



**Kenya National Innovation Agency**

**Innovation Masterplan,**

**Concept Note**

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# 1 INTRODUCTION

## i. Background

Kenya's prospects for improved competitiveness and economic growth rely, to a great degree, on science, technology and innovation. Most Kenyan industries rely heavily on human capital and technological innovations. The Kenya National Innovation Agency (KeNIA)<sup>1</sup> – a state corporation mandated to develop and manage the national innovation systems aims to take a lead role in transforming the innovation landscape in the country. In this regard, it is shaping interventions to drive Kenya's innovation ecosystem transformation and strengthen interrelationships between actors in order to promote innovation and enterprise development out of research and ideas.

An innovation ecosystem comprises two distinct and traditionally separate economies – the research economy and the commercial economy.<sup>2</sup> However, for the success of the general ecosystem, the two contemporary inseparable economies must function seamlessly.

For Kenya to rise to the global challenge, the government must urgently bridge the gap between the research economy and the commercial economy within the innovation ecosystem. It must confront the failure of the various research institutions to commercialise research.

While the country's Science, Technology and Innovation system has taken notable strides forward over the years; there is a big gap between Kenya and other developed countries. To close this gap, KeNIA must become more focused on long-range objectives, including urgently confronting Kenya's failure to commercialise research, organizing the innovation ecosystem and mapping out and documenting the roles of the relevant stakeholders within the ecosystem.

## ii. Kenya's innovation outlook

For the purpose of this Innovation masterplan, Kenya's innovation ecosystem is deemed to comprise of three interlinked components;

- ✓ The developer (D).
- ✓ The intermediary (I).

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<sup>1</sup> Kenya National Innovation Agency <https://www.innovationagency.go.ke/>

<sup>2</sup> Phillips F, Park S, Lee E. Innovation ecosystems: A critical examination. Technovation. 2016 Aug 1;54:1–6.

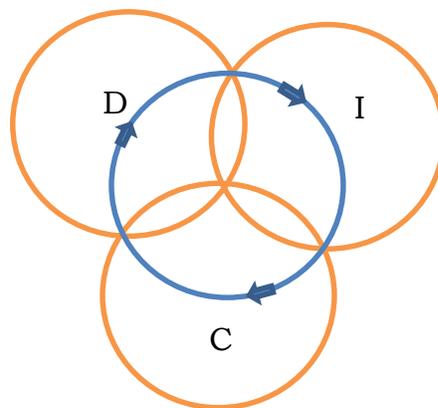
✓ The buyer/consumer (C).

The developer (D) are the institutions that come up with research outputs and/or ideas that can be commercialised. These institutions include; Universities, Research institutes, TVETs, learning institutions etc. An individual innovator also falls in this category.

The intermediary (I) are the various players within the ecosystem who support the upscaling and commercialization of the innovations/research. These include Angel investors, Venture capitalists, Development partners, financial institutions, Accelerators, Incubators, Government agencies etc.

The buyer or the consumer (C) is the market. This is fairly disruptive in the Kenyan context.

The three components are interlinked are shown in the diagram below.



***Fig. 1: Kenya's interlinked innovation ecosystem***

## **2 ABOUT THE INNOVATION MASTERPLAN**

The purpose of the Innovation Masterplan that KeNIA targets to come up with is to help Kenya transform the country's disruptive innovation ecosystem into a vibrant innovation ecosystem.

The agency aims to drive Kenya's innovation ecosystem transformation towards the knowledge economy, in which a network of research centers, universities,

think tanks, private enterprises and community groups are able to tap into the growing stock of global knowledge, assimilate and adapt it to local needs.<sup>3</sup>

The plan builds on previous works undertaken by the National Commission for Science Technology and Innovation (NACOSTI)<sup>4</sup>, ministry of ICT, and other players within the ecosystem. It is not, however, a mere compilation of existing initiatives. Instead, it is a critical assessment of the principal challenges the ecosystem grapples with today, the actions that we need to take to positively impact the ecosystem and our projections of an ideal ecosystem within a defined timeline – where we want to see the Kenyan innovation ecosystem in a decade’s time.

The key objective of this plan is to articulate a national path of innovation, govern and regulate the innovation ecosystem, and describes a future in which Kenya’s research outputs are commercialised and appeal to the local buyer.

As encouraging as Kenya’s budding innovation ecosystem is, business and government leaders are quick to point out that this is just the start. A host of daunting challenges must be overcome before healthy, large-scale innovation ecosystems will be able to flourish. Three critical shortages have been previously identified: skills, venture capital and a culture that encourages innovation fueled by limited policies directly supporting innovation.<sup>5</sup>

This Innovation Masterplan helps to map the critical innovation ecosystem players, identify existing gaps and propose ways on how to encourage sectoral growth to enhance the competitiveness of the economy. It is central to the country’s prospects for continued economic growth and socioeconomic development.

### **3 STRATEGIES**

#### **i. Governance of the ecosystem**

Under the Science, Technology and Innovation (STI) Act, No. 28 of 2018<sup>6</sup> that established the Kenya National Innovation Agency, the agency is mandated to

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<sup>3</sup> The Four Pillars of the Knowledge Economy [https://web.worldbank.org/archive/website01503/WEB/0\\_CO-10.HTM](https://web.worldbank.org/archive/website01503/WEB/0_CO-10.HTM)

<sup>4</sup> National Commission for Science Technology and Innovation <https://www.nacosti.go.ke/>

<sup>5</sup> The Innovation Ecosystem in Kenya: Africa’s Silicon Savannah [https://fingo.fi/wp-content/uploads/2021/01/innovation-ecosystem-kenya\\_0.pdf](https://fingo.fi/wp-content/uploads/2021/01/innovation-ecosystem-kenya_0.pdf)

<sup>6</sup> Science Technology and Innovation ACT 2013

develop and manage the national innovation system, and is responsible for coordination, promotion and regulation of the National Innovation Ecosystem.

The Kenyan innovation ecosystem has no regulation whatsoever for the setting up and functioning of the innovation hubs, incubators and accelerators. There is therefore a huge gap that the innovation masterplan aims to bridge. The masterplan should also be able to clearly articulate the roles of each ecosystem player in the country.

#### ii. Commercialization

Innovation ecosystems are economic engines for creating new ideas and scaling existing innovations with high potential. They provide the web of support that makes it easier for innovative start-ups to launch and grow quickly, and for established organizations to pivot on and innovate more aggressively.<sup>7</sup>

Robust policies are essential in ensuring the innovation/research commercialization path is streamlined. The policies can be internal/institutional or state legislations. A good example of these policies includes the Intellectual Property policy championed by NACOSTI and the World Intellectual Property Organization (WIPO)<sup>8</sup>.

The Innovation masterplan also aims to come up with recommendations on how to increase uptake of local goods/innovations, and strategies on how to revolutionize the existing market and sensitize both the innovator and the local consumer.

#### iii. Startups

In the Kenyan context, the term startup still remains ambiguous. The innovation masterplan aims to concretely define what a startup is. Borrowing on the Kenya's Startup Bill 2020, the masterplan will put strategies on how to consolidate the existing data of startups into a publicly accessible database. The masterplan will also address regulation of the whole startup ecosystem.

#### iv. Skills and talent

Innovative mindsets and skills are necessary to spur creation of products and services that are truly problem based and have the potential to impact society.

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<sup>7</sup> The Innovation Ecosystem in Kenya: Africa's Silicon Savannah [https://fingo.fi/wp-content/uploads/2021/01/innovation-ecosystem-kenya\\_0.pdf](https://fingo.fi/wp-content/uploads/2021/01/innovation-ecosystem-kenya_0.pdf)

<sup>8</sup> World Intellectual Property Organization <https://www.wipo.int/portal/en/index.html>

KeNIA strives to support the inculcation of relevant skills such as human centered design, design thinking, problem based learning, intellectual property management, innovation leadership, 21st century skills, value proposition development, business modeling among others, to the broader community in the country.

The innovation masterplan comes in handy to give guidelines on how the agency can effortlessly achieve the targets outlined above and plugs into the ministry of Education’s vision for Competency Based Curriculum (CBC).

v. Tools

#### **4 DEVELOPMENT OF THE INNOVATION MASTERPLAN**

The Kenya National Innovation Agency (KeNIA) will execute the development of the innovation masterplan both by its internal team and a team of experts drawn from its pool of experts. This is due to the agency’s human capacity.

#### **5 FUNDING**

The Kenya National Innovation Agency will work with development partners and like-minded individuals to ensure this innovation masterplan is delivered. The funding may be both in kind and monetary.

#### **6 TIMELINE**

The development of the innovation masterplan is expected to run from January 2022 to November 2022.

The agency plans to launch the final masterplan at the second Kenya Innovation Week to be held in November 2022.

### **8. ANNEXURE**

#### **a. Implementation schedule for the Innovation masterplan**

The table below provides the activities and timelines for the implementation of the innovation master plan.

#	Activities	January to December 2022											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Nov	Dec	
1.	Innovation Master plan Concept Note												

#	Activities	January to December 2022											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Nov	Dec	
	design and socialization;												
2.	Constitution of the Innovation Master development technical team												
3.	Development of the Innovation Master Plan draft (Review of relevant literatures and development of conceptual framework, data collection, stakeholder workshops.... Any other activity)												
4.	Review and iteration of the draft master plan (including stakeholder engagement, buying, positioning and packaging)												
5.	Launch and socializing												

## **9. REFERENCE**

1. Fingo, The Innovation Ecosystem in Kenya: Africa's Silicon Savannah retrieved at [https://fingo.fi/wp-content/uploads/2021/01/innovation-ecosystem-kenya\\_0.pdf](https://fingo.fi/wp-content/uploads/2021/01/innovation-ecosystem-kenya_0.pdf)
2. Science Technology and Innovation ACT 2013
3. Phillips F, Park S, Lee E. Innovation ecosystems: A critical examination. Technovation. 2016 Aug 1;54:1-6.