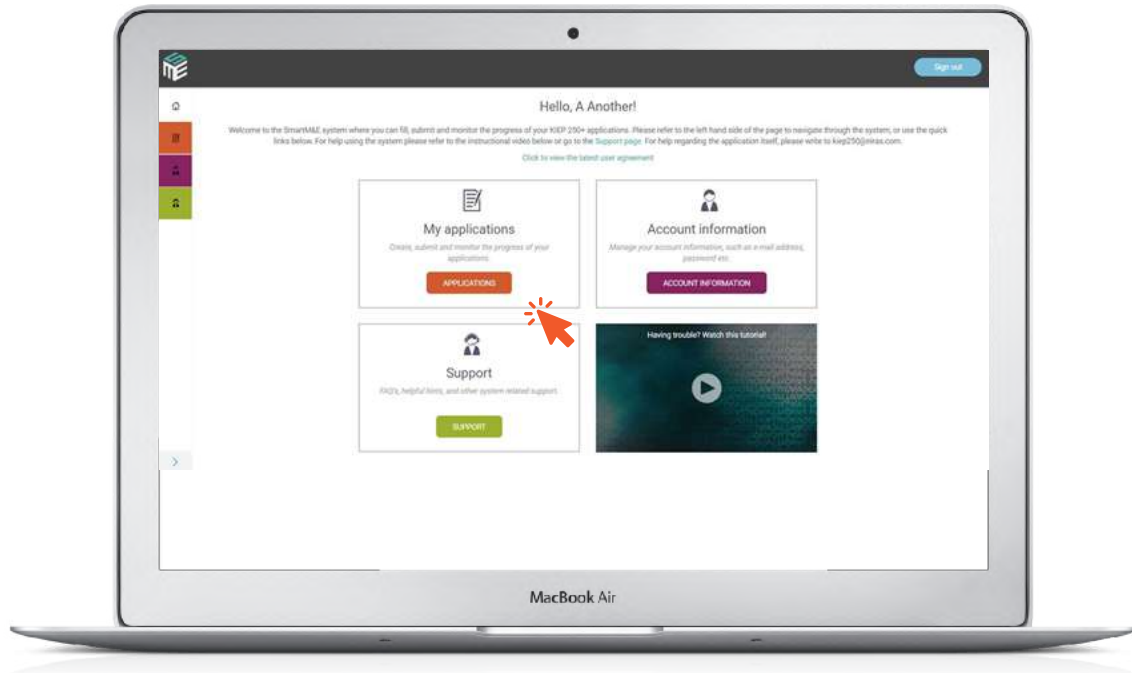
6. Next, you will see the Privacy Notice to which you have to agree before being able to use **SmartME**. Please read this carefully and accept the terms to continue.



6a. You can log-on whenever you want to work on your application. For this, go the KIEP 250+ website, <https://kiep250plus.co.ke/>, click on “Apply now”, then on “Already have an account? Sign in here.”

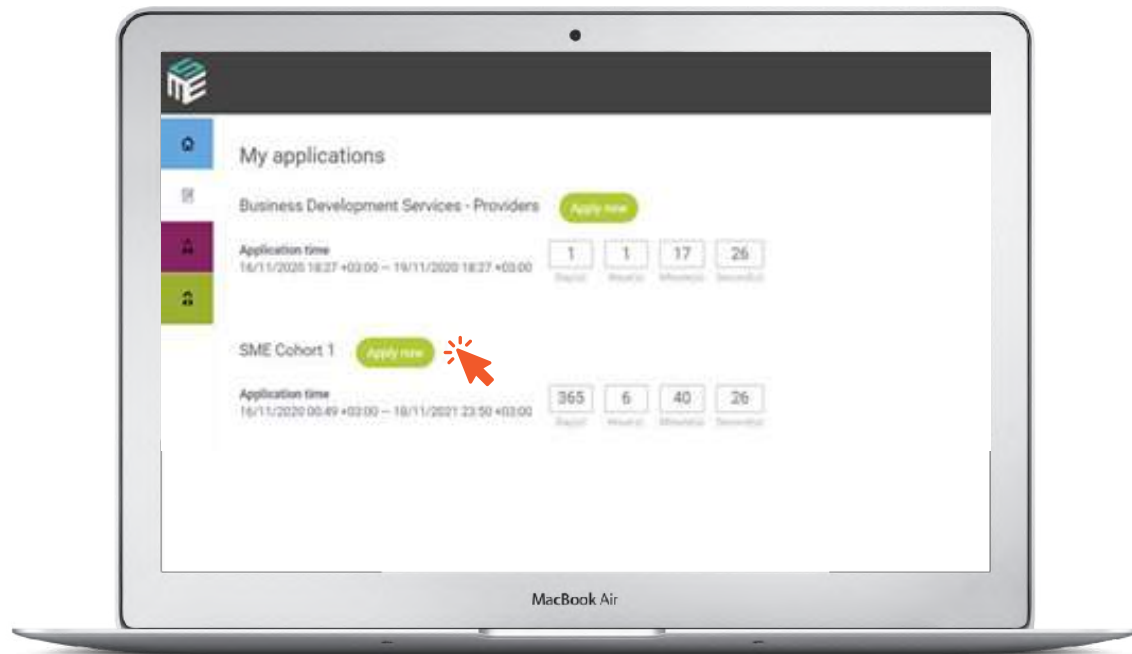


7. Once you have logged-in successfully, you will land on the home space in **SmartME**.



7a. If you would like a tutorial on how to use the SmartME system, kindly click on the video at the bottom right of the home space.

8. Click on **“Applications”** to access the application forms. The system is built in such a manner that both application forms for both SMEs and Business Development Services Providers are accessible to any applicant. If you are an SME, chose **“SME cohort 1”** , if you are a Business Development Services Provider, chose that call to apply.



Before filling in the application form for any of the calls:

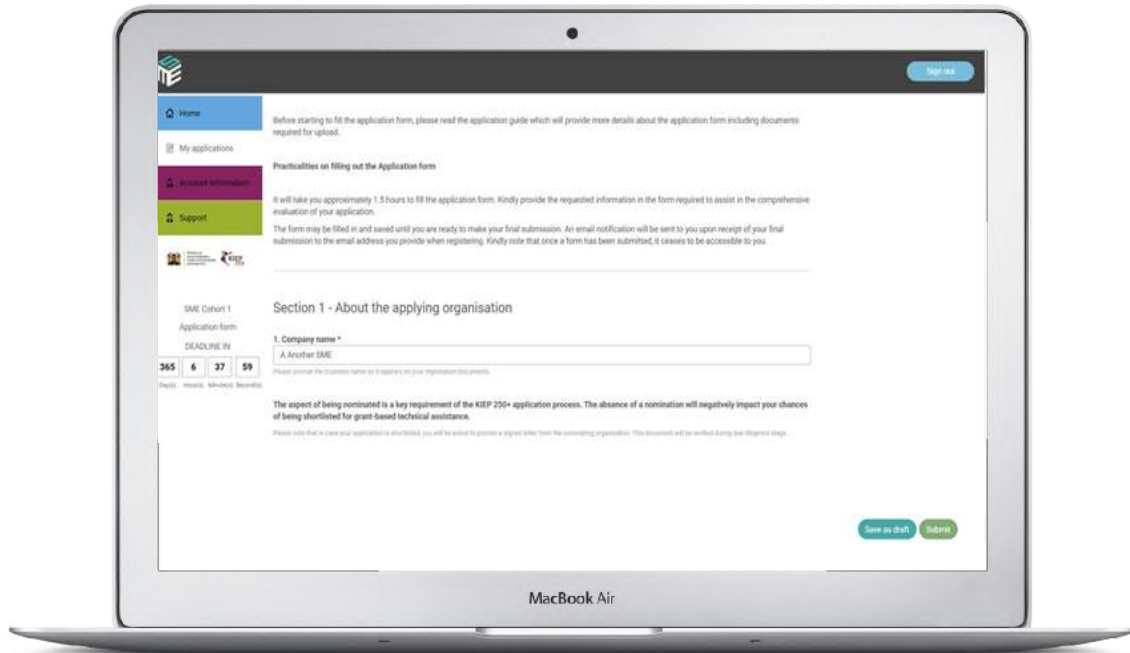
- *Kindly note that you can save your application and resume where you left off.*
- *The application form automatically logs out after 120 minutes. This protects your privacy.*
- *SmartME saves data entered frequently and automatically. You do not have to fill in the information in one go. Click on “save as draft” before logging-out.*
- *On the left of the application form is a countdown timer. It tells you how much time you have left to apply before the application closes automatically. It is highly recommended not to wait until the last moment to submit the application.*



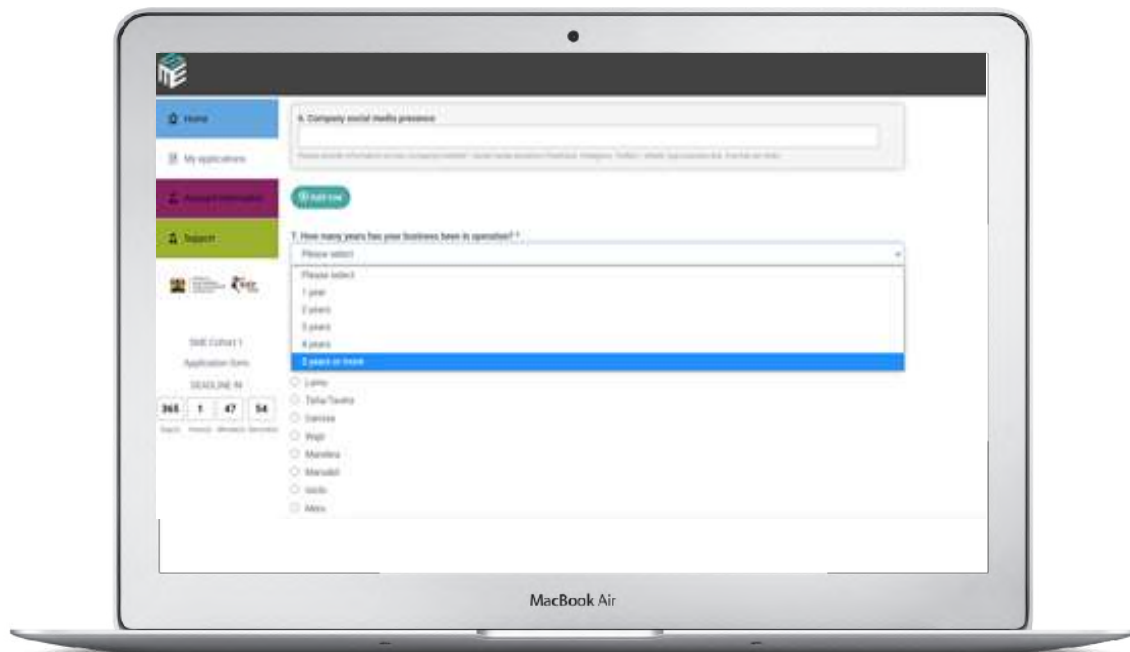
ANSWERING THE QUESTIONS FOR SME COHORT 1

Fill out the application form directly in the system. Below are information that will help you to fill out the form:

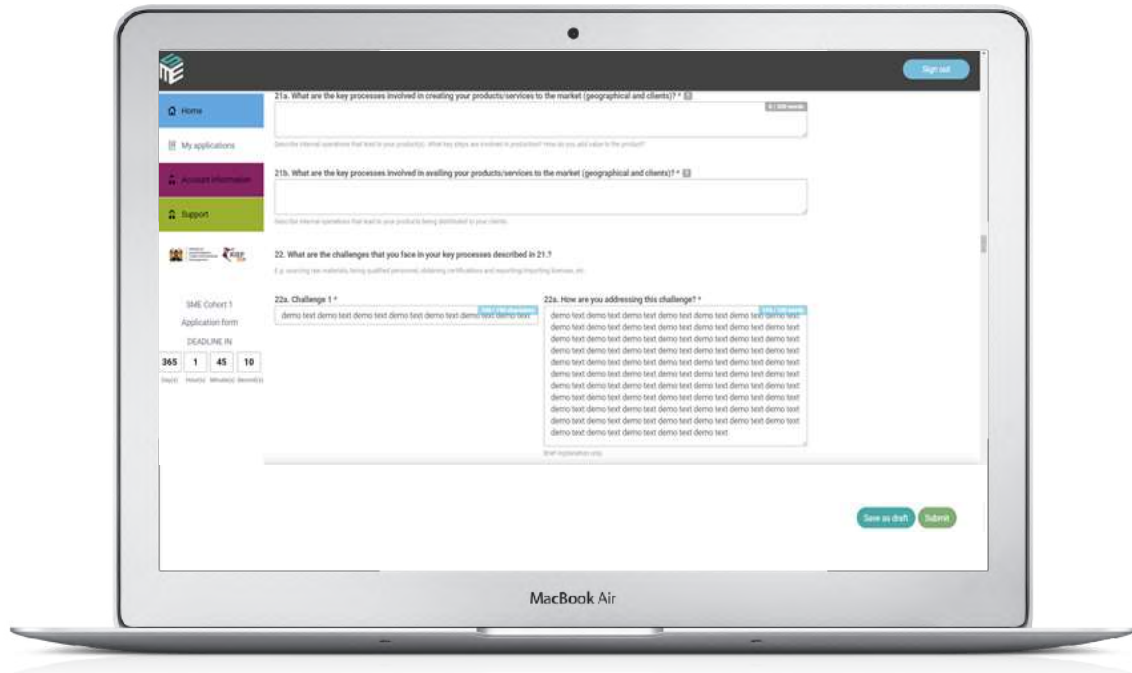
1. Any questions with an **asterisk (*)** means that this is a compulsory question. It must be filled. If for any reason this does not apply to your SME, you may put **N/A** where text is required or **'0'** where numbers are required.



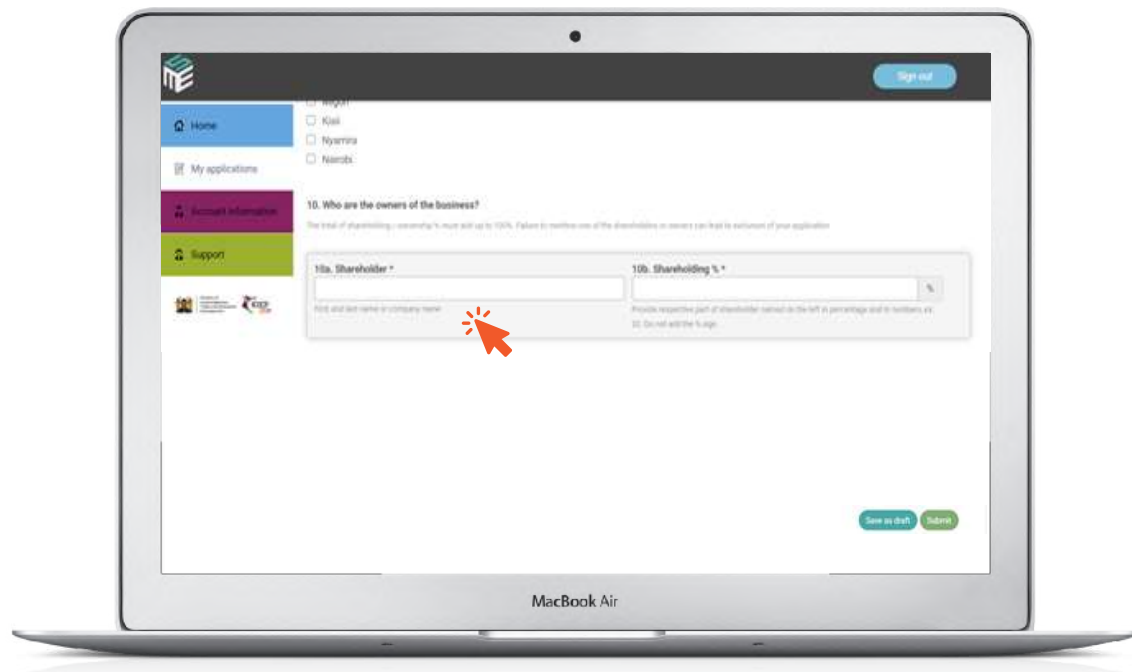
2. Whenever you see **“Please select”**, this indicates there are predefined options. Click on to reveal the **‘drop down menu’** and select the most appropriate response



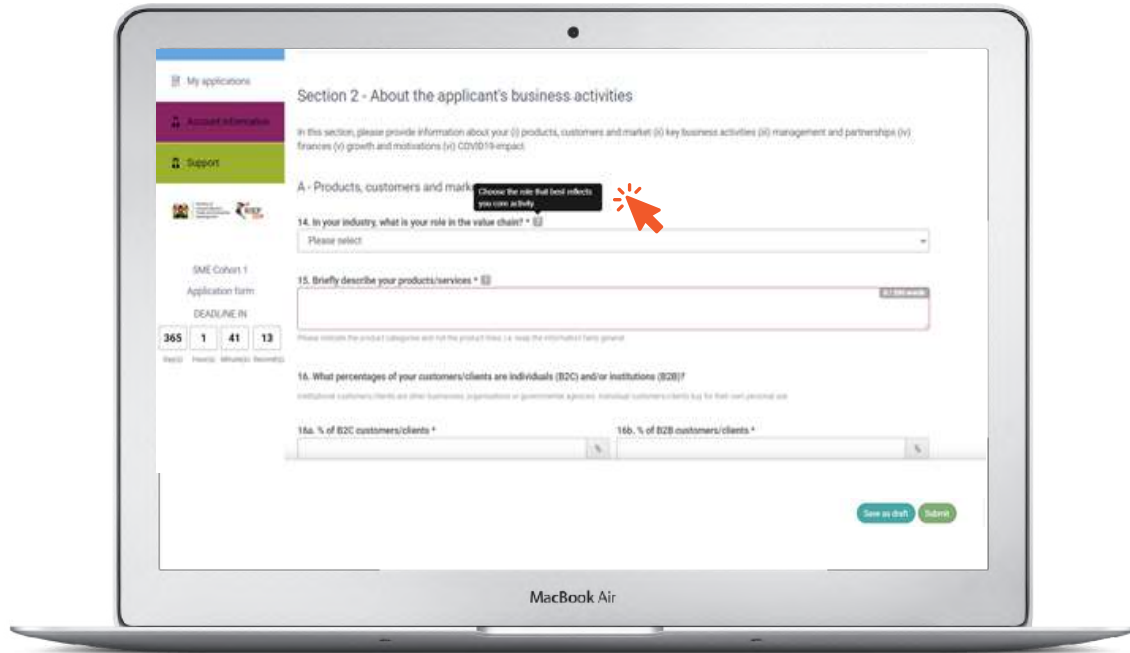
- Take note that each question that requires information to be keyed in has a maximum word limit. Once the word limit is reached, no more text can be input.



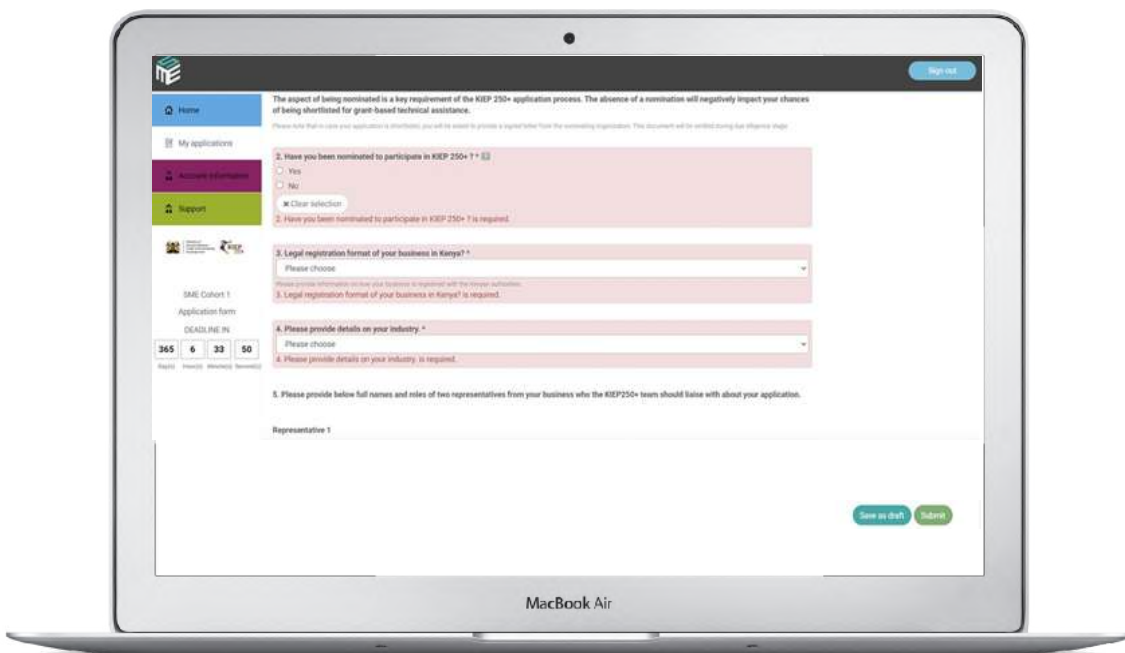
- Most questions contain a description text. It provides additional information on how to answer the questions asked.



- Some questions come with examples provided to assist you in answering the question or further clarify what specific information the KIEP 250+ project is looking for. To access these examples, simply click on the grey question mark icons



- Kindly note that you cannot submit the application without having filled in the compulsory fields, which are marked with an **asterisk (*)**. When clicking submit, the system will show you which compulsory fields are vacant. It is therefore highly recommended not to wait until the last moment before the deadline to submit the application.





SUPPORTING DOCUMENTATION

These are summarized in Section 5 of the form

Nomination letter from lead firm	Certificate of Incorporation or registration
Audited Accounts 3 years	Latest CR12 or Annual Returns
Directors – Nation ID or passport copies, KRA PIN	Tax compliance certificate valid as at December 2019
Executive summary of business plan or strategy	Company profile
Reference letters or e mails from key buyers or suppliers	Professional memberships or association certificates for the SME

Signed letter of commitment from management

A This provides an overview of why it is important to upload the mandatory documents. The KIEP 250+ is a highly competitive programme. Preference is given to qualifying SMEs who have provided the required mandatory documents.

B This explains the types of documentation formats that are accepted in the system. KIEP 250+ accepts documents in PDF format, maximum 3 MB per attachment



EVALUATION CRITERIA AND SCORING OVERVIEW

KEY AREA	SCOPE	QUESTION TOTAL	SECTION TOTAL
Eligibility	<ul style="list-style-type: none"> • Nomination • Sector • Geographical location • Women-owned/women-led 	1 1 1 2	5
Products, markets and customers	<ul style="list-style-type: none"> • Customer segmentation and growth (5) • Customer risk (5) • Market export potential (5) • Market development & challenges (5) 	5 5 5 5	20
Key activities	<ul style="list-style-type: none"> • Value creation • Value chain challenges • Value communication 	2 6 2	10
Management	<ul style="list-style-type: none"> • Leadership (2) • Management risks (4) • Industry association (2) • Key staff (5) • Team composition • Separation of roles 	2 4 2 5 5 2	20
Finances	<ul style="list-style-type: none"> • Revenues over 3-year period • Revenue, EBITDA and profit/loss trends • Debt-to-equity ratio • Liquidity ratio • Capital sources 	2 2 2 2 2	10
Growth & resilience	<ul style="list-style-type: none"> • Business strategy • Strategic adjustment occasioned by Covid-19 • Business risks • Operational adjustment support • Post-Covid-19 resilience 	2 5 5 6 2	20
Covid impact	<ul style="list-style-type: none"> • Covid-19 opportunities • Covid-19 challenges • Covid-19 support • Operational capacity • Business operation 	2 2 2 2 2	10
Non-mandatory supporting documents	1 additional point per document up to a maximum of 5		5
TOTAL			100





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