SME APPLICATION GUIDE

KENYA INDUSTRY AND ENTREPRENEURSHIP PROJECT

https://250plus.kiep.go.ke

COMPONENT 2: SME LINKAGES AND UPGRADING

TABLE OF CONTENTS

NOTICE.....2

KIEP 250+ IN A SNAPSHOT.....4

BACKGROUND.....5

ELIGIBILITY CRITERIA.....6

PROCESS OVERVIEW.....7

APPLICATION PROCESS REVIEW.....8

EVALUATION CRITERIA AND SCORING OVERVIEW.....13

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 managerial and technical skills, and the SMEs use of technology. Our goal is to signifi cantly increase business resilience, productivity, competitiveness and enhance market linkages.

Each Call for Application under KIEP 250+ aims to include at least 50 qualifying SMEs. 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://250plus.kiep.go.ke. The KIEP 250+ application platform allows for a fully transparent and efficient process that reduces the time taken by applying SMEs to complete the application procedure.

This guideline is meant for SMEs who are interested to understand the KIEP 250+ eligibility criteria and wish to understand the application procedure.

PROJECT DURATION	JULY 27 2020 – JUNE 30 2024
Number of SMEs	250+
Target minimum women SMEs	50
Eligibility criteria	• Nominated by strategic partner • Annual sales > KES 50 million • > 2 years in existence • Committed management
Priority sectors aimed for inclusion	• Manufacturing • Agriculture • Housing and Settlement • Healthcare • Digital superhighway and creative economy • SMEs active in the BETA sectors
Key Goal	SME Linkages and Upgrading
Mobilization	Nomination through Lead Firms, Financial Institutions or Business Associations
Average grant amount	USD 50,000 (in KES equivalent)
Own contribution	> 30% (compulsory)
Number of cohorts	5
Duration Call for Applications	3-4- weeks; applications are processed on a rolling basis
Average duration of Technical Assistance provision	6 months

BACKGROUND

The Government of Kenya (GoK) is implementing the Kenya Industry and Entrepreneurship Project (KIEP) in partnership with World Bank for a six-year period from 2018 to 2024. KIEP is being implemented by the Ministry of Investments, Trade and Industry – State Department for Industry.

The Project Development Objective is to increase innovation and productivity in select private sector firms, in line with Kenya's Vision 2030 and Medium Term Plans that have set ambitious growth targets in private sector employment generation, export expansion, and increasing competitiveness 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 SME application 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.

KIEP 250+ will work with at least 250 fast-growing SMEs and assist them to drive innovation and improving value addition. 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 fi rms led by NIRAS Finland Oy ("the Fund Manager"), with Intellecap 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. This turnover may be from the previous financial year, or an average annual turnover from the previous three years;*[1]
- *Active in the BETA sectors - with a special focus on value-adding industries;*
- *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.

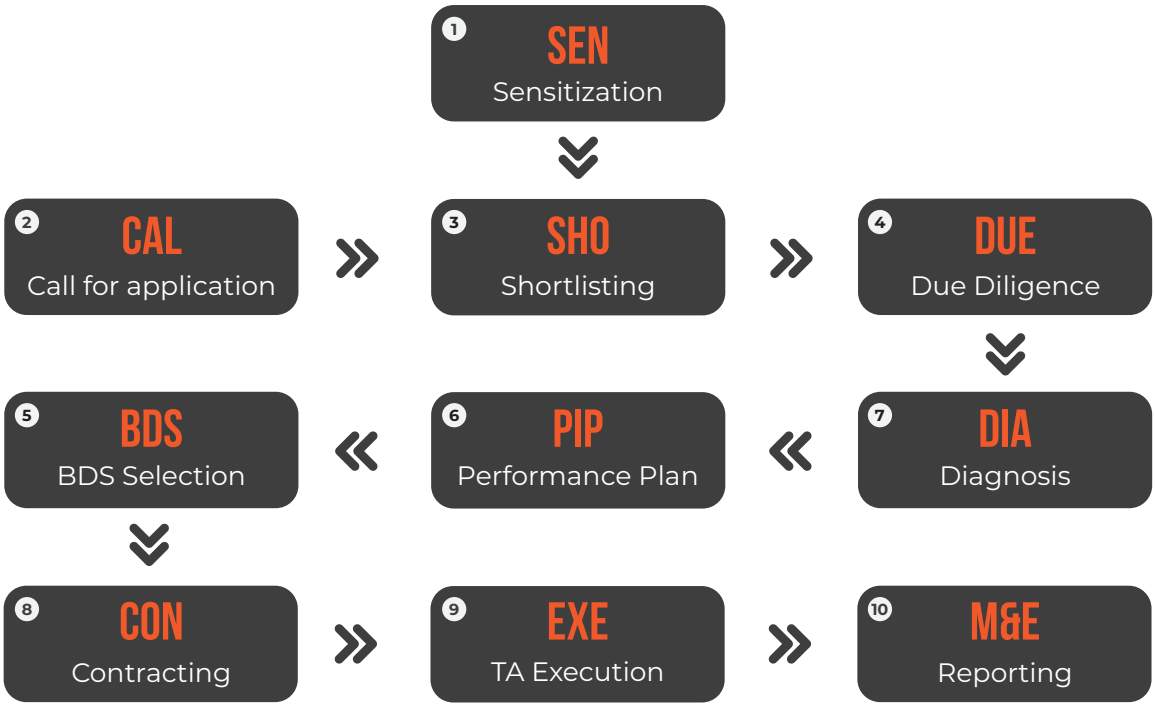
Business- and Industry Associations are membership organizations, often organized per sector or profession, who would nominate member-SMEs

Other Strategic Partners include women organizations, NGOs and/or other 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.

[1] *KIEP 250+ retains the right to accept smaller SMEs on a case-by-case basis.*

PROCESS OVERVIEW



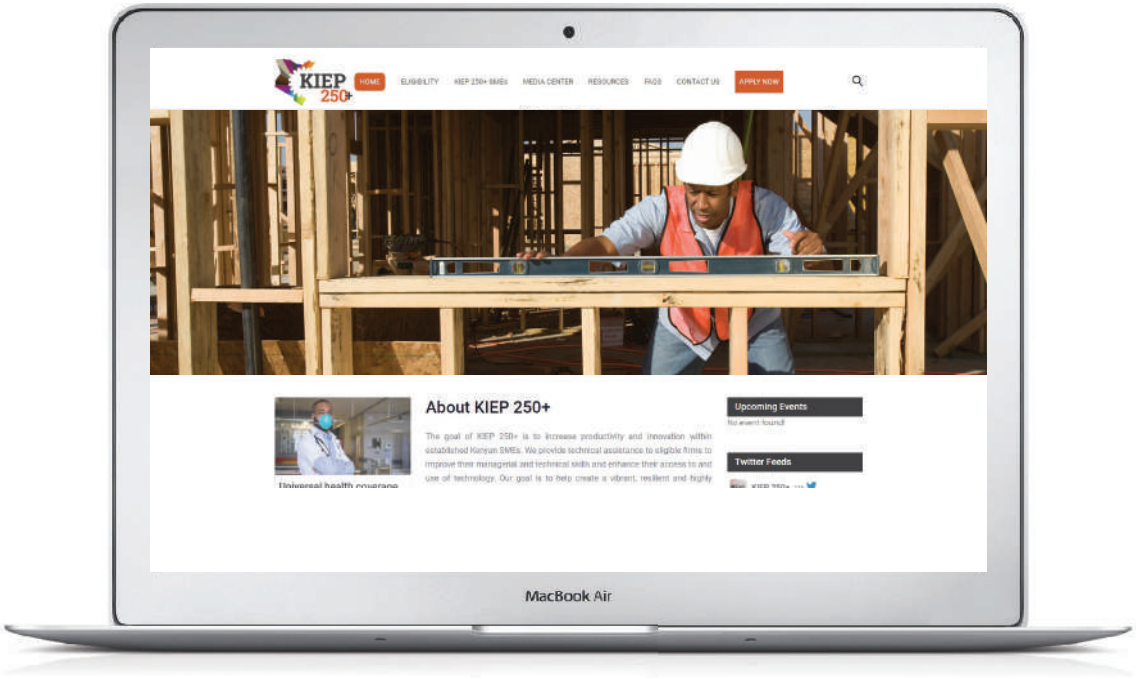
STEP 1	The KIEP 250+ project team reaches out to Strategic Partners to alert them that a new Call for Application will shortly be launched and discuss with them the prospect of nominating eligible SMEs;
STEP 2	The Call for Application officially opens on SMART ME platform. The Call will remain open for 3 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 12 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

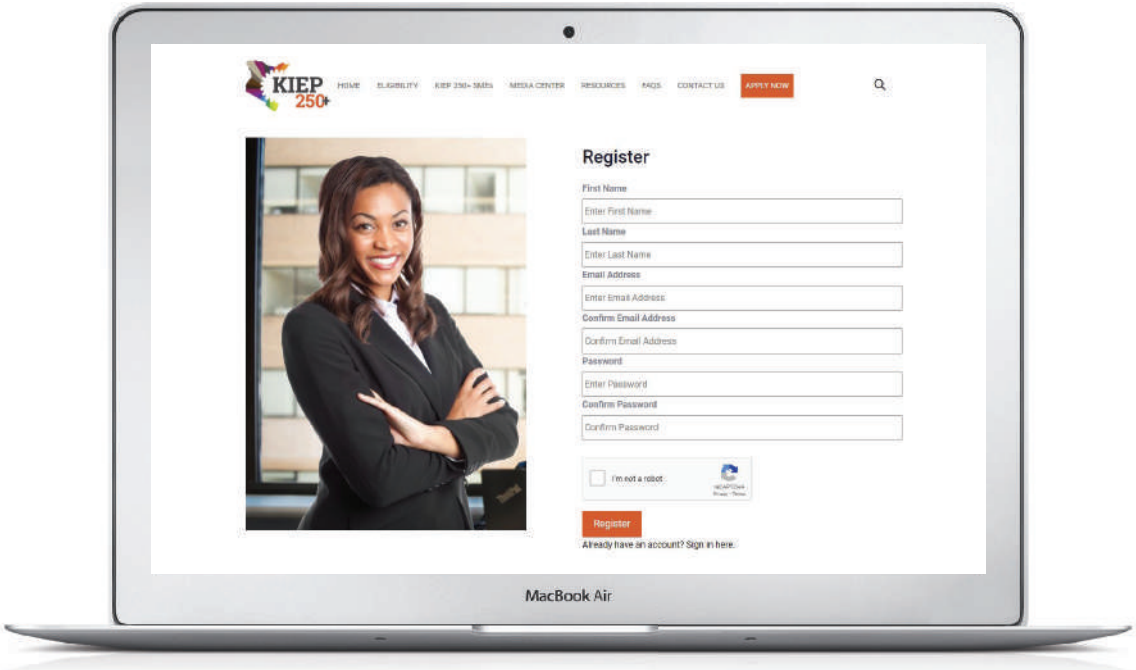
The following steps are a guide on how to log on, fill in and submit your application for KIEP 250+

SETTING UP AN ACCOUNT

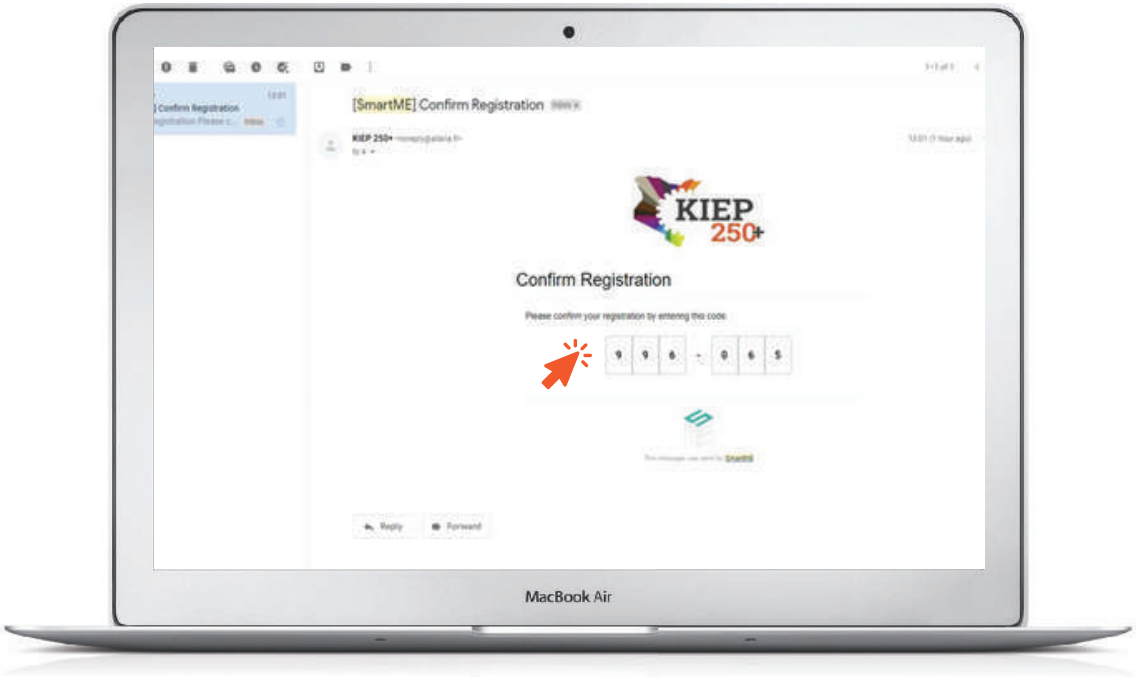
1. Visit the **KIEP 250+** website under **https://250plus.kiep.go.ke** and click on **"Apply now"**



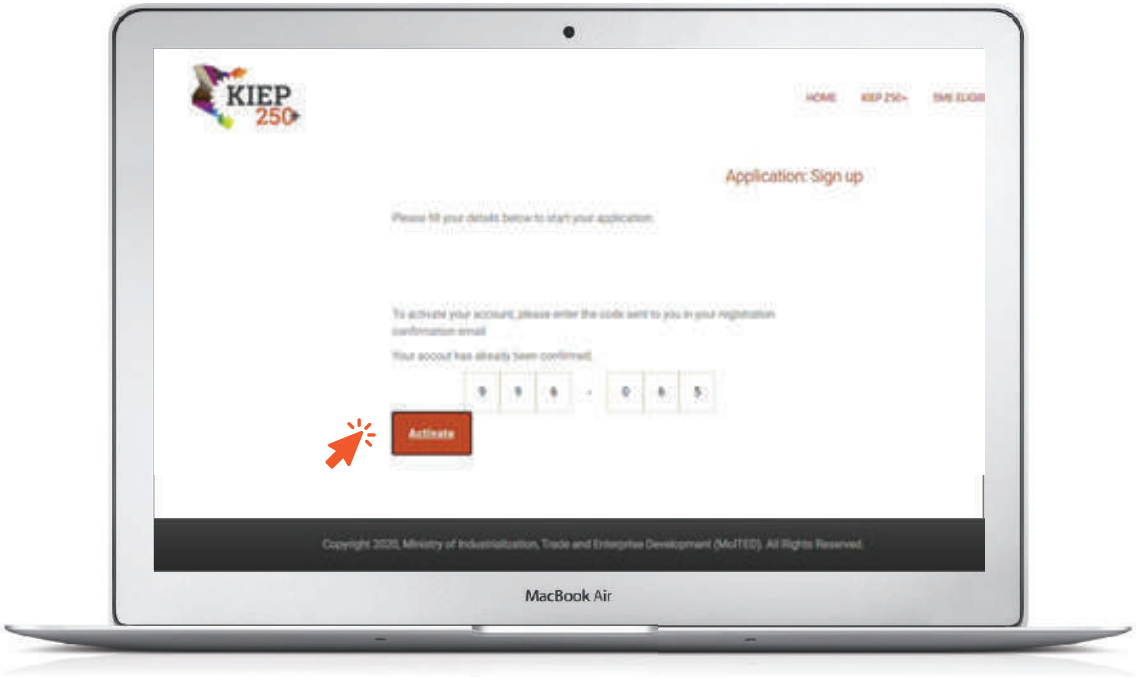
2. Click **"APPLY NOW",** select the SMEs option then proceed to fill the registration form. Upon completion, click **"REGISTER"**



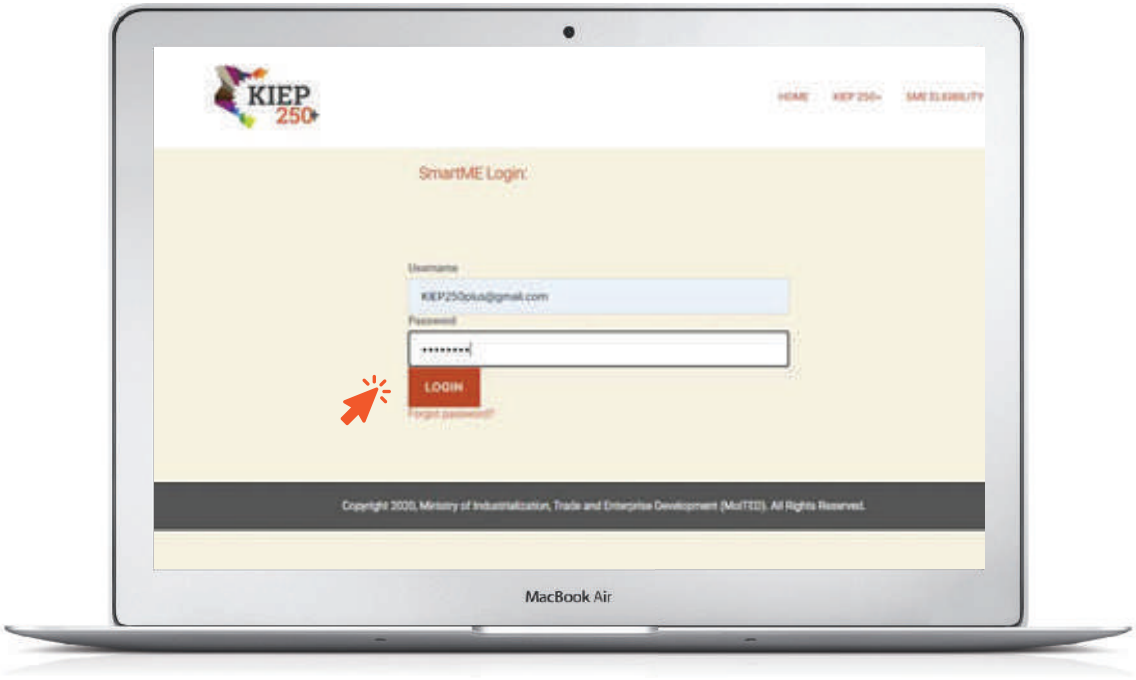
3. Check the inbox of the e-mail address you used to register for KIEP 250+. You will get an email with a code which will allow you to verify your registration.



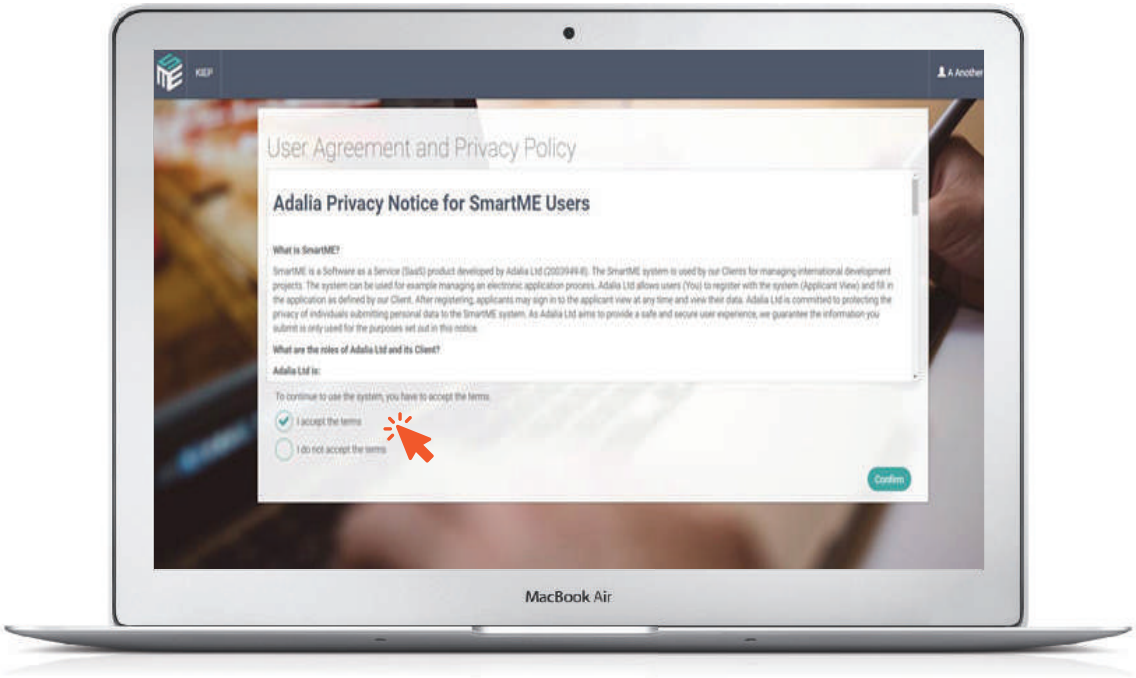
4. On the website, insert the code that you have received by email.



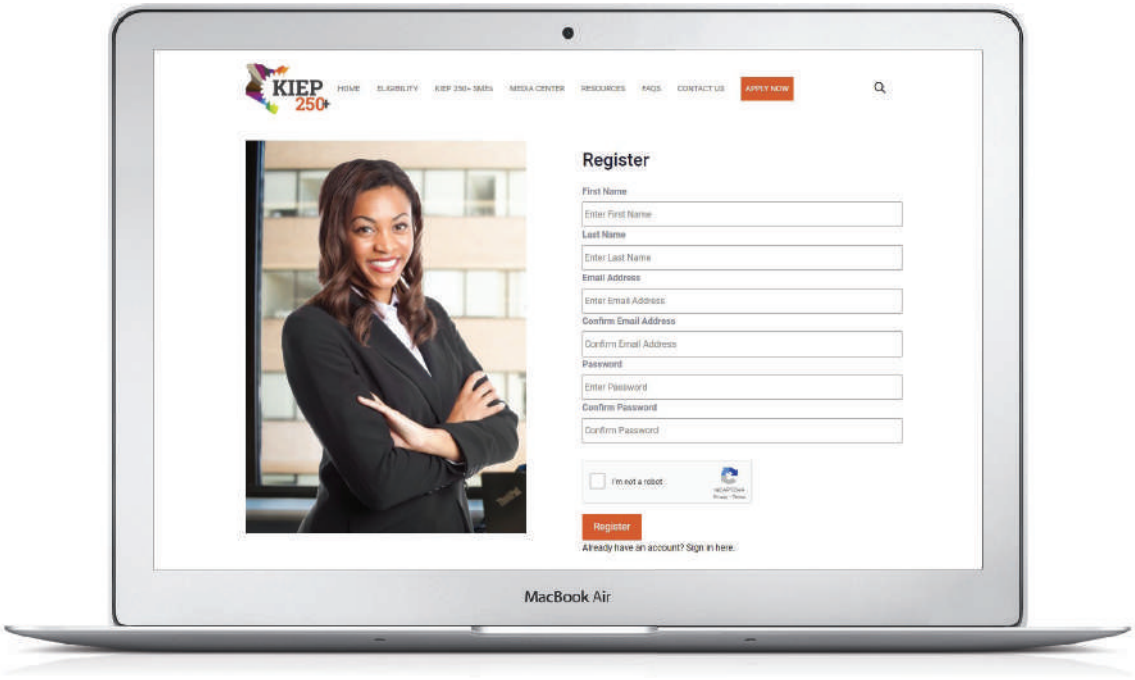
5. After clicking on **“activate”,** you will be asked to log-on. Use the e-mail you provided and the password you typed in at **step 2.**



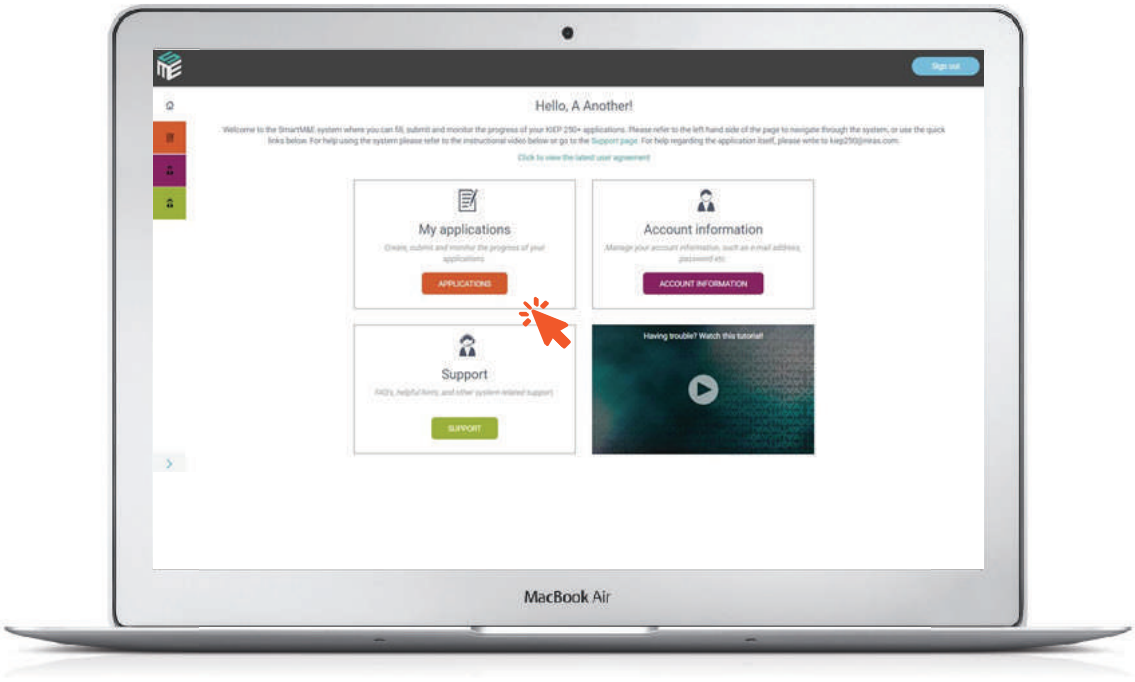
6. Next, you will see the Privacy Notice to which you have to agree before being able to use **SmartME.** Please read this carefully and accept the terms to continue.



Note: You can log-on whenever you want to work on your application. For this, go to the KIEP 250+ website, **https://250plus.kiep.go.ke** click on **"Apply now",** then on "Already have an account? Sign in here."

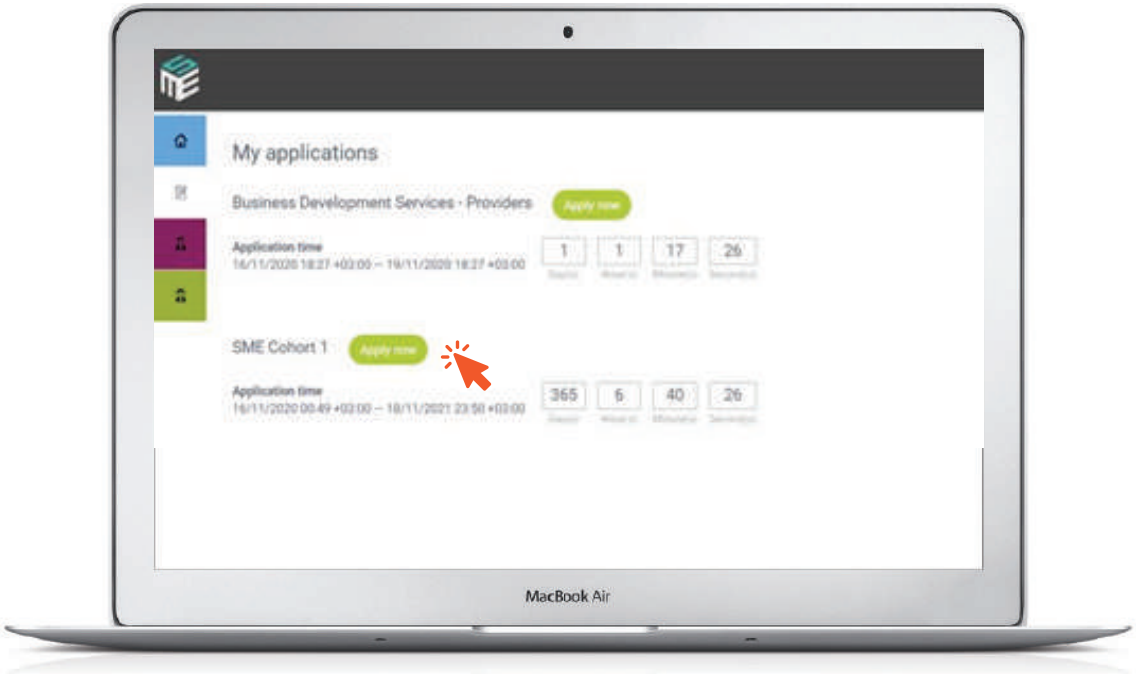


7. Once you have logged-in successfully, you will land on the home page in **SmartME**.



Note: 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 page.

8. Click on **“Applications”** to access the application forms. The system is built in such a manner that both application forms for **SMEs** and **Business Development Service** (BDS) Providers are accessible to any applicant. If you are an SME, choose the SME option to apply; and if you are a Business Development Service Provider, choose the respective BDS providers option to apply.



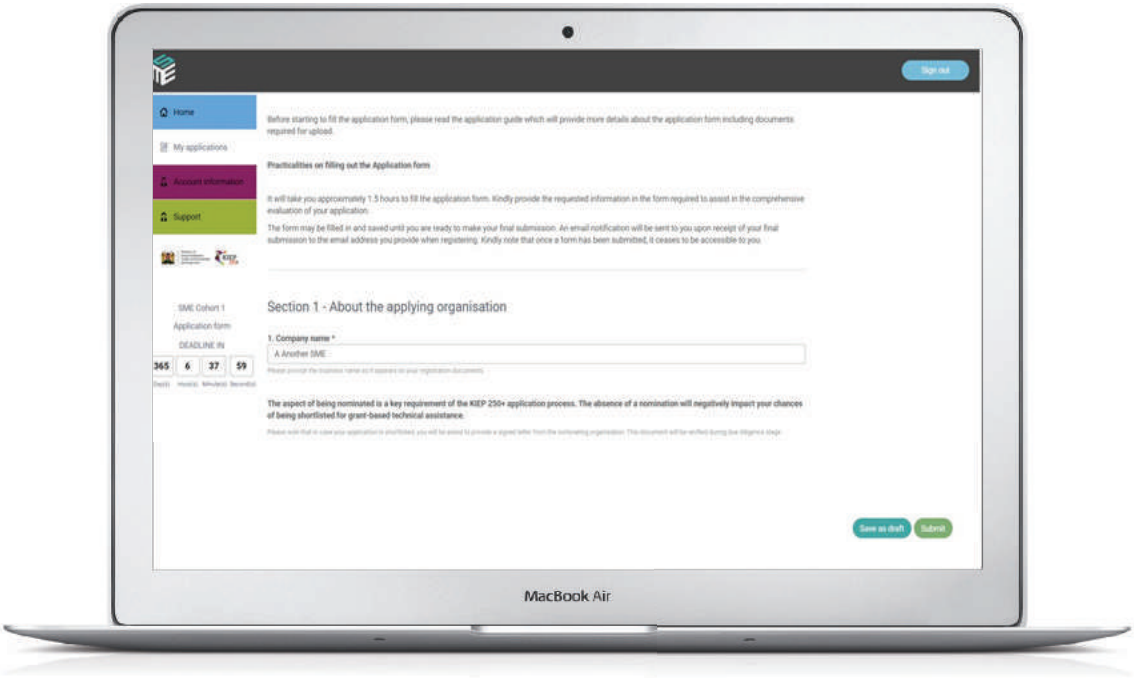
Before filling in the application form for any of the calls:

- *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 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.*

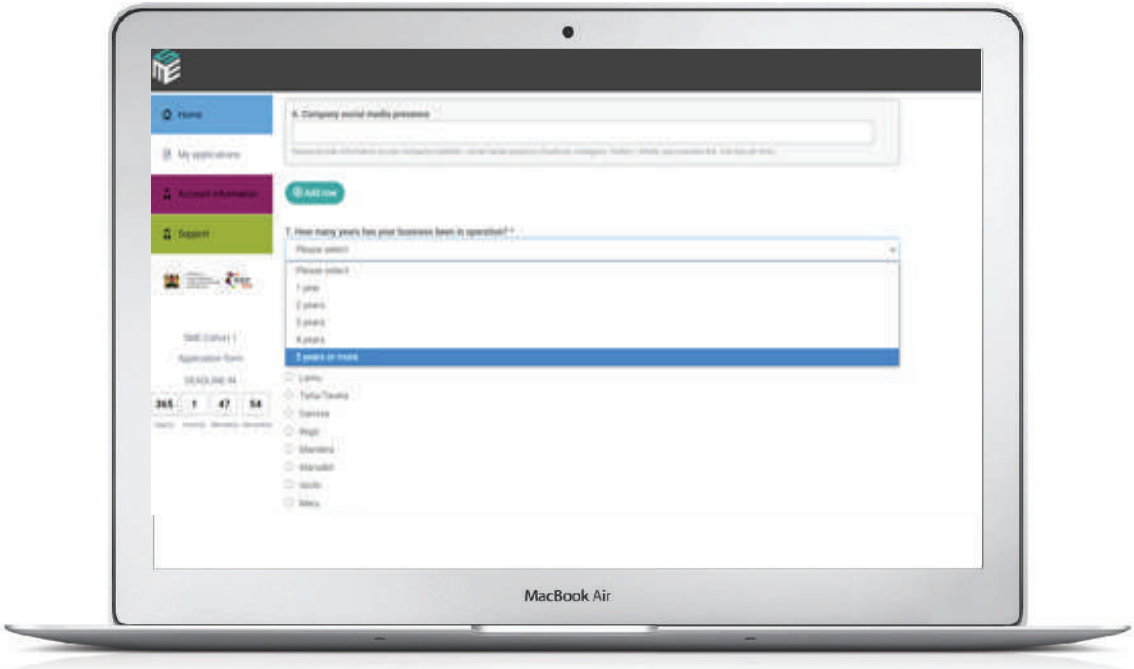
GUIDELINES FOR ANSWERING THE QUESTIONS

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

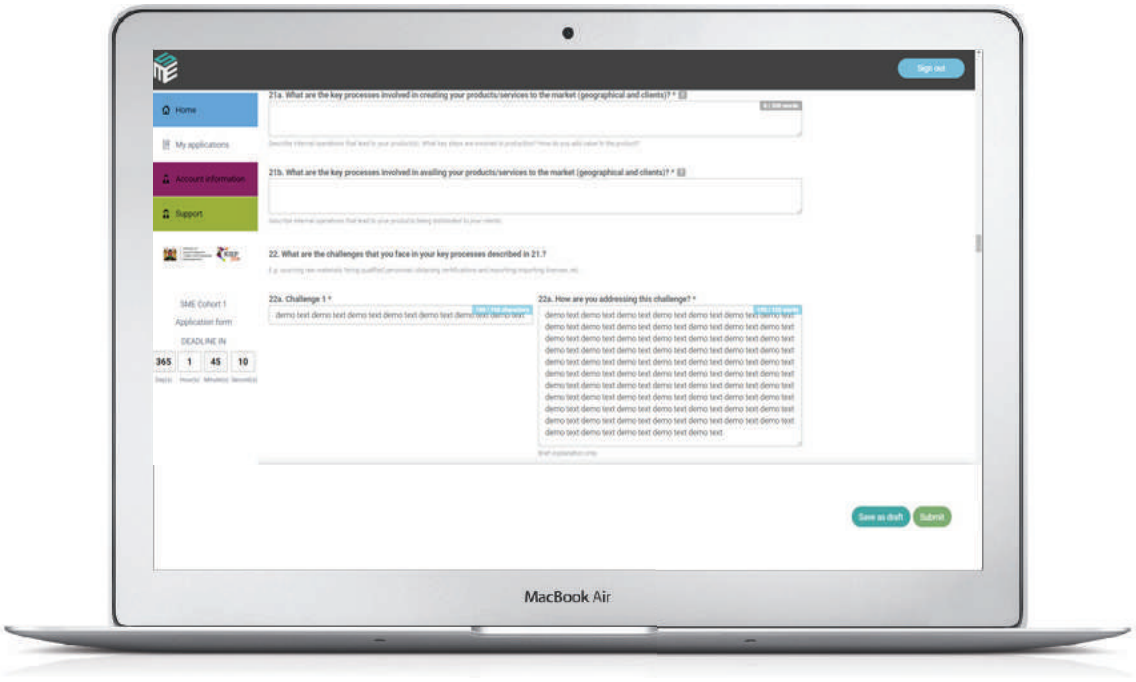
1. Any questions with an **asterisk (*)** means that this is a compulsory question. It must be filled. If for any reason this does not apply to your SME, you may put **N/A** where text is required or **'0'** where numbers are required.



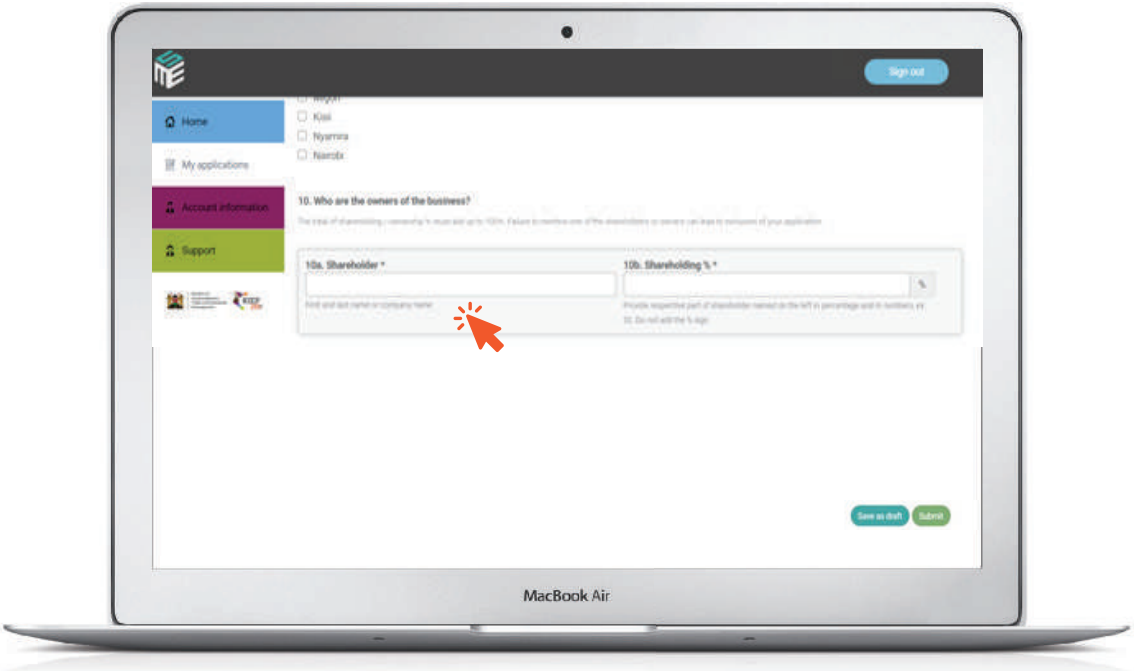
2. Whenever you see **"Please select"**, this indicates there are predefined options. Click on to reveal the **'drop down menu'** and select the most appropriate response



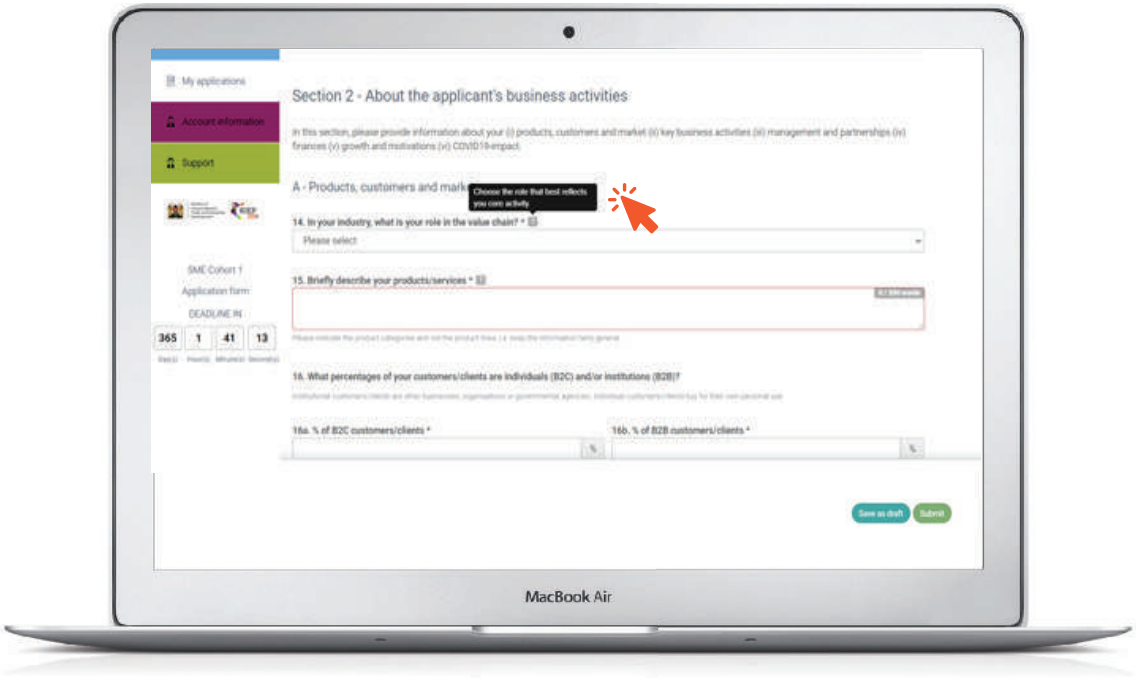
3. Take note that each question that requires information to be keyed in has a maximum word limit. Once the word limit is reached, no more text can be input.



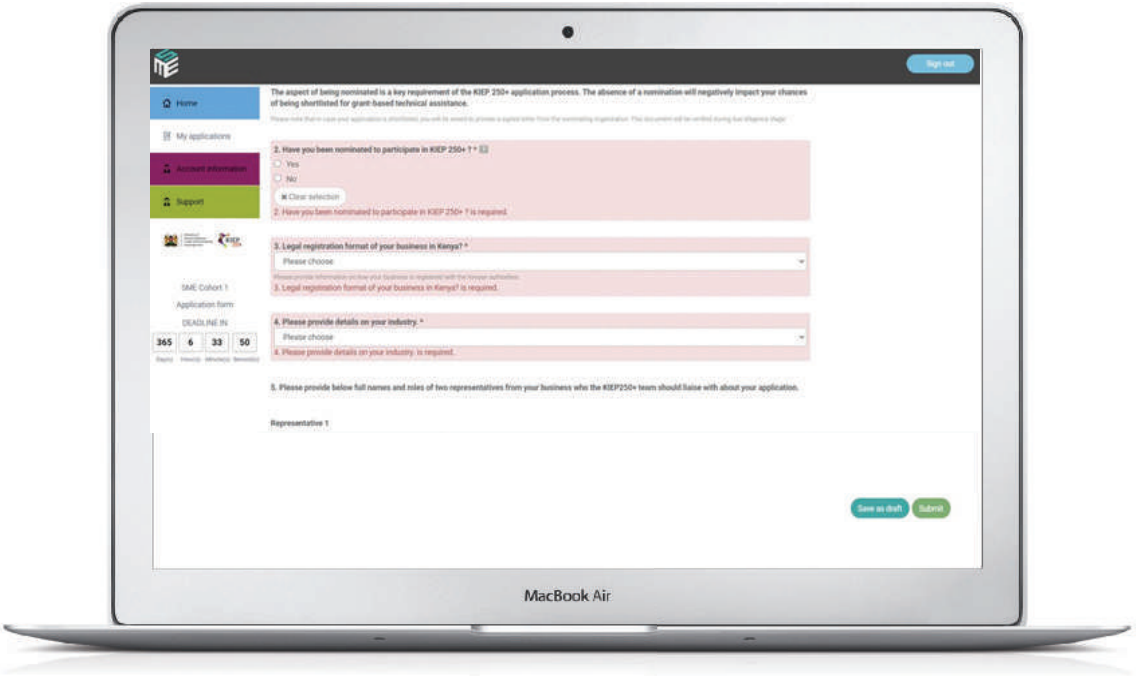
4. Most questions contain a description text. It provides additional information on how to answer the questions asked.



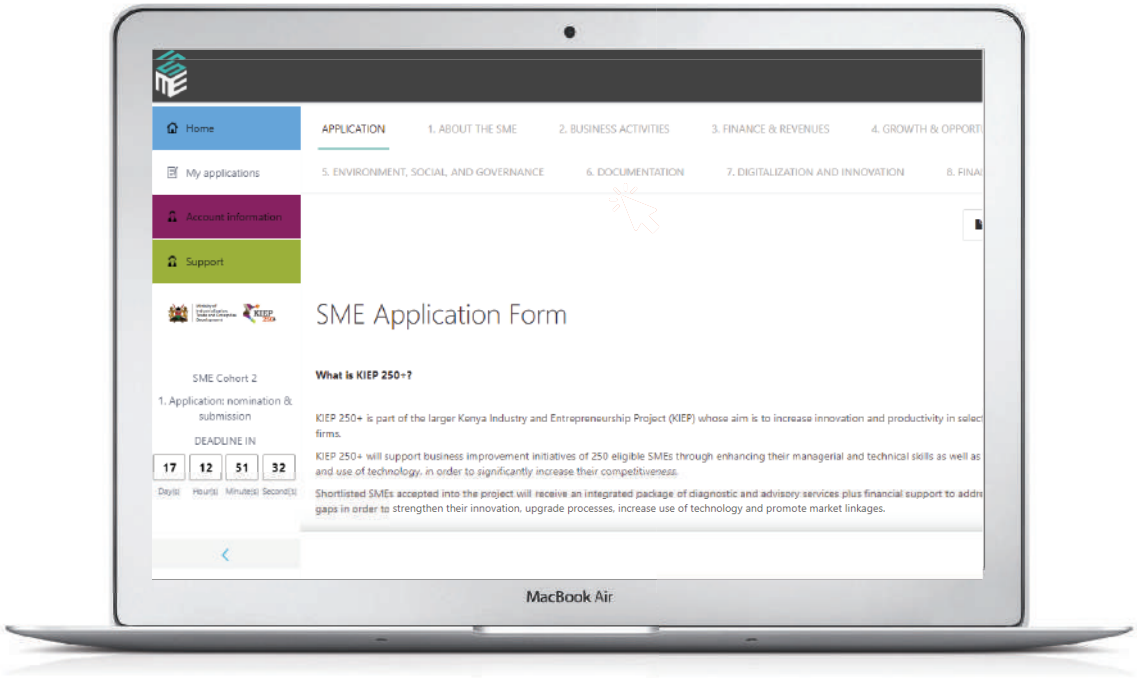
5. Some questions come with examples provided to assist you in answering the question or further clarify what specific information the KIEP 250+ project is looking for. To access these examples, simply click on the grey question mark icons



6. 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.



7. The application form is broken down into different sections and you can choose to start filling any section as you wish.



SUPPORTING DOCUMENTATION

These are summarized in Section 6 of the Application Form and include:

- Company profile
- Certificate of incorporation or registration
- Signed audited financial statements for past 3 years
- Latest CR 12
- Valid tax compliance certificate
- Executive summary of business plan or strategy
- Organization chart

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

	SCORING GUIDE	POINTS
1	Sector	10
2	Programme Fit	10
3	Products, Customers, Markets	10
4	Key Business Activities	10
5	Management and Governance	10
6	Finance	10
7	Innovation	15
8	Motivation	15
9	Bonus (location, women, e.t.c.)	10
	Total	100

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