



# KCIC Annual Report

## 2022-2023





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# Strategic Report

## Our Vision, Mission and Focus

**Vision:** To be a one stop shop supporting innovative climate change solutions and sustainable development in Kenya.

**Mission:** To provide business support, financing, and awareness creation to empower the private sector to deliver innovative climate change solutions and provide strategic direction on matters policy, advocacy and sustainable development.

**Focus:** We cannot combat the effects of climate change until everyone is involved and given equal opportunity. That is why commercialization of climate enterprises, employment creation, food security and a focus on women and girls are central to our work.



**KCIC in Numbers** In 2022/23, we reached 1,799 enterprises across:

- **3** countries
- **47** counties
- **5** programmes

**Numbers of enterprises participating in each of our programmes:**

- AgriBiz Programme: **1,540**
- GreenBiz Programme: **209**
- PUSE Programme: **30**
- SWIFT Programme: **55**
- Climate Launch Pad: **20**



## **Message from the Chairman**

**Dear Stakeholders,**

Reflecting on the past year, we are filled with immense pride and gratitude for the progress and achievements of the Kenya Climate Innovation Center (KCIC). Despite the formidable challenges posed by global economic shifts and the ongoing pressures of climate change, KCIC has steadfastly pursued its vision of fostering sustainable development through innovative climate solutions.

Our focus on empowering SMEs with the tools and knowledge to tackle climate change has yielded transformative results. We have extended our impact beyond Kenya's borders into East Africa, championing the cause of sustainable energy and environmental stewardship. Our work in promoting gender inclusion and empowering local communities underscores our commitment to creating a just and equitable society.



As we look to the future, our resolve is only strengthened. We will continue to lead by example, collaborating with global partners and local stakeholders to drive meaningful change. Together, we will craft a sustainable future for the generations to come.

Thank you for your unwavering support and commitment to our mission.

**Prof. Izael Pereira Da Silva  
Board Chair, KCIC**



## **Message from the CEO**

### **To Our Esteemed Partners and Friends,**

This year has been one of profound impact and advancement for the Kenya Climate Innovation Center (KCIC), reflecting our deep commitment to fostering sustainable development and climate resilience. Our efforts span a diverse array of programmes, each designed to address the unique challenges and opportunities in combating climate change through innovation and entrepreneurship.

In 2023, the AgriBiz programme continued to thrive, supporting over 1,000 enterprises, predominantly led by women and youth. These ventures have not only bolstered food security but also promoted sustainable agricultural practices across Kenya.

Our GreenBiz program made significant strides in accelerating the commercialization of climate enterprises, supporting innovative projects in renewable energy, water management, and waste recycling, contributing to over 75,000 tonnes of CO<sub>2</sub> mitigation.



Our regional expansion into Uganda and Tanzania through the Productive Use of Solar Energy (PUSE) programme exemplifies our commitment to scaling solutions across East Africa. This initiative has already supported 30 SMEs in leveraging solar energy to enhance productivity in agriculture, demonstrating the viability and impact of sustainable energy solutions.

The inaugural Climate Investment Summit, a key highlight of the year, brought together over 2,000 delegates, catalysing critical discussions and partnerships aimed at unlocking climate finance.



This event has positioned KCIC as a pivotal player in driving green investment and showcasing innovative solutions to a global audience.

A notable collaboration this year was with Cleantech Estonia, through which we embarked on the Estonia-Kenya Twin Transition Ecosystem Building project. This partnership has enabled us to bridge the digital and cleantech ecosystems between our countries, fostering innovation and knowledge sharing that is crucial for sustainable development.

Our achievements are not just in numbers but also in the deep, systemic changes we are fostering. From policy advocacy that shapes sustainable development frameworks to capacity-building programs that empower enterprises at the grassroots level, our work is a testament to the power of collective action and shared vision.

Policy advocacy efforts have also seen significant strides, shaped by visionary contributions from policymakers at national and county levels. These leaders have helped shape the landscape of climate innovation, ensuring that our strategic initiatives align with broader government goals for sustainable development and climate resilience.



As we look forward to another year, we are energized by our past successes and the opportunities that lie ahead. We are immensely grateful for the continued support of our partners, the relentless spirit of our entrepreneurs, and the visionary guidance of our policymakers. Together, we will continue to pioneer solutions that not only mitigate the effects of climate change but also drive economic growth and social inclusion.

Thank you for being part of this transformative journey.

**Joseph Murabula, CEO**



# Year in Focus

The Kenya Climate Innovation Center (KCIC) exists to address the climate change challenge at the intersection of innovation and entrepreneurship, by supporting SMEs with innovative solutions to climate change in various thematic areas. These include Renewable Energy, Water, Waste Management, Commercial forestry, and Agribusiness. From business incubation, mentorship, advisory services, technical assistance, financing, business acceleration, to policy support, KCIC has walked the sustainable entrepreneurship journey with thousands of SMEs across Kenya and East Africa. This critical work continued in 2023, and we are happy to share a few highlights!

## 1. Our Year in Numbers

KCIC implemented three major programmes in 2023: AgriBiz, GreenBiz, and PUSE. The AgriBiz programme focuses on accelerating women and youth-led agribusiness ventures in the country, through the support of the European Union and DANIDA. The GreenBiz programme, also funded by DANIDA, targets accelerating the commercialization and scale-up of climate enterprises and innovations in KCIC's five thematic areas. The Productive Use of Solar Energy (PUSE) programme funded by the Mott Foundation on the other hand, supports SMEs leveraging solar energy in aquaculture, horticulture, and dairy value chains across East Africa.

KCIC also ran the ClimateLaunchpad (CLP) competition, the world's largest green business ideas competition, organized by EIT Climate-KIC, co-funded by the European Union, and implemented in Kenya by KCIC.

In 2023, a total of 30 enterprises were supported under the PUSE programme, 209 under the GreenBiz programme, and 1,540 under AgriBiz. This brings a cumulative total since inception to 2,730 enterprises, with a commercialization rate of 65%. The CLP competition in 2023 saw 20 innovations proceeding to the final business bootcamp, with 3 benefitting from technical assistance, and the top 3 getting onboarded to the post accelerator programme.



In terms of CO<sub>2</sub> mitigation, the PUSE programme saw 33,417.65 tonnes of CO<sub>2</sub> mitigated in 2023, while the GreenBiz programme contributed to 42,214 tonnes, bringing the cumulative total since inception to **507,149 tonnes** of CO<sub>2</sub> mitigated as a result of KCIC interventions.

The PUSE programme contributed to the creation of 261 jobs, GreenBiz 1,928 jobs, while the AgriBiz programme created 3,803 jobs. This brings the total number of direct and indirect jobs now created by KCIC to **57,517**, 56% of them held by women.

A total of USD 67,724.14 was leveraged for enterprises supported under PUSE, USD 98,839.42 for GreenBiz, bringing the cumulative total of funds leveraged for supported enterprises to **USD 64 Million**. Subsequently, under the PUSE programme, supported businesses generated revenues worth USD 948,410.99, GreenBiz had USD 1,610.14, while AgriBiz enterprises had USD 7,438,484.14, bringing the cumulative total to USD 42 Million.



**507,149 tonnes of CO<sub>2</sub> mitigated as a result of our interventions**



**57,517 Jobs Created, with 56% being women**



**USD 64 Million Leveraged for supported enterprises**





## 2. KCIC Goes Regional!

After a decade of progressively supporting climate technology entrepreneurs in Kenya, the Kenya Climate Innovation Center extended its footprint to Uganda and Tanzania with a program under its renewable energy and energy efficiency thematic area.

Funded by the Charles Stewart Mott Foundation, the 'Productive Use of Solar Energy' (PUSE) pilot program is supporting 30 SMEs in Kenya, Uganda and Tanzania that are leveraging on solar solutions in different agricultural value chains, from dairy, horticulture, and aquaculture.

The program signifies a remarkable stride towards sustainable energy solutions, economic growth, and environmental stewardship across East Africa. It also marks the beginning of KCIC venturing beyond Kenyan borders.

## 3. World Bank President Visits KCIC

World Bank Group President, Ajay Banga visited KCIC in March 2023, just months before his confirmation to the role. During his visit, Banga interacted with local entrepreneurs championing locally-led climate change adaptation and mitigation initiatives supported by KCIC. Banga spoke about the need to develop a strong entrepreneurial culture in Kenya to drive transformative results in tackling climate change.



## **4. Fostering Gender Inclusion in Climate**

KCIC made significant strides in integrating gender equality and social inclusion (GESI) into its operations and program implementation. A gender audit was conducted within the organization, leading to the development of a comprehensive gender policy. Prioritizing capacity building, KCIC trained 77 staff members on gender equality programming, while also providing training to 179 supported enterprises on gender and human rights.

Some 119 enterprises were supported in formulating gender and safeguarding policies, thereby embedding GESI considerations into their businesses and organizations.

Notably, a male engagement initiative was piloted in Kilifi, which yielded promising results in addressing gender-based violence and enhancing female participation and retention in the KCIC AgriBiz program.

## **5. 4K Clubs Make a Comeback!**

In a spirited move to sow the seeds of a greener and more agriculturally resilient Kenya, KCIC embarked on a transformative journey of breathing new life into the iconic 4K Clubs, and usher in an era where agriculture is cool, productive, and forward-looking.

In partnership with the Ministry of Agriculture and Livestock Development, a dedicated team of educators, and through the EU-funded AgriBiz programme, KCIC set out to revolutionize the way the youth perceive agriculture. KCIC granted KES 10.4 million to select 40 schools across the country to actualize projects under 4K clubs.

The initiative will go a long way in altering mindsets and perceptions surrounding agriculture, which for far too long has been seen as a dirty trade, a last resort, or a fallback option. The underlying goal is in making agriculture an appealing and prestigious career choice for the younger generation.



## **6. New Knowledge and New Frontiers!**

In 2023, KCIC continued to make significant contributions to Kenya's climate innovation landscape through research, advocacy initiatives, and international collaborations. The Center's efforts focused on unlocking new knowledge through research, knowledge transfer and dissemination, and policy influence to drive sustainable growth and climate resilience in Kenya and beyond.

Some of the case studies and sector studies included the following:

- a) Formalisation for Kenyan Agribusiness Enterprises:** this study involved 300 clients in the AgriBiz programme, drawn from 16 counties. It emphasized the need to formalize agribusiness enterprises and highlighted opportunities and barriers for formalisation in the sector, providing policy recommendations, and offering a "how-to guide" for the formalization process.
- b) Women and Youth in the Blue Economy:** Focusing on Kilifi and Mombasa counties, the

study documented best practices in the blue economy sector. It emphasized gender and youth mainstreaming into policy and development initiatives, showcasing opportunities in value addition and environmental conservation.

- c) Scoping Study on Kenya's Digital Cleantech Ecosystem:**

Conducted as part of the "Estonia-Kenya Twin Transition Ecosystem Building" project, was a collaboration between Cleantech Estonia and KCIC with support from ESTDEV- Estonian Centre for International Development, aimed at addressing a critical knowledge gap by providing an overview of Kenya's digital-cleantech ecosystem. It paved the way for a communication platform linking the digital cleantech ecosystems of both countries.

- d) Female-Led Agribusiness Enterprises and Climate Adaptation:**

the study highlighted climate adaptation practices among women-led enterprises in the arid and semi-arid counties of Isiolo and Makueni. It provided valuable insights into the private sector's response to climate risks through a gender lens.



**e) Impact Assessment under AgriBiz Programme:** This paper reviews and evaluates SME support services provided by KCIC under its Agribiz program. It sought to evaluate program achievements while providing evidence that can inform the practices of business incubators and development support providers in terms of program design and implementation.

The assessment confirmed that financial support has a significant impact on SME growth and job creation, consistent with existing literature. Among the non-financial support services evaluated in the study (mentorship, equipment acquisition, training, and formalization assistance), mentorship emerges as key for diversifying businesses into new value chains, while equipment acquisition enhances production efficiency. Training and mentorship are crucial for capacity building, while formalization assistance aids in expanding customer outreach.

On the policy and advocacy front, KCIC engaged in key policy dialogues and submissions, among them the National Green Fiscal Incentives Policy Framework, Climate Change (Amendment) Bill, Senate Speaker's Round Table with the Private Sector, among others.

The Center also facilitated policymaking and stakeholder engagement initiatives in Bungoma and Kisii counties, including policy review and development, as well as stakeholder sensitization and validation.







## About the AgriBiz programme

Funded by the European Union (EU) and Danida, AgriBiz aims to support women and youth entrepreneurship in agribusiness to catalyse investments and growth in the agricultural value chains. By addressing the identified constraints to youth and women engagement in agribusiness, the programme seeks to contribute to: increased agricultural productivity, sustained job creation, increased household incomes and improved food security and nutrition.

Through the programme, KCIC also carries out awareness creation and the pursuit of an enabling policy environment needed to support women and youth engagement in agribusiness.

## Client onboarding

The AgriBiz programme's fourth call for applications took place from November to December 2022, targeting entrepreneurs across Kenya. The programme made specific outreach efforts in the host counties to maximize quality applications. The programme received a total of 7,679 applications, both online and via physical submissions at various business incubation hubs.

Out of these applications, 510 were successfully onboarded. The onboarding process was thorough, involving multiple stages of selection to ensure that the most promising women and youth entrepreneurs were admitted.

To categorize the needs of new clients and define support measures, a baseline survey was conducted. This helped ensure that services were



tailored to their specific business gaps. The survey had a response rate of 86.6 percent and yielded invaluable insights into the demographics, operations, legal status, financial status, and other pertinent aspects of the clients' businesses.

Most of the clients' needs fell under business plan development, establishing human resource systems, and access to working space.

## Clients Portfolio Composition

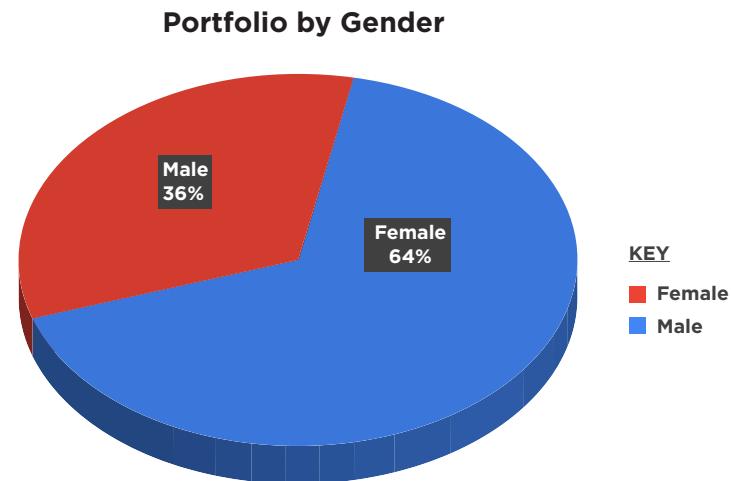
As of the fourth year of implementation of the AgrBiz programme, a total of 2,120 clients had been admitted. Of these, 1,540 were actively supported with incubation services during the reporting period. Other clients had been exited during the previous years of implementation.



## Portfolio Review By:

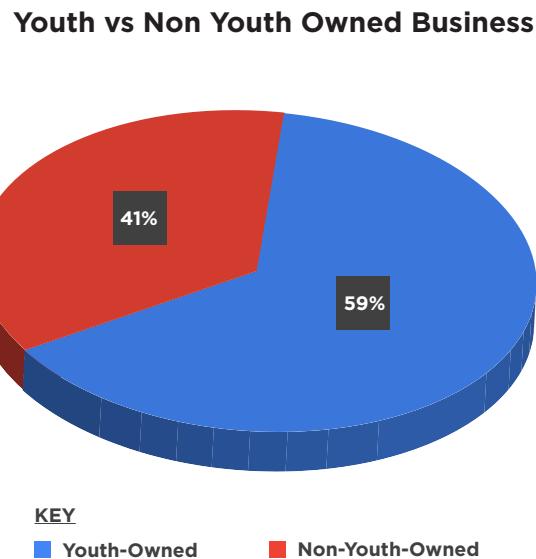
### a) Gender

Of the enterprises supported during the year, 64 percent were female-owned, while 36 percent were male owned-businesses.



### a) Youth vs Non-Youth Ownership

Fifty nine percent of the enterprises in the portfolio were youth-owned, while 41% were owned by the older generation as illustrated in the chart below:



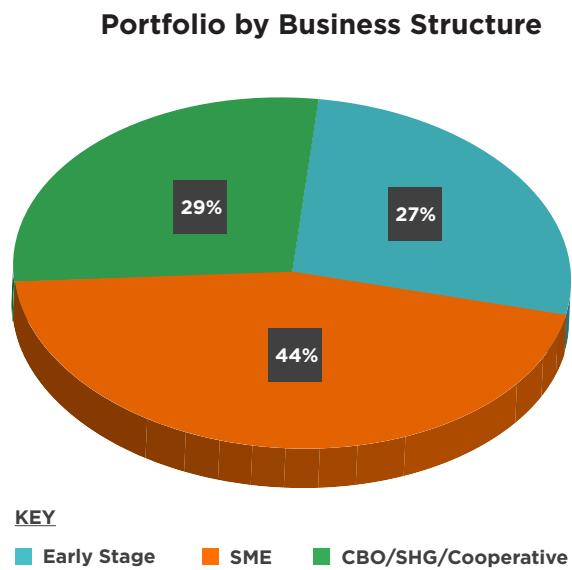
**Fig. 4: Client Distribution by Youth vs non-Youth**

All clients onboarded above the age of 35 were female.



## b) Business Structure

Of the clients supported, SMEs comprised of 44 percent, CBOs/SHGs/Cooperatives 29 percent and early-stage companies at 27 percent as shown below:



## Client Support Services

### a) Business Advisory Services

The AgriBiz programme provided comprehensive business advisory services to enhance the operational capabilities of supported enterprises, this is crucial for minimizing the risks of business failure. Highlights of the services included:

- **Development of Company Profiles:** Supported 965 clients in developing business profiles for exhibitions, fundraising, and brand awareness.
- **Gap Analysis and Work Plans:** Identified gaps for 510 clients and developed work plans, including reviewing 75 work plans from previous cohorts to align incubation support with business needs.
- **Inhouse Training Bootcamps:** Conducted for 476 clients from cohort 4, covering topics like business model canvas, business plans, financial records, and sales and marketing strategies.
- **Technical Support:** Provided to ensure businesses comply with legal structures and are structurally fit, including company



- registration (307 clients), trading permits (113), legal support (95), trademarks (2), website development (80), and branding (168).
- **Mentorship and Coaching:** Mentorship boot camps were held across the eight BIHs, covering key topics and successfully pairing 649 clients with 64 mentors. Mentees saw an average of 20% increase in sales, attributing to business growth and financial stability. Additionally, an average of 1 job was created per enterprise due to mentorship support. Other achievements from the mentorship included skills enhancement and better financial management among mentored clients.
  - **Access to Information & Markets:** Focused initiatives helped clients gain exposure and networking opportunities through participation in major expos and trade fairs, facilitating market access and visibility.
  - **Digital Learning Management System:** This platform supplemented the advisory services by offering targeted online modules in areas such as finance, marketing, and legal compliance, supporting 1,075 active clients in enhancing their business acumen and operational efficiency.
- Overall, these services underpinned the AgriBiz program's commitment to fostering a robust entrepreneurial ecosystem, driving substantial growth and sustainability in the agribusiness sector.
- ### b) Access to Facilities
- A total of 105 clients benefited from attending product training and development support sessions organized by the Kenya Industrial Research and Development Institute (KIRDI), aimed at enhancing the quality of products and market competitiveness.
- Additionally, 4 clients received support for product nutritional analysis, crucial for marketing based on nutritional value. Product certification saw 46 clients obtaining certification from the Kenya Bureau of Standards (KEBS) to facilitate entry into formal markets through standardization, while 17 were aided in acquiring certification from the Kenya Plant Health Inspectorate Service (KEPHIS) for quality compliance in tree and fruit seedlings.



Efforts to penetrate international markets included supporting 4 clients with Global Gap certification and two with export licenses. Moreover, one client was assisted in obtaining NITA Certification to expand into farmer training, and two clients conducted soil and environmental impact assessments for production prerequisites.

### c) Access to Finance

While there were no new cases for Results Based Finding (RBF) approved during the reporting period, 121 new cases for Proof of Concept (PoC) were approved, amounting to Kes. 61,341,226.

PoC grant under Vijana na AgriBiz was approved to a tune of Kes. 6,750,000, of which Kes. 3,535,183 was disbursed during the reporting period.

Additionally, a total of Kes. 10,495,188 was committed to 33 schools for award to agricultural clubs in schools under the 4K-club Grants Awards.

## Investor Readiness Programme

The KCIC's Investor Readiness Programme aimed to boost clients' abilities to craft compelling pitch decks through a well-attended refresher session. The programme successfully met its goals,

enhancing investor readiness among participants.

Following this, KCIC launched a pioneering Investment Summit to bridge the gap between clients, investors, and industry players. The summit, held from October 4th to 6th, 2023, featured a preparatory bootcamp and established a comprehensive data room to support participants.

Over 500 stakeholders attended daily, facilitating networking and showcasing KCIC-supported green enterprises to potential investors. The event solidified KCIC's position as a significant player in the investment field.

Additionally, an investor readiness training was conducted in collaboration with, benefiting 89 entrepreneurs, while another 174 clients attended a bootcamp across 8 hubs. These sessions aimed at equipping entrepreneurs with skills to attract investment.

Post-summit, sponsored clients began around 50 investment discussions, leading to potential partnerships and negotiations with notable investors.



## Awareness creation and Partnerships

### a) Awareness and Sensitization:

The application period was used to raise awareness among potential applicants in the host and other supported counties. Notable awareness-raising efforts encompassed participation in market expos, where 297 clients showcased their work across 8 hubs, publication of success stories in communication channels such as the e-Alert and Live Green magazine, as well as through website blogs, newspapers, and social media. Engagements through speaking events, webinars, and media appearances on TV platforms, and in the newspapers further amplified program visibility. Policy forums and stakeholder meetings also contributed to these efforts.

### b) Partnerships and Collaborations

KCIC actively engaged in various partnerships and collaborations to support its AgriBiz programme. With the African Development Bank (AfDB) and African Guarantee Fund (AGF), a commitment was made to integrate clients into the AGF credit guarantee scheme and enhance capacity building for green SMEs.

Another significant collaboration was made with the World University Service of Canada (WUSC) as part of its 7-year Volunteer Cooperation Programme. This collaboration involved training clients on gender and social inclusion. It also involved applying for a partner innovation fund to facilitate training on Environmental, Social, and Governance (ESG) for SMEs.

Additionally, KCIC partnered with EU-funded programs and the Agricultural Sector Development Support Programme (ASDSP II) to enhance advocacy for sector-specific policies. They also strengthened advocacy platforms across several counties, including Kisii, Meru, Machakos, Uasin Gishu, and Bungoma. These efforts contributed to policy development and client support in these regions.

## Advocacy Work in the Counties

In order to adapt to the new priorities for county governments in the post-2022 political context, advocacy inception meetings were held across the eight host counties. The aim was to align priorities for the AgriBiz programme with those of the new devolved administrative units.



Aligned with its mission to promote an enabling policy environment for the practice of agribusiness, collaborations were made across the counties with other organizations and programmes for the development and implementation of agribusiness policies.

In Kisii county, extensive research and expert consultations were conducted to update the agribusiness policy and its implementation strategy to reflect new government priorities.

In Bungoma, the county government was supported to develop an agribusiness policy, together with other sector-related policies, bills, and strategies through collaboration with other partners.

The policy reform efforts involved several critical initiatives, such as engaging stakeholders, particularly Members of County Assemblies (MCAs), to secure policy endorsement and foster ownership and conducting interactive sessions to discuss draft policies with a focus on addressing sector challenges and leveraging collaborative opportunities.

The draft policy documents were finalized,

approved by the respective county executive committees, and were tabled in the county assemblies for debate and approval.

## Lessons Learned

Recent engagements by KCIC have highlighted the importance of adapting policies to fit the priorities of new county administrations. This often involves revisiting technical processes from previous administrations and making necessary adjustments.

However, this adjustment process can be challenging as new political leaders may initially resist policies from former regimes, and changes in key personnel often necessitate a phase of convincing stakeholders and securing their buy-in, which can delay program implementation.

In addition, changes in administrations at both national and county levels require renewed efforts in creating awareness and sensitization. These efforts are essential to address the turnover and changes at the technical level within governments, ensuring that new officials are informed and engaged with ongoing initiatives and programs.





## About the GreenBiz Programme

With financial support from Danida, KCIC is implementing a 5-year programme (2021-2025) named “Supporting Climate Technologies and Related Innovative Business Models”, also known as the ‘GreenBiz’ program.

Central to the ethos of the GreenBiz program is a strategic framework that places the integration of sustainable enterprise development and climate-conscious practices.

Acknowledging that the future landscape necessitates businesses to not only prosper economically but also significantly contribute to climate resilience, the GreenBiz program employs a multi-faceted approach designed to suit the diverse needs of local enterprises as they navigate their unique growth trajectories.

The GreenBiz programme focuses on five climate mitigation and adaptation sectors, chiefly: Renewable Energy & Energy Efficiency, Water Management, Waste Management, Commercial Forestry, and Agribusiness.

By prioritising these sectors, GreenBiz aims to leverage innovation, sustainable practices, and responsible stewardship for positive environmental, economic, and social impact. This effort paves the way for a more resilient and ecologically balanced future, where clean energy, efficient resource use, responsible land management, and eco-conscious business practices contribute to the creation of a sustainable world.

The overall goals is to contribute to Increased commercialization, innovation, scale-up and uptake of climate solutions, which generate decent jobs and contribute to local climate mitigation and adaptation.



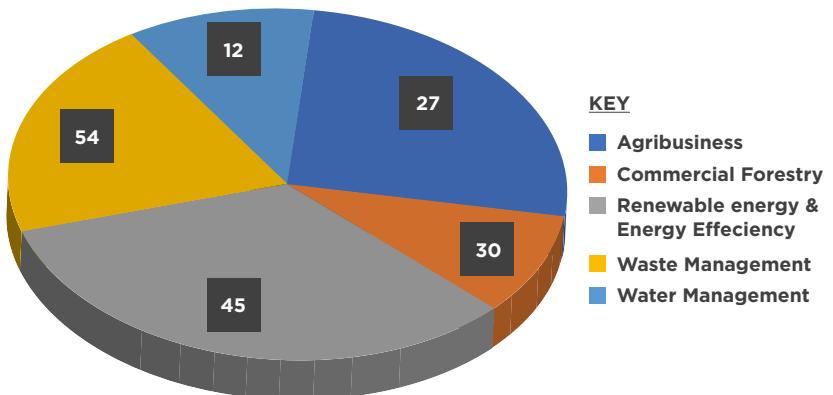
## Portfolio Composition

Clients are rigorously selected for a year-long engagement through a competitive process, evaluating climate impact, revenue, scalability, entrepreneurial commitment, and social impact. Selected businesses are placed into either incubation or acceleration streams to receive specialized support tailored to their stage of development.

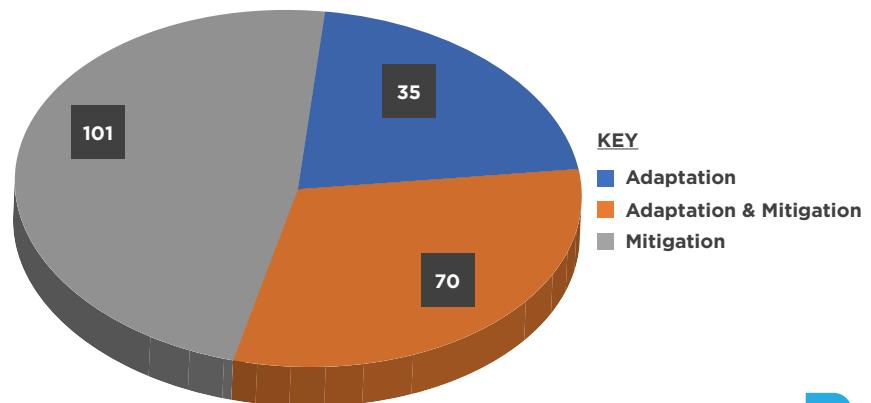
Incubation focuses on nurturing early-stage ideas with mentorship and resources, while acceleration offers growth-ready businesses advanced mentorship and networking opportunities. This approach aims to foster resilient growth and meaningful climate action by providing targeted assistance.

During the reporting period, the program welcomed 206 businesses across three cohorts: 60 in 2021, 50 in 2022, and 96 in 2023. The third application round in January 2023 attracted 706 submissions, with 661 (94%) meeting the eligibility criteria and judged on impact, job creation, commitment, innovation, and progress. Of these applications, 96 enterprises were eventually admitted into the cohort.

a) Portfolio composition by sector

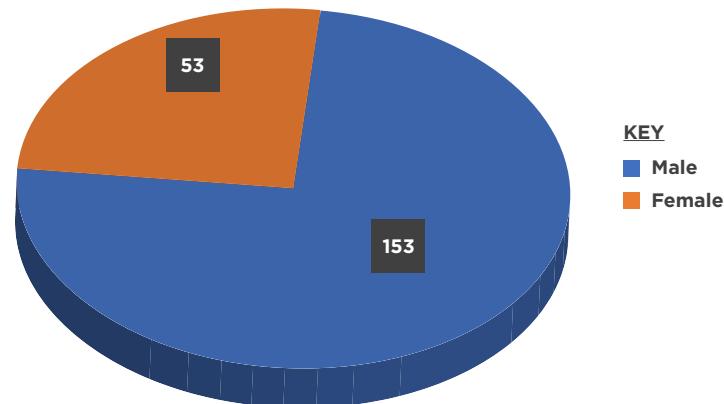


b) Portfolio composition by climate response



### c) Portfolio composition by gender

For the new cohort onboarded in June 2023, female clients constituted 26 percent of the cohort while their male counterparts formed 74 percent. The total number of female-led enterprises now stands at 53 out of a total of 206 businesses as shown in the figure below.



### Client Servicing

Comprehensive client support services were offered with the aim of addressing specific needs identified during gap analysis. Services are delivered via business incubation and acceleration programmes based on detailed work plans agreed upon with clients. The main services offered included:

- **Business Advisory Services:** which comprised of tailored one-on-one mentorship, business training, and technical training covering business sustainability, strategy development, financial management, human resource management, and climate-smart innovations.
- **Access to Information:** Provision of market intelligence, sector trend analysis, competitive landscape data, and technical assistance to foster informed decision-making.
- **Access to Facilities:** Offers office and networking space, certifications (IPR, KEBS, HACCP), and product development support with partners like Gearbox and KIRDI.



- **Access to Finance:** Supports early-stage companies with financing options such as Proof-of-Concept financing, matching grant financing, and third-party financing.
  - **Mentorship programme-** A cohort of 50 businesses underwent a 10-month comprehensive mentorship, aimed to facilitate the adoption of innovative business models and expansion into new markets. Experienced business mentors, well-versed in KCIC's five thematic areas, provide technical advice and personalized guidance, enhancing mentees' efficiency, product quality, and market competitiveness. The mentorship also incorporated practical bootcamps covering topics like go-to-market strategies, pricing, governance, and sustainability. The overall goal was to improve the mentees' technical skills, financial performance, and capacity to navigate business challenges, thereby accelerating growth and profitability.
- The programme's success is evident in its significant contributions to job creation and the generation of substantial revenue and funding for participating businesses.
- **Technical Assistance-** KCIC provides tailored technical assistance to businesses, enabling them to meet government regulatory standards and commercialise their products effectively. This bespoke support, adapted to each business's stage and needs, includes collaborations with third-party service providers and government agencies for product development and standardization. Specific technical services provided range from obtaining standardization marks from KEBS, conducting environmental impact assessments with NEMA, to more diverse supports such as financial audits, soil testing, certifications, website and branding, and specialized training in areas like solar energy and animal feed formulation.



## Clients access to financial opportunities

The aim of the access to finance component is to close a gap in the market, where a higher risk appetite should be applied, compared with the typical commercial financial sector. This enables early-stage enterprises supported within the programme to move from ideation to actualisation and/or commercialisation (making sales and generating revenue) with the aim of de-risking them, in preparation for follow-on commercial financing.

During the reporting period, 32 new cases were approved to the tune of Kes. 16,390,000 for proof of concept and Kes. 49,926,650 for matching grants.

Additionally, KCIC supported clients through proposal writing, development of pitch decks and referrals/recommendation to third party financiers in the ecosystem. The core function of business system development for the supported clients is meant to make these businesses attractive to investors/financiers.

During the period, 32 clients were supported to secure external funding totalling to Kes. 149,855,565

## Information, Knowledge Dissemination and Awareness

This section details the information, knowledge dissemination, and awareness activities undertaken during the period. KCIC focused on documenting and reviewing case and sector studies pertinent to sustainable practices and green economy milestones within Kenya's Vision 2030 framework.

Notable studies included the commercialization of organic fertilizer and clean energy innovation policies in emerging economies. These studies were validated through forums with diverse stakeholders, confirming the relevance of the findings and securing governmental support for organic fertilizer commercialization.

Furthermore, KCIC engaged in policy dialogues, notably at the People Dialogue Festival, where discussions centered on green growth and locally led climate solutions. These dialogues aimed to



align Kenya's development with sustainable and green growth goals under the SDG framework, emphasizing the role of the private sector and local governance.

The chapter also highlights KCIC's efforts in facilitating discussions on renewable energy uptake, with a focus on solar drying technologies and pay-as-you-go solar models. These discussions sought to address quality standards, misinformation, and the efficient use of solar technology in agriculture and household energy.

Additionally, KCIC contributed to national policy discussions, providing submissions on the National Green Fiscal Incentives Policy and the Climate Change (Amendment) Bill, aiming to influence fiscal policies and legislative frameworks towards a greener economy.

Overall, KCIC's activities under this chapter were directed towards fostering a better-informed public and policymaker audience, facilitating a deeper understanding and implementation of sustainable practices across various sectors of the Kenyan economy.

## **Strengthening Clients' institutional Capacities to Adopt UN Framework on Human Rights and Gender**

KCIC is partnering with the Kenyan Chapter of the UN Global Compact to develop and implement guidelines on human rights and gender equality, integrating these principles across all programme activities.

This initiative has included significant training for both staff and clients. GreenBiz staff received extensive training on gender-sensitive programming to better support beneficiaries, while 119 clients were trained on gender equality, human rights, and decent employment to enhance their capability in managing sustainable business practices.

Additionally, these clients were assisted in developing gender and safeguarding policies aimed at creating inclusive and equitable work environments. A key event was the 2023 KCIC Investment Summit, which highlighted the financial challenges faced by women entrepreneurs, featuring discussions, and showcasing female clients' achievements.



This comprehensive approach has not only strengthened the clients' institutional capacities but also marked significant milestones in promoting gender diversity and human rights in the business sector. Recommendations for 2024 include establishing a robust monitoring and evaluation framework to track the impact of these initiatives and further developing gender-sensitive measures to ensure ongoing support and effectiveness of the programme.

## Outcome Reporting

The GreenBiz programme is dedicated to promoting climate mitigation and adaptation strategies through targeted enterprise support. In 2023, the programme engaged 101 clients in mitigation efforts, focusing on cleaner fuels and e-mobility, and 35 in adaptation initiatives related to climate-smart agriculture in arid regions, with an additional 70 clients involved in both initiatives.

Utilizing UNFCCC standards, KCIC measured the impact of these enterprises, particularly noting the success in distributing low-carbon energy solutions such as solar products and efficient cookstoves. This year, 30 clients were supported in the renewable energy sector to enhance their

market presence and product visibility.

KCIC's efforts in climate resilience involved training and equipping 1,981 new farmers with innovative farming technologies and practices to enhance productivity and sustainability. They facilitated the commercialization of climate-resilient practices like drought-tolerant crops and solar-powered irrigation, which significantly bolstered agricultural resilience. Additionally, KCIC's support extended to the waste management sector, where 64 clients were supported to adopt circular business models to minimize landfill waste, significantly reducing greenhouse gas emissions.

Throughout the year, KCIC's initiatives resulted in substantial outcomes: they enabled the commercialization of green businesses, increased client revenues to USD 1,610,144, and engaged with 23,148 customers.

Moreover, their efforts contributed to the creation of 1927 new jobs, highlighting the programme's substantial impact on economic and environmental sustainability. With a focus on continuous improvement, KCIC plans to enhance their monitoring and evaluation frameworks to better track the effectiveness of their interventions in fostering a green economy.



# Financial Report

## Kenya Climate Innovation Center and Subsidiary

(A Company Limited by Guarantee)

Consolidated Annual Financial Statements for the year ended June 30, 2023

### Directors' Report

#### 4. Statement of disclosure to the company's auditor

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the director is aware, no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### 5. Terms of appointment of the auditor

Grant Thornton LLP continues in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

#### 6. Approval of annual financial statements

The consolidated annual financial statements set out on pages 9 to 45, which have been prepared on the going concern basis, were approved by the board of directors on 20<sup>th</sup> February 2024, and were signed on its behalf by:

BY ORDER OF THE BOARD



Secretary



# **Kenya Climate Innovation Center and Subsidiary**

(A Company Limited by Guarantee)

Consolidated Annual Financial Statements for the year ended June 30, 2023

## **Statement of Directors' Responsibilities**

The Kenyan Companies Act, 2015 requires the directors to prepare consolidated annual financial statements for each financial year that give a true and fair view of the financial position of the group as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the group maintains proper accounting records that are sufficient to show and explain the transactions of the group and disclose, with reasonable accuracy, the financial position of the group. The directors are also responsible for safeguarding the assets of the group, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these consolidated annual financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of consolidated annual financial statements that are free of material misstatement, whether due to fraud or error;
- selecting suitable accounting policies and applying them consistently; and
- making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the group's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the group's ability to continue as a going concern.

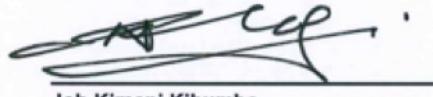
The directors acknowledge that the independent audit of the consolidated annual financial statements does not relieve them of their responsibilities.

The consolidated annual financial statements set out on pages 9 to 45, which have been prepared on the going concern basis, were approved by the board of directors on 20th February 2024 and were signed on their behalf by:



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Prof. Izael Pereira Da Silva  
(Chairman Board of Directors)



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Job Kimani Kihumba  
(Director)



## Kenya Climate Innovation Center and Subsidiary

(A Company Limited by Guarantee)

Consolidated Annual Financial Statements for the year ended June 30, 2023

### Statement of income and expenditure

Figures in Shillings	Note(s)	Group		Company	
		2023	2022	2023	2022
Receipt from Royal Danish Embassy	3	123,682,563	192,427,957	103,601,332	174,376,920
Receipts from AgriBiz project	4	410,149,126	393,246,120	410,149,126	393,246,120
Bank interest income	9,584,195	7,518,426	7,402,321	3,279,726	
IKEA foundation grant income	5	53,055,289	5,330,261	53,055,289	5,330,261
Receipt from WUSC	-	-	-	-	-
Other income	6	57,690,319	98,436,480	24,721,623	85,663,693
Loan interest income	7	32,551,906	35,612,393	6,552,930	7,299,200
UNDP GreyAP project income	8	3,897,585	16,218,415	3,897,585	16,218,415
<b>Total income</b>		<b>690,610,983</b>	<b>748,790,052</b>	<b>609,380,206</b>	<b>685,414,335</b>
Other projects funded expenses	9	(56,327,936)	(91,433,430)	(56,327,935)	(91,433,430)
AgriBiz project expenses	10	(411,528,606)	(393,246,120)	(410,149,127)	(393,246,120)
Bank charges		(206,014)	(187,244)	(206,014)	(187,244)
Foreign exchange loss on KCIC funds		6,870,633	1,411,506	6,870,633	1,411,506
Foreign exchange loss on KCVF project funds	-	-	829	-	829
Expected credit loss - AgriBiz RBF loans		(42,318,322)	(63,345,864)	(42,318,322)	(63,345,864)
Climate technologies and related innovative business models project expenses	11	(103,601,333)	(112,979,102)	(103,601,332)	(112,979,102)
IKEA foundation expenses	12	-	(5,330,261)	-	(5,330,261)
Impairment of investment in associate	19	-	865,815	-	865,815
Impairment of investment of subsidiary	30	(6,937,228)	-	(6,937,228)	(22,493,591)
Company contribution to UNDP GREYAP program expenses		(726,178)	-	(726,178)	-
Kenya Climate Ventures Limited expenses		2,446,020	(128,008,001)	-	-
Impairment of unquoted investment	16	(8,505,222)	-	-	-
UNDP GREYAP Program expenses	8	(3,897,585)	(16,218,415)	(3,897,585)	(16,218,415)
<b>Total expenses</b>		<b>(624,731,771)</b>	<b>(808,470,287)</b>	<b>(617,293,088)</b>	<b>(702,955,877)</b>
<b>Operating profit (loss)</b>		<b>65,879,212</b>	<b>(59,680,235)</b>	<b>(7,912,882)</b>	<b>(17,541,542)</b>
Gain on cessation of control of the subsidiary	-	-	22,554,620	-	-
Deficit for the year		65,879,212	(37,125,615)	(7,912,882)	(17,541,542)
Taxation	13	-	-	-	-
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income (loss) for the year</b>		<b>65,879,212</b>	<b>(37,125,615)</b>	<b>(7,912,882)</b>	<b>(17,541,542)</b>

## Kenya Climate Innovation Center and Subsidiary

(A Company Limited by Guarantee)

Consolidated Annual Financial Statements for the year ended June 30, 2023

### Statement of Financial Position as at June 30, 2023

Figures in Shillings	Note(s)	Group		Company	
		2023	2022	2023	2022
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property and equipment	14	42,338,037	46,708,823	38,798,859	45,233,217
Right-of-use assets	15	39,326,935	47,713,679	37,591,290	43,374,566
Unquoted investments	16	3,894,778	-	-	-
Intangible assets	17	1,585,507	2,921,422	-	32,785
Investments in subsidiary	18	-	-	100,000	100,000
Investments in associates	19	11,800,000	11,800,000	11,800,000	11,800,000
Loans to group companies	20	-	12,317,188	-	12,317,188
		<b>98,946,257</b>	<b>121,461,112</b>	<b>88,290,149</b>	<b>112,857,756</b>
<b>Current Assets</b>					
Other receivables	21	46,619,027	32,767,494	40,312,101	28,113,095
Current tax receivable	31	2,170,934	2,139,714	-	-
Proof of concept grants	23	57,132,717	56,311,856	51,097,693	56,311,856
Loans and advances	24	211,153,188	166,765,692	49,416,763	40,567,111
Cash and cash equivalents	22	488,719,998	440,631,454	403,667,867	360,879,447
		<b>805,795,864</b>	<b>698,616,210</b>	<b>544,494,424</b>	<b>485,871,509</b>
<b>Total Assets</b>		<b>904,742,121</b>	<b>820,077,322</b>	<b>632,784,573</b>	<b>598,729,265</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Capital reserve account	25	38,947,209	45,411,362	38,947,209	45,411,362
General fund		183,559,864	116,223,051	(65,891,466)	(57,978,584)
		<b>222,907,073</b>	<b>161,634,413</b>	<b>(26,944,257)</b>	<b>(12,567,222)</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Lease liabilities	26	52,938,911	57,865,783	52,938,911	53,429,208
<b>Current Liabilities</b>					
Accounts and other payables	27	26,529,003	59,887,291	10,309,802	19,906,916
Lease liabilities	26	12,133,379	8,899,496	10,234,423	8,899,496
Deferred donor income	28	548,047,259	503,698,256	543,659,198	500,968,784
Gratuity	29	42,586,496	28,092,083	42,586,496	28,092,083
		<b>629,296,117</b>	<b>600,577,126</b>	<b>606,789,919</b>	<b>557,867,279</b>
<b>Total Liabilities</b>		<b>682,235,048</b>	<b>658,442,909</b>	<b>659,728,830</b>	<b>611,296,487</b>
<b>Total Equity and Liabilities</b>		<b>904,742,121</b>	<b>820,077,322</b>	<b>632,784,573</b>	<b>598,729,265</b>

The consolidated annual financial statements and the notes on pages 9 to 2, were approved by the board of directors on 20th February 2024 and were signed on its behalf by:

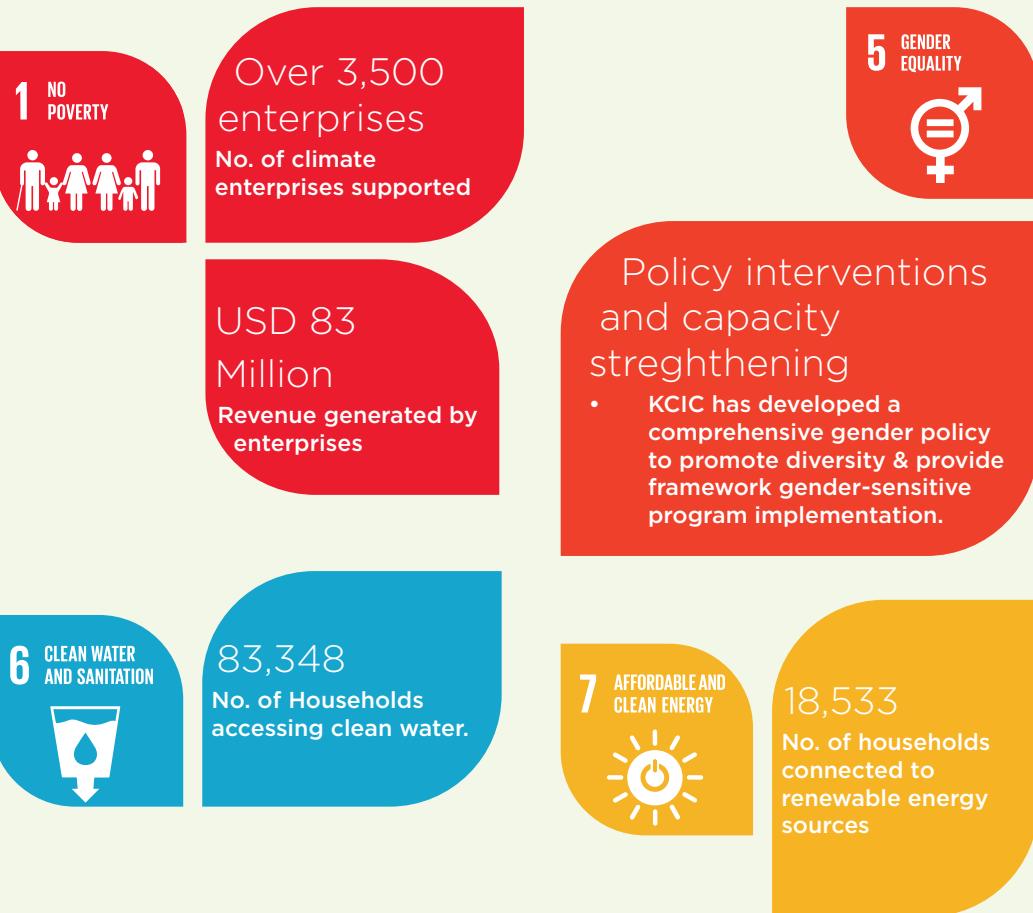
Prof. Izael Pereira Da Silva  
(Chairman Board of Directors)

Job Kimani Kihumba  
(Director)

## KCIC SDG Milestone Tracker

At Kenya Climate Innovation Center, we evaluate the impact of our work by measuring our programmes against achievement of particularly UN's Sustainable Development Goals. Our work is anchored on the 5 pillars, also known as 5 Ps of sustainable development, they are: People, Planet, Prosperity, Peace and Partnerships, with Sustainability sitting at the core of each. This helps us measure our progress and track our contribution to the UN's Sustainable Development Goals.

Evaluations done across KCIC programmes since 2012 show the impact against the following Goals:



**8** DECENT WORK AND ECONOMIC GROWTH



**57,517**  
Jobs created (56% women jobs)

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**57,517**  
Jobs created (56% women jobs)

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**132**  
Enterprises  
No of enterprises supported under waste management

**10** REDUCED INEQUALITIES



Initiatives to empower and promote socio-economic inclusion

KCIC has implemented programs mainly targeted at women and youth. AgriBiz for example, has supported over 2,100 such ventures.

**13** CLIMATE ACTION



**507,149** tonnes mitigated  
Reduction in GHG emissions from supported projects (in tonnes)

**17** PARTNERSHIPS FOR THE GOALS



**42** strategic partnerships  
Strategic partnerships established with stakeholders





# Looking Ahead

## KCIC in 2024 and Beyond

At KCIC, we see the climate change challenge as an opportunity. An opportunity for innovative, creative, and sustainable solutions. In the words of the CEO, Joseph Murabula, Small and Medium-sized Enterprises (SMEs) in the climate space are our front-line warriors against climate change. They innovate. They pioneer sustainable practices. They are our bridge to a greener future. So what efforts do we intend to put in place to intensify our activities in this regard?

**2025-2030 Strategic Plan:** After 12 years of operation in the climate space, it is time to once again redefine the KCIC of the future. KCIC 4.0 will do just that, shaping the direction of the organization from 2025 and beyond.

**Funding and Partnership Building:** While KCIC remains a pioneering force in driving climate innovation and sustainable development, we have not been able to absorb all promising enterprises in the climate space. On average, only 10% of applicants are absorbed into our programmes. This is largely because of funding capacity.



KCIC will therefore be looking to diversify its funding and partnership base to include international development agencies, institutional funders and philanthropic organisations. Moreover, to bolster KCIC's financial sustainability and continuity of programs implemented, the organization will also set up a KCIC revolving fund.

### **Building Climate Entrepreneurship Regionally:**

With an existing footprint in the East African region, KCIC will look to consolidate opportunities in climate entrepreneurship from a regional perspective. This will especially come in handy towards the implementation of KCIC 4.0, which will have a regional outlook.

**Governance and Accountability:** We look to improve the governance, management, and accountability structures for KCIC and its subsidiaries. This will go a long way in enhancing

operational efficiency, maintaining public and stakeholder trust, efficiency in management of resources, strategic decision making, risk mitigation, staying true to mission, and maximising impact.

**Increase in Programmes:** KCIC will work to develop stand-alone programmes for each of KCIC's thematic areas, i.e Agribusiness, Renewable Energy and Energy Efficiency, Waste Management, Water, and Commercial Forestry. This will maximize impact and catalyze a demonstration effect of the potential in climate innovation and entrepreneurship.

By 2030, KCIC looks to support support 12,000 new green businesses, create 72,000 full-time jobs in the green economy, and mitigate 1.2 Million tonnes of CO<sub>2</sub> through our interventions.



# KCIC partners

No one can whistle a symphony. It takes an orchestra. These are some of the partners we have collaborated with over the years to bring our mission to life.



MINISTRY OF FOREIGN AFFAIRS  
OF DENMARK  
*Danida*



**AUTODESK**



**IKEA Foundation**



**THE WORLD BANK**



**Strathmore**  
UNIVERSITY



Kenya Bureau  
Standards  
Standards for Quali



ClimateLaunchpad



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